INTERLAPSE TECHNOLOGIES CORP.

Consolidated Financial Statements

February 29, 2020
and
February 28, 2019

Audited

(Expressed in Canadian dollars)

DeVISSER GRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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Independent Auditor's Report

To the Shareholders of Interlapse Technologies Corp.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Interlapse Technologies Corp. (the "Company"), which comprise the consolidated statements of financial position as at February 29, 2020 and February 28, 2019 and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects the consolidated financial position of the Company as at February 29, 2020 and February 28, 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit 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 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.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis", but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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.

Auditor's 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 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 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 auditor's 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 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 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.

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 audits.

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 auditor's report is G. Cameron Dong.

De Visser Gray LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC, Canada
June 29, 2020

INTERLAPSE TECHNOLOGIES CORP.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	February 29, 2020	February 28, 2019
Assets		
Current assets		
Cash and cash equivalents	$ 985,162	$ 741,360
Amounts receivable	72,346	80,371
Loan receivable	-	100,000
Prepaid expenses	23,715	14,667
	1,081,223	936,398
Intangible assets (Note 3)	608,264	-
Property and equipment (Note 4)	3,690	-
Restricted cash	39,688	34,585
	$ 1,732,865	$ 970,983
Liabilities and Equity		
Current:		
Accounts payable and accrued liabilities	$ 76,560	$ 77,363
	76,560	77,363
Shareholders' equity		
Capital stock (Note 5(b))	22,224,731	20,277,801
Contributed surplus (Note 5(d))	1,828,577	1,657,109
Deficit	(22,397,003)	(21,041,290)
	1,656,305	893,620
	$ 1,732,865	$ 970,983

Nature of operations and going concern (Note 1)
Subsequent events (Note 11)

See accompanying notes.

These financial statements are authorized for issue by the Board of Directors on June 29, 2020.

"Giuseppe (Pino) Perone"
…………………………………………………Director
Giuseppe (Pino) Perone

"Ashley Garnot"
…………………………………………………Director
Ashley Garnot

INTERLAPSE TECHNOLOGIES CORP.
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

For the years ended		February 29, 2020		February 28, 2019
Revenue	$	52,631	$	-
General and administrative expenses				
Amortization of intangible assets		100,021		-
Amortization of property and equipment		1,332		-
Audit and accounting		39,681		21,035
Bank charges		11,911		1,119
Business development		123,241		321,898
Consulting and milestone fees		240,600		-
Director fees		1,250		1,250
Insurance		4,971		8,000
Legal		152,112		99,989
Management fees		63,300		35,227
Marketing		121,080		-
Office and administration		3,801		1,060
Office rent		50,569		-
Platform administration		68,014		-
Research and development		18,888		-
Salaries and benefits		93,143		-
Share-based compensation		171,468		-
Shareholder relations		18,025		160,447
Transfer and filing fees		119,614		45,237
Travel and entertainment		15,745		5,656
		(1,418,766)		(700,918)
Other items				
Foreign exchange		467		1,881
Interest and accretion income		9,955		18,956
Loss on sale of marketable securities		-		(33,490)
		10,422		(12,653)
Net loss and comprehensive loss for the year	$	(1,355,713)	$	(713,571)
Loss per share, basic and diluted	$	(0.08)	$	(0.06)
Weighted average number of common shares outstanding		17,851,983		12,925,644

See accompanying notes.

