NFT Technologies Inc.

Financial Statements

For the Years Ended December 31, 2021, 2020, and 2019

(*Expressed in Canadian Dollars, unless otherwise noted*)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of NFT Technologies Inc.

Opinion

We have audited the financial statements of NFT Technologies Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2021, 2020, and 2019 and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021, 2020, and 2019 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has generated a net loss of $6,016,100 and has negative cash flow from operations of $4,018,502 during the year ended December 31, 2021 and, as at that date, the Company has an accumulated deficit of $6,016,100. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the Prospectus.

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

We obtained Management's Discussion and Analysis prior to the date of the auditor's report. If, based on the work we have performed on this information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

May 12, 2022

NFT Technologies Inc.
Statements of Financial Position
As at December 31, 2021, 2020, and 2019
Expressed in Canadian Dollars

	Notes		December 31, 2021		December 31, 2020 and 2019
ASSETS					
Current assets					
Cash and cash equivalents		$	3,918,120	$	1
Restricted cash			5,000		-
Prepaid expenses			106,740		-
Digital assets	5		433,326		-
Total current assets		**$**	**4,463,186**	**$**	**1**
Non-current assets					
Property and equipment	6		23,495		-
Investments	7,8		246,576		-
Total non-current assets		**$**	**270,071**	**$**	**-**
Total assets		**$**	**4,733,257**	**$**	**1**
LIABILITIES					
Current liabilities					
Trade payables and accrued liabilities	10	$	215,131	$	-
Advances payable			30,575		-
Total liabilities		**$**	**245,706**	**$**	**-**
SHAREHOLDERS' EQUITY					
Share capital	8,9	$	9,214,902	$	1
Share-based payment reserve	9		1,313,749		-
Share subscriptions receivable	9		(25,000)		-
Deficit			(6,016,100)		-
Total shareholders' equity		**$**	**4,487,551**	**$**	**1**
Total liabilities and shareholders' equity		**$**	**4,733,257**	**$**	**1**

Going concern (Note 1)
Commitments (Note 13)
Events after reporting period (Note 16)

Approved on behalf of the Board of Directors on May 12, 2022

"Wayne Lloyd"
Director

"Kelly Allin"
Director

NFT Technologies Inc.
Statements of Loss and Comprehensive Loss
For the Years Ended December 31, 2021, 2020, and 2019
Expressed in Canadian Dollars except number of shares

	Notes		December 31, 2021		December 31, 2020 and 2019
Expenses					
Development costs	10		2,143,634		-
General and administration	10,14	$	2,076,362	$	-
Sales and marketing	10		1,031,177		-
Total expenses		**$**	**5,251,173**	**$**	**-**
Operating loss		**$**	**(5,251,173)**	**$**	**-**
Other expenses					
Foreign exchange loss		$	(28,844)		-
Listing costs			(144,644)	$	-
Loss from revaluation of digital assets	5		(6,608)		-
Loss from revaluation of investments	7		(584,831)		-
Total other expenses			(764,927)		-
Net loss and comprehensive loss for the year		**$**	**(6,016,100)**	**$**	**-**
Loss per share – basic and diluted		**$**	**(0.18)**	**$**	**-**
Weighted average number of common shares outstanding – basic and diluted			**34,276,403**		**1**

The accompanying notes are an integral part of these financial statements

NFT Technologies Inc.

Statements of Changes in Shareholders' Equity

For the Years Ended December 31, 2021, 2020, and 2019

Expressed in Canadian Dollars except number of shares

	Notes	Number of Shares	Share capital	Share-based payment reserve	Share Subscriptions Receivable	Deficit	Total shareholders' equity
Balance – December 31, 2019 and 2020		**1**	**$ 1**	**$ -**	**$ -**	**$ -**	**$ 1**
Shares issued in private placements	8	69,579,497	8,786,045	-	(25,000)	-	8,761,045
Share issuance costs	8,9(a)	-	(575,763)	463,280	-	-	(112,483)
Shares issued for investments	7,8	1,581,602	591,434	-	-	-	591,434
Shares issued for services	8	1,630,141	413,085	-	-		413,085
Issuance of RSUs	9(c)	-	-	100	-	-	100
Shares issued upon conversion of RSUs	8,9(c)	1,000,000	100	(100)	-	-	-
Issuance of PSUs	9(d)	-	-	338,684	-	-	338,684
Fair value of stock options granted	9(b)	-	-	511,785	-	-	511,785
Net loss for the year		-	-	-	-	(6,016,100)	(6,016,100)
Balance – December 31, 2021		**73,791,241**	**$ 9,214,902**	**$ 1,313,749**	**$ (25,000)**	**$ (6,016,100)**	**$ 4,487,551**

