SKYCHAIN TECHNOLOGIES INC.

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021 AND 2020

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Skychain Technologies Inc.

Opinion

We have audited the consolidated financial statements of Skychain Technologies Inc. and its subsidiaries (the "Company") which comprise the consolidated statements of financial position as at March 31, 2021 and 2020, and the consolidated statements of loss and comprehensive loss, changes in equity (deficiency) and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Emphasis of Matter – Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information, which is comprises of the information included in the Management's Discussion and Analysis to be filed with the relevant Canadian Securities Commissions.

Our opinion on the consolidated financial statements does not cover the other information and do not and will not express any form of assurance conclusion thereon. In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit and remain alert for indicators that the other information appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report. We have nothing to report in this regard.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Paul Joseph Leedham.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
July 29, 2021

SKYCHAIN TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
AS AT MARCH 31, 2021 and 2020

		2021		2020
ASSETS				
Current				
Cash	$	2,926	$	118,159
Receivables (Note 7)		58,234		146,991
Prepaid expenses (Note 8)		51,375		196,416
Total current assets		112,535		461,566
Reclamation deposits (Note 6)		15,000		15,000
Right-of-use assets (Note 9)		44,574		139,849
Net investment in sublease (Note 9)		-		82,679
Hosting equipment deposit (Note 8)		236,100		-
Hydro infrastructure deposit (Note 8)		220,125		-
Property and equipment (Note 10)		890,112		1,041,509
Total assets	$	1,518,446	$	1,740,603
LIABILITIES AND EQUITY (DEFICIENCY)				
Current				
Accounts payable and accrued liabilities	$	1,274,383	$	951,391
Loans from related parties (Note 14 and 17)		461,724		-
Due to related parties (Note 17)		156,477		34,471
Customer deposits (Note 12)		291,930		504,975
Short-term loan (Note 13)		132,811		-
Subscription repayable (Note 16)		286,729		-
Convertible loan (Note 14)		-		131,508
Short-term lease liabilities (Note 9)		48,790		161,785
Unearned revenue		6,288		7,958
Total current liabilities		2,659,132		1,791,888
Long-term loan (Note 13)		-		119,248
Government loan (Note 15)		31,306		-
Long-term lease liabilities (Note 9)		-		68,235
Total liabilities		2,690,438		1,979,371
Equity (deficiency)				
Share capital (Note 16)		8,559,515		8,214,788
Reserves (Note 14 and 16)		356,764		356,764
Share subscriptions receivable (Note 16)		-		(8,000)
Share subscriptions received in advance (Note 16)		-		40,800
Accumulated other comprehensive income		1,296		5,856
Deficit		(10,089,567)		(8,848,976)
		(1,171,992)		(238,768)
Total liabilities and equity (deficiency)	$	1,518,446	$	1,740,603

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)
CONTINGENCIES (Note 21)
EVENTS SUBSEQUENT TO THE REPORTING PERIOD (Note 23)

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

SKYCHAIN TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)
FOR THE YEARS ENDED MARCH 31, 2021 and 2020

		2021		2020
REVENUE				
Hosting services	$	2,529,131	$	2,580,164
Sales of goods		36,000		161,772
Consulting income		-		5,000
		2,565,131		2,746,936
COSTS OF OPERATIONS				
Costs of goods sold		(48,792)		(85,497)
Amortization of property and equipment (Note 10)		(154,572)		(793,629)
Hosting operation costs		(2,719,654)		(2,530,756)
		(357,887)		(662,946)
EXPENSES				
Accounting fees (Note 17)		133,420		96,478
Accretion and interest on loans and lease liabilities (Notes 9 and 14)		54,129		43,541
Amortization of property and equipment (Note 10)		5,953		5,953
Business Development		95,703		-
Depreciation of right-of-use assets (Note 9)		143,786		59,757
Consulting (Note 17)		60,673		8,980
Legal fees		30,825		98,787
Marketing and corporate communication		53,415		3,509
Office and miscellaneous		41,634		46,634
Registration and filing fee		14,553		5,770
Salary and benefits (Note 17)		681,687		223,059
Transfer agent		6,791		11,406
Travel		22,796		25,041
Shipping and freight		35,026		-
		(1,380,391)		(628,915)
Loss before other items		(1,738,278)		(1,291,861)
OTHER ITEMS:				
Government assistance (Note 15)		161,743		-
Gain on sale of assets		264,385		-
Gain on early termination of sublease (Note 9)		45,734		-
Gain on debt settlement		23,687		11,813
Deposit write-off		-		(75,159)
Interest income from sublease (Note 9)		2,138		13,210
Net loss for the year		(1,240,591)		(1,341,997)
Other comprehensive income (loss)				
Foreign currency translation adjustment		(4,560)		6,841
Comprehensive loss for the year	$	(1,245,151)	$	(1,335,156)
Loss per share – basic and diluted	$	(0.09)	$	(0.17)
Weighted average number of common shares outstanding		14,090,048		7,959,976

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

SKYCHAIN TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
(Expressed in Canadian dollars)

	Share Capital				Reserves				
	Number of shares	Amount	Share subscription received in advance	Share subscription receivable	Equity component of convertible loan	Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total
Balance at March 31, 2019	**6,390,197**	**$ 7,945,047**	**-**	**-**	**-**	**175,458**	**(985)**	**(7,497,916)**	**621,604**
Impact of adoption of IFRS 16	-	-	-	-	-	-	-	(9,063)	(9,063)
Private placement, net of issuance costs	4,032,000	193,200	-	(8,000)	-	102,000	-	-	287,200
Debt settlements	1,530,810	76,541	-	-	-	64,728	-	-	141,269
Warrant exercise proceeds received in advance	-	-	40,800	-	-	-	-	-	40,800
Equity component of convertible loan (Note 14)	-	-	-	-	14,578	-	-	-	14,578
Net loss	-	-	-	-	-	-	-	(1,341,997)	(1,341,997)
Foreign currency translation adjustment	-	-	-	-	-	-	6,841	-	6,841
Balance at March 31, 2020	**11,953,007**	**$ 8,214,788**	**$ 40,800**	**$ (8,000)**	**$ 14,578**	**$ 342,186**	**$ 5,856**	**$ (8,848,976)**	**$ (238,768)**
Share subscription received	-	-	-	8,000	-	-	-	-	8,000
Warrant exercises	1,580,000	94,800	(40,800)	-	-	-	-	-	54,000
Private placement, net of issuance costs	1,250,000	249,927	-	-	-	-	-	-	249,927
Equity component of convertible loan (Note 14)	-	-	-	-	(14,578)	14,578	-	-	-
Net loss	-	-	-	-	-	-	-	(1,240,591)	(1,240,591)
Foreign currency translation adjustment	-	-	-	-	-	-	(4,560)	-	(4,560)
Balance at March 31, 2021	**14,783,007**	**$ 8,559,515**	**$ -**	**$ -**	**$ -**	**$ 356,764**	**$ 1,296**	**$ (10,089,567)**	**$ (1,171,992)**

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

SKYCHAIN TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
FOR THE YEARS ENDED MARCH 31, 2021 and 2020