INTERLAPSE TECHNOLOGIES CORP.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

For the years ended	February 29, 2020	February 28, 2019
Operating activities		
Net loss for the year	$ (1,355,713)	$ (713,571)
Items not involving cash:		
Amortization of intangible assets	100,021	-
Amortization of property and equipment	1,332	-
Accrued interest on loans receivable	(13,913)	-
Milestone shares	110,500	-
Interest and accretion	(25)	(2,383)
Loss on sales of marketable securities	-	33,490
Share-based compensation	171,468	-
	(986,330)	(682,464)
Changes non-cash working capital:		
Amounts receivable	8,940	(76,289)
Prepaid expenses	11,707	(10,000)
Accounts payable and accrued liabilities	(12,216)	50,132
	8,431	(36,157)
Cash used in operating activities	(977,899)	(718,621)
Financing activities		
Cash received by private placement	1,855,000	-
Share issued costs	(18,570)	-
Cash provided by financing activities	1,836,430	-
Investing activities		
Acquisition of intangible assets	(528,419)	-
Capitalization of intangible assets	(140,944)	-
Cash acquired on acquisition of Skyrun	56,387	-
Loan receivable	-	(100,000)
Proceeds on sales of marketable securities	-	80,080
Purchase of property and equipment	(1,753)	-
Cash used in investing activities	(614,729)	(19,920)
Net inflow (outflow) of cash and cash equivalents	243,802	(738,541)
Cash and cash equivalents, beginning of year	741,360	1,479,901
Cash and cash equivalents, end of year	$ 985,162	$ 741,360
Supplementary disclosures:		
Interest received	$ 9,823	$ 17,370
Cash	$ 720,556	$ 181,821
Short-term deposits	264,606	559,539
	$ 985,162	$ 741,360

Non-Cash Investing Activities:
The Company incurred $3,835 in intangible expenditures which were in accounts payable at February 29, 2020 (February 28, 2019: $Nil).

See accompanying notes.

INTERLAPSE TECHNOLOGIES CORP.

Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Common Shares				
	Number *(1)*	**Amount**	**Contributed surplus**	**Deficit**	**Total**
Balance, February 28, 2018	12,925,644	$20,277,801	$1,657,109	$ (20,327,719)	$ 1,607,191
Net loss for year	-	-	-	(713,571)	(713,571)
Balance, February 28, 2019	12,925,644	$20,277,801	$1,657,109	$ (21,041,290)	$ 893,620
Share-based payments	-	-	171,468	-	171,468
Milestone shares	400,000	110,500	-	-	110,500
Private placement – net of share issue costs	11,920,000	1,836,430	-	-	1,836,430
Net loss for year	-	-	-	(1,355,713)	(1,355,713)
Balance, February 29, 2020	25,245,644	$22,224,731	$1,828,577	$ (22,397,003)	$1,656,305

(1) On August 23, 2019, the Company's outstanding share capital was forward split on the basis of two (2) new common shares for each one (1) old common share.

See accompanying notes.

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Interlapse Technologies Corp. (the "Company" or "Interlapse") is incorporated under the *Business Corporations Act* (British Columbia). Interlapse is a technology company that is focused on developing various web-based platforms, solutions and applications used to further advance the development of coincurve.com and planned international expansion. The Company's common shares trade on the TSX Venture Exchange ("TSX-V") under the symbol "INLA" and on the OTCQB market under the symbol "INLAF".

On May 28, 2019, the TSX-V provided final approval for the Skyrun Technology Corp ("Skyrun") acquisition and change of business to a technology issuer. To reflect the transformation into the technology sector, the Company changed its name to "Interlapse Technologies Corp."

There is no assurance that the development of coincurve.com and planned international expansion will result in future profitable operations. The business is subject to risk, market conditions, supply and demand, and competition. The Company currently has cash available to meet its administrative overhead and maintain its assets. The recoverability of amounts shown in assets is dependent on several factors. These factors include the ability of the Company to obtain financing to complete the planned international expansion, and future cashflow from the Company's business.

These consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. On February 29, 2020, the Company had working capital of $1,004,663 (February 28, 2019: $859,035). On February 29, 2020, the Company also had an accumulated deficit of $22,397,003 (February 28, 2019: $21,041,290).

Also refer to note 11.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, deposits in banks and highly liquid investments having terms to maturity of 90 days or less when acquired.

(b) Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned integrated subsidiaries.