The accompanying notes are an integral part of these financial statements

NFT Technologies Inc.
Statements of Cash Flows
For the Years Ended December 31, 2021, 2020, and 2019
Expressed in Canadian Dollars

	Notes		December 31, 2021		December 31, 2020 and 2019
OPERATING ACTIVITIES					
Net loss for the year		$	(6,016,100)	$	-
Non-cash items:					
Depreciation	6		1,936		-
Issuance of PSUs	9(d)		338,684		-
Issuance of RSUs	9(c)		100		-
Loss from revaluation of digital assets	5		6,608		-
Loss from revaluation of investments	7		591,434		-
Share-based payments	9(b)		511,785		-
Shares issued for services	8		413,085		-
Changes in non-cash working capital items:					
Restricted cash			(5,000)		-
Prepaid expenses			(106,740)		-
Trade payables and accrued liabilities			215,131		-
Advances payable			30,575		-
Net cash used in operating activities		**$**	**(4,018,502)**	**$**	**-**
INVESTING ACTIVITIES					
Acquisition of digital assets	5		(403,649)		-
Acquisition of property and equipment	6		(25,431)		-
Acquisition of investments	7,8		(246,576)		-
Net cash used in investing activities		**$**	**(675,656)**	**$**	**-**
FINANCING ACTIVITIES					
Proceeds from private placements	8	$	8,724,760	$	-
Share issuance costs	8		(112,483)		
Net cash provided by financing activities		**$**	**8,612,277**	**$**	**-**
Increase in cash and cash equivalents		$	3,918,119	$	-
Cash and cash equivalents, beginning of year			1		1
Cash and cash equivalents, end of year		**$**	**3,918,120**	**$**	**1**
Cash held with financial institutions		$	3,856,428	$	1
Cash held in trust account			61,692		-
Total cash and cash equivalents		$	3,918,120	$	1

Supplemental cash flow information

	Notes		December 31, 2021		December 31, 2020 and 2019
Shares issued for investments	7,8	$	591,434	$	-
ETH received in lieu of cash for private placement	5		36,285		-
Fair value of brokers' warrants	9(a)		463,280		-

The accompanying notes are an integral part of these financial statements

NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

NFT Technologies Inc. (the "Company") was incorporated in the province of British Columbia on March 1, 2016. The Company changed its name from 1066666 B.C. Ltd. to NFT Technologies Inc. on March 18, 2021. The Company's head office is located at Suite 202,1965 West 4th Avenue, Vancouver, BC, V6J 1M8.

The Company is working in the non-fungible token ("NFT") space of unique digital assets and environments to develop new technologies, invest in digital assets to provide exposure to investment in NFTs and the metaverse, and advise creators and platforms in the space.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. While the Company has experienced the impact of the COVID-19 outbreak on its operations, it had continued to operate during the current pandemic. The Company will continue to monitor developments of the pandemic and continuously assess its potential further impact on its operations to prevent any disruptions. In the event of prolonged continuation of the pandemic, it is not clear what the potential impact may be on the Company's business, financial position and financial performance.

During the year ended December 31, 2021, the Company generated a net loss of $6,016,100 and negative cash flows from operating activities of $4,018,502. As at December 31, 2021, the Company has an accumulated deficit of $6,016,100.

These financial statements do not include any adjustments to the classification and amounts of assets and liabilities that may be required should the Company be unable to continue as a going concern. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuing operations as intended are dependent upon its ability to attain profitable operations and generate funds therefrom and raise equity capital or obtain the necessary financing sufficient to meet current and future obligations. These conditions indicate the existence of a material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Although the Company has been successful at raising funds in the past through the issuance of securities and obtaining loans, it is uncertain whether it will be successful in doing so in the future or at terms that are acceptable to the Company.

NOTE 2 - BASIS OF PRESENTATION, STATEMENT OF COMPLIANCE

Basis of presentation

These financial statements, including comparatives, have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of financial statements, including interpretations of the IFRS Interpretations Committee ("IFRIC").

These financial statements have been prepared on a historical cost basis except for certain financial instruments that have been measured at fair value. The significant accounting policies, as disclosed, have been applied consistently to all periods presented in these financial statements.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

These accounting policies were consistently applied to all periods presented in these financial statements.