		2021		2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss for the year	$	(1,240,591)	$	(1,341,997)
Items not involving cash:				
Accretion and interest on loans and lease liabilities		51,031		42,319
Gain on sale of assets		(264,385)		-
Amortization of property and equipment		160,525		799,582
Deposit write-off		-		75,159
Depreciation of right-of-use assets		143,786		59,757
Depreciation of right-of-use assets in cost of operations		-		24,784
Gain on debt settlements		(23,687)		(11,813)
Discount on government loan		(12,494)		-
Interest income from sublease		(2,138)		(13,210)
Changes in non-cash working capital items:				
Receivables		88,757		(128,883)
Prepaid expenses		(91,059)		(162,057)
Customer deposits		(213,045)		218,749
Deposit for hydro		(220,125)		
Unearned revenue		(1,670)		658
Accounts payable and accrued liabilities		346,679		499,910
Subscription repayable		286,729		-
Due to related parties		122,205		(96,884)
Net cash used in operating activities		(869,482)		(33,926)
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash in trust		-		6,424
Cash received from sublease		15,735		62,503
Purchase of property and equipment		(73,873)		(481,388)
Sale of property and equipment		346,593		-
Net cash from (used in) investing activities		288,455		(412,461)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from share issuances		311,927		295,600
Share issuance costs		-		(8,400)
Share subscriptions received in advance		-		40,800
Proceeds from convertible loan		-		141,000
Proceeds from long-term loan		-		113,025
Loan from related parties		313,300		-
Loan from government		40,000		-
Lease payments		(203,931)		(157,352)
Net cash provided by financing activities		461,296		424,673
Change in cash for the year		(119,731)		(21,714)
Effect of foreign currency translation		4,498		(2,220)
Cash, beginning of year		118,159		142,093
Cash, end of year	$	2,926	$	118,159
Non-cash transaction in the investing and financing activities				
Equipment included in accounts payable and accrued liabilities	$	-	$	142,023
Right-of-use assets – initial recognition	$	-	$	224,390
Right-of-use assets – prior year adjustment	$	(4,385)	$	-
Net investment in sublease – initial recognition / early termination	$	26,519	$	131,972
Lease liabilities – initial recognition / buyout	$	69,082	$	356,362
Shares issued to settle accounts payable	$	-	$	23,626
Shares issued to settle due to related parties	$	-	$	129,456
Equity component of convertible loan	$	-	$	14,578
Long-term loan to short-term loan	$	132,811	$	-
Convertible loan to due to related party	$	147,341	$	-
Supplemental disclosures				
Interest paid	$	-	$	-
Income tax paid	$	-	$	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Skychain Technologies Inc. ('Skychain" or the "Company") was incorporated in British Columbia and is a public company listed on the TSX Venture Exchange. The Company's registered office and principal business address is 415 – 1112 West Pender Street, Vancouver, British Columbia.

On September 18, 2018, the Company completed the acquisition of MiningSky Technology Ltd. ("MiningSky") and the change of business process. MiningSky was incorporated under the Business Corporations Act (British Columbia) on November 10, 2017. On March 7, 2018 MiningSky incorporated a wholly-owned subsidiary MiningSky USA, Inc. ("MiningSky USA") in Washington, United States. On March 27, 2020, Skychain incorporated its wholly owned subsidiary MiningSky Technologies (Manitoba) Inc. in the province of Manitoba ("MiningSky Manitoba"). MiningSky and MiningSky Manitoba are involved in the business of providing cryptominers with all-in-one solution with warehouse space, low-cost electricity, and maintenance and hosting services.

These consolidated financial statements have been prepared in accordance with IFRS on a going concern basis which assumes the continued realization of assets and satisfaction of liabilities and commitments in the normal course of business.

During the year ended March 31, 2021, the Company incurred a net loss of $1,240,591 and as at March 31, 2021, the Company had a working capital deficiency of $2,546,597 and an accumulated deficit of $10,089,567, which has been funded primarily by the issuance of equity and advances from related parties. Management has estimated that the Company will require additional financing in order to meet its obligations and commitments for the next fiscal year. The Company's ability to continue as a going concern and to realize assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. The Company must secure sufficient external funding to meet its obligations and commitments as they come due to pay ongoing general and administrative costs. This external funding may be achieved in a number of ways, including, but not limited to, the issuance of new debt or equity instruments. While management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or other initiatives will be available for the Company or that they will be available on terms which are acceptable to the Company. If management is unable to obtain new external funding, the Company may be unable to continue as a going concern.

In March 2020, the World Health Organization declared a global pandemic known as COVID-19. The expected impacts on global commerce are expected to be far reaching. Material uncertainties may come into existence that could influence management's going concern assumption. The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company. The Company continues to closely evaluate the impact of COVID-19 on its operations.

The aforementioned circumstances indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements.

2. BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements were authorized for issue by the Board of Directors on July 29, 2021.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Consolidation

These consolidated financial statements include the financial statements of the Company and its subsidiaries, MiningSky, MiningSky USA, and MiningSky Technologies (Manitoba) Inc. ("MiningSky Manitoba"). All inter-company transactions and balances have been eliminated.

The subsidiaries are consolidated from the date on which control is transferred to the Company and will cease to be consolidated from the date on which control is transferred out of the Company.

Functional and presentation currency

The Company's consolidated financial statements are presented in Canadian dollars. The Company, MiningSky, and MiningSky Manitoba functional currency is the Canadian dollar. The functional currency of the United States subsidiary, MiningSky USA, is the United States dollar.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates, assumptions and judgements about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The estimates and underlying assumptions are reviewed on an ongoing basis. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect of amounts recognized in the consolidated financial statements is as follows:

Significant accounting estimates

a) Convertible loan

Convertible loans are separated into their liability and equity components on the consolidated statements of financial position. The determination of the fair value of the liability component is based on a number of assumptions, including contractual future cash flows, discount factors, and the presence of any derivative financial instruments.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

b) Warranty costs

The accounting for warranties requires management to make assumptions and apply judgments when estimating product failure rates and expected costs.

c) Share-based payment transactions

Management uses the Black-Scholes option pricing model to determine the fair value of stock options and standalone share purchase warrants issued. This model requires assumptions of the expected future price volatility of the Company's common shares, expected life of options and warrants, future risk-free interest rates, and the dividend yield of the Company's common shares.

d) Lease

The critical assumptions and estimates used in determining the present value of future lease payments requires management to estimate the incremental borrowing rate specific to each leased asset or portfolio of leased assets. Management determines the incremental borrowing rate of each leased asset or portfolio of leased assets by incorporating the Company's creditworthiness, the security, term, and value of the underlying leased asset, and the economic environment in which the leased asset operates. The incremental borrowing rates are subject to change mainly due to macroeconomic changes in the environment.

Significant accounting judgments

a) Convertible loan

In accordance with the substance of the contractual arrangement, convertible loans are compound financial instruments that are accounted for separately into their financial liability and equity instrument components. The identification of convertible loan components is based on interpretations of the substance of the underlying contractual arrangement and therefore requires management's judgment. The separation of the components affects the initial recognition of the convertible loans at issuance and the subsequent recognition of interest on the liability component.

b) Going concern

As discussed in Note 1, these consolidated financial statements have been prepared under the assumptions applicable to a going concern. If the going concern assumption were not appropriate for these consolidated financial statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the consolidated statement of financial position classifications used and such adjustments could be material.