The Company's subsidiaries are:

Name of Subsidiary	Place of Incorporation	Proportion of Ownership Interest	Principal Activity
Coronado Resources USA LLC	USA	100%	Holding Company
Skyrun Technology Corp.	Canada	100%	Technology
0980862 B.C. Ltd.	Canada	100%	Holding Company
0997680 B.C. Ltd.	Canada	100%	Holding Company
0997684 B.C. Ltd.	Canada	100%	Holding Company

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(c) Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash are valued based on their market value at the date the agreement to issue shares was concluded.

(d) Basis of presentation

These consolidated financial statements have been prepared in accordance with and comply with IFRS as issued by the International Accounting Standards Board and its interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These consolidated financial statements have been prepared on a historical cost basis and have been prepared using the accrual basis of accounting, except for cash flow information. The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of the policies and reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates. The accounting policies set out below have been applied consistently by the Company and its subsidiaries.

(e) Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements is in conformity with IFRS, which requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant areas requiring the use of management judgements, estimates and assumptions include:

- The determination of the useful life of the coincurve.com platform.
- The assessment of whether certain factors (both internal and external) would be considered an indicator of impairment and whether impairment testing is required on the intangible assets.
- The determination that the Company will continue as a going concern for the next year.

(f) Intangible assets

Intangible assets consist of the Company's virtual currency software platform, coincurve.com (see Note 8).

Intangible assets acquired separately are initially recognized at cost. The amount initially recognized for internally-generated intangible assets is the sum of the expenditures incurred from the date that the Company can demonstrate all of the following: i) the technical feasibility of completing the intangible assets so that it will be available for use or sale; ii) its intention to complete the intangible asset and use or sell it; iii) its ability to use or sell the intangible asset; iv) how the intangible asset will generate probable future economic benefits; v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and vi) its ability to measure reliably the expenditure attributable to the intangible asset during its development. Until these

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(f) Intangible assets *(Continued)*

criteria are met, expenditures are expensed as incurred. Costs incurred during the operating stage of the platform relating to upgrades and enhancements are capitalized to the extent that they result in the extended life of the product.

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses, if any.

The accounting for an intangible asset is based on its useful life. Intangible assets with a finite useful life are amortized over their estimated useful life. Intangible assets with an indefinite useful life are not amortized. Intangible assets under development which are not ready for use are not amortized. The amortization method, estimated useful life, carrying value and residual value are reviewed each financial year-end or more frequently if required, and are adjusted as appropriate.

The platform was assessed as having a useful life of five years based on management's estimate.

(g) Revenue recognition

IFRS 15 *Revenue from Contracts with Customers* provides a five-step model for the recognition of revenue when control of goods is transferred to, or a service is performed for, the customer. The five steps are to identify the contract(s) with the customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to each performance obligation and recognize revenue as each performance obligation is satisfied.

The Company's revenue consists of service fees earned from customers that use the platform. Revenue is recognized when it is probable that the economic benefits will flow to the Company, delivery of the service has occurred and collectability is reasonably assured.

(h) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income.

(i) Share-based compensation

The Company's stock option plan allows employees and consultants to acquire shares of the Company. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. The fair value of the share-based payment is measured using the Black-Scholes option pricing model. The fair value of the share-based payment is recognized as an expense or capitalized to share capital with a corresponding increase in contributed surplus. Consideration received on the exercise of stock options is recorded as share capital and the related reserves amount is transferred to share capital.

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(j) Impairment

At each financial position reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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. If the recoverable amount of an asset is established to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(k) Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at years end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the balance sheet 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. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to the offset of current tax assets against current tax liabilities, they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(l) Financial instruments

The Company recognizes financial assets and liabilities on the statement of financial position when it becomes party to the contractual provisions of the instrument.

Financial assets

Cash and cash equivalents classified and subsequently measured at fair value through profit and loss.

Amounts receivable, exclusive of GST, are non-interest bearing and are recognized at the face amount, except when fair value is materially different, and are subsequently measured at amortized cost. Amounts receivable recorded are net of lifetime expected credit losses. The Company applies the simplified approach to determining expected credit losses, which requires expected credit losses to be recognized upon initial recognition of the receivables.

