VOYAGER DIGITAL LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

SEPTEMBER 30, 2020 AND 2019

(EXPRESSED IN UNITED STATES DOLLARS)

(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of Voyager Digital Ltd. (the "Company") have been prepared by and are the responsibility of management, and have not been reviewed by the Company's auditors.

Voyager Digital Ltd.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in United States Dollars)
(Unaudited)

		As at September 30, 2020		As at June 30, 2020
ASSETS				
Current assets				
Cash and cash equivalents	$	7,479,765	$	3,628,861
Cash held for customers (note 4)		5,177,243		1,581,132
Digital currencies and fiat (note 4)		69,070,768		32,210,640
Prepaid expenses		181,429		275,920
Other current assets		151,806		156,729
Total current assets		**82,061,011**		**37,853,282**
Non-current assets				
Equipment (note 5)		22,427		28,838
Intangible assets (note 6)		707,957		757,585
Right-of-use asset (note 9)		104,718		130,898
Total assets		**82,896,113**		**38,770,603**
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and accrued liabilities (note 7)		1,344,717		1,128,301
Payables to customers (note 4)		73,001,024		33,615,573
Due to related parties (note 14)		-		10,247
Warrant liability (note 12)		1,137,087		2,197,002
Lease liability (note 9)		127,251		114,896
Current portion of notes payable (note 8)		714,715		538,922
Total current liabilities		76,324,794		37,604,941
Non-current liabilities				
Notes payable (note 8)		408,039		582,170
Lease liability, net of current portion (note 9)		-		32,530
Total liabilities		**76,732,833**		**38,219,641**
Equity				
Share capital (note 10)		43,766,995		37,708,041
Share-based payments reserve (note 11)		3,839,700		2,913,466
Warrant reserve (note 12)		5,211,555		2,609,526
Deficit		(46,654,970)		(42,680,071)
Total equity		**6,163,280**		**550,962**
Total liabilities and equity	**$**	**82,896,113**	**$**	**38,770,603**

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Nature of operations (note 1)

Subsequent event (note 16)

Approved on behalf of the Board:

(Signed) "Stephen Ehrlich" Director

(Signed) " Philip Eytan " Director

Voyager Digital Ltd.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in United States Dollars)
(Unaudited)

		Three Months ended September 30		
		2020		**2019**
Revenue				
Fees	$	1,625,512	$	72,230
Interest income from custodians		375,225		-
Total revenue		2,000,737		72,230
Operating expenses				
General and administrative (note 15)		4,238,742		1,517,008
Product development (note 15)		426,517		1,107,061
Total operating expenses		(4,665,259)		(2,624,069)
Loss before other income (expenses)		(2,664,522)		(2,551,839)
Foreign exchange loss		(16,522)		(23,327)
Loss on acquisition of associate		-		(5,000)
Digital asset exchange gain		221,749		61,885
Change in fair value of warrant liability (note 12)		(1,513,464)		-
Interest Expense		(2,140)		-
Net and comprehensive loss	**$**	**(3,974,899)**	**$**	**(2,518,281)**
Basic and diluted net loss per share	$	(0.04)	$	(0.04)
Basic and diluted weighted average number of common shares outstanding		110,981,827		68,482,917

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Voyager Digital Ltd.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in United States Dollars)
(Unaudited)

