LINK GLOBAL TECHNOLOGIES INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED FEBRUARY 29, 2020

(EXPRESSED IN US DOLLARS)

(UNAUDITED)

LINK GLOBAL TECHNOLOGIES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited, Expressed in United States Dollars)

	Note		**February 29, 2020**		**November 30, 2019**
ASSETS					
Current Assets					
Cash		$	811,341	$	473,279
Digital currencies	3		26,608		31,142
Other receivable			13,151		1,760
Prepaid and deposits	4		71,146		68,906
			922,246		575,087
Equipment	5		263,801		301,463
Total Assets		**$**	**1,186,047**	**$**	**876,550**
Current Liabilities					
Trade payables and accrued liabilities	6	$	117,266	$	204,384
Short-term loans payable	7		229		229
Derivative liability	9		1,517,514		1,026,216
			1,635,009		1,230,829
Loans Payable	8		237,577		502,820
Total Liabilities			1,872,586		1,733,649
Shareholders' Deficiency					
Share capital	10		2,328,110		2,079,051
Subscription received in advance	10		595,726		-
Reserve			442,481		442,481
Deficit			(4,052,856)		(3,378,631)
			(686,539)		(857,099)
Total Liabilities and Shareholders' Deficiency		**$**	**1,186,047**	**$**	**876,550**

Going Concern (Note 1)
Subsequent Events (Note 14)

Approved on behalf of the Board of Directors

_____*"Stephen Jenkins"*_____	_____*"Kevin Ma"*_____
Director	Director

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

LINK GLOBAL TECHNOLOGIES INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Unaudited, Expressed in United States Dollars)

	Note	Three Months Ended February 29, 2020	Three Months Ended February 29, 2019
Revenue	12	$ 138,135	$ 87,571
Cost of Goods Sold		(155,060)	(122,975)
Gross profit		(16,925)	(35,404)
Operating Expenses			
Advertising and promotion		11,170	-
Amortization		49,182	46,148
Bank charges		555	583
Consulting fees	12	39,598	25,433
Filing and transfer agent fees		8,415	-
Office and administrative		4,574	164
Professional fees	12	60,641	28,422
Salary and wages		12,238	14,500
Share based compensation		-	55,604
Transportation		158	-
Travel and entertainment		7,277	986
		193,808	171,840
Other Income (Expenses)			
Foreign exchange loss		(4,403)	(41,231)
Interest income		454	11
Interest and accretion expense	8	(6,343)	(10,102)
Other income		-	10,000
Change in fair value of derivative liabilities	9	(363,113)	9,651
Revaluation gain (loss) on digital currencies	3	(1,429)	-
Impairment of equipment	5	-	(2,800)
Loss on sale of digital currencies	3	(3,649)	(4,488)
Loss on settlement of debt	8	(105,659)	-
Gain on sale of equipment	5	20,650	-
		(463,492)	(38,959)
Net and Comprehensive Loss		$ (674,225)	$ (246,203)
Basic and Diluted Loss per common share		$ (0.03)	$ (0.01)
Weighted average common shares outstanding		24,441,085	17,201,637

LINK GLOBAL TECHNOLOGIES INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY

FOR THE THREE-MONTH PERIOD ENDED FEBRUARY 29, 2020

(Unaudited, Expressed in United States Dollars)

		Common Shares					
	Note	Number of Shares	Amount	Subscription Received in Advance	Option Reserve	Accumulated Deficit	Total
Balance at November 30, 2018		22,442,666	$ 1,007,413	$ -	$ 225,504	$ (2,352,710)	$ (1,119,793)
Share-based compensation		-	-	-	55,604	-	55,604
Net loss for the period		-	-	-	-	(246,203)	(246,203)
Balance at February 28, 2019		22,442,666	1,007,413	-	281,108	(2,598,913)	(1,310,392)
Share issued for cash	10	5,540,000	1,071,638	-	47,788	-	1,119,426
Stock-based compensation		-	-	-	113,585	-	113,585
Net loss for the period		-	-	-	-	(779,718)	(779,718)
Balance at November 30, 2019		27,982,666	2,079,051	-	442,481	(3,378,631)	(857,099)
Shares issued for debt settlement	8	1,562,500	249,059	-	-	-	249,059
Subscription amount received in advance	10	-	-	595,726	-	-	595,726
Net loss for the period		-	-	-	-	(674,225)	(674,225)
Balance at February 29, 2020		**29,545,166**	**$ 2,328,110**	**$ 595,726**	**$ 442,481**	**$ (4,052,856)**	**$ (686,539)**