The Company reviews the going concern assessment at the end of each reporting period.

c) Functional currencies

Management is required to assess the functional currency of each entity of the Company. In concluding on the functional currencies of the parent and its subsidiaries, management considers the currency that mainly influences the sale prices of goods and services and the cost of providing goods and services in each jurisdiction in which the Company operates. When no single currency is clearly dominant the Company also considers secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

d) Lease

Management exercises judgment when contracts are entered into that may give rise to a right-of-use asset that would be accounted for as a lease. Judgment is required in determining the appropriate lease term on a lease by lease basis. Management considers all facts and circumstances that create an economic incentive to exercise a renewal option or to not exercise a termination option at inception and over the term of the lease, including investments in major leasehold improvements, operating performance, and changed circumstances. The periods covered by renewal or termination options are only included in the lease term if management is reasonably certain to exercise that option. Changes in the economic environment may impact the assessment of the lease term and any changes in the estimate of lease terms may have a material impact on the Company's consolidated statement of financial position.

e) Valuation of deferred tax assets and liabilities

Deferred tax assets and liabilities require management judgment in order to determine the amounts to be recognized. This includes assessing the timing of the reversal of temporary differences to which deferred income tax rates are applied. Deferred tax assets are estimated with consideration given to the timing, sources and amounts of future taxable income.

f) Valuation and useful lives of property and equipment

Changes in technology or the intended use of these assets as well as changes in economic or industry factors may create indicators of impairment or cause the estimated useful lives of these assets to change. Where impairment is indicated, the Company estimates the fair value of the assets and charges the difference between the fair value and the carrying amount, if any, to impairment expense. The estimates of the useful lives of property and equipment are reviewed on an annual basis. Depreciation or amortization is adjusted on a prospective basis, if and when required.

Management's judgment is also required in assessing whether property and equipment are considered to be in the location and condition necessary for such to be capable of operating in the manner intended by management.

g) Extinguishment of financial liability

Management's judgment is required in assessing whether an extinguishment of an existing financial liability involving a creditor that is also a direct or indirect shareholder of the Company, is one in which the creditor is also acting in its capacity as such.

h) Impairment assessment of trade receivables and net investment in sublease

The Company measures loss allowances for trade receivables and net investment in sublease at an amount equal to lifetime expected credit losses ("ECLs"). When estimating ECL the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

4. SIGNIFICANT ACCOUNTING POLICIES

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date – i.e. when control is transferred to the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The Company measures goodwill as the fair value for the consideration transferred including the recognized amount of any non-controlling interest in the acquiree less the net recognized amount of the identifiable assets acquired and liabilities assumed, all measured at the acquisition date. If this consideration is lower than the fair value of the net assets of the business acquired, the difference is recognized immediately in income as a gain from a bargain purchase. The Company elects on a transaction-by-transaction basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognized amount of the identifiable net assets, at the acquisition date. Any contingent consideration and related indemnification rights are recognized at fair value at the acquisition date. Subsequent changes in fair value of contingent consideration and related indemnification rights classified as a financial liability and financial asset are recognized in income. Restructuring, transaction costs and other direct costs of a business combination are not considered part of the business acquisition transaction. Instead, such costs are expensed as incurred, unless they constitute the costs associated with issuing debt or equity securities.

Foreign currency transactions and translation

Transactions in foreign currencies are translated into the functional currency at exchange rates at the date of the transactions. Foreign currency differences arising on translation are recognized in profit or loss. Foreign currency monetary assets and liabilities are translated at the functional currency exchange rate at the consolidated statement of financial position date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when acquired. All gains and losses on translation of these foreign currency transactions are included in the consolidated statements of loss and comprehensive loss.

Financial statements of the United States subsidiary prepared under its functional currency are translated into Canadian dollars for consolidation purposes. Amounts are translated using the current rates of exchange for assets and liabilities and using the average rates of exchange for the period for revenues and expenses. Gains and losses resulting from translation adjustments are recorded as other comprehensive income (loss) and accumulated in a separate component of shareholders' equity (deficiency), described as foreign currency translation adjustment. In the event of a reduction of the Company's net investment in its foreign operations, the portion of accumulated other comprehensive income (loss) related to the reduction is realized and recognized in the consolidated statements of loss and comprehensive loss.

Revenue recognition

The Company applies IFRS 15, *Revenue from Contracts with Customers*. Accordingly, revenue is recognized when a client obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement. Revenue is measured based on the consideration specified in the contract with a client and excludes amounts collected on behalf of third parties.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition *(continued)*

The Company has the following services from which it generates revenue:

(i) Hosting service revenue

The Company provides cryptominers an all-in-one solution by offering warehouse space, low-cost electricity, and maintenance and hosting services. Hosting fees are recognized as the hosting services are provided to customers on a monthly basis. One-time setup fees are recognized as the setup services are provided. Monthly access and maintenance revenue is recognized over the term of the related agreement on a straight-line basis. Deferred revenues represent amounts invoiced in excess of revenues recognized. For contracts with multiple performance obligations, the Company accounts for individual performance obligations separately if they are distinct. The transaction price is allocated to the separate performance obligations on a relative stand-alone selling price basis. If the transaction price contains discounts or the Company expects to provide a future price concession, these elements are considered when determining the transaction price prior to allocation.

(ii) Sale of goods

The Company may sell parts and supplies that it currently does not use. Revenue from the sale of parts and supplies is measured at the fair value of the consideration received or receivable, net of returns. Revenue from the sale is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the control of goods have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of products can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Warranty costs

Warranty costs that are not otherwise covered by suppliers are accrued upon the recognition of the related revenue, based on the Company's best estimate, with reference to past experience. As of March 31, 2021 warranty liability of $6,288 was accrued.

Property and equipment

Recognition and measurement

On initial recognition, property and equipment are valued at cost, being the purchase price and directly attributable cost of acquisition required to bring the asset to the location and condition necessary to be capable of operating in a manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

Property and equipment is subsequently measured at cost less accumulated amortization, less any accumulated impairment losses.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Subsequent costs

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. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Property and equipment *(continued)*

Major maintenance and repairs

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

Gains and losses

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount, that are recognized net within other income in profit or loss.

Amortization

Amortization is recognized in profit or loss and property and equipment are amortized using the straight-line method over their estimated useful lives:

Equipment and tools	36 months
Vehicles	36 months
Containers	24 months
Transformers	24 months
Leasehold improvements	Over the lease term

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets if any, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

Government assistance

In accordance with IAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, the Company recognizes government grants only when there is reasonable assurance that the entity will comply with all conditions attached to the grant and the grant will be received. Grants receivable as compensation for costs already incurred or for immediate financial support, with no future related costs are recognized as income in the period in which it is receivable. The Company reports grants as other income on the consolidated statements of loss and comprehensive loss.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment of non-financial assets *(continued)*

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

Convertible loans

Convertible loans are separated into their liability and equity components on the consolidated statements of financial position. The liability component is initially recognized at fair value, determined as the net present value of future payments of interest and principal, discounted at the market rate for similar non-convertible liabilities at the time of issue. The liability component is recognized at amortized cost, using the effective interest method, until extinguished upon conversion, maturity or a normal course issuer bid. The fair value of the equity component of the convertible loan is estimated using the residual method in which the difference between the face value of the instrument and the fair value of the debt component is allocated as the fair value of the equity component.