Restricted cash is classified and subsequently measured at amortized cost.

Investments in marketable equity securities are classified, at the Company's election, and are subsequently measured at fair value through profit and loss. Investment transactions are recognized on the trade date with transaction costs included in the underlying balance. Fair values are determined by reference to quoted market prices at the consolidated statement of financial position date.

Financial liabilities

Accounts payable are non-interest bearing if paid when due and are recognized at the face amount, except when fair value is materially different. Accounts payable are subsequently measured at amortized cost.

(m) Adoption of new and revised accounting standards

Leases

On March 1, 2019, the Company adopted the provisions of IFRS 16, Leases ("IFRS 16") using the modified retrospective approach. Accordingly, comparative information has not been restated.

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(m) Adoption of new and revised accounting standards *(Continued)*

- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either: (a) the Company has the right to operate the asset; or (b) the Company designed the asset in a way that predetermines how and for what purpose it will be used.

If the contract contains a lease, a right-of-use asset and a corresponding lease liability are set-up at the date at which the leased asset is available for use by the Company. The lease payments are discounted using either the interest rate implicit in the lease, if available, or the Company's incremental borrowing rate. Each lease payment is allocated between the liability and the finance cost so as to produce a constant rate of interest on the remaining lease liability balance. The Company accounts for the lease and non-lease components separately. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The Company uses the following practical expedients permitted by the standard: a) low value leases and leases with a term of less than 12 months remaining at March 1, 2019 have been accounted for as short-term leases; and c) initial direct costs for the measurement of the right-of-use asset at the date of initial application have been excluded.

The Company has determined that these standards have had no impact on its financial statements.

3. INTAGIBLE ASSETS

		Total
Cost		
At February 28, 2018	$	-
Addition		-
At February 28, 2019		-
Asset acquisition		563,506
Additions during the year		144,779
At February 29, 2020	$	708,285
Accumulated depreciation		
At February 28, 2018	$	-
Depreciation		-
At February 28, 2019		-
Depreciation		(100,021)
At February 29, 2020	$	(100,021)
Net book value		
February 28, 2019	$	-
February 29, 2020	**$**	**608,264**

In May 2019, the Company acquired a virtual currency platform (see Note 8).

(Expressed in Canadian Dollars)

4. PROPERTY AND EQUIPMENT

	Computer Equipment	Total
Cost		
At February 28, 2018	$ -	$ -
Addition	-	-
At February 28, 2019	-	-
Asset acquisition	3,269	3,269
Addition	1,753	1,753
At February 29, 2020	$ 5,022	$ 5,022
Accumulated depreciation		
At February 28, 2018	$ -	$ -
Depreciation	-	-
At February 28, 2019	-	-
Depreciation	(1,332)	(1,332)
At February 29, 2020	$ (1,332)	$ (1,332)
Net book value		
February 28, 2019	$ -	$ -
February 29, 2020	**$ 3,690**	**$ 3,690**

5. CAPITAL STOCK

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

During the year ended February 29, 2020:

On May 28, 2019, the Company completed a non-brokered private placement of 4,420,000 common shares at $0.25 per share for gross proceeds of $1,105,000.

On June 19, 2019, the Company issued 120,000 shares to two officers of the Company at a price of $0.425 per share in accordance with the terms of the agreement to purchase Skyrun.

On August 29, 2019, the Company's outstanding share capital was forward split on the basis of two (2) new common shares for each one (1) old common share.

On September 10, 2019, the Company issued 60,000 shares to two officers of the Company at a price of $0.46 per share in accordance with the terms of the agreement to purchase Skyrun.

On December 20, 2019, the Company completed a non-brokered private placement of 7,500,000 common shares at $0.10 per share for gross proceeds of $750,000.