	Three Months ended September 30	
	2020	2019
Operating activities		
Net loss	$ (3,974,899)	$ (2,518,281)
Adjustments for:		
Depreciation and amortization	82,220	6,337
Share-based compensation expense	1,024,613	310,685
Foreign exchange gain	-	(5,943)
Digital asset exchange gain	(221,749)	(61,885)
Change in fair value of warrant liability	1,513,464	-
Loss on investment in associate	-	5,000
Issuance of common stock for services	178,585	-
Interest expense	2,140	-
Changes in working capital items:		
Digital currencies and fiat	(36,638,379)	(430,817)
Prepaid expenses and other current assets	79,412	(70,862)
Accounts payable and other liabilities	254,856	(151,590)
Advances payable	-	(125,628)
Payables to customers	39,385,451	906,407
Net cash provided by (used in) operating activities	1,685,714	(2,136,577)
Investing activities		
Purchase of equipment	-	(23,900)
Investment in associate, net of cash acquired	-	(5,000)
Net cash used in investing activities	-	(28,900)
Financing activities		
Proceeds from issuance of common stock and warrants in private placement	315,329	1,837,640
Proceeds from option exercise	51,402	24,850
Proceeds from issuance of special warrants, net of issuance costs	3,639,362	-
Proceeds from common stock subscriptions	-	250,000
Proceeds from exercise of warrants	1,777,523	-
Lease payments made	(22,315)	-
Net cash provided by financing activities	5,761,301	2,112,490
Net change in cash, cash equivalents and cash held for customers	7,447,015	(52,987)
Cash, cash equivalents and cash held for customers, beginning of year	5,209,993	3,299,638
Cash, cash equivalents and cash held for customers, end of period	$ 12,657,008	$ 3,246,651
Noncash investing and financing activities:		
Issuance of common stock for settlement of advance	$ -	$ 34,870
Inventory advances for Ethos acquisition, settled	-	581,000
Issuance of common stock for settlement of debt	27,024	-
Fair value of warrants exercised	3,839,700	-
Fair value of compensation warrants issued	219,056	-
Reconciliation of cash, cash equivalents and cash held for customers reported:		
Cash and cash equivalents	$ 7,479,765	$ 2,911,615
Cash held for customers	5,177,243	335,036
Total amount of cash, cash equivalents and cash held for customers	$ 12,657,008	$ 3,246,651

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Voyager Digital Ltd.

Condensed Interim Consolidated Statements of Changes in Equity
Three Months ended September 30, 2020 and 2019
(Expressed in United States Dollars)
(Unaudited)

	Share capital	Stock subscription payable	Share-based payment reserve	Warrant reserve	Deficit	Total Equity
Balance at June 30, 2019	$ 31,167,054	$ -	$ 1,559,784	$ -	$ (32,509,812)	$ 217,026
Issuance of common stock subscriptions	-	250,000	-	-	-	250,000
Issuance of common stock, settlement of debt	34,870	-	-	-	-	34,870
Issuance of common stock, private placement, net of warrant liability	1,091,527		-	-	-	1,091,527
Issuance of common stock, options exercised	70,351	-	(45,501)	-	-	24,850
Share-based compensation expense	-	-	310,685	-	-	310,685
Net loss	-	-	-	-	(2,518,281)	(2,518,281)
Balance at September 30, 2019	$ 32,363,802	$ 250,000	$ 1,824,968	$ -	$ (35,028,093)	$ (589,323)

	Share capital	Stock subscription payable	Share-based payment reserve	Warrant reserve	Deficit	Total Equity
Balance at June 30, 2020	$ 37,708,041	$ -	$ 2,913,466	$ 2,609,526	$ (42,680,071)	$ 550,962
Issuance of common stock, private placement, net of warrant liability	208,184	-	-	-	-	208,184
Issuance of common stock for services	178,585	-	-	-	-	178,585
Issuance of common stock, settlement of debt	27,024	-	-	-	-	27,024
Issuance of common stock, options exercised	149,781	-	(98,379)	-	-	51,402
Issuance of common stock for warrants exercised	5,872,423	-	-	(255,200)	-	5,617,223
Issuance of special warrants, net of issuance costs and warrant liability	(377,043)	-	-	2,857,229		2,480,186
Share-based compensation expense	-	-	1,024,613	-	-	1,024,613
Net loss	-	-	-	-	(3,974,899)	(3,974,899)
Balance at September 30, 2020	$ 43,766,995	$ -	$ 3,839,700	$ 5,211,555	$ (46,654,970)	$ 6,163,280

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

1. Nature of operations

Voyager Digital Ltd., (the "Company") is a fully regulated business and through its Voyager Platform offers investors, developers and platform providers a fully functional suite of APIs and mobile apps to allow anyone the ability to invest, earn and secure multiple types of digital assets.