Income taxes

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that the future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Loss per share

Basic loss per share is calculated by dividing the loss for the year attributable to the ordinary shareholders by the weighted average number of common shares issued and outstanding during the year. Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. In years in which a loss is incurred, the effect of potential issuances of shares under options and warrants would be anti-dilutive and therefore basic and diluted loss per share are the same.

Share-based payments

The Company applies the fair value method to all share-based payments and to all grants that are direct awards of stock that call for settlement in cash or other assets. Compensation expense is recognized over the applicable vesting period with a corresponding increase in share option reserve. When the options are exercised, share capital is credited for the consideration received and the related share option reserve is decreased.

Where the share options are awarded to employees, the fair value is measured at grant date, and each tranche is recognized on the graded vesting method over the period during which the options vest. 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 financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received in the consolidated statement of loss and comprehensive loss. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service. Amounts related to the issuance of shares are recorded as a reduction of share capital.

Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to expenses.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Financial instruments

The Company recognizes a financial asset or a financial liability in its consolidated statement of financial position when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures a financial asset or a financial liability at its fair value plus or minus, in the case of a financial asset or a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or the financial liability.

Financial assets

The Company will classify financial assets as subsequently measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss based on its business model for managing the financial asset and the financial asset's contractual cash flow characteristics. The three categories are defined as follows:

a) Amortized cost - a financial asset is measured at amortized cost if both of the following conditions are met:
- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's receivables and net investment in sublease are measured at amortized cost.

b) Fair value through other comprehensive income ("FVTOCI") - financial assets are classified and measured at FVTOCI if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. The Company does not have any financial assets classified as FVTOCI.

c) Fair value through profit or loss ("FVTPL") - any financial assets that are not held in one of the two business models mentioned are measured at FVTPL. The Company's cash is classified as FVTPL.

When, and only when, the Company changes its business model for managing financial assets it must reclassify all affected financial assets.

Financial liabilities

The Company's financial liabilities include accounts payable, due to related parties, convertible loan, long-term loan, government loan, and lease liabilities. The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

a) FVTPL – This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the consolidated statements of financial position at fair value with changes in fair value recognized in the consolidated statements of loss and comprehensive loss. The Company does not have any financial liabilities classified as FVTPL.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities (continued)

b) Amortized cost – Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading or designated as at FVTPL, are measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. The Company's accounts payable, due to related parties, convertible loan, long-term loan, government loan, and lease liabilities are classified at amortized cost.

   After initial recognition, an entity cannot reclassify any financial liability.

Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables and net investment in sublease, the Company applies the simplified approach permitted by IFRS 9, *Financial Instruments*, which requires expected lifetime losses to be recognized from initial recognition.

Right-of-use ("ROU") asset

A lease is a contract that transfers substantially all the risks and rewards incidental to ownership of an identified asset. In accordance with IFRS 9, *Leases*, the Company initially recognizes a lease at its commencement date which is when an identified asset is made available for use. Right-of-use assets are measured at the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date and any initial direct or estimated restoration costs. A right-of-use asset is then depreciated on a straight-line basis over the shorter of the asset's useful life or the lease term.

Net investment in sublease

If a sublease is classified as a finance lease, the original lessee derecognises the right-of-use asset on the head lease at the sublease commencement date and continues to account for the original lease liability in accordance with the lessee accounting model. The original lessee, as the sublessor, recognises a net investment in the sublease and evaluates it for impairment at period-end.

Lease liabilities

Lease liabilities include the present value of future fixed payments, less any lease incentives receivable, and the exercise price of a purchase option if it is reasonably certain to be exercised. Future fixed lease payments are discounted using the Company's incremental borrowing rate if the rate implicit in the lease is not readily determinable. The term of each lease includes its non-cancellable period. The term can also include periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option. After the commencement date, the Company continually measures its lease liabilities to reflect changes in lease payments, discount rates or the leases' remaining term with an offsetting adjustment to right-of-use assets.

Each lease payment is comprised of both a financing and principal component. Financing costs are charged to the consolidated statements of loss and comprehensive loss over each lease's term. Lease payments are applied against lease liabilities using the effective interest method.

(Expressed in Canadian dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Short-term leases with an initial lease term of less than 12 months are evaluated by class of the underlying asset whereas lease payments for low-value assets are evaluated on a lease-by-lease basis. Short-term and low-value leases can be accounted for as either leases or expensed.

Accounting standards issued but not yet effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended March 31, 2021, and have not been early adopted in preparing these consolidated financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

5. BUSINESS COMBINATION

On February 9, 2018, the Company entered into a share purchase agreement ("SPA") with 1151152 BC Ltd. ("1151152"), the only voting common shareholder of MiningSky. Pursuant to the SPA, the Company has acquired 100% of the issued and outstanding common shares of MiningSky from 1151152 by paying $20,000 in cash.

On September 10, 2018, the Company entered into a share exchange agreement (the "SEA") with MiningSky and all of the Class A common shareholders of MiningSky. In June 2018, MiningSky completed a non-brokered private placement by issuing 4,181,132 Class A common shares at $0.30 per share for total proceeds of $1,254,340. To acquire all of the issued and outstanding Class A common shares of MiningSky, the Company issued one common share in exchange for each one Class A common shares of MiningSky. All of the Class A common shareholders of MiningSky became shareholders of the Company under the transaction.

On September 18, 2018, both the SPA and the SEA transactions were completed and MiningSky became a wholly-owned subsidiary of the Company.

In total, as consideration for acquiring 100% interest in MiningSky, the Company paid $20,000 in cash to acquire the one voting common share and issued 4,181,132 (836,266 post-consolidation) common shares of the Company to the members of MiningSky to exchange for their non-voting shares on a 1:1 basis. The fair value of the shares issued is assumed to be $0.35 per share ($1.73 per share post-consolidation), for total consideration of $1,442,490.

The acquisition is accounted for as a business as defined under IFRS 3, *Business Combinations*.

The assets and liabilities of MiningSky assumed on the acquisition are as follows:

Assets acquired		
Cash	$	416,662
Receivables and prepaids		350,405
Fixed assets		1,535,713
Liabilities assumed		
Accounts payable and accrued liabilities		(770,260)
Due to related parties		(280,246)
Due to Skychain		(1,555,710)
Unearned revenue		(27,067)
Customer deposits		(245,745)
Net liabilities assumed	$	(576,248)

Consideration paid		
Cash	$	20,000
Shares		1,442,490
Total consideration	$	1,462,490

(Expressed in Canadian dollars)

5. BUSINESS COMBINATION (continued)

The net liabilities of MiningSky of $576,248 assumed on the acquisition are recognized initially at fair value. It is assumed the carrying amounts of MiningSky's net liabilities approximate fair value. The $2,038,738 of difference between the purchase consideration and the net liabilities assumed is recorded as goodwill on the consolidated statement of financial position which was then impaired as of March 31, 2019.

6. RECLAMATION DEPOSITS

As at March 31, 2021, the Company has $15,000 (2020 - $15,000) in term deposits, recorded at cost, which are held as security for the Provincial Government of British Columbia related to certain exploration and evaluation assets called Wood Mining Group claims in British Columbia, Canada.