On February 5, 2020, the Company issued 220,000 shares to two officers of the Company at a price of $0.145 per share in accordance with the terms of the agreement to purchase Skyrun.

(Expressed in Canadian Dollars)

5. CAPITAL STOCK *(Continued)*

During the year ended February 28, 2019:

No common shares were issued.

On August 20, 2018, the Company's outstanding share capital was forward split on the basis of two (2) new common shares for each one (1) old common share.

(c) Incentive share options

The Company has a stock option plan (the "Plan") allowing for the reservation of common shares issuable under the Plan to a maximum 10% of the number of issued and outstanding common shares of the Company at any given time. The term of any stock option granted under the Plan may not exceed five years and the exercise price may not be less than the discounted market price on the grant date. Unless otherwise specified by the Board of Directors at the time of granting an option, and subject to other term limits on option grants set out in the Plan, all options must vest over a minimum of two years except options granted to consultants performing investor relations activities, which options must vest in stages over twelve months with no more than one quarter of the options vesting in any three-month period.

The purpose of the Plan is to provide directors, officers, key employees and certain other persons who provided services to the Company and its subsidiaries with an increased incentive to contribute to the future success and prosperity of the Company.

On May 28, 2019, the Company granted 810,000 incentive stock options to various directors, executive officers, employees and consultants. These options are exercisable until May 28, 2024, at a price of $0.35 per share subject to one-quarter of the total options vesting six months from the grant date, one-quarter of the total options vesting one year from the date of the grant, one-quarter of the total options vesting one and a half years from the grant date and one-quarter of the total options vesting two years from the date of the grant.

On May 28, 2019, the Company granted 600,000 incentive stock options to various directors, executive officers, employees and consultants. These options were exercisable until May 28, 2024, at a price of $0.35 per share. On April 22, 2020, these options were cancelled.

On July 24, 2019, the Company granted 100,000 incentive stock options to a consultant. These options are exercisable until July 24, 2024, at a price of $0.35 per share subject to one-quarter of the total options vesting six months from the grant date, one-quarter of the total options vesting one year from the date of the grant, one-quarter of the total options vesting one and a half years from the grant date and one-quarter of the total options vesting two years from the date of the grant.

The following is a continuity of outstanding share options:

	Number of Options	Weight Average Price per Share
Balance at February 28, 2018	-	$ -
Granted during the year	-	-
Balance at February 28, 2019	-	$ -
Granted during the year	1,510,000	0.35
Balance at February 29, 2020	1,510,000	$ 0.35

(Expressed in Canadian Dollars)

5. CAPITAL STOCK *(Continued)*

The following summarizes information about share options that are outstanding at February 29, 2020:

Number of Options		Price per Share	Expiry Date	Options Exercisable
1,410,000	*(1)*	$0.35	May 28, 2024	202,500
100,000		$0.35	July 24, 2024	25,000
1,510,000				227,500

As of February 29, 2020, the weighted average contractual remaining life is 4.25 years.

(1) Subsequently, 600,000 shares were cancelled.

(d) Share-based compensation

During the year ended February 29, 2020, the Company recorded compensation expense of $171,468. The weighted average fair value of all share options granted during the year, using the Black-Scholes option pricing model, was $0.2683 per option.

The following assumptions were used for the Black-Scholes option pricing model calculations:

	May 28, 2019	July 24, 2019
Risk-free interest rate	1.34%	1.33%
Expected stock price volatility	123.23%	131.29%
Expected option life in years	5 years	5 years
Dividend rate	Nil	Nil

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate.

