BIGG DIGITAL ASSETS INC.

Condensed Consolidated Interim Financial Statements
For the Three Months ended March 31, 2023 and 2022

(Expressed in Canadian dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of BIGG Digital Assets Inc. as at March 31, 2023 and 2022, notes to unaudited condensed consolidated interim financial statements and related Management's Discussion and Analysis have been prepared by and are the responsibility of management.

The Company's independent auditor has not performed a review of these interim financial statements in accordance with the standards established by the CPA Canada for a review of interim financial statements by an entity's auditor.

BIGG DIGITAL ASSETS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
Expressed in Canadian dollars

As at	**Note**	**March 31, 2023** *(Unaudited)*	December 31, 2022 *(Audited)*
ASSETS			
Current			
Cash		**$ 3,578,842**	$ 5,678,236
Restricted cash	**3**	**6,625,667**	5,741,137
Accounts and other receivables		**868,786**	2,206,486
Digital currency inventory	**4**	**65,108,245**	39,591,608
Prepaids		**729,814**	666,196
Total current assets		**76,911,354**	53,883,663
Digital currencies	**5**	**3,448,647**	3,126,394
Investments	**6**	**377,183**	368,537
Investment in associate	**7**	**6,708,630**	7,143,760
Derivative financial asset	**8**	**921,642**	942,865
Investment tax credits receivable		**175,325**	175,325
Intangible assets	**9**	**112,961**	121,909
Goodwill	**9**	**1,071,851**	1,071,851
Right-of-use asset	**10**	**15,804**	23,685
Equipment	**12**	**490,941**	544,638
Total assets		**$ 90,234,338**	$ 67,402,627
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	**13, 15**	**$ 1,885,180**	$ 3,402,754
Income tax payable		**153,410**	153,410
Contract liability		**305,875**	409,543
Customer deposits – cash		**6,320,967**	5,658,637
Customer deposits – digital currency		**56,290,269**	34,622,369
Lease liability	**11**	**29,042**	28,644
Total current liabilities		**64,984,743**	44,275,357
Non-Current liabilities			
Lease liability	**11**	**-**	7,264
Total liabilities		**64,984,743**	44,282,621
Equity			
Share capital	**14**	**99,021,401**	98,784,811
Equity reserves	**14**	**14,032,441**	12,466,125
Accumulated other comprehensive income		**1,143,693**	66,085
Deficit		**(88,947,940)**	(88,197,015)
Total equity		**25,249,595**	23,120,006
Total liabilities and equity		**$ 90,234,338**	$ 67,402,627

Going Concern *[note 1]*
Contingent liability *[note 18]*

On behalf of the Board:

"Mark Binns" Director *"Lance Morginn"* Director

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

BIGG DIGITAL ASSETS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited)
Expressed in Canadian dollars

	Notes	For the Three Months Ended March 31, 2023	March 31, 2022
Revenue			
Subscription revenue		$ **327,604**	$ 334,406
Service revenue		**82,392**	202,066
Transaction revenue	**4**	**1,115,321**	1,973,754
		1,525,317	2,510,226
Cost of sales related to subscription and service revenue		**43,023**	104,182
		1,482,294	2,406,044
Expenses			
Advertising and promotion		**625,445**	2,937,355
Amortization and depreciation	**9, 10, 12**	**75,404**	122,208
Bad debt		**6,236**	-
Business operations expense		**21,625**	30,247
Consulting		**124,239**	84,217
Director's fees	**15**	**27,967**	27,926
Office and administration		**847,019**	684,874
Professional fees		**376,974**	455,362
Regulatory and listing fees		**17,021**	14,685
Research and development		**288,163**	210,431
Share-based compensation	**15**	**1,682,253**	782,873
Shareholder communications		**8,391**	4,641
Travel		**4,387**	3,198
Wages and benefits	**15**	**2,208,302**	1,694,977
Loss from operating activities		**(4,831,132)**	(4,646,950)
Other income (expenses)			
Interest income		**43,217**	26,553
Foreign exchange loss		**(26,218)**	(18,688)
Gain on sale of investments	**5**	**-**	145,040
Loss on sale of digital currencies		**(941,403)**	(145)
Gain on sale of digital currency inventory		**75**	-
Unrealized loss on equity investments	**6**	**(8,866)**	248,906
Unrealized gain on digital currencies		**1,805,719**	-
Unrealized (loss) gain on digital currency inventory		**3,658,294**	(683,094)
Share of loss from investment in associate	**7**	**(447,120)**	(107,900)
Net loss for the period		$ **(750,925)**	$ (5,534,090)
Other comprehensive income (loss)			
Items that will not be reclassified to profit or loss			
Unrealized (loss) gains on digital currencies		**1,062,575**	(483,759)
Unrealized gain on investment in associate		**11,989**	195,000
Items that may be reclassified to profit or loss			
Currency translation adjustment		**3,044**	4,744
Other comprehensive income (loss) for the period		**1,077,608**	(284,015)
Comprehensive income (loss) for the period		$ **326,683**	$ (5,818,105)
Basic and diluted loss per common share		$ **(0.00)**	$ (0.02)
Weighted average number of common shares outstanding		**255,090,679**	246,741,455

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

BIGG DIGITAL ASSETS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited)
Expressed in Canadian dollars