7. RECEIVABLES

Receivables are comprised of the following:

	March 31, 2021	March 31, 2020
	$	$
Trade receivables	-	46,491
Government assistance receivable	6,974	-
Goods and sales tax receivable	51,260	100,500
	58,234	**146,991**

8. PREPAID EXPENSES

Prepaid expenses are comprised of the following:

	March 31, 2021	March 31, 2020
	$	$
Current prepaids:		
Hosting service agreement deposit	-	180,956
Other prepaid expenses	51,375	15,460
	51,375	196,416
Long-term prepaids:		
Hosting equipment deposit	236,100	-
Deposit for hydro infrastructure	220,125	-
	456,225	-
Total prepaids	**507,600**	**196,416**

In June 2020, the Company's wholly-owned subsidiary MiningSky Manitoba ("Lessee") entered into a lease agreement with an arm's length party ("Lessor") for a 1.6-acre (0.65-hectare) parcel of land in Manitoba approved for construction and operation of a 12 MW capacity cryptomining hosting facility. Monthly payments of $25,000 are to commence October 1, 2020 for a two-year term. The term is renewable for a second term of 36 months at $40,000 per month and then renewable for a 60-month term at an agreed market price to be negotiated. A penalty of 20% of base rent is applicable on late payments. Manitoba Hydro Permits and construction contract are assigned from the Lessor with the lease agreement. The Lessee has an option to acquire the parcel exercisable prior to the end of three lease terms or March 1, 2030 for an exercise price at an agreed market price to be negotiated but a minimum of $3,000,000. As at March 31, 2021, monthly lease payment has not yet commenced as the lease agreement is under amendment to update the agreement to reflect changes in monthly payment terms, the renewable term, among other things, and to extend the original termination date of September 30, 2022. An amount of $220,125 has been paid by MiningSky Manitoba as a deposit toward future construction for the power connection equipment and engineering.

(Expressed in Canadian dollars)

9. LEASE

a) *Right-of-use assets*

A reconciliation of the Company's right-of-use assets for the year ended March 31, 2021 is as follows:

	Office	Motor Vehicle	Transformer	Total
Balance, March 31, 2020	$ 67,668	$ 11,991	$ 60,190	$ 139,849
Addition/reclassification from net investment in sublease	69,082	-	5,948	75,030
Depreciation of ROU	(92,176)	(11,991)	(39,619)	(143,786)
Reclassification to property and equipment	-	-	(26,519)	(26,519)
Balance, March 31, 2021	$ **44,574**	$ -	$ -	$ **44,574**

b) *Lease liabilities*

A reconciliation of the Company's lease liabilities for the year ended March 31, 2021 is as follows:

	Office	Motor Vehicle	Transformer	Total
Balance, March 31, 2020	$ (155,516)	$ (12,282)	$ (62,222)	$ (230,020)
Prior year adjustment	-	-	(4,385)	(4,385)
Accretion of interest	(12,975)	(325)	(5,016)	(18,316)
Lease payments	119,701	12,607	71,623	203,931
Balance, March 31, 2021	**$ (48,790)**	**$ -**	**$ -**	**$ (48,790)**

As at March 31, 2021, the Company measured the present value of its lease liabilities using a discount rate of 12% for office and transformer and 4.85% for motor vehicle as determined from its incremental borrowing rate.

Short-term leases are not included in the calculation of lease liabilities. These lease expenses are recognized in cost of operations on a straight-line base. Office lease terms are ending on August 31, 2021.

c) *Net investment in sublease*

A reconciliation of the Company's net investment in office sublease for the year ended March 31, 2021 is as follows:

	Total
Balance, March 31, 2020	$ 82,679
Interest income	2,138
Lease payments received	(15,735)
Balance, June 30, 2020	69,082
Reclassified to ROU upon early termination	(69,082)
Balance, March 31, 2021	$ -

On June 30, 2021 the sublessee chose to terminate the sublease prior to the end of the term with an additional payment of $45,734 made to the Company which is recorded as a gain on early termination of the sublease on the consolidated statement of loss and comprehensive loss. The future aggregate minimum sublease payments to be received under the non-cancellable sublease as at March 31, 2021 were $Nil (March 31, 2020 - $90,713).

(Expressed in Canadian dollars)

10. PROPERTY AND EQUIPMENT

	Vehicles	Transformers	Containers	Forklift	Leasehold improvements	Parts and tools	Total
	$	$	$	$	$	$	$
Cost							
Balance, March 31, 2019	15,354	154,389	576,864	21,889	354,790	772,754	1,896,040
Additions	-	-	-	-	113,582	107,378	220,960
Foreign currency translation adjustment	-	-	-	-	-	9,061	9,061
Balance, March 31, 2020	15,354	154,389	576,864	21,889	468,372	889,193	2,126,061
Additions	-	-	-	-	-	100,390	100,390
Dispositions	-	-	(452,151)	-	-	(82,207)	(534,358)
Foreign currency translation adjustment	-	-	-	-	-	(9,058)	(9,058)
Balance, March 31, 2021	15,354	154,389	124,713	21,889	468,372	898,318	1,683,035
Accumulated amortization							
Balance, March 31, 2019	3,175	29,582	161,362	4,008	86,843	-	284,970
Additions	5,952	83,299	321,403	7,399	381,529	-	799,582
Balance, March 31, 2020	9,127	112,881	482,765	11,407	468,372	-	1,084,552
Additions	5,953	41,508	94,099	7,399	-	11,563	160,522
Dispositions	-	-	(452,151)	-	-	-	(452,151)
Balance, March 31, 2021	15,080	154,389	124,713	18,806	468,372	11,563	792,923
Net book value							
As at March 31, 2020	6,227	41,508	94,099	10,482	-	889,193	1,041,509
As at March 31, 2021	274	-	-	3,083	-	886,755	890,112

During the year ended March 31, 2021, amortization expense of $154,572 (2020 - $793,629) was recorded as costs associated with hosting services and $5,953 (2020 - $5,953) was recorded within operating expenses on the consolidated statement of loss and comprehensive loss.

11. CONCENTRATION OF CUSTOMERS

During the year ended March 31, 2021, the Company’s revenue consisted of two major customers. Sales comprised 76% and 19% of total revenue generated from all sources to these two customers during the year ended March 31, 2021.

As at March 31, 2021, there were no balances due from these customers included in accounts receivable.

During the year ended March 31, 2020, the Company’s revenue consisted of two major customers. Sales comprised 44% and 31% of total revenue generated from all sources to these two customers during the year ended March 31, 2020.

As at March 31, 2020, there were no balances due from these customers included in accounts receivable.

12. CUSTOMER DEPOSITS

The Company usually requests a deposit equal to two months of services upon entering the host service agreements with the customers, of which 50% of the deposit is usually applied to the first month of service, and the remaining will be held by the Company until the end of service agreement.

13. LOAN FROM HOUSTON BC MINING POWER CORP.

On June 18, 2019, MiningSky, the Company's subsidiary, received a loan facility of up to $150,000 from Houston BC Mining Power Corp. (the "Lender"). MiningSky has provided the Lender hosting services at its Houston site since April 2018.

The proceeds were to be used to build a higher-voltage power substation at the Houston site. The loan was due and repayable (the "Maturity") commencing on the date that is the earlier of i) August 15, 2020, and ii) when the substation becomes fully permitted for operation. The loan bears interest at a rate of 12% per annum starting August 15, 2019 and repayable at the following schedule:

i) 25% of the loan principal plus any accrued interest on the last day of the 6th month following the Maturity;
ii) 25% of the loan principal plus any accrued interest on the last day of the 12th month, 18th month, and 24th month following the Maturity.