(e) Share purchase warrants

The following is a continuity of outstanding share purchase warrants:

	Number of Warrants	**Average Price per Share**
Balance at February 28, 2018	1,600,000	$ 0.125
Expired during the year	(1,600,000)	0.125
Balance at February 28, 2019	-	$ -
Granted during the year	-	-
Balance at February 29, 2020	-	$ -

6. RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel were as follows:

		February 29, 2020		February 28, 2019
Business development	$	75,000	$	-
Consulting		130,000		-
Director fees		1,250		1,250
Share-based compensation		121,830		-
	$	328,080	$	1,250

During the year ended February 29, 2020, the Company was charged $62,324 (February 28, 2019 - $35,227) by a Canadian related company with similar key management personnel for management fees. At February 29, 2020, $35,027 (February 28, 2019 - $16,730) is owing to the Canadian related company with similar key management personnel and is included in accounts payable and accrued liabilities.

During the year ended February 29, 2020, the Company issued 400,000 shares to two officers of the Company at an average price of $0.276 per share in accordance with the terms of the agreement to purchase Skyrun.

All transactions and balances are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

7. FINANCIAL INSTRUMENTS RISK

The Company's financial instruments are exposed to the following risks:

Credit Risk

Credit risk is the risk of financial loss to the Company if counterparties do not fulfill their contractual obligations.

Cash and cash equivalents consist of cash bank balances and short-term deposits. The Company's short-term investments are held with a Canadian chartered bank and are monitored to ensure a stable return. The Company's short-term investments currently consist of term deposits as it is not the Company's policy to utilize complex, higher-risk investment vehicles.

The carrying amount of accounts receivable and cash and cash equivalents represents the maximum credit exposure. The Company does not have an allowance for doubtful accounts. As at February 29, 2020, there were no significant amounts past due or impaired.

Market Risk

Market risk is the risk that changes in foreign exchange rates and interest rates will affect the Company's cash flows, net income and comprehensive income. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

Foreign Exchange Risk

The Company currently does not have significant exposure to other currencies, but this may change in the foreseeable future as the capital commitments that are expected to be carried out in United States dollars and Philippine pesos will increase.

(Expressed in Canadian Dollars)

7. FINANCIAL INSTRUMENTS RISK *(Continued)*

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its purchases and capital commitments, and other financial obligations as they are due. The Company's approach to managing liquidity is to ensure, to the extent possible, that it will have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking harm to the Company's reputation.

The Company's liquidity is dependent upon maintaining its current working capital balances, operating cash flows and ability to raise funds. To forecast and monitor liquidity, the Company prepares operating and capital expenditure budgets which are monitored and updated as considered necessary. Considering these circumstances and the Company's cash balance liquidity risk is assessed as low.

Interest Rate Risk

The Company is exposed to interest rate risk on its cash and cash equivalents. Most of these deposits have been in discounted instruments with pre-determined fixed yields. Interest rate movements will affect the fair value of these instruments so the Company manages maturity dates of these instruments to match cash flow needs, enabling realization at no loss in almost all cases.

Fair Value of Financial Instruments

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The fair value classification of the Company's financial instruments are as follows:

		February 29, 2020		February 28, 2019	
	Fair Value Level	Fair value through profit or loss	Amortized cost	Fair value through profit or loss	Amortized cost
		$	$	$	$
Financial assets:					
Cash and cash equivalents	1	985,162	-	741,360	-
Amounts receivable		-	65,455	-	74,875
Loan receivable		-	-	-	100,000
Restricted cash		-	39,688	-	34,585
		985,162	105,143	741,360	209,460
Financial liability:					
Accounts payable and accrued liabilities		-	76,560	-	77,363
		-	76,560	-	77,363

The Company's cash and cash equivalents are classified as level 1. During the years ended February 29, 2020 and February 28, 2019, there were no transfers between level 1, level 2 and level 3.

(Expressed in Canadian Dollars)

8. ACQUISITION OF SKYRUN TECHNOLOGY CORP

On August 28, 2018, the Company entered into a binding share purchase agreement to acquire 100% of the outstanding common shares of Skyrun, a Vancouver-based company developing a virtual currency platform, coincurve.com. Under the terms of the share purchase agreement, the Company will issue up to 1,320,000 common shares in exchange for 100% of the issued and outstanding shares of Skyrun. The shares of the Company will be released to the principals of Skyrun, Wayne Chen and Rod Hsu, when certain milestones are reached that are linked directly to the development, operations and overall success of the Company on or prior to December 31, 2020.