	Share capital						
	Number of Shares	**Amount**	**Equity Reserves**	**Revaluation Reserve**	**Cumulative Translation Adjustment**	**Deficit**	**Total**
Balance at December 31, 2021	244,853,494	$ 96,095,693	$ 12,196,305	$ 4,702,564	$ (3,589)	$ (44,043,833)	$ 68,947,140
Shares issued on warrant exercises	735,000	222,100	(2,200)	-	-	-	219,900
Advance share subscriptions *[note 14]*	-	(4,000)	-	-	-	-	(4,000)
Shares issued on option exercises	1,849,650	520,136	(240,800)	-	-	-	279,336
Share issue costs	-	(3,937)	-	-	-	-	(3,937)
Share-based compensation	-	-	782,873	-	-	-	782,873
Loss for the year	-	-	-	-	-	(5,534,090)	(5,534,090)
Other comprehensive income (loss)	-	-	-	(288,759)	4,744	-	(284,015)
Balance at March 31, 2022	247,438,144	$ 96,829,992	$ 12,736,178	$ 4,413,805	$ 1,155	$ (49,577,923)	$ 64,403,207
Balance at December 31, 2022	253,785,401	$ 98,784,811	$ 12,466,125	$ 57,459	$ 8,626	$ (88,197,015)	$ 23,120,006
Shares issued on option exercises	1,525,000	237,937	(115,937)	-	-	-	122,000
Share issue costs	-	(1,347)	-	-	-	-	(1,347)
Share-based compensation	-	-	1,682,253	-	-	-	1,682,253
Loss for the year	-	-	-	-	-	(747,288)	(747,288)
Other comprehensive income	-	-	-	1,074,564	3,044	-	1,077,608
Balance at March 31, 2023	255,310,401	$ 99,021,401	$ 14,032,441	$ 1,132,023	$ 11,670	$ (88,944,303)	$ 25,253,232

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

BIGG DIGITAL ASSETS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)
Expressed in Canadian dollars

	For the Three Months Ended	
	March 31, 2023	March 31, 2022
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss for the period	**$ (750,925)**	$ (5,534,090)
Restricted cash	**(884,525)**	(792,414)
Items not involving cash		
Amortization and depreciation	**75,405**	122,208
Share-based compensation	**1,682,253**	782,873
Foreign exchange loss	**220**	5,326
Loss on sale of digital currencies	**941,403**	145
Gain on sale of investments	**-**	(145,040)
Gain on the sale of digital currency inventory	**(75)**	-
Unrealized loss (gain) on equity investments	**(8,866)**	248,906
Unrealized loss on derivative financial asset	**21,223**	-
Unrealized gain on digital currencies	**(1,805,719)**	-
Unrealized loss (gain) on digital currency inventory	**(3,063,455)**	683,094
Share of loss from investment in associate	**447,120**	107,900
Other	**789**	1,395
Changes in non-cash working capital items:		
Accounts and other receivables	**1,337,700**	23,084
Prepaids	**(63,618)**	270,693
Accounts payable and accrued liabilities	**(1,517,574)**	(77,909)
Contract liability	**(103,668)**	(52,769)
Customer deposits	**22,330,220**	1,733,119
Digital currency inventory	**(22,453,107)**	(1,595,675)
Net cash used in operating activities	**(3,815,199)**	(4,219,154)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of equipment	**(4,879)**	(44,880)
Purchase of digital currencies	**(145,554)**	(102,209)
Investment in associate	**-**	(9,800,000)
Proceeds from sale of investments	**-**	185,040
Proceeds from sale of digital currencies	**1,750,191**	9,371
Net cash from (used) in investing activities	**1,599,758**	(9,752,678)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common shares	**122,000**	495,236
Share issue costs	**(1,347)**	(3,937)
Lease payments	**(7,655)**	(7,535)
Net cash from financing activities	**112,998**	483,764
Change in cash for the period	**(2,102,443)**	(13,488,068)
Cash, beginning of period	**5,678,236**	31,846,032
Effect of foreign exchange on cash	**3,049**	3,058
Cash, end of period	**$ 3,578,842**	$ 18,361,022

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

1. NATURE OF OPERATIONS AND GOING CONCERN

BIGG Digital Assets Inc. (the "Company" or "BIGG"), was incorporated on October 17, 2014 under the *Business Corporations Act* (British Columbia). On November 30, 2017, the Company acquired Blockchain Technology Group Inc. ("BTGI") through a reverse acquisition transaction. BTGI was incorporated under the *Business Corporations Act* (British Columbia) on May 31, 2010. On September 26, 2019, the Company changed its name to BIGG Digital Assets Inc. The Company's shares are traded on the Canadian Securities Exchange ("CSE") under the symbol "BIGG".

The Company's principal business activity is investing in products and companies within the cryptocurrency industry. It has two operating divisions which provide blockchain search products to large enterprises with significant data requirements in the financial and ecommerce sectors globally, and brokerage and exchange software to make the purchase and sale of cryptocurrency easily accessible to the mass consumer and investor with a focus on compliance and safety. The Company's head office and principal place of business is Suite 1220 - 1130 West Pender Street, Vancouver, BC, Canada.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business. For the period ended March 31, 2023, the Company reports net loss of $750,925, negative cash flow from operations of $3,815,199 and an accumulated deficit of $88,947,940.

The Company has incurred losses and has had negative cash flows from operations since inception that have primarily been funded through financing activities. The Company continues to rely on financing through equity raises or debt instruments to support its operations and expects to do so until the business operates with sufficient cash flows from operations. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

Management cannot provide assurance that the Company will achieve profitable operations or become cash flow positive, or raise additional funds via equity issuances or debt instruments. Its ability to continue as a going concern depends upon whether it develops profitable operations and continues to raise adequate financing. These factors indicate a material uncertainty and may cast a significant doubt on the Company's ability to continue as a going concern. The consolidated financial statements do not reflect the adjustments to the carrying amounts of assets and liabilities and the reported expenses that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. As a result, certain disclosures included in the annual financial statements prepared in accordance with IFRS have been condensed or omitted. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated annual financial statements for the year ended December 31, 2022. In preparation of these condensed consolidated interim financial statements, the Company has consistently applied the same accounting policies as disclosed in note 3 to the audited consolidated annual financial statements for the year ended December 31, 2022.

These unaudited condensed consolidated interim financial statements were approved by the Board of Directors on May 29, 2023.

Expressed in Canadian dollars

2. BASIS OF PRESENTATION (cont'd…)

b) Basis of Measurement

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries Blockchain Technology Group Inc., 2140 Software Solutions Inc., BitRank Verification Services Inc., Dark Fibre Systems Inc., QLUE Forensic Systems Inc., CFC Digital Inc., BIG Blockchain Intelligence Group Inc. (Texas), 1208810 B.C. Ltd., Netcoins Inc., NTC Holdings Corp. and Netcoins USA, Inc. The accounts of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date the control ceases. All significant intercompany transactions and balances have been eliminated upon consolidation.