In consideration of the Lender providing the loan to MiningSky, MiningSky agreed to pay the Lender a fee equal to $0.003 per KWH for all the power used through the substation, and reduce its hosting service price from $0.10 per KWH to $0.0125 per KWH plus electrical costs. As at March 31, 2021 and 2020, the substation was not in operation.

MiningSky provided all of its present and future personal property as security to the Lender.

During the year ended March 31, 2021, the Company received loan proceeds of $Nil (2020 - $113,025) and accrued interest expense of $13,563 (2020 - $6,223). As of March 31, 2021, the balance of the loan was $132,811 (March 31, 2020 - $119,248), and reclassified to short-term loan. The loan proceeds and accrued interest were repaid to the Lender in June, 2021.

14. CONVERTIBLE LOAN

In December 2019, the Company issued a convertible promissory note of $141,000 to a relative of a director of the Company. The convertible promissory note is unsecured, has a maturity date of December 31, 2020, and bears a simple interest rate of 3.5% per annum. The creditor may, at any time and from time to time up to maturity, elect to convert the outstanding loan and any interest accrued and unpaid thereon into common shares in the capital of the Company at a price of $0.10 per share.

For accounting purposes, the convertible promissory note is separated into its liability and equity components by first valuing the liability component. The fair value of the liability component at the time of issue was calculated as the discounted cash flows of the loan assuming a 15% discount rate, which was the estimated rate for a similar loan without a conversion feature. The fair value of the equity component (conversion feature) was determined at the time of issue as the difference between the face value of the loan and the fair value of the liability component.

(Expressed in Canadian dollars)

14. CONVERTIBLE LOAN *(continued)*

The following table summarizes accounting for the convertible promissory note, and the amounts recognized as liability and equity components during the years ended March 31, 2020 and 2021.

	Short-term Loan	Liability Component	Equity Component
Convertible debentures at issuance	$ -	$ 126,422	$ 14,578
Interest accretion	-	5,086	-
Convertible debenture – March 31, 2020 balance	-	131,508	14,578
Interest accretion	-	14,602	-
Convertible debenture – balance upon maturity	-	146,110	14,578
Reclassified to contributed surplus	-	-	(14,578)
Reclassified to short-term loan from related party	146,110	(146,110)	-
Accrued interest	1,230	-	-
Loan from related party – March 31, 2021 balance	$ 147,340	$ -	$ -

The convertible promissory note matured on December 31, 2020, upon which the equity component of $14,578 was reclassified to contributed surplus. The loan principal and accrued interest was repaid during June, 2021 (see Note 23).

15. GOVERNMENT LOAN PAYABLE AND GRANT

<u>Canada Emergency Business Account (“CEBA”)</u>

Due to the outbreak of the COVID-19 pandemic, the federal government of Canada introduced the Canada Emergency Business Account (“CEBA”) which provides an interest-free loan (“CEBA loan”) of $40,000 to eligible businesses. Repayment of $30,000 CAD of the $40,000 CAD loan balance on or before December 31, 2022 will result in a loan forgiveness of the remaining $10,000.

In April 2020, the Company received $40,000 CAD in accordance with the CEBA loan. In December 2020, the federal government of Canada introduced an expansion to the CEBA in the amount of $20,000 CAD (“CEBA expansion”) whereby eligible businesses can receive this amount in addition to the original $40,000 CAD. The Company received the $20,000 CAD expansion to the CEBA loan in error as it is not considered a CCPC (Canadian Controlled Private Corporation). The $20,000 CAD CEBA expansion is recorded in accounts payable.

As at March 31, 2021 the Company had not made any repayments of the CEBA loan. Any loan balance remaining after December 31, 2022 will be converted to a 3-year loan with an interest rate of 5% per annum paid monthly effective January 1, 2023. The full balance must be repaid by no later than December 31, 2025.

This liability is recognized in accordance with IFRS 9, *Financial Instruments*, as a financial liability at amortized cost. The benefit of below-market rate shall be measured as the difference between the initial carrying value of the loan (being the present value of a similar loan at market rates) and the proceeds received.

The Company has estimated the initial carrying value of the first CEBA loan at $27,506, using a discount rate of 15%, which was the estimated rate for a similar loan without the interest-free component. The total difference of $12,494 is accreted to each CEBA loan liability over the term of the CEBA loan and offset to other income on the consolidated statement of loss and comprehensive loss.

During the year ended March 31, 2021, total accretion expense recognized for the CEBA loans amounted to $3,800 (March 31, 2020 - $Nil).

15. GOVERNMENT LOAN PAYABLE AND GRANT *(continued)*

Canada Emergency Rent Subsidy ("CERS")

Due to the outbreak of the COVID-19 pandemic, the federal government of Canada introduced the Canada Emergency Rent Subsidy ("CERS") which provides eligible businesses the ability to claim a subsidy on eligible expenses including rent. The subsidy runs from September 2020 to June 2021.

The amount of subsidy received is based on an entity's decrease in revenue and can be a maximum of 65% of the eligible expense. During the year ended March 31, 2021, the amount received by the Company from the CERS totaled $36,610 included as part of other income in the consolidated statement of loss and comprehensive loss (2020 - $Nil).

Canada Emergency Wage Subsidy ("CEWS")

On April 11, 2020, the Federal Government of Canada passed legislation enacting the Canada Emergency Wage Subsidy ("CEWS"). The CEWS is a wage subsidy for eligible Canadian employers whose business has been affected by COVID-19. The CEWS helps businesses keep employees on the payroll and encourages employers to rehire workers previously laid off, and better positions businesses to bounce back following crises. The CEWS is originally for up to 24 weeks, retroactive from March 15, 2020 to June 6, 2020.

At March 31, 2021, an amount of $112,639 in CEWS (2020 - $Nil) was recorded as a reduction to salary and benefit in the consolidated statement of loss and comprehensive loss. There are no unfulfilled conditions and outstanding contingencies regarding the CEWS.

16. SHARE CAPITAL

Authorized

Unlimited common shares without par value

As at March 31, 2021, there were 14,783,007 (2020 – 11,953,007) common shares issued and outstanding.

Share subscription repayable

During the year ended March 31, 2021 the Company received $286,729 as subscription for 301,820 private placement units at $0.95 per unit. This private placement was cancelled and the amount was returned to the subscribers after March 31, 2021.

Share issuance

During the year ended March 31, 2021, The Company:

1) Issued 1,580,000 common shares for warrants exercised at $0.06 per share for gross proceeds of $94,800 of which $40,800 was received during the year ended March 31, 2020.

2) Closed a non-brokered private placement by issuing 1,250,000 units of the Company at $0.20 per unit. Each unit consists of one common share and half a common share purchase warrant (the "Warrant"), with two Warrants entitling the holder thereof to purchase one common share of the Company at an exercise price of $0.30 per share for a period of one year. Gross proceeds from this private placement of $250,000 were allocated to share capital and $Nil to warrants using the residual method. The Company paid $73 in legal fees related to the private placement.