Cash and cash equivalents

Cash and cash equivalents consist of cash held at financial institutions, outstanding deposits, cash held in trust, and short-term deposits which are highly liquid with original maturities of less than three months at time of issuance, are readily convertible into know amounts of cash, and which are subject to insignificant risk of changes in value.

Foreign currencies

The Company's financial statements are presented in Canadian dollars.
Transactions in currencies other than the Company's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates 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 the fair value is determined. Exchange differences are recognized in the statement of loss in the period in which they arise.

Digital assets

Digital assets consist of Ethereum ("ETH"). Digital assets meet the definition of intangible assets in IAS 38 *Intangible Assets* as they are identifiable non-monetary assets without physical substance. They are initially recorded at cost and the revaluation method is used to measure the digital assets subsequently. Under the revaluation method, increases in fair value are recorded in other comprehensive income, while decreases are recorded in the statement of loss. The Company revalues its digital assets at the end of each quarter. There is no recycling of gains from other comprehensive income to the statement of loss. However, to the extent that an increase in fair value reverses a previous decrease in fair value that has been recorded in the statement of loss, that increase is recorded in the statement of loss. Decreases in fair value that reverse gains previously recorded in other comprehensive income are recorded in other comprehensive income.

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

Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Depreciation is calculated on a straight-line basis with the following useful lives:

	Years
Computer equipment	3
Furniture and fixtures	5

When property and equipment have significant components with different useful lives, each significant component is depreciated separately. The estimated useful lives and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of loss.

Repairs and maintenance costs that do not improve or extend productive life are recognized in the statement of loss in the period in which the costs are incurred.

Investments

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of loss.

This category includes non-listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends or dividend-like payouts on non-listed equity investments are recognized as other income in the statement of loss when the right of payment has been established.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Taxation

Income tax expense of the Company comprises current and deferred taxes.

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

Deferred tax is recorded using the asset-liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of assets and liabilities that affect neither accounting nor taxable loss to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax is based on the expected manner of realization or settlement of carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net income or loss attributable to equity holders of the Company by the weighted average number of common shares outstanding during the period.

Diluted earnings (loss) per share is calculated by dividing the net income or loss attributable to equity holders of the Company by the weighted average number of common shares outstanding, adjusted for the effects of all dilutive potential common shares. The weighted average number of common shares outstanding is increased by the total number of additional common shares that would have been issued by the Company assuming exercise of all share options and warrants with exercise prices below the average market price for the period.

As at December 31, 2021, the Company has 7,708,754 (2020 and 2019 – nil) potentially dilutive shares outstanding.

Financial instruments

Financial Assets

The Company uses a single approach to determine whether a financial asset is classified and measured at amortized cost or at fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). Financial assets are initially measured at fair value and are subsequently measured at either (i) amortized cost; (ii) fair value through other comprehensive income ("FVTOCI"), or (iii) at fair value through profit and loss ("FVTPL").

All financial assets held by the Company are classified at amortized cost. Financial assets classified at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Interest income, foreign exchange gains and losses and impairment are recognized in the statement of loss. Any gain or loss on derecognition is recognized in the statement of loss.

Financial Liabilities

Financial liabilities are generally classified at measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it meets the definition of held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense are recognized in the statement of loss. Other financial liabilities are measured at fair value at initial recognition and subsequently measured at amortized cost using the effective interest method.

Financial Liabilities may also include derivative financial instruments that are entered into by the Company, which are not designated as hedging instruments as defined by IFRS 9, Financial Instruments. Embedded derivatives, if accounted for separately, are classified as FVTPL and any gains and losses are recognized through the statement of loss.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability at its fair value based on the modified term. Upon derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognized in the statement of loss.

NOTE 4 – CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Company's accounting policies, management is required to make judgments, estimates, and assumptions that affect the carrying amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses for the periods presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, the results of which form the basis of the valuation of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

Judgments

Judgment is used in situations when there is a choice and/or assessment required by management. The following are critical judgments apart from those involving estimations, that management has made in the process of applying the Company's accounting policies and that have a significant effect on the amounts recognized in the financial statements.

Expressed in Canadian Dollars except otherwise noted

Going concern
Determining if the Company has the ability to continue as a going concern is dependent on its ability to secure debt and equity financing, and to achieve profitable operations. Certain judgements were made when determining if and when the Company will secure debt and equity financing and achieve profitable operations.

Indicators of impairment
The Company assesses the impairment of its assets in accordance with IAS 36. Management of the Company applies judgment throughout the fiscal year in assessing whether any events, facts, or circumstances are potential indicators of impairment.