3. RESTRICTED CASH

		March 31, 2023		December 31, 2022
TD GIC – Visa credit lines	$	82,500	$	82,500
Customer cash deposits held in trust		6,543,167		5,658,637
	$	6,625,667	$	5,741,137

At March 31, 2023, the Company held restricted cash of:

(a) $82,500 (December 31, 2022 - $82,500) in a Guaranteed Investment Certificate (GIC), at an interest rate of 4.3% with a maturity date of June 27, 2023, pursuant to a demand operating facility agreement with the Toronto-Dominion Bank, to support Visa credit lines of $75,000; and

(b) $6,543,167 (December 31, 2022 - $5,658,637) in customer cash deposits, which are held in trust with Concentra Trust and represent the aggregate customer cash holdings on deposit in the Netcoins App.

4. DIGITAL CURRENCY INVENTORY

The Company holds digital currencies as inventory as follows:

		March 31, 2023		December 31, 2022
Bitcoin	$	26,197,168	$	14,297,995
Ethereum		16,814,212		11,233,476
XRP		13,818,737		8,387,384
USDC		504,705		771,980
LTC		1,455,976		1,123,641
XLM		994,973		551,191
BCH		384,252		384,430
ALGO		286,007		182,548
EOS		125,970		99,283
DOGE		449,074		350,304
SHIB		705,868		437,739
MATIC		375,178		259,200
SOL		307,084		104,556
GALA		173,703		51,084
ADA		334,856		186,098
Other digital currencies		2,180,482		1,170,699
	$	65,108,245	$	39,591,608

During the period ended March 31, 2023 total proceeds from digital currency inventory sold were $60,825,046 and the total cost of digital currency inventory sold was $59,709,725 resulting in a net revenue from digital currency brokerage sales of $1,115,321 (2021 - $1,973,754).

Expressed in Canadian dollars

5. DIGITAL CURRENCIES

The Company holds digital currencies as investments as follows:

		Digital currencies (units)									
		Bitcoin	Solarcoin	Bitcoin Cash	Bitcoin Gold	Bitcoin SV	Lumen	USDT	USDC	XDC	Other
Balance, December 31, 2021	**$ 16,758,928**	**282.79**	**25,916.45**	**21.53**	**25.20**	**52.88**	**529.93**	**93,434.84**	**-**	**519,740.67**	**14.77**
Digital currencies purchased or received(i)	268,169	2.66	-	-	-	-	-	14,789.36	13,512.21	1,860,569.00	4.12
Traded for cash or digital currencies(ii)	(3,388,288)	(150.15)	-	-	-	(27.92)	(5.00)	(106,890.20)	(8,816.00)	(140,000.00)	(5.59)
Used for research and development(iii)	(3,392)	(0.08)	-	(0.05)	-	-	-	(635.00)	-	-	-
Gain on sale of digital currencies (iv)	(4,439,565)	-	-	-	-	-	-	-	-	-	-
Revaluation of digital currencies (iv)	(6,069,458)	-	-	-	-	-	-	-	-	-	
Balance, December 31, 2022	**$ 3,126,394**	**135.22**	**25,916.45**	**21.48**	**25.20**	**24.96**	**524.93**	**699.00**	**4,696.21**	**2,240,309.67**	**13.30**
Digital currencies purchased or received(i)	146,479	0.52	-	-	-	-	-	-	97,485.94	-	-
Traded for cash or digital currencies(ii)	(2,692,519)	(50.05)	-	(0.01)	-	-	-	(699.00)	(102,182.15)	(9.67)	(9.00)
Used for research and development(iii)	-	-	-	-	-	-	-	-	-	-	-
Loss on sale of digital currencies (iv)	(941,403)	-	-	-	-	-	-	-	-	-	-
Revaluation of digital currencies (iv)	3,809,696	-	-	-	-	-	-	-	-	-	
Balance, March 31, 2023	**$ 3,448,647**	**85.69**	**25,916.45**	**21.47**	**25.20**	**24.96**	**524.93**	**-**	**-**	**2,240,300.00**	**4.30**

(i) During the period ended March 31, 2023, the Company purchased or received 0.52 Bitcoin valued at $11,954 (2022 – 0.18 Bitcoin valued at $9,406) and 97,485.94 USDT valued at $134,525 (2022 – 9,492.41 USDT valued at $12,033). In the same period of the prior year, the Company received 1,224,459 XDC valued at $80,770.

(ii) During the period ended March 31, 2023, the Company exchanged digital currencies for cash as follows: 50.05 Bitcoin valued at $2,550,815 (2022 - $Nil), 699.00 USDT valued at $955, and 102,182.15 USDC valued at $140,749. In the same period of the prior year, the Company exchanged digital currencies for cash or currencies as follows: 1.70 Bitcoin SV valued at $1,897, 305.00 USDT valued at $389, and 70,000.00 XDC valued at $6,959 were exchanged for 5,606.61 USDT valued at $7,085. As well, the Company wrote-off various digital currencies of 18.66 units valued at $1 (2022 - $145).

(iii) During the period ended March 31, 2023, the Company did not use any digital currencies for research and development purposes. In the prior year, the Company used 0.01 Bitcoin valued at $296 for research and development testing.

(iv) Digital currencies held are revalued each reporting period based on the fair market value of the price of the digital currencies on the reporting date. As at March 31, 2023, a revaluation gain of $3,809,696 (2022 – loss of $483,463) was recorded. A loss of $941,403 (2022 - $145) was realized on disposal of coins, an unrealized gain of $1,062,575 (2022 – loss of $483,463) was recorded to other comprehensive income and an unrealized gain of $1,805,719 (2022 - $Nil) was recorded to the consolidated statement of comprehensive loss.