The Company wholly owns HTC Trading, Inc (HTC), a Cayman Island Company and Voyager Digital Holdings, Inc. (VDH), a Delaware corporation, which in turn wholly owns each of Voyager Digital, LLC. (VDL), a Delaware limited liability corporation, and Voyager IP, LLC (VIP), a Delaware limited liability corporation and VYGR Digital Securities, LLC, a California limited liability corporation.

The registered office of the Company is Suite 2900 – 595 Burrard Street, Vancouver, BC, V7X 1J5, Canada; and its head office is 33 Irving Place, New York, New York, 10003.

2. Liquidity and Financial Condition

These unaudited condensed consolidated financial statements have been prepared on a going concern basis, which presumes realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. These unaudited condensed consolidated financial statements do not give effect to adjustments or disclosures that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those presented in these unaudited condensed consolidated financial statements.

The Company has historically funded its operations through the issuance of common stock. The Company does not currently generate sufficient revenue to sustain operations without outside third party financing.

As of September 30, 2020, the Company had net working capital of approximately $5.7 million.

The Company expects to continue to incur operating losses for the foreseeable future as it expands its product offering and invests in expanding its customer account base, which would require additional third party financing. Management believes that it has sufficient working capital on hand to fund operations through at least the next twelve months from the date these consolidated financial statements were available to be issued.

The Company’s future liquidity and capital funding requirements will depend on numerous factors including its ability to raise additional funds to finance its operations, planned development and expenditures through additional equity offerings and through new revenue generated from ongoing operations. Failure to implement the Company’s business plan could have a material adverse effect on the Company’s financial condition and/or financial performance. There can be no assurance that the Company will be successful in acquiring additional funding, that the Company’s projections of its future working capital needs will prove accurate, or that any additional funding would be sufficient to continue operations in future years.

The recent outbreak of the coronavirus, also known as COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have affected economies and financial markets around the world resulting in an economic slowdown. The extent to which COVID-19 may impact the Company's business activities will depend on future developments, such as duration of the outbreak, travel restrictions, business disruptions and the effectiveness of actions taken to contain and treat the disease. The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments as well as the impact on the Company's ability to raise capital or financial results and condition of the Company in future periods.

3. Significant accounting policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("lFRIC"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS's issued and outstanding as of November 30, 2020, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended June 30, 2020.

Basis of preparation

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis, except for stock-based compensation, derivative warrant liabilities and digital currency inventory which are measured at fair value. These unaudited condensed interim consolidated financial statements have also been prepared using the accrual basis of accounting, except for cash flow information. In the opinion of management, all adjustments (including normal recurring accruals) considered necessary for a fair presentation have been included.

Functional currency

The presentation currency and the functional currency of the Company is the US dollar.

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At each financial reporting date, monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are recognized in the consolidated statement of loss and comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the spot rate at the date of the initial transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Revenue and expenses are translated at the approximate average rate of exchange for the period. Foreign currency differences arising on retranslation are recognized in income or loss.

Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The financial statements include judgments and estimates, which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and the revision affects both current and future periods.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical Judgments

- The analysis of the functional currency for each entity of the Company. In concluding that the US dollar is the functional currency of the parent and its subsidiary companies, management considered the currency which influences sale prices for goods and services and the currency of the country whose competitive forces and regulations determine sale prices.
- Significant judgment is required in determining the provision for income taxes. Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.
- In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped. 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.
- Assumptions are made and judgment is used in calculating the fair value of stock options and warrants using the Black-Scholes option pricing models. These assumptions and judgments include estimating the fair value of the Company's stock, future volatility of the stock price and expected dividend yield. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