Estimates
Critical accounting estimates are those that require management to make assumptions about matters that are highly uncertain at the time the estimate or assumption is made. Critical accounting estimates are also those that could potentially have a material impact on the Company's financial results where a different estimate or assumption is used. The significant areas of estimation uncertainty are:

Shares issued for services and investments
The Company estimated the fair value of shares issued for services and investments by reference to the share value observed in private placement equity financings that were completed around the time of provision of services and acquisition of investments. Refer to Notes 7 and 8 for further details.

Share-based payments
The Company uses the Black-Scholes option pricing model to determine the fair value of broker warrants and stock options. In estimating the fair value, management is required to make certain assumptions and estimates such as the fair value of the underlying share, the expected life of the performance warrants or stock options, volatility of the Company's future share price, risk-free rate, future dividend yields, and estimated forfeitures. Changes in assumptions used to estimate fair value could result in different outcomes.

NOTE 5 – DIGITAL ASSETS

Digital assets solely consist of ETH. The continuity below demonstrates purchases, sales, and balances as at December 31, 2021 and for the year then ended:

	Note		Fiat Equivalent	ETH, units
Balance – December 31, 2019 and 2020		**$**	**-**	**-**
Proceeds from private placement	8		36,285	9
Used in development activities			(36,285)	(9)
Transfer from the bank account with a financial institution to the wallet			439,934	92
Revaluation			(6,608)	-
Balance – December 31, 2021		**$**	**433,326**	**92**

Expressed in Canadian Dollars except otherwise noted

NOTE 6 – PROPERTY AND EQUIPMENT

		Computer and equipment		Furniture and fixtures		Total
Cost:						
Balance – December 31, 2019 and 2020	**$**	**-**	**$**	**-**	**$**	**-**
Additions		23,658		1,773		25,431
Balance – December 31, 2021	**$**	**23,658**	**$**	**1,773**	**$**	**25,431**
Accumulated depreciation:						
Balance – December 31, 2019 and 2020	**$**	**-**	**$**	**-**	**$**	**-**
Depreciation		1,794		142		1,936
Balance – December 31, 2021	**$**	**1,794**	**$**	**142**	**$**	**1,936**
Carrying amounts:						
Balance - December 31, 2020 and 2019		-		-		-
Balance - December 31, 2021	**$**	**21,864**	**$**	**1,631**	**$**	**23,495**

NOTE 7 – INVESTMENTS

- On August 11, 2021, the Company acquired $31,262 (US$25,000) in units of UN Fund I, a series of Evan Singh Luthra Funds, LP.

  On August 17, 2021, the Company issued 893,817 common shares with a fair value of $178,763 to acquire 20,000 common shares of 2821840 Ontario Inc. The Company will issue 893,816 common shares to acquire an additional 20,000 common shares of 2821840 Ontario Inc. within 10 business days upon successful completion of the performance milestone. The performance milestone means that 2821840 Ontario Inc. shall have launched and continuously operated and maintained its digital marketplace platform known, or to be known, as “Rare.store” for a period of not less than 60 consecutive days, which must be met no later than 180 days following closing of the agreement. The Company revalued the investment as at December 31, 2021 to $nil. Management of the Company identified the following impairment indicators: (i) inability of investee to achieve the agreed upon milestone, (ii) lack of observed activity on investee’s art NFT marketplace that is the core of its business model and (iii) lack of other business developments that make value of investee more attractive from valuation perspective.

- On December 6, 2021, the Company issued 687,785 common shares with a fair value of $412,671 to acquire 2,000,000 common shares of Rev3al Technologies LLC. The Company revalued the investment as at December 31, 2021 to $nil. Management of the Company identified the following impairment indicators: (i) delay in product launch by investee, and (ii) use of the protocol that experienced declining usage in crypto ecosystem that significantly diminishes the underlying value of the product.

- On November 22, 2021, the Company acquired $208,711 (US$169,835) in units of Shima 1inch SPV LLC, a Delaware limited liability company. The Company fair valued the investment at $215,314 as at December 31, 2021, the gain of $6,603 on revaluation of investment was recognized in the statement of loss in the year ended December 31, 2021 (2020 and 2019 - $nil). The fair value was estimated based on the net asset value of the investment partnership as at December 31, 2021.