Expressed in Canadian dollars

6. INVESTMENTS

At March 31, 2023 and December 31, 2022, the Company held the following equity investments:

	March 31, 2023				December 31, 2022			
	Shares #	Warrants #	Cost $	Fair Value $	Shares #	Warrants #	Cost $	Fair Value $
LQwD FinTech Corp.	28,600	14,300	100,100	24,024	28,600	14,300	100,100	15,158
TerraZero Technologies Inc.	1,650,000	-	82,500	82,500	1,650,000	-	82,500	82,500
ZenLedger Inc.	70,062	-	251,859	270,659	70,062	-	251,859	270,879
Luxxfolio Holdings Inc.	-	12,500,000	944,643	-	-	12,500,000	994,643	-
Totals	1,748,662	12,514,300	1,379,102	377,183	1,748,662	12,514,300	1,379,102	368,537

During the period ended March 31, 2023, the Company:

a) held a total of 28,600 units of LQwD FinTech Corp. ("LQwD") at a cost of $100,100. On November 14, 2022, LQwD completed a 10:1 share consolidation which reduced the Company's holdings to 28,600 common shares and 14,300 share purchase warrants. Each share purchase warrant entitles the Company to acquire an additional common share of LQwD at a price of $5.00 until October 28, 2023. LQwD, a publicly traded company listed on the TSX Venture Exchange under the symbol LQWD, is Lightning Network, layer-two software developer. At March 31, 2023 and December 31, 2022, it was related via a director in common;

b) held a total of 1,650,000 preferred shares of TerraZero Technologies Inc. ("TerraZero") at a cost of $82,500. TerraZero is a private Canadian company involved in developing, acquiring and financing entities, entrepreneurs and developers actively engaged in the Metaverse;

c) held a total of 70,062 shares of Series A preferred stock in ZenLedger,Inc. ("ZenLedger") at a cost of $251,859 (USD$199,999). The valuation of the ZenLedger securities, which are unlisted, has been measured using the market approach which was unchanged. During the period ended March 31, 2023, a foreign exchange loss of $220 (2022 - $3,640) was recorded. ZenLedger, Inc., a US-based company, is a leading cryptocurrency tax platform; and,

d) held 12,500,000 share purchase warrants of Luxxfolio Holdings Inc ("Luxxfolio") which entitles it to acquire 12,500,000 common share of Luxxfolio at a price of $0.21 until June 8, 2024; however, given that Luxxfolio has suspended its operations and is actively seeking to restructure and/or refinance the Company has written-down its investment to $Nil. Luxxfolio, a publicly traded company listed on the Canadian Securities Exchange, operated an industrial scale cryptocurrency mining facility in the United States powered primarily by renewable energy, with a focus on Bitcoin mining and generating digital assets on the blockchain ecosystem.

The Company records its investments as FVTPL. During the period ended March 31, 2023, the Company recorded a gain of $12,357 (2021 - $248,906) on revaluation of its securities to their fair market value.

Expressed in Canadian dollars

7. INVESTMENT IN ASSOCIATE

At December 31, 2021, the Company held an aggregate 650,000 common shares of TerraZero at a cost of $200,000 and fair value of $260,000.

On February 9, 2022, the Company acquired an additional 14 million common shares and 2 million warrant exercisable at $0.90 per warrant share for a period of five years (the "TerraZero Warrant"), at a cost of $9,800,000, representing a 31.81% ownership interest in TerraZero. In connection with this transaction, the Company and TerraZero entered into an Investor Rights Agreement entitling the Company to propose one member of three of the TerraZero Board of Directors.

On September 7, 2022, the Company acquired 1,650,000 preferred shares at a cost of $82,500, bringing the Company's equity stake in TerraZero to 14,650,000 common shares, 2 million warrants and 1,650,000 preferred shares at an aggregate cost of $10.08 million.

The Company applies equity accounting to the investment in the common shares of TerraZero as the Company has significant influence over TerraZero due to the Company's share ownership and representation on TerraZero's Board of Directors. As a result, the investment is recognized at cost with the carrying amount of the investment increasing or decreasing at each reporting period to recognize the Company's share of the net income or loss of TerraZero for the particular period.

As the Company previously held an investment in TerraZero, the cost of the investment is determined as the fair value of the original investment at the date that significant influence was achieved plus the consideration paid for the additional equity stake. A revaluation gain on the original investment of $195,000 was recorded in other comprehensive income as at February 9, 2022.

A gain or loss on the dilution of the Company's investment in TerraZero is calculated as the difference between the Company's ownership interest in the consideration received by the investee for the issuance of new shares and the reduction in ownership interest in the previous carrying amount.

TerraZero, a private company is a private Canadian company incorporated under the laws of British Columbia on May 28, 2021, is involved in developing, acquiring and financing entities, entrepreneurs and developers actively engaged in the Metaverse. No quoted market prices are available for its shares. It has a December 31 year-end, the same as the Company. At March 31, 2023 and 2022, there were no mutual transactions outside of the Company's equity investment into TerraZero.

The following table summarizes the Company's investment accounted for using the equity method as at March 31, 2023 and 2022:

		March 31, 2023		**March 31, 2022**
Balance, beginning of year	$	7,143,761	$	-
Additions				
Initial investment in TerraZero		-		9,264,572
Share of loss in investment accounted for using the equity method:				
Share of investee's loss		(447,120)		(107,900)
Associate revaluations		11,989		-
Balance, end of period	$	6,708,630	$	9,156,672

The Company's percentage of ownership in TerraZero was 30.33% at March 31, 2023 (March 31, 2022 – 30.49%).