- Digital currency inventory is measured at fair value, less costs to sell, using prices generated by Voyager's Pricing Engine, which is a proprietary application that for each supported asset aggregates order book quotes from all Voyager connected liquidity sources and applies a proprietary algorithm to generate a streaming fair market price.. The digital currency market is still a relatively new market and is highly volatile; historical prices are not necessarily indicative of future value; a significant change in the market prices of digital currencies may have a significant impact on the Company's earnings and financial position.
- The assessment of the Company's ability to continue as a going concern involves judgement regarding future funding available for its working capital requirements. Having considered all relevant information, management concluded that there are no material uncertainties regarding the Company's ability to continue as a going concern.

Estimates

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates based on assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from management's best estimates, as additional information becomes available. The most sensitive estimates affecting the financial statements were the determination of the existence of contingent assets and liabilities, the valuation of share-based compensation and the valuation of deferred income tax assets.

Areas where estimates are significant to the financial statements are as follows:

- the estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty;
- the estimated fair value of digital currency inventory;
- the estimated fair value for share-based payment transactions;
- the recoverability of deferred income tax assets.

Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries are aligned with the policies adopted by the Company. The Company owns:

- Voyager Digital Holdings, Inc. (VDH), a Delaware corporation;
- Voyager Digital, LLC (VDL), a Delaware limited liability corporation;
- Voyager IP, LLC (VIP), a Delaware limited liability corporation;
- HTC Trading, Inc. (HTC), a Cayman Island corporation; and
- VYGR Digital Securities, LLC, a Financial Industry Regulatory Authority, Inc. (FINRA) and Commodities Futures Trading Commission (CFTC) registered broker-dealer and a California limited liability corporation.

(Expressed in United States Dollars)

Transactions eliminated upon consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the unaudited condensed interim consolidated financial statements.

4. Digital currencies and fiat held at exchanges or with custodians

Management considers this fair value to be a Level 2 input under IFRS 13 Fair Value Measurement fair value hierarchy as the price on this source represents an average of quoted prices on multiple digital currency exchanges. The Company is relying on the data available at Voyager Pricing Engine to be an accurate representation of the closing price for the digital currency.

As at September 30, 2020 and June 30, 2020, the Company's digital currency and fiat held at exchanges or with custodians consisted of various digital assets consisting of the following:

	As at September 30, 2020	As at June 30, 2020
Digital currencies and fiat held at exchanges or with custodians		
BTC	$ 27,332,129	$ 14,980,413
ETH	7,397,858	2,534,091
VGX	7,150,378	1,974,850
XRP	3,049,756	828,854
ADA	3,015,420	1,367,036
VET	2,811,966	1,053,249
LINK	2,739,205	515,094
DGB	2,215,077	1,627,794
USDC	1,960,351	1,884,121
Other	11,398,628	5,445,138
Total digital currencies and fiat held at exchanges or with custodians	69,070,768	32,210,640
Digital currencies and fiat, held for customers	68,268,492	32,120,737
Net digital currencies and fiat held at exchanges or with custodians	$ 802,276	$ 89,903

As of September 30, 2020 and June 30, 2020, customer payables account balances of $73.0 million and $33.6 million, respectively, is comprised of digital currencies and fiat held at exchanges or with custodians of $68.3 million and $32.1 million, respectively, and cash held for customers of approximately $5.2 million and $1.6 million, respectively.

(Expressed in United States Dollars)

5. Equipment

Cost		Computer equipment		Total
Balance, June 30, 2020	$	76,942	$	76,942
Additions		-		-
Balance, September 30, 2020	$	76,942	$	76,942

Accumulated Depreciation		Computer equipment		Total
Balance, June 30, 2020	$	48,104	$	48,104
Depreciation for the period		6,411		6,411
Balance, September 30, 2020	$	54,515	$	54,515

Carrying Value		Computer equipment		Total
Balance, June 30, 2020	$	28,838	$	28,838
Balance, September 30, 2020	$	22,427	$	22,427

Depreciation expense of approximately $6,000 is reflected within General and Administrative expense for both the three months ended September 30, 2020 and 2019.