16. SHARE CAPITAL *(continued)*

During the year ended March 31, 2020, the Company:

1) Closed a non-brokered private placement by issuing 1,992,000 share units of the Company at $0.05 per unit for $99,600, of which $8,000 was received subsequent to year-end in May 2020. Each unit consists of one common share and one common share purchase warrant (the "Warrant"), with each Warrant entitling the holder thereof to purchase one common share of the Company at an exercise price of $0.06 per share for a period of six months. Gross proceeds from this private placement of $99,600 were allocated to share capital and $Nil to warrants using the residual method.

2) Closed a non-brokered private placement by issuing 2,040,000 share units of the Company at $0.10 per unit for $204,000. Each unit consists of one common share and one common share purchase warrant (the "Warrant"), with each Warrant entitling the holder thereof to purchase one common share of the Company at an exercise price of $0.20 per share for a period of 12 months. Gross proceeds from this private placement of $102,000 were allocated to share capital and $102,000 to warrants using the residual method.

   The Company incurred share issuance costs of $8,400 for the private placement.

3) Issued 236,250 common shares with a fair value of $11,813 to settle accounts payable of $23,626 with an arm's length creditor. On completion of the debt settlement, the Company recorded a gain on settlement in the amount of $11,813.

4) Issued 1,294,560 common shares with a fair value of $64,728 to settle due to related parties of $129,456. As the transaction involves creditors that are also direct shareholders of the Company acting in the capacity thereof, the resulting difference of $64,728 is recognized in the consolidated statement of equity (deficiency).

Escrow shares

In connection with the acquisition of MiningSky completed during the year ended March 31, 2019, the Company entered into an Escrow Agreement dated September 18, 2018, whereby 2,086,658 post-consolidation common shares were held in escrow and are scheduled for release in accordance with the terms of the Escrow Agreement. As at March 31, 2021, there were 312,998 common shares in escrow.

Stock options

The Company has established a stock option plan for directors, employees, and consultants. The aggregate number of shares issuable pursuant to options granted under the plan is limited to 10% of the Company's issued shares at the time the options are granted. The exercise price of each option is based on the market price of the Company's stock for a period preceding the date of grant. The options can be granted for a maximum term of five years. The vesting periods of stock options issued under the plan are determined at the discretion of the Board of Directors.

There were no stock options outstanding as at March 31, 2021 and 2020. There were no stock option transactions during the years ended March 31, 2021 and 2020.

(Expressed in Canadian dollars)

16. SHARE CAPITAL *(continued)*

Warrants

A summary of share purchase warrant activity is as follows:

	Number of warrants	**Weighted average exercise price $**
Balance, March 31, 2019	-	
Expired	4,032,000	0.13
Balance, March 31, 2020	4,032,000	0.13
Exercised	(1,580,000)	0.06
Expired	(2,452,000)	0.18
Issued	312,500	0.30
Balance, March 31, 2021	312,500	0.30

As at March 31, 2021, the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
312,500	$ 0.30	July 20, 2021 (subsequently expired)
312,500	$ 0.30	

17. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management compensation

The Company has identified its directors and certain senior officers of the Company, who have the authority and responsibility for planning, directing and controlling the activities of the Company, as key management personnel. Key management personnel compensation is comprised of the following:

	2021	**2020**
Salaries, Chief Executive Officers (“CEO”)	$ 134,667	$ 72,000
Bonus, CEO	160,000	-
Accounting fees, Chief Financial Officer (“CFO”)	34,500	27,952
Salaries and consulting fees, CFO	23,000	-
Bonus, CFO	50,000	-
Total	$ 402,167	$ 99,952

17. RELATED PARTY TRANSACTIONS AND BALANCE (continued)

As of March 31, 2021, the Company owes $20,000 (March 31, 2019 - $3,725) to the CFO of the Company.

Other transactions

The Company incurred expenditures of $6,000 (2020 - $6,000) for internet service with Vling E Business ("Vling"), a company controlled by the CEO. As of March 31, 2021, an amount of $127,956 (2020 - $30,511) is included in due to related parties. In addition, the CEO made payments of $5,479 on behalf of the Company which was outstanding on March 31, 2021.

The Company advanced $3,000 from a private company controlled by a director and of which the CEO is a shareholder. As of March 31, 2021 the balance of $3,000 (2020 - $Nil) is included in due to related parties. An additional $31 was owed to the Director on March 31, 2021.

The above amounts due to related parties are unsecured, non-interest bearing, and have no specific term of repayment.

Related party loans

During the year ended March 31, 2021, the Company extended a promissory note of $250,000 from the CEO of the Company, which bears a simple annual interest rate of 6%, is unsecured, and repayable upon demand. As at March 31, 2021, a total loan principal and accrued interest of $250,493 was outstanding, which was repaid in July, 2021.

During the year ended March 31, 2021, the Company extended a promissory note of $63,300 from a director of the Company, which bears a simple annual interest rate of 4%, is unsecured, and repayable upon demand. As at March 31, 2021, a total loan principal and accrued interest of $63,890 is outstanding, which was repaid in June, 2021.

18. CAPITAL RISK MANAGEMENT

The Company defines capital as the items included in shareholders' equity (deficiency). The Company's objectives in managing capital are to safeguard the Company's ability to continue as a going concern, ensure sufficient capital and liquidity to complete its technology developments, establish commercial markets and purse its growth strategy.

To support these objectives, the Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and risk characteristics of underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents. In order to maximize the development efforts, the Company does not pay out dividends during its development stage.

The Company is not subject to any externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the reporting period.

19. FAIR VALUE OF FINANCIAL INSTRUCMENTS AND RISK MANAGEMENT

Fair Values and Classification of Financial Instruments

As at March 31, 2021, the Company's financial instruments comprised cash, receivables, accounts payable, due to related parties, long-term loan, government loan, and lease liabilities. With the exception of cash, which is measured at FVTPL, all financial instruments held by the Company are measured at amortized cost. The fair values of these financial instruments approximate their carrying value due to their short-term maturities.

Financial instruments measured at fair value on a recurring basis 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.

At March 31, 2021, cash of $2,926 (March 31, 2020 - $118,159) is classified as Level 1. There were no transfers into or out of Level 2 or Level 3 during the period.

Currency risk

A minor portion of the Company's expenses are incurred in United States dollars and financial instrument balances are held in these currencies. A change in the currency exchange rates between the Canadian dollar relative to the United States dollar could have a negative effect on the Company's results of operations, financial position or cash flows. However, as the Company does not maintain significant cash balances in foreign currencies and settles any transactions in foreign currencies quickly, its exposure to currency risk is considered insignificant as at March 31, 2021.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's maximum exposure to credit risk is limited to its cash. The Company limits exposure to credit risk by maintaining its cash with large Canadian financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at March 31, 2021, the Company had a cash balance of $2,926 to settle current liabilities of $2,659,132. The Company needs to raise additional funds to sustain its operation for the next 12 months. As described in Note 1, the Company's access to financing is always uncertain. There can be no assurance of continued access to adequate equity funding.

Contractual undiscounted cash flow requirements for financial liabilities as at March 31, 2021 are as follows:

	<1 year	**2-3 Years**	**Total**
Accounts payable and accrued liabilities	$ 1,274,383	$ —	$ 1,274,383
Due to related parties	618,201	—	618,201
Short-term loan	132,811	—	132,811
Subscription repayable	286,729	—	286,729
Lease liabilities	48,790	—	48,790
Long-term government loan	—	40,000	40,000
	$ 2,360,914	$ 40,000	$ 2,400,914

19. FAIR VALUE OF FINANCIAL INSTRUCMENTS AND RISK MANAGEMENT *(continued)*

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's related party loans bear simple annual interest rates of 4% and 6%. The Company's exposure to interest rate risk is insignificant.