Expressed in Canadian Dollars except otherwise noted

NOTE 8 – SHARE CAPITAL

Authorized: Unlimited number of voting common shares

	Number of Shares		Amount
Issued and outstanding:			
Balance – December 31, 2019 and 2020	**1**	**$**	**1**
Private placements (i)	69,579,497		8,786,045
Share issuance costs (i) and Note 10(a)	-		(575,763)
Shares issued upon exercise of RSUs (ii)	1,000,000		100
Shares issued for services (iii)	1,630,141		413,085
Shares issued for investments (iv)	1,581,602		591,434
Balance – December 31, 2021	**73,791,241**	**$**	**9,214,902**

(i) The Company completed four private placements during the year as follows:

- On April 28, 2021, the Company issued 20,483,334 common shares at $0.0001 per share for gross proceeds of $2,048 ("seed capital");
- On July 12, 2021, the Company issued 26,770,000 common shares at $0.05 per share for gross proceeds of $1,338,500 ("$0.05 round") and incurred $3,933 in share issuance costs.
- On September 13, 2021, the Company issued 14,375,500 common shares at $0.20 per share for proceeds of $2,875,100 ("$0.20 round") and incurred $329,695 in share issuance costs, $264,000 of which is the fair value of broker warrants; refer to Note 9(a) for more details on the broker warrants. As at December 31, 2021, the Company had a balance of $25,000 of share subscriptions receivable relating to this private placement.
- On September 24, 2021, the Company issued 500,000 common shares at $0.20 per share for gross proceeds of $100,000.
- On October 5, 2021, the Company issued 7,450,663 common shares at $0.60 per share for gross proceeds of $4,470,397 ("$0.60 round") and incurred $242,135 in share issuance costs, $199,280 of which is the fair value of broker warrants; refer to Note 9(a) for more details on the broker warrants. $36,285 of gross proceeds were received in ETH (Note 5).

(ii) On April 22, 2021, the Company issued 1,000,000 common shares with a fair value of $100 upon vesting of RSUs issued to the Chief Executive Officer (CEO) of the Company.

(iii) The Company issued 1,630,141 common shares for services rendered during the year ended December 31, 2021, which included 700,000 common shares with a fair value of $140,000 issued to the father of CEO for corporate business advisory services.

(iv) The Company issued 1,581,602 common shares for investments during the year ended December 31, 2021:

- On August 17, 2021, the Company issued 893,817 common shares with a fair value of $178,763 to acquire 20,000 common shares of 2821840 Ontario Inc. (Note 7);
- On December 6, 2021, the Company issued 687,785 common shares with a fair value of $412,671 to acquire 2,000,000 common shares of Rev3al Technologies LLC (Note 7).

NOTE 9 – SHARE-BASED PAYMENT RESERVE

a. Share purchase warrants

The Company's warrants outstanding as at December 31, 2021, 2020, and 2019 and the changes for the year ended December 31, 2021 are as follows:

Expressed in Canadian Dollars except otherwise noted

		Number of Warrants		Weighted Average Exercise Price
Balance – December 31, 2019 and 2020		-	$	-
Issued	(i)	2,461,754		0.27
Balance – December 31, 2021		**2,461,754**	**$**	**0.27**

(i) The Company issued 2,461,754 broker warrants with a fair value of $463,280 in connection with the $0.20 and $0.60 rounds of private placements.

The Company fair valued the brokers' warrants using the Black-Scholes option pricing model with the following weighted average assumptions:

Share price at grant date	$0.28
Exercise price	$0.27
Expected annual volatility	110%
Expected life (in years)	2.94
Expected dividend yield	0%
Risk-free interest rate	0.66%

Warrants outstanding as at December 31, 2021 were as follows:

Expiry Date		Exercise Price	Outstanding Warrants
October 5, 2023	$	0.60	39,800
October 5, 2023		1.50	116,954
August 20, 2024		0.20	2,000,000
October 8, 2024		0.60	105,000
October 14, 2024		0.01	200,000
	$	**0.27**	**2,461,764**

Weighted average remaining contractual life of outstanding warrants is 2.6 years.

b. Stock Options

On January 14, 2022, the Company established a long-term incentive plan (the "Plan") which provides for the issuance of restricted share units, performance share units, deferred share units, stock options and stock appreciation rights to directors, key employees and consultants of the Company. The Plan is intended to help the Company secure and retain the services and provide incentives for increased efforts for the success of the Company. The Board of Directors grants awards from time to time based on its assessment of the appropriateness of doing so in light of the long-term strategic objectives of the Company, its current stage of development, the need to retain or attract particular key personnel, the number of share awards already outstanding and overall market conditions.