6. Intangible assets

Cost		Software acquired		Circle Customer Relationships		Total
Balance, June 30, 2020	$	222,419	$	621,864	$	844,283
Additions		-		-		-
Balance, September 30, 2020	$	222,419	$	621,864	$	844,283

Accumulated Amortization		Software acquired		Circle Customer Relationships		Total
Balance, June 30, 2020	$	55,605	$	31,093	$	86,698
Amortization for the period		18,535		31,093		49,628
Balance, September 30, 2020	$	74,140	$	62,186	$	136,326

Carrying Value		Software acquired		Circle Customer Relationships		Total
Balance, June 30, 2020	$	166,814	$	590,771	$	757,585
Balance, September 30, 2020	$	148,279	$	559,678	$	707,957

Amortization expense of approximately $50,000 and $nil, is reflected within General and Administrative expense for the three months ended September 30, 2020 and 2019, respectively.

(Expressed in United States Dollars)

7. Accounts payable and accrued liabilities

		As at September 30, 2020		As at June 30, 2020
Trade payables	$	1,063,585	$	892,280
Accrued liabilities		281,132		150,339
Subscription receipt payable		-		85,682
Total	$	1,344,717	$	1,128,301

8. Notes payable

	Maturity Date	Interest Rate		As at September 30, 2020		As at June 30, 2020
Short-term promissory note payable	On demand	3.00%	$	78,354	$	76,692
VDH PPP Loan	April 2022	1.00%		425,000		425,000
VDL PPP Loan	May 2022	1.00%		619,400		619,400
Total notes payable			$	1,122,754	$	1,121,092
Current portion of notes payable				714,715		538,922
Total notes payable, net of current portion			$	408,039	$	582,170

The Company intends to apply for PPP loan forgiveness in accordance with the guidelines set forth in the CARES Act. The Company expects, based on the use of the loan proceeds received, a portion, if not all of the loans, may be forgiven; however, there can be no assurances that such forgiveness shall occur.

(Expressed in United States Dollars)

9. Right-of-use asset and lease liability

In 2020, the Company entered into a lease for office space with a term of approximately 18 months. The lease liability was measured at the present value of the remaining lease payments of approximately $0.2 million, discounted using an incremental borrowing rate of 6%. The Company recorded a right-of-use asset of the same amount which relates to its office lease. Amortization of the right of use asset is calculated using the straight-line method over the remaining lease term.

Cost		**Right-of-use asset**
Balance, June 30, 2020	$	174,531
Balance, September 30, 2020	$	174,531
Accumulated Amortization		
Balance, June 30, 2020	$	43,633
Amortization for the period		26,180
Balance, September 30, 2020	$	69,813
Carrying Value		
Balance, June 30, 2020	$	130,898
Balance, September 30, 2020	$	104,718

		Lease Liability
Balance, June 30, 2020	$	147,426
Lease payments made		(22,315)
Interest expense on lease liabilities		2,140
		127,251
Less: current portion		127,251
Balance, September 30, 2020	$	-

During the three months ended September 30, 2020, the Company recognized interest expense on the lease liability of approximately $2,000, which was recorded within interest expense.

(Expressed in United States Dollars)

10. Share capital

a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

	Number of common shares		Amount
Balance, June 30, 2020	104,201,605	$	37,708,041
Issuance of common stock, private placement, net of warrant liabilit	500,000		208,184
Issuance of common stock for services (ii)	260,000		178,585
Issuance of common stock, settlement of debt (iii)	35,807		27,024
Issuance of common stock, options exercised	171,341		149,781
Issuance of common stock for warrants exercised	8,095,361		5,872,423
Issuance costs of Special Warrants (note 12)	-		(376,792)
Balance, September 30, 2020	113,264,114	$	43,767,246

(i) In September 2020, the Company entered into a private placement offering for the issuance of 500,000 units, at a price of CDN$0.85 per unit, for gross proceeds of approximately $0.3 million. Each unit is comprised of one common share of the Company and one-half share purchase warrant, with each whole warrant entitling the holder to subscribe for one additional share of common stock at a price of CDN$1.15 per share for a period of 36 months from the date of issuance. The fair value assigned to these warrants at the date of issue was $0.1 million. See note 12.