Expressed in Canadian dollars

7. INVESTMENT IN ASSOCIATE (cont'd…)

The following table summarizes the financial information of TerraZero as included in its own financial statements, adjusted for fair value adjustments at acquisition. The table also reconciles the summarized financial information to the carrying amount of the Company's interest in TerraZero:

	March 31, 2022	December 31, 2022
Current assets	$ 8,151,466	$ 9,102,059
Non-current assets	813,019	536,682
Current liabilities	(1,003,219)	(706,274)
Net assets	$ 7,961,266	$ 8,932,467

	Three Months ended March 31, 2023	Year ended December 31, 2022
Revenue	$ 612,412	$ 939,638
Net loss from continuing operations (100%)	$ (1,424,303)	$ (8,690,290)
Other comprehensive income (100%)	(49,744)	10,228
Total comprehensive loss (100%)	(1,474,047)	(8,680,062)
Company's share of total comprehensive loss	(447,120)	(2,178,270)
Opening balance	$ 7,143,761	$ -
Initial investment in TerraZero	-	455,000
Step up investment in TerraZero	-	8,809,572
Total investments in TerraZero	7,143,761	9,264,572
Share of loss in investment accounted for using the equity method:		
Share of investee's loss	(447,120)	(2,178,270)
Gain from dilution of interest in associate	-	54,356
Revaluation of assets	11,989	3,103
Carrying amount of investment in associate	$ 6,708,630	$ 7,143,761
Company's share of:		
Net loss from continuing operations	$ (447,120)	$ (2,178,270)
Other comprehensive income	11,989	51,750
Total other comprehensive loss	$ (435,131)	$ (2,126,520)

8. DERIVATIVE FINANCIAL ASSET

The Company determined that the TerraZero Warrant is classified as a derivative financial instrument on the consolidated statements of financial position, fair valued using the Black-Scholes valuation model at initial recognition, and subsequently remeasured to fair value as at each reporting date. Any change in the fair value of the derivative is recognized to revaluation loss (gain) in the consolidated statements of comprehensive income (loss).

The following table summarizes the derivative financial asset for the three months ended March 31, 2023 and year ended December 31, 2022:

	March 31, 2023	December 31, 2022
Balance, beginning of year	$ 942,865	$ -
Additions	-	990,428
Change in fair value due to revaluation of derivative financial asset	(21,223)	(47,563)
Balance, end of period	$ 921,642	$ 942,865

Expressed in Canadian dollars

8. DERIVATIVE FINANCIAL ASSET (cont'd…)

The Company used the Black-Scholes option pricing model to calculate the fair value of the warrants held in TerraZero. The Company used the following assumptions to fair value the warrants:

Share price at measurement date	$0.70
Risk-free interest rate	3.02%
Exercise Price	$0.90
Expected life of options	3.87 years
Expected volatility	115.62%
Dividend yield	Nil

At reporting date, management's estimate of the effect on equity to a +/- 10% change in the stock price and volatility, holding other inputs constant, would change the fair value of the warrants by approximately +/- $107,500.

9. GOODWILL & INTANGIBLE ASSETS

	LMS Platform	Netcoins App	Netcoins.com	Subtotal – Intangible Assets	Goodwill	Total
Cost						
December 31, 2022 and 2021	$ 129,972	$ 882,000	$ 181,464	$ 1,193,436	$ 1,071,851	$ 2,265,287
Additions	-	-	-	-	-	-
March 31, 2023	129,972	882,000	181,464	1,193,436	1,071,851	2,265,287
Accumulated amortization						
December 31, 2021	129,972	710,500	23,265	863,737	-	863,737
Additions	-	171,500	36,290	207,790	-	207,790
December 31, 2022	129,972	882,000	59,555	1,071,527	-	1,071,527
Additions	-	-	8,948	8,948	-	8,948
March 31, 2023	129,972	882,000	68,503	1,080,475	-	1,080,475
December 31, 2022	$ -	$ -	$ 121,909	$ 121,909	$ 1,071,851	$ 1,193,760
March 31, 2023	$ -	$ -	$ 112,961	$ 112,961	$ 1,071,851	$ 1,184,812

During the year ended December 31, 2021, the Company recognized $181,464 as an intangible asset, comprising the Netcoins.com domain, acquired from a third-party, which is amortized on a straight-line basis over a period of five years representing the estimated useful life of the intangible asset.

During the year ended December 31, 2019, the Company recognized $882,000 as an intangible asset comprising the Netcoins App upon the acquisition of Netcoins Inc. The Netcoins App was amortized on a straight-line basis over a period of three years representing the estimated useful life of the intangible asset.

Goodwill of $1,071,851 was recorded in connection with the Netcoins acquisition, attributable to the workforce and the highly specialized nature of the acquired business, and is not deductible for tax purposes.

Amortization of intangible assets for the period ended March 31, 2023 was $8,948 (2022 - $82,448).

Expressed in Canadian dollars

10. RIGHT-OF-USE ASSET

At March 31, 2023, the right-of-use asset is an office lease entered into by the Company commencing March 1, 2021, which terminates on February 29, 2024. The right-of-use asset is amortized over the shorter of the asset's useful life and the lease term on a straight-line basis.

	Office Operating Lease
Balance at December 31, 2021	$ 55,207
Additions	(31,522)
Depreciation	-
Balance at December 31, 2022	$ 23,685
Depreciation	(7,881)
Balance at March 31, 2023	$ 15,804

11. LEASE LIABILITIES

The lease liability is measured at the present value of the lease payments and discounted using the Company's incremental borrowing rate of 8%. Lease liabilities are recorded as follows:

	Office Operating Lease
Balance at December 31, 2021	$ 61,559
Lease payments	(30,380)
Interest expense on lease liability	4,729
Balance at December 31, 2022	$ 35,908
Lease payments	(7,655)
Interest expense on lease liability	789
Balance at March 31, 2023	$ 29,042
Current	$ 29,042

12. EQUIPMENT

Cost	**Total**
Balance at December 31, 2021	**$ 1,318,974**
Additions	430,772
Disposals	(1,950)
Balance at December 31, 2022	**$ 1,747,796**
Additions and reallocations	4,879
Disposals	-
Balance at March 31, 2023	**$ 1,752,675**
Accumulated depreciation	
Balance at December 31, 2021	**$ 1,061,172**
Disposals	(569)
Depreciation for the period	142,555
Balance at December 31, 2022	**$ 1,203,158**
Disposals	-
Depreciation for the period	58,576
Balance at March 31, 2023	**$ 1,261,734**
Carrying amounts	
At December 31, 2022	**$ 544,638**
At March 31, 2023	**$ 490,941**

Expressed in Canadian dollars

13. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2023	December 31, 2022
Accounts payable	$ 1,084,434	$ 2,114,268
Accrued liabilities	602,643	989,522
Payroll liabilities	198,103	298,964
	$ 1,885,180	$ 3,402,754

14. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares and preferred shares, without par value

Share Issuances

2023

During the period ended March 31, 2023, the Company issued an aggregate 1,525,000 common shares upon the exercise of options for gross proceeds of $122,000.