Movements in the number of stock options outstanding and their related weighted average exercise prices are as follows:

	Number of Options		Weighted Average Exercise Price
Balance – December 31, 2019 and 2020	-		-
Granted	3,147,000	$	0.32
Balance – December 31, 2021	**3,147,000**	**$**	**0.32**

Expressed in Canadian Dollars except otherwise noted

The Company fair valued the options using the Black-Scholes option pricing model with the following weighted average assumptions:

	At initial recognition
Expected annual volatility	110%
Expected life (in years)	5.00
Expected dividend yield	0%
Risk-free interest rate	0.94%
Expected forfeiture rate	0%

During the year ended December 31, 2021, the Company recognized share-based compensation expense of $511,785 (2020 and 2019 -$nil) in share-based payment reserve. The weighted average grant date fair value of stock options is $0.16 (2020 and 2019 - $nil) per option.

The Company made a judgment on the expected annual volatility used in the Black-Scholes calculation due to the newness of the industry and wide swings in values of digital assets and NFTs that the Company works with.

Stock options outstanding and exercisable at December 31, 2021 are as follows:

	Range of Exercise Prices	Number of Options Outstanding	Weighted Average Contractual Life		Weighted Average Exercise Price	Number of Options Exercisable		Weighted Average Exercise Price
$	0.20	2,213,000	4.6	$	0.20	737,662	$	0.20
	0.60	934,000	4.8		0.60	934,000		0.60
		3,147,000	**4.6**	**$**	**0.32**	**1,671,662**	**$**	**0.32**

c. Restricted share units (RSUs)

On April 22, 2021, the Company entered into an agreement with the Chief Executive Officer of the Company whereby the Company issued 2,000,000 restricted share units ("RSU") with a fair value of $100. The Company will issue one common share for each RSU upon vesting. The RSU's vest as follows: 1,000,000 vest upon execution of the agreement; 333,333 vest on April 22, 2022; 333,333 vest on October 22, 2022; and 333,334 vest on April 22, 2023.

	Number of RSUs		Weighted Average Price
Balance – December 31, 2019 and 2020	-	$	-
Issued	2,000,000		0.0001
Vested and converted	(1,000,000)		0.0001
Balance – December 31, 2021	**1,000,000**	**$**	**0.0001**

d. Performance share units (PSUs)

On October 8, 2021, the Company issued 1,100,000 PSUs with a fair value of $660,000. The Company will issue one common share for each PSU upon vesting. The PSUs vest upon successful completion of a going public transaction.

As at December 31, 2021, the Company recognized share-based payments expense of $338,684 related to PSUs issued.

	Number of PSUs		Weighted Average Price
Balance – December 31, 2019 and 2020	-	$	-
Issued	1,100,000		0.60
Balance – December 31, 2021	**1,100,000**	**$**	**0.60**

Expressed in Canadian Dollars except otherwise noted

NOTE 10 – RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel compensation

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company defines key management personnel as being the directors and key officers.

The compensation awarded to key management personnel is as follows:

For the year ended:		December 31, 2021		December 31, 2020 and 2019
Management fees	$	483,028	$	-
Share-based payments		233,341		-
Total compensation	**$**	**716,369**	**$**	**-**

The management fees owed to key management personnel:

As at:		December 31, 2021		December 31, 2020 and 2019
CEO	$	22,073	$	-
Executive Chairman		112,584		-
Former CFO		2,662		-
Finance manager		4,776		-
Total management fees payable included in due to related parties balance in the statement of financial position	**$**	**142,065**	**$**	**-**

Other related party transactions

For the year ended:		December 31, 2021		December 31, 2020 and 2019
Development and marketing costs incurred by the legal entity controlled by CEO, and marketing costs reimbursed to CEO and Executive Chairman	$	890,289	$	-
Business advisory fees paid to the father of the CEO through issuance of common shares of the Company		140,000		-
Share-based payments to the father of CEO		2,713		-
Total expenses incurred with legal entities and individuals related to key management personnel and the Company	**$**	**1,033,002**	**$**	**-**

Other related party balances

Balances from other related party transactions:

As at:		December 31, 2021		December 31, 2020 and 2019
Prepaid development costs charged by the legal entity controlled by CEO (included in prepaid expenses balance)	$	99,390	$	-
Other balance owed to Executive Chairman (included in trade payables and accrued liabilities balance)		584		-

Expressed in Canadian Dollars except otherwise noted

NOTE 11 – INCOME TAXES

The total income tax recovery (expense) recorded in the financial statements differs from the amount computed by applying the combined federal and provincial tax rates of 11% (2020 and 2019 – 11%) to income (loss) before tax as follows:

		December 31, 2021		December 31, 2020 and 2019
Loss before taxes	$	(6,016,100)	$	-
Statutory income tax rate		11%		11%
Expected recovery at statutory rate	$	(661,771)	$	-
Increase (decrease) in taxes resulting from:				
Permanent differences and other	$	64,460	$	-
Change in unrecognized deferred income tax assets		597,311		-
Income tax expense (recovery)	**$**	**-**	**$**	**-**

Deferred income tax assets are recorded to the extent that the realization of the related tax benefit is probable based on estimated future earnings. Deferred income tax assets have not been recognized with respect to the following deductible temporary differences:

		December 31, 2021		December 31, 2020 and 2019
Non-capital loss carried forward	$	554,884	$	-
Digital assets		363		-
Investments		32,166		-
Share issuance costs		9,898		-
Total gross deferred income tax assets	$	597,311	$	-
Unrecognized deferred income tax assets		**(597,311)**		-
Net deferred income tax asset	**$**	**-**	**$**	-

The Company has a non-capital loss of $4,044,396 (2020 and 2019 – $nil) which is available to reduce future year's taxable income. The non-capital loss expires in 2041 if not utilized. Management estimates future income using forecasts based on the based available current information.

NOTE 12 – FINANCIAL INSTRUMENTS

Fair values

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs in the valuation techniques as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at December 31, 2021.

		Level 1		Level 2		Level 3		Total
Digital assets	$	-	$	433,326	$	-	$	433,326
Investments		-		-		246,576		246,576
	$	**-**	**$**	**433,326**	**$**	**246,576**	**$**	**679,902**

Digital assets and risk management
Digital assets are measured using level two fair values, determined by taking the rate from Coingecko.com at 4PM Pacific Standard Time (PST).

Digital asset prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation and deflation, and the global political and economic conditions. The profitability of the Company is directly related to the current and future market price of digital assets; in addition, the Company not able to liquidate its holdings of digital assets at its desired price if required. A decline in the market prices for digital assets could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its sales of digital assets.

Digital assets have a limited history and the fair value historically has been very volatile. Historical performance of digital assets is not indicative of their future performance. The Company's digital assets currently solely consist of ETH.

As at December 31, 2021, had the market price of the Company's holdings of digital assets increased or decreased by 10% with all other variables held constant, the corresponding asset value increase or decrease respectively would amount to approximately $44,000.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Change in assumptions could significantly affect the estimates.

The following table summarizes the classification of the Company's financial instruments under IFRS 9:

Financial assets	
Cash	Amortized cost
Restricted cash	Amortized cost
Digital assets	FVTOCI
Investments	FVTPL
Financial liabilities	
Trade payables and accrued liabilities	Amortized cost
Advances payable	Amortized cost

Capital and Risk Management
The Company's objective and polices for managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company manages its capital structure and makes changes based on economic conditions, risks that impact the operations and future significant capital investment opportunities. In order to maintain or adjust its capital structure, the Company may issue new equity instruments or raise additional debt financing.

The Company is exposed to a variety of financial risks by virtue of its activities: market risk, interest rate risk, liquidity risk, and foreign currency risk. The Board of Directors has overall responsibility for the determination of the Company's capital and risk management objectives and policies while retaining ultimate responsibility for them. The Company's overall capital and risk management program has not changed throughout the year. It focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. Risk management is carried out by the finance department under policies approved by the Board of Directors. The finance department identifies and evaluates financial risks in close cooperation with management.

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 is not exposed to market interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company generally relies on external financing or key management to provide sufficient liquidity to meet budgeted operating requirements. The following table sets forth details of the payment profile of financial liabilities based on their undiscounted cash flows:

	Total carrying amount	Contractual cash flows	Less than 1 year	1 to 5 years	More than 5 years
Trade payables and accrued liabilities	$ 215,131	$ 215,131	$ 215,131	$ -	$ -
Advances payable	30,575	30,575	30,575	-	-
Total	**$ 245,706**	**$ 245,706**	**$ 245,706**	**$ -**	**$ -**

Taking into consideration the Company's current cash position, volatile equity markets, global uncertainty in the capital markets and increasing cost pressures, the Company is continuing to review its needs to seek financing opportunities in accordance to its capital risk management strategy.

Foreign currency risk

Foreign currency risk is defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company maintains financial instruments and enters into transactions denominated in foreign currencies, principally in USD, which exposes the Company to fluctuating balances and cash flows due to various in foreign exchange rates.