(ii) During the three months ended September 30, 2020, the Company issued 260,000 shares in exchange for services. The shares were issued at a weighted average fair value of CDN$0.93 per share, or $0.2 million.

(iii) In August 2020, the Company issued 35,807 shares to settle debt obligations of approximately $27,000. The shares were issued at a fair value of CDN$0.90 per share.

11. Stock options

The Company grants options to directors, officers, employees and consultants under its Stock Option Plan. Under the plan, the Company is authorized to issue options to acquire common shares of Voyager of up to 10% of the number of common shares outstanding from time to time. The term of an option granted under the plan may not exceed 10 years.

(Expressed in United States Dollars)

The following table reflects the continuity of stock options for the three months ended September 30, 2020 and 2019:

	Options outstanding	Weighted Average exercise price- $USD	Weighted Average exercise price- $CDN
Outstanding at June 30, 2019	5,313,000	$ 0.30	$ 0.45
Granted	75,000	-	0.68
Exercised	(82,832)	0.30	-
Forfeited	(445,168)	0.30	0.45
Outstanding at September 30, 2019	4,860,000	0.30	0.45
Outstanding at June 30, 2020	7,891,000	$ 0.32	$ 0.48
Granted	2,795,000	-	0.90
Exercised	(171,341)	0.30	-
Forfeited	(575,129)	0.30	0.76
Outstanding at September 30, 2020	9,939,530	$ 0.32	$ 0.63

The weighted average share price of options exercised during the three months ended September 30, 2020 was CDN$0.94 per share.

The fair value of options granted during the three months ended September 30, 2020 and 2019 were determining using a Black-Scholes option pricing model. The following table lists the inputs to the model used for the three months ended September 30, 2020 and 2019:

	Three Months Ended September 30	
	2020	2019
Weighted average fair value at grant date	$ 0.54	$ 0.50
Estimated weighted average life in years	3.7	6.1
Estimated common share weighted average price volatility	137.3%	167.7%
Weighted average risk free interest rate	0.27%	1.93%
Expected dividend yield	-	-
Weighted average common share market price	$ 0.69	$ 0.52

During the three months ended September 30, 2020, approximately $1.0 million was expensed as the aggregate fair value of options issued by the Company to which the vesting period has expired (three months ended September 30, 2019 - $0.3 million). See note 15 for allocation of share-based payment expense to operating expense categories.

As of September 30, 2020 unrecognized compensation costs of $0.9 million is expected to recognized over an estimated weighted-average amortization period of 1.0 years.

(Expressed in United States Dollars)

The following table reflects the stock options issued and outstanding as of September 30, 2020:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
November 2020	CDN 0.80	0.1	518,519	518,519
November 2020	USD 0.30	0.1	115,345	115,345
November 2020	CDN 0.30	0.2	10,000	10,000
November 2020	CDN 0.19	0.2	16,667	16,667
August 2023	CDN 0.94	2.9	60,000	-
August 2023	CDN 0.90	4.9	1,750,000	1,750,000
February 2028	USD 0.30	7.3	2,142,000	1,775,297
April 2028	USD 0.30	7.3	362,000	268,945
June 2028	USD 0.30	7.7	30,000	22,494
July 2028	USD 0.30	7.8	50,000	27,088
October 2028	USD 0.30	8.0	60,000	38,341
February 2029	USD 0.30	8.4	470,000	332,780
April 2029	CDN 0.42	8.5	80,000	28,335
April 2029	CDN 0.45	8.6	415,000	179,910
July 2029	CDN 0.68	8.8	25,000	7,292
October 2029	CDN 0.56	9.0	1,300,000	305,556
December 2029	CDN 0.30	9.2	180,000	140,000
February 2030	CDN 0.30	9.3	300,000	58,333
April 2030	CDN 0.19	9.5	950,000	395,833
June 2030	CDN 0.30	9.7	120,000	20,000
July 2030	CDN 0.85	9.8	100,000	16,667
July 2030	CDN 0.94	9.8	200,000	11,111
August 2030	CDN 0.86	9.9	285,000	972
August 2030	CDN 0.90	9.9	150,000	4,167
August 2030	CDN 0.89	9.9	250,000	-
	USD 0.50	8.7	9,939,530	6,043,651