2022

During the period ended March 31, 2022, the Company:

(i) issued an aggregate 1,849,650 common shares upon the exercise of options for gross proceeds of $279,336, and recorded a reduction of $4,000 in advance share subscriptions for stock options received in December 2021; and,

(ii) issued an aggregate 735,000 common shares upon the exercise of share purchase warrants for gross proceeds of $291,900.

Share purchase warrants

The Company may issue share purchase warrants to acquire its common shares either in combination with share offerings, or on a stand-alone basis to its consultants and advisors. The terms of warrants issued are determined by the Company's Board of Directors.

Share purchase warrant transactions are summarized for the three months ended March 31, 2023 and year ended December 31, 2022.

	For the Three Months Ended March 31, 2023		For the Year Ended December 31, 2022	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Opening balance	9,988,550	$ 2.07	12,094,656	$ 1.76
Exercised	-	-	(1,265,800)	0.30
Expired	(3,160,550)	0.70	(840,306)	-
Ending balance	6,828,000	$ 2.70	9,988,550	$ 2.07
Warrants exercisable	6,828,000	$ 2.70	9,988,550	$ 2.07

As at March 31, 2023 and December 31, 2022, the following share purchase warrants were outstanding:

	Expiry Date	Exercise Price	March 31, 2023	December 31, 2022	Weighted Average Remaining Contractual Life
Warrants	January 28, 2023	$ 0.70	-	1,360,550	0.00 years
Warrants	February 5, 2023	$ 0.70	-	1,800,000	0.00 years
Warrants	April 16, 2023	$ 2.70	6,828,000	6,828,000	0.04 years
			6,828,000	9,988,550	

Expressed in Canadian dollars

14. SHARE CAPITAL (cont'd…)

Performance-based share purchase warrants

Performance share purchase warrant transactions are summarized for the three months ended March 31, 2023 and year ended December 31, 2022.

	For the Three Months Ended March 31, 2023		For the Year Ended December 31, 2022	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Opening balance	-	$ -	4,777,750	$ 0.05
Exercised	-	-	(4,442,875)	0.05
Expired	-	-	(334,985)	0.05
Ending balance	-	$ -	-	$ -
Performance Warrants exercisable	-	$ -	-	$ -

Stock options

The Company adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable for a period of up to ten years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

Stock option transactions are summarized for the three months ended March 31, 2023 and year ended December 31, 2022.

	For the Three Months Ended March 31, 2023		For the Year ended December 31, 2022	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Opening balance	13,998,750	$ 0.79	16,226,982	$ 0.76
Granted	6,805,000	0.32	2,755,000	0.48
Exercised	(1,525,000)	0.08	(3,223,232)	0.19
Expired	(125,000)	0.75	(1,443,750)	1.11
Forfeited/cancelled	(17,500)	0.40	(316,250)	1.00
Ending balance	19,136,250	$ 0.68	13,998,750	$ 0.79
Options exercisable	16,243,750	$ 0.69	11,421,250	$ 0.80

Expressed in Canadian dollars

14. SHARE CAPITAL (cont'd…)

Stock options (cont'd…)

Weighted Average Exercise Price	Expiry Date	Number Outstanding	Number Exercisable	Weighted Average Remaining Contractual Life
$ 1.40	July 13, 2023	25,000	25,000	0.28 years
$ 0.20	September 12, 2023	415,000	415,000	0.45 years
$ 0.10	December 20, 2023	200,000	200,000	0.72 years
$ 0.08	August 13, 2024	628,750	628,750	1.37 years
$ 0.08	January 14, 2025	140,000	140,000	1.79 years
$ 0.08	July 27, 2025	520,000	520,000	2.33 years
$ 0.75	February 5, 2026	3,745,000	3,745,000	2.85 years
$ 1.75	March 3, 2026	1,275,000	1,275,000	2.93 years
$ 3.00	April 22, 2026	145,000	108,750	3.06 years
$ 1.40	July 13, 2026	2,060,000	1,920,000	3.29 years
$ 1.60	November 2, 2026	630,000	315,000	3.59 years
$ 0.50	June 8, 2027	1,827,500	618,750	4.19 years
$ 0.45	September 1, 2027	730,000	182,500	4.42 years
$ 0.32	January 18, 2028	6,795,000	6,150,000	4.81 years
		19,136,250	16,243,750	

Share-based compensation

During the three month period ended March 31, 2023, the Company recorded share-based compensation totaling $1,682,253 (2022 - $782,873) in relation to the stock options, which was expensed as share-based compensation in operations.

The fair value of stock options was estimated on the measurement date using the Black-Scholes option-pricing model and amortized over the vesting period of the underlying options. The assumptions used to calculate the fair value were as follows:

	For the Three Months Ended March 31, 2023	For the Three Months Ended March 31, 2022
Share price at measurement date	$0.31	$0.65 to $2.56
Risk-free interest rate	2.80%	0.48 to 1.47%
Exercise price	$0.32	$0.75 to $3.00
Expected life of options	5 years	2 to 5 years
Expected volatility	139%	140 – 143%
Forfeiture rate	12%	13%
Dividend yield	Nil	Nil

15. RELATED PARTY TRANSACTIONS

Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

	For the Three Months Ended March 31, 2023	2022
Director's fees	$ 27,967	$ 27,962
Wages and benefits	458,886	240,372
Share-based compensation	1,492,461	410,395
Total	$ 1,979,314	$ 678,729
Accounts payable due to related parties	$ 88,810	$ 42,278

Expressed in Canadian dollars

15. RELATED PARTY TRANSACTIONS (cont'd…)

As at March 31, 2023 and 2022, the following deposits were held by key management personnel on the Netcoins App:

	For the Three Months Ended March 31, 2023	2022
Deposits held on Netcoins App	$ 383,397	$ 191,175

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

All financial and non-financial assets and liabilities measured or disclosed at fair value are categorized into one of three fair value hierarchy levels in accordance with IFRS**.**

The fair value hierarchy is based on the transparency of inputs to the valuation of an asset or liability as of the measurement date. In certain cases, the inputs used to measure fair value may fall within different levels of the fair value hierarchy. For disclosure purposes, the level in the hierarchy within which an instrument is classified in its entirety is based on the lowest level input that is significant to the fair value measurement. The three levels of the fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability; and;
Level 3 – Inputs that are not based on observable market data (unobservable inputs).