On May 28, 2019, the TSX-V provided final approval for the Skyrun acquisition and change of business to a technology issuer.

The consolidated financial statements for the year ended February 29, 2020 reflect the assets, liabilities, and results of operations of the Company and Skyrun since May 28, 2019 being the date on which the Company formally became the sole shareholder.

The transaction has been accounted for using the acquisition method and the allocation of the purchase price to the assets acquired and liabilities assumed is based on estimated fair values at the time of acquisition.

The allocation of the purchase price to the estimated fair value of the assets and liabilities of Skyrun is as follows:

		Total
Purchase price:		
Cash	$	100
Estimated fair values of assets and liabilities acquired:		
Cash acquired	$	56,387
Restricted cash		5,078
Amounts receivable		915
Prepaid expenses		20,755
Equipment		3,269
Intangible assets		563,506
Total assets acquired		**649,910**
Accounts payable and accrued liabilities		7,478
Loan payable		642,332
Total liabilities acquired		**649,810**
February 29, 2020	**$**	**100**

(Expressed in Canadian Dollars)

9. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support future development of the business and maintaining investor, creditor and market confidence.

The Company defines its capital as shareholders' equity and working capital. The Board of Directors does not establish a quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. If adjustments to the capital structure are required, the Company may consider issuing additional equity, raising debt or revising its capital investment programs.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements or restrictions. The Company has not paid or declared any dividends since the date of incorporation, nor are any contemplated. The Company may require equity issues to cover administrative and operating cost.

10. INCOME TAXES

A reconciliation of income taxes at statutory rates is as follows:

For the years ended	February 29, 2020	February 28, 2019
	$	$
Net loss for the year before tax	(1,355,713)	(713,571)
Expected income tax (recovery) expense	(366,000)	(192,000)
Net adjustment for deductible and non-deductible amounts	69,000	6,000
Unrecognized benefit of current non-capital loss	297,000	186,000
Total income tax (recovery) expense	-	-

The Company's unrecognized temporary differences and unused tax losses consists of the following:

As at	February 29, 2020	February 28, 2019
	$	$
Exploration and evaluation carrying amounts	329,000	329,000
Fixed and intangible assets	102,000	-
Non-capital loss carry-forwards	13,906,000	12,158,000
Share issue costs	15,000	-
Unrecognized deductible temporary differences	14,352,000	12,487,000

(Expressed in Canadian Dollars)

10. INCOME TAXES *(Continued)*

As of February 29, 2020, the Company has Canadian non-capital losses carry forward of approximately $7,730,000 (February 28, 2019 - $6,630,000). These losses are available to be utilized as deductions against future year's Canadian taxable income operations. If not utilized, they will expire as follows:

	$
2026	158,000
2027	293,000
2028	381,000
2029	291,000
2030	517,000
2031	250,000
2032	523,000
2033	338,000
2034	873,000
2035	707,000
2036	600,000
2037	291,000
2038	157,000
2039	1,251,000
2040	1,100,000
	7,730,000

As at February 29, 2020, the Company has US non-capital loss carry-forwards for tax purposes (expiring between 2026 and 2040) of approximately $6,200,000 (February 28, 2019 - $6,100,000) available to be utilized as deductions against future year's US taxable income.

11. SUBSEQUENT EVENTS

On March 31, 2020, the Company acquired BuyBitcoinCanada.com, a virtual currency brokerage platform from Canadian blockchain company, Bitaccess Inc., in exchange for 233,333 shares of the Company.

On April 22, 2020, the Company issued 200,000 shares to two officers of the Company at a price of $0.16 per share in accordance with the terms of the agreement to purchase Skyrun.

On June 2, 2020, the Company issued 100,000 shares to two officers of the Company at a price of $0.17 per share in accordance with the terms of the agreement to purchase Skyrun.