12. Warrants

Warrants for the purchase of shares of common stock consist of the following:

	Number of warrants	Weighted Average exercise price- $CDN
Balance, June 30, 2020	15,733,775	$ 0.54
Issued in private placements (note 10)	250,000	1.15
Issued in Special Warrant Offering	3,133,300	1.15
Compensation Warrants issued in Special Warrant Offering	473,662	0.85
Warrants exercised	(8,095,361)	0.30
Balance, September 30, 2020	11,495,376	$ 0.91

(Expressed in United States Dollars)

The fair value assigned to the warrants for the purchase of common stock upon initial recognition was calculated using the Black-Scholes valuation model with the following assumptions:

		As at September 10, 2020
Common share market price		CDN 0.89
Weighted average risk free interest rate		0.27%
Estimated common share weighted average price volatility		113.7%
Expected dividend yield		-
Estimated weighted average life in years		3.0
Foreign exchange rate	$	0.76
Estimated weighted average fair value per warrant	$	0.45

In September 2020, the Company issued 6,266,600 special warrants for units at a price of CDN$0.85 per special warrant, for aggregate gross proceeds of approximately $4.0 million, (the “Special Warrants”). Each Special Warrant is convertible into one unit of the Company without payment of any additional consideration upon certain conditions being met. Each unit will consist of one common share of the Company and one-half common share purchase warrant, with each common share warrant being exercisable to acquire one common share of the Company at an exercise price of CDN$1.15 per share for a term of three years. In the event the conversion conditions are not met by December 9, 2020, the holders of the Special Warrants are entitled to receive 1.1 units upon the exercise or deemed exercise of the Special Warrants, resulting in each Special Warrant being exercisable for 1.1 units.

In connection with the Special Warrant transaction, the Company incurred costs and finders’ fees of approximately $0.4 million and granted 473,662 compensation warrants, with a grant date fair value of approximately $0.2 million. The compensation warrants have an exercise price of CDN$0.85 per unit for a period of three years. The compensation warrants are considered compensation to non-employees under IFRS 2, and thus accounted for at fair value at issuance date and not subsequently revalued. The compensation warrants was recorded as contributed surplus. Approximately $0.3 million of total transaction costs have been allocated to the common share warrant component of the transaction.

Under IFRS, warrants issued with an exercise price denominated in a foreign currency are considered financial derivative instruments and the prescribed accounting treatment is to classify these warrants as a current liability measured at fair value upon initial recognition. At each subsequent reporting date, the warrants are re-measured at fair value and the change in fair value is recognized through profit or loss. Upon warrant exercise, the fair value previously recognized in warrant liability is transferred from warrant liability to share capital.

The change in fair value of the warrant liability is as follows:

		Fair value
Balance, June 30, 2020	$	2,197,002
Fair value of warrants issued		1,266,321
Change in fair value		1,513,464
Fair value of warrants exercised		(3,839,700)
Balance, September 30, 2020	$	1,137,087

(Expressed in United States Dollars)

A summary of the assumptions used in the valuation model for re-measuring the warrants for the purchase of common stock as of September 30, 2020 is set out below.