The table below indicates the foreign currencies to which the Company has significant exposure as at December 31, 2021 in Canadian dollar terms:

	December 31, 2021	December 31, 2020 and 2019
Cash	$ 419,931	$ -
Trade payables and accrued liabilities	(57,985)	-
Net monetary assets	**$ 361,946**	**$ -**

Assuming all other variables remain constant, a fluctuation of +/- 5.0% in the exchange rate between CAD and USD would impact the net loss for the year by approximately $18,000 (2020 and 2019 - $nil).

NOTE 13 – COMMITMENTS

On October 15, 2021, the Company entered into a binding letter of intent with CEO of the Company for the purchase of his holdings in Fantasy Revolution, S.A. a Portuguese company ("Realfevr"). The Company is agreed to issue 833,333 common shares in exchange for 173,710 common shares of Realfevr. The parties entered into the share exchange agreement in relation to this transaction on January 11, 2022, and on January 13, 2022, 833,333 common shares were issued and the Company received the undertaking from the CEO for the delivery for the Realfevr common shares upon completion of Realfevr's corporate reorganization.

On November 5, 2021, the Company entered into an advisory services agreement (the "ECMB Agreement") with ECMB Capital Partners Inc. ("ECMB"), pursuant to which the Company agreed to pay to ECMB, in exchange for investor relation services provided by ECMB during the term: (i) a corporate finance fee in amounts equal to one percent (1%) of the gross proceeds of the placement of equity or debt received by the Company as a result of introductions made by or transactions managed by ECMB; (ii) a strategic transaction fee in amounts equal to six percent (6%) of the gross proceeds received by the Company in connection to any strategic transaction initiated by ECMB, including, but not limited to, mergers, acquisitions, and strategic agreements; and (iii) an option (the "ECMB Option") to purchase up to 51,000 common shares in the Company following any public offering by the Company ("Potential Offering"). The exercise price of the ECMB Option shall be the lesser of either the published common share offering price under a Potential Offering or $0.60. The ECMB Option is payable to ECMB within thirty (30) days of any public offering, exercisable for a period of a two-year, and shall be issued in thirds (17,000 units per issuance) with six (6) month periods between issuances. The term of the ECMB Agreement is for twelve months, with an automatic renewal for an additional twelve months.

Expressed in Canadian Dollars except otherwise noted

NOTE 14 – GENERAL AND ADMINISTRATION EXPENSES

For the year ended:			December 31, 2021		December 31, 2020 and 2019
Depreciation	6	$	1,936	$	-
Office costs			41,365		-
Professional and consulting fees	10		643,599		-
Salaries, wages, and benefits	10		538,993		-
Share-based payments	9		850,469		-
Total general and administration expenses		**$**	**2,076,362**	**$**	**-**

NOTE 15 – SEGMENT REPORTING

The Company operates in one operating segment. For the purpose of segment reporting, the Company's Executive Chairman is the Chief Operating Decision Maker. The determination of the Company's operating segment is based on its organization structure and how the information is reported to the Executive Chairman on a regular basis.

The Company's non-current assets by country are as follows:

		December 31, 2021		December 31, 2020 and 2019
Canada	$	23,495	$	-
Dubai		31,262		-
USA		215,314		-
Total non-current assets	**$**	**270,071**	**$**	**-**

NOTE 16 – EVENTS AFTER REPORTING PERIOD

On February 18, 2022, the Company granted 280,000 stock options at an exercise price of $0.60 per common share to the CFO of the Company. The options expire on February 18, 2027.

On February 21, 2022, the Company granted 250,000 stock option at an exercise price of $0.60 per common share to a consultant. The options expire on February 21, 2027.

On March 4, 2022, the Company granted 150,000 stock options at an exercise price of $1.00 per common share to consultants. The options expire on March 2, 2027.

On March 3 and 8, 2022, the Company issued 1,495,000 common shares in two tranches at $1.00 per share for gross proceeds of $1,495,000 pursuant to a non-brokered private placement.

The Company entered the Fuku Purchase Agreement on March 17, 2022, pursuant to which the Company acquired from the vendor thereunder, certain protocol and source code associated with the development of the Fuku Marketplace, together with all intellectual property rights associated therewith (collectively, the "Fuku Assets"). The total purchase price for the Fuku Assets was agreed between the Company and vendor as $727,273. The Company satisfied such purchase price through the issuance of common shares.

On April 22, 2022, the Company issued 333,333 common shares to the CEO upon vesting of 333,333 PSUs.

APPENDIX B – MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019