The following table presents the fair value hierarchy for the Company's assets and liabilities measured at fair value by level as at March 31, 2023 and December 31, 2022:

	March 31, 2023			December 31, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Digital currency inventory	$ -	$ 65,108,245	$ -	$ -	$ 39,591,608	$ -
Digital currencies	-	3,448,647	-	-	3,126,394	-
Investments	24,024	-	353,159	15,158	-	353,379
Derivative financial asset	-	-	921,642			942,865
Total	$ 24,024	$ 68,556,892	$1,274,801	$15,158	$42,718,002	$1,296,244
Liabilities						
Customer deposits - digital currency	$ -	$ 56,290,269	$ -	$ -	$ 34,662,369	$ -

Valuation of Assets / Liabilities that use Level 1 Inputs ("Level 1 Assets / Liabilities"). Consists of the Company's investments which are valued at the public closing price in active markets.

Valuation of Assets / Liabilities that use Level 2 Inputs ("Level 2 Assets / Liabilities"). Consists of the Company's inventory and digital currencies held, where quoted prices in active markets are available. For inventory and digital currencies, the fair value is determined by the volume-weighted average of prices across principal exchanges as of 12:00 am UTC.

Valuation of Assets / Liabilities that use Level 3 Inputs ("Level 3 Assets / Liabilities"). Consists of certain of the Company's investments. Non-marketable equity investments in privately-held companies are generally accounted for under the measurement alternative, defined as cost, less impairments, adjusted for subsequent observable price changes and are periodically assessed for impairment when events or circumstances indicate that a decline in value may have occurred.

Expressed in Canadian dollars

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

Level 3 Continuity

The following is a reconciliation of Level 3 assets for the three months ended March 31, 2023 and December 31, 2022:

	Fair Value at December 31, 2022	Purchases	Sales	Net Realized Gain (Loss) on Investments	Net Unrealized Gain (Loss) on Investments	Transfers in/(out) of Level 3	Fair Value at March 31, 2023
Assets							
Investments	$ 353,379	$ -	$ -	$ -	$ (220)	$ -	$ 353,159
Derivative financial asset	942,865	-	-	-	(21,223)	-	921,642
	$ 1,296,244	$ -	$ -	$ -	$ (21,443)	$ -	$ 1,274,801

	Fair Value at December 31, 2021	Purchases	Sales	Net Realized Gain (Loss) on Investments	Net Unrealized Gain (Loss) on Investments	Transfers in/(out) of Level 3	Fair Value at December 31, 2022
Assets							
Investments	$ 513,559	$ 82,500	$ -	$ -	$ 212,320	$ (455,000)	$ 353,379
Derivative financial asset	-	990,428	-	-	(47,563)	-	942,865
	$ 513,559	$ 1,072,928	$ -	$ -	$ 164,757	$ (455,000)	$ 1,296,244

Transfers in and out of Level 3 are considered to have occurred at the beginning of the period the transfer occurred.

	Fair value at March 31, 2022	Valuation technique	Unobservable input	Range (weighted average)
Private equity investments	$ 353,159	Market comparable companies	Discount for lack of marketability[(a)] Control premium[(a)]	10-35% (10%) 10-50% (10%)
Derivative financial asset	$ 921,642	Option pricing model	Current stock price Historical price volatility	

	Fair value at December 31, 2022	Valuation technique	Unobservable input	Range (weighted average)
Private equity investments	$ 353,379	Market comparable companies	Discount for lack of marketability[(a)] Control premium[(a)]	10-35% (18%) 10-50% (22%)
Derivative financial asset	942,865	Option pricing model	Current stock price Historical price volatility	

(a) Represents amounts used when the Company has determined that market participants would take into account these discounts and premiums when pricing the investments.

The fair value of Level 3 assets and liabilities is inherently subjective. Specifically, because of the uncertainty of determining the fair value of investments that do not have readily ascertainable market values, the Company's conclusion of fair value for an investment on a date may differ significantly from (1) the fair value conclusions of other knowledgeable market participants and/or (2) prior or subsequently observed transaction prices, including the price paid to acquire, or received to sell, the investment itself.

As at March 31, 2023 and December 31, 2022, the fair value of cash, restricted cash and customer deposits-cash held by the Company approximates carrying value and was based on level 1 of the fair value hierarchy. Investments, where quoted prices in active markets are available, are level 1 assets. The carrying values of accounts and other receivables, accounts payable and accrued liabilities and other current assets and liabilities are based on level 2 inputs and approximate fair value due to their short-term maturities. The carrying value of the Company's lease liability is measured as the present value of the discounted future cash flows.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

Risk

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company has no significant concentration of credit risk arising from operations. The Company has cash balances but no interest-bearing debt. The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash, restricted cash and accounts receivable. Credit risk associated with digital currencies proceeds collected by vendors on behalf of the Company is limited as transactions are usually settled within 1 to 15 days. The Company's credit risk has not changed significantly from the prior year.

The Company also utilizes third-party liquidity providers in the execution of customer trades. Trade execution and settlement is typically completed within milliseconds of the customer's execution of a trade order; however, there is credit risk that a liquidity provider will not fulfill its obligation or be delayed in fulfilling its obligation. Management believes the credit risk with respect to its use of liquidity partners to be remote. In the remote case of a liquidity partner not fulfilling its obligation, the Company expects to use its cash and/or digital currencies to complete the trade.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by ensuring that it has sufficient cash and other financial resources available to meet its short-term obligations. The Company forecasts cash flows for a period of twelve months to identify financial requirements. These requirements are met by accessing financing through public equity offerings and private placements.

Accounts payable and accrued liabilities, other than accrued compensation, generally have maturities of 30 days or less or are due on demand.