		As at September 30, 2020
Common share market price		CDN 0.75
Weighted average risk free interest rate		0.25%
Estimated common share weighted average price volatility		108.5%
Expected dividend yield		-
Estimated weighted average life in years		3.0
Foreign exchange rate	$	0.75
Estimated weighted average fair value per warrant	$	0.34

13. Loss per share

For the three months ended September 30, 2020, basic and diluted loss per share has been calculated based on the loss attributable to the common shares of $4.0 million, (three months ended September 30, 2019, $2.5 million) and the weighted average number of common shares outstanding of 110,981,827, (three months ended September 30, 2019 – 68,482,917). Diluted loss per share did not include the effect of stock options and warrants as they are anti-dilutive.

14. Related party transaction

All related party transactions were measured at the amount of consideration established and agreed to by the related parties. All amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

(a) Renumeration of directors and key management personnel of the Company was as follows:

	Three Months Ended September 30,			
		2020		**2019**
Salaries and wages	$	118,222	$	125,000
Advisory fees		-		75,000
Share-based payments		897,851		176,214
Total remuneration	$	1,016,073	$	376,214

Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the three months ended September 30, 2020 and 2019.

(Expressed in United States Dollars)

(b) The Company entered into the following transactions with related parties:

		Three Months Ended September 30, 2020	2019
Marrelli Support Services Inc. ("Marrelli Support")	(i)	17,139	11,592
Owen Bird Law Corporation ("Owen Bird")	(ii)	19,948	28,706

(i) For the three months ended September 30, 2020, the Company expensed approximately $17,000 (three months ended September 30, 2019 - $12,000) to Marrelli Support for providing accounting services and the services of the Chief Financial Officer of the Company. The Chief Financial Officer is an employee of Marrelli Support. As at September 30, 2020, Marrelli Support was owed $0 (June 30, 2020 - $6,000) and this amount was included in due to related parties.

(ii) For the three months ended September 30, 2020, the Company expensed approximately $20,000 (three months ended September 30, 2019 - $29,000) to Owen Bird for legal services. A director of the Company is a shareholder in the law firm. As at September 30, 2020, Owen Bird was owed $0 (June 30, 2020 - $4,000) and this amount was included in due to related parties

15. Operating expenses

	Three Months Ended September 30, 2020	2019
Consulting fees	$ 82,850	$ 31,659
Professional fees (note 14)	268,211	291,000
Regulatory and transfer agent fees	96,008	109,880
Salaries and benefits (note 14)	665,178	367,259
Share-based payments	973,059	217,351
Travel and entertainment	12,348	31,810
Depreciation and amortization	82,220	6,337
Marketing	331,832	-
Other trading expenses	183,360	-
Other general and administrative expenses	1,543,676	461,712
Total general and administrative expenses	$ 4,238,742	$ 1,517,008

(Expressed in United States Dollars)

	Three Months Ended September 30, 2020		2019	
Consulting fees	$	16,235	$	53,247
Salaries and benefits		358,728		392,036
Share-based payments		51,554		93,334
Other product development expenses		-		568,444
Total product development expenses	$	426,517	$	1,107,061

16. Subsequent events

In October 2020, the Company submitted a letter of intent to purchase the issued and outstanding share capital of LGO SAS, an AMF regulated entity based in France, in exchange for shares of the Company's common stock, with a value of approximately $1.0 million. The transaction is subject to further due diligence as well as regulatory approval and customary closing conditions and expects to close no later than the third quarter.

In November 2020, the Company commenced a private placement offering for the issuance of special warrants, at a price of CDN$1.50 per special warrant, for estimated gross proceeds of approximately $6.2 million. Each special warrant will be convertible into one unit of the Company without payment of any additional consideration upon certain conditions being met. Each unit will consist of one common share of the Company and one-half common share purchase warrant, with each common share warrant being exercisable to acquire one common share of the Company at an exercise price of CDN$2.50 per share for a term of two years following the close of the offering.