Price risk

The Company is providing hosting services to cryptocurrency miners. Although the Company does not mine cryptocurrency by itself, the fluctuation of cryptocurrency prices will affect the Company's customers and therefore the Company's operation indirectly.

20. SEGMENTED INFORMATION

The Company has one reportable segment. The Company provides cryptominers an all-in-one solution by offering warehouse space, low-cost electricity, and maintenance and hosting services in Canada.

21. CONTINGENCIES

AIP Asset Management Inc.

On December 16, 2020, the Company signed a letter of intention with AIP Asset Management Inc. ("AIP") whereby AIP undertook to assist the Company to finance certain acquisitions (the "LOI"). On June 10, 2021, AIP delivered a without prejudice settlement agreement in draft to the Company to settle any and all claims arising from the LOI in the total amount of $100,000. The Company subsequently delivered a counteroffer. As at March 31, 2021, the negotiation for settlement is ongoing and the amount at which a settlement may potentially be reached is not determinable. No amount in this regard has been recorded in the consolidated financial statements.

Proficana Solutions Ltd.

On February 26, 2021, Proficana Solutions Ltd. ("Proficana"), a client of MiningSky Technology Ltd., filed a notice of civil claim in the Supreme Court of British Columbia against MiningSky for a payment of $631,043 for damages arising from an agreement signed between the parties in and around December 2019.

In April 2020, MiningSky responded to the action by filing a response to civil claim and filed a counterclaim against Proficana for $995,469 for damages from two agreements signed between the parties, both in and around December 2019. The pleading period has now closed. The next stage is the discovery process in the litigation. Proficana, as a plaintiff, has not delivered its list of documents, and has not taken any step after its filing of response to counterclaim on May 20, 2021. The potential outcome of the respective claims is not determinable. No amount in this regard has been recorded in the consolidated financial statements.

(Expressed in Canadian dollars)

22. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	2021	**2020**
	$	$
Combined statutory tax rate	27%	27%
Income tax recovery at combined statutory rate	334,960	362,339
Permanent difference and others	12,510	152,310
Change in tax rate	-	-
Difference in tax rate	-	(14)
Deferred tax assets not recognized	(347,470)	(514,635)
Net deferred tax recovery	-	-

The tax effects of temporary differences that give rise to significant components of the deferred tax assets are presented below:

	2021	**2020**
	$	$
Non-capital losses carry forward	1,669,680	1,238,490
Capital losses	5,073	10,146
CEBA loan	(2,347)	-
Convertible loan	-	(3,367)
Resource development and exploration costs	344,738	344,738
Property and equipment	247,146	325,886
Share issuance costs	1,852	2,779
Net deferred tax assets not recognized	2,266,142	1,918,672

As at March 31, 2021, the Company has approximately $6,184,000 (2020 - $4,587,000) of non-capital losses carryforward available to reduce taxable income for future years. These losses expire as follows:

	$
2026	72,000
2027	109,000
2028	111,000
2029	134,000
2030	111,000
2031	105,000
2032	99,000
2033	97,000
2034	75,000
2035	108,000
2036	109,000
2037	18,000
2038	1,711,000
2039	1,272,000
2040	456,000
2041	1,597,000
	6,184,000

22. INCOME TAXES *(continued)*

The Company also has certain allowances in respect of resource development and exploration costs of approximately $1,277,000 which, subject to certain restrictions, are available to offset against future taxable income. The application of non-capital losses and resource development costs against future taxable income is subject to final determination of the respective amounts by the Canada Revenue Agency.

In assessing the reliability of deferred tax assets, management considers whether it is more likely than not that some portion of all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of deferred income tax asset considered realizable could change materially in the near term based on future taxable income during the carry forward period.

23. EVENTS SUBSEQUENT TO THE REPORTING PERIOD

a) On April 26, 2021, the Company and a joint venture partner (the “JV Partner”) jointly incorporated Skyrendering Technologies Inc. (“Skyrendering”) under the laws of British Columbia to establish a rendering farm and data center. On June 29, 2021 the Company and the JV Partner signed an investment agreement whereby the Company and the JV Partner make a capital investment of $600,000 and $600,001 respectively in exchange for 600,000 and 600,001 common shares respectively of Skyrendering common shares. At any time after October 26, 2023, the JV Partner has the option to require the Company to repurchase all of the JV Partner’s common shares of Skyrendering at $1.00 per share, for which the Company has the option to issue common shares of the Company subject to approval of the TSX Venture Exchange.

b) On June 3, 2021, the Company closed a non-brokered private placement by issuing 2,631,579 units at $0.76 per unit for gross proceeds of $2,000,000. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at $1.22 for three years from June 3, 2021.

c) On June 3, 2021, the Company issued a convertible debenture of $2,000,000, which bears simple annual interest at a rate of 1%, matures four years from the issuance date subject to an option on the part of the holder to extend the maturity for an additional 12 months, is convertible into the Company’s common shares at $0.85 per share, and is secured against the Company’s present and future cryptocurrency mining hosting site in Birtle, Manitoba.

d) On July 5, 2021, the Company incorporated MiningSky Container Ltd. (“MiningSky Container”) under the laws of the province of British Columbia. As at the date of this report, MiningSky Container has not established a business.

e) On June 10, 2021, the Company issued 25,000 common shares for warrants exercised at $0.30 per share.

f) On June 10, 2021, the Company delivered a without prejudice letter to West Point Rail & Timber Co. ("West Point") for the settlement of any and all disputes in relation to the lease of 1300 Morice River Road, Houston, BC (the "Premises") for the amount of $114,059 payable by MiningSky to West Point. MiningSky, in turn, requested for the return of all its assets currently held on the Premises, of which the value is in the approximate amount of $838,000. The disputes or potential disputes between MiningSky and West Point are in the nature of alleged unpaid BC Hydro bills and an invoice for carpentry repair work. The West Point matter has reached resolution of all potential disputes as of July 26, 2021.

g) On June 30, 2021, the Company repaid the convertible promissory note from a relative of a director of the Company in full for the principal amount of $141,000 plus accrued interest of $7,490 (see Note 14).

23. EVENTS SUBSEQUENT TO THE REPORTING PERIOD *(continued)*

h) On July 8, 2021, the Company granted 950,000 options to directors and officers of the Company. The options are exercisable into the Company's common shares at $0.80 per share for two years.

i) On July 16, 2021 closed a private placement by issuing 198,446 units at $0.78 per unit for gross proceeds of $154,788. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common shares of the Company at $1.50 per share for six months from the closing.

j) On July 20, 2021, 575,000 warrants exercisable into 287,500 common shares at $0.30 per share expired unexercised.

k) In July 23, 2021, the Company entered into an agreement to purchase real estate in the province of Manitoba in cash for the purpose of developing a crypto mining site of approximately 22MW capacity on the property. Closing of the transaction is subject to the Company's successful due diligence on the property and the approval of the TSX Venture Exchange. A refundable deposit of $250,000 was paid to the vendor of the real estate.

l) On July 28, 2021, the Company issued 243,590 common shares to settle debt of $190,000 at $0.78 per share.