Commitments - operational		**2023**		**2024**
Lease payments	$	21,778	$	7,264
Accounts payable		1,084,434		-
Accrued liabilities		602,643		-
Total contractual obligations	$	1,708,855	$	7,264

Market risk

Market risk is the risk the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as commodity and equity price risk.

i. Interest rate risk

Interest rate risk arises from changes in market rates of interest that could adversely affect the Company. The Company currently has no interest-bearing financial instruments other than cash, so its exposure to interest rate risk is insignificant.

ii. Foreign currency risk

Foreign currency risk arises from fluctuations in foreign currencies versus the Canadian dollar that could adversely affect reported balances and transactions denominated in those currencies. The Company currently has investment assets, some liabilities and revenue or expenses denominated in a foreign currency, so is exposed to foreign currency risk. The Company does not currently hedge its exposure to foreign currency cash flows as management has determined that currency risk is not significant. The Company's main risk is associated with fluctuations in US dollars. The following amounts are presented in to demonstrate the effect on net income or loss of changes in foreign exchange rates:

Expressed in Canadian dollars

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

ii. Foreign currency risk (cont'd…)

		March 31, 2023	December 31, 2022
Cash held	USD	$ 242,931	$ 793,156
Accounts and other receivables	USD	238,712	1,637,618
Accounts payable	USD	239,330	445,259
Effect of +/- 5% change in exchange rate		$ 74,818	$ 193,982

iii. Commodity and equity price risk

Commodity and equity price risk arises from market fluctuations in commodity and equity prices that could adversely affect the Company's operations. The Company's current exposure to equity price risk includes declines in the values and volumes of (i) its own equity shares which could impede its ability to raise additional funds when required and (ii) its investment in various marketable securities.

All investments present a risk of loss of capital. The maximum risk resulting from financial instruments is equivalent to their fair value. At March 31, 2023, management's estimate of the effect on equity to a +/- 5% change in its investments is +/- $18,800 (December 31, 2022 - $14,300).

Digital currencies risk

Digital asset prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. Further, digital currencies have no underlying backing or contracts to enforce recovery of invested amounts.

At March 31, 2023, the Company held with reputable custodians and liquidity providers digital currency inventory valued at $65,108,245 (December 31, 2022 - $39,591,608) and digital currency investments of $3,448,647 (December 31, 2022 - $3,126,394). At March 31, 2023, had the market price of the Company's digital currency assets changed by 10% with all other variables remaining constant, the corresponding digital asset value change would be approximately $6,855,689 (December 31, 2022 - $4,271,800).

The profitability of the Company is directly related to the current and future market price of digital assets. In addition, the Company may not be able liquidate its digital currency inventory at its desired price if required. Investing in digital currencies is speculative, prices are volatile, and market movements are difficult to predict. Supply and demand for such currencies change rapidly and are affected by a variety of factors, including regulation and general economic trends. 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 price performance.

17. CAPITAL MANAGEMENT

The Company includes all components of equity in the definition of capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its blockchain technology and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust capital structure, the Company may consider issuing new shares, and/or issue debt, acquire or dispose of assets, or adjust the amount of cash and investments on hand. The Company is not currently subject to any externally imposed capital requirements.

The Company has been dependent upon external financings to fund activities. Until such time as it begins to generate revenue, in order to carry out planned expenditures and pay for administrative costs the Company will spend its existing working capital and may seek to raise additional funds as needed.

Expressed in Canadian dollars

17. CAPITAL MANAGEMENT (cont'd...)

In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash on deposit in interest bearing Canadian chartered bank accounts. Some cash is kept on deposit with fiat to cryptocurrency exchanges in order to facilitate the Company's business. There have been no significant changes to the Company's approach to capital management during the period ended March 31, 2023.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

18. CONTINGENT LIABILITY

On October 28, 2019, the Company received Notice of Civil Claim in the Supreme Court of British Columbia by a former employee, alleging constructive dismissal. The claimant has claimed $450,000 in damages. The claim is being contested by the Company. The Company believes the claim has no merit and will vigorously defend against the claim. No provision has been recognized in respect to this claim as there is no present obligation and the probability of settlement cannot be determined.

As at March 31, 2023 and December 31, 2022, the Company has considered contingent liabilities arising from its operations, as well as potential penalties, and determined that no amount need be accrued in respect of such amounts.

19. SEGMENTED INFORMATION

The Company operates two business segments: blockchain technology development and digital currency sales via the Netcoins App. The parent entity manages the two business segments and activities associated with the Company being a public company.

The summarized financial information for the Company's business segments is as follows:

	For the Three Months Ended March 31, 2023			
	Parent	**Blockchain**	**Netcoins**	**Total**
Total assets	$ 13,705,126	$ 4,027,118	$ 72,502,094	**$ 90,234,338**
Total liabilities	862,521	518,756	63,603,466	**64,984,743**
Total revenue	-	409,996	1,115,321	**1,525,317**
Net (loss) income	(2,088,163)	(864,066)	2,201,304	**(750,925)**
Included in Total Assets:				
Investment in associate	6,708,630	-	-	6,708,630
Included in Net loss:				
Share of loss from investment in associate	(447,120)	-	-	(447,120)

	For the Three Months Ended March 31, 2022			
	Parent	**Blockchain**	**Netcoins**	**Total**
Total assets	$ 33,830,863	$ 5,195,865	$ 112,423,091	**$151,449,819**
Total liabilities	676,900	409,786	85,959,926	**87,046,612**
Total revenue	-	536,472	1,973,754	**2,510,226**
Net loss	(1,780,068)	(508,532)	(3,245,490)	**(5,534,090)**

Revenues from external customers are attributed to geographic areas based on the location of the contracting customers. The following table sets forth external revenue by geographic areas:

	March 31, 2023		March 31, 2022	
	Revenues	**Non-current Assets**	**Revenues**	**Non-current Assets**
Canada	$ 1,164,697	$ 13,052,324	$ 2,005,003	$ 28,212,407
USA	191,116	270,659	193,438	249,919
Europe	72,466	-	50,183	-
Other	97,038	-	261,602	-
	$ 1,525,317	**$ 13,322,984**	**$ 2,510,226**	**$ 28,462,326**