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

LINK GLOBAL TECHNOLOGIES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, Expressed in United States Dollars)

	Three Months Ended	
	February 29, 2020	**February 28, 2019**
Cash Flows from Operating Activities		
Net loss	$ (674,225)	$ (246,203)
Items not affecting cash from operations:		
Amortization	49,182	46,148
Revaluation loss on digital currencies	1,429	-
Change in fair value of convertible debentures	-	-
Change in fair value of derivative liabilities	363,113	(9,651)
Loss on settlement of debt	105,659	-
Gain on extinguishment of loan	-	-
Impairment of equipment	-	2,800
Interest and accretion expense	6,343	10,102
Share based compensation	-	55,604
	(148,499)	(141,200)
Changes in non-cash working capital items:		
Digital currencies	3,105	2,783
Other receivable	(11,391)	-
Prepaid and deposits	(2,240)	(381)
Trade payables and accrued liabilities	(87,118)	84,481
	(246,143)	(54,317)
Cash Flows from Investing Activities		
Purchase of equipment	(11,520)	(2,800)
	(11,520)	(2,800)
Cash Flows from Financing Activities		
Shares issued for cash	-	-
Issuance of derivative liability	128,185	-
Issuance of loans	-	11,330
Repayment of loans	(128,186)	-
Subscription received in advance	595,726	-
	595,725	11,330
Net Change in Cash	338,062	(45,787)
Cash – Beginning of Period	473,279	51,871
Cash – End of Period	**$ 811,341**	**$ 6,084**

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

1. Nature of Operations and Going Concern

Link Global Technologies Inc. (the "Company") was incorporated under the laws of the province of British Columbia, Canada on January 22, 2018. The Company is engaged locating and securing, for lease and option to purchase, properties with access to low-cost reliable electricity power, and deploying the low-cost power to conduct digital mining and supply energy for other data hosting services (provided by the Company and/or other service providers in the industry) throughout Canada and USA.. The Company's business strategy is to mine cryptocurrency and provide all-in hosting services to third parties. The Company's shares are listed on the Canadian Securities Exchange under the symbol "LNK". The address of the Company's head office and the registered and records office is 1430 – 800 West Pender Street, Vancouver, British Columbia, V6C 2V6.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company's condensed interim consolidated financial statements as at February 29, 2020 have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities and commitments in the normal course of business. The Company has incurred losses and has had negative cash flows from operations from inception that have primarily been funded through financing activities. Theses factors indicate the existence of a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern. If the Company is unable to raise additional capital in the future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

2. Basis of Preparation

(a) Statement of Compliance and Basis of Presentation

The condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34 – Interim Financial Reporting.

These condensed interim consolidated financial statements do not include all of the information required for full IFRS financial statements and therefore should be read in conjunction with the Company's most recent annual consolidated financial statements for the year ended November 30, 2019, which were prepared in accordance with IFRS as issued by IASB.

The accounting policies and methods of application applied by the Company in these condensed interim consolidated financial statements are the same as those applied in the Company's most recent audited consolidated financial statements for the year ended November 30, 2019.

The preparation of financial statements in conformity with IFRS also requires management to make estimates and judgments that may have a significant impact on these condensed interim consolidated financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates. The critical accounting judgments and estimates were presented in the Company's most recent audited consolidated financial statements for the year ended November 30, 2019 and are the same as those applied for the period ending February 29, 2019.

(Unaudited, Expressed in United States Dollars)

2. Basis of Preparation (cont'd)

(a) Statement of Compliance and Basis of Presentation (cont'd)

The consolidated financial statements were approved and authorized for issuance by the Board of Directors on June 3, 2020.

These financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The functional currency of the Company and its subsidiaries is the US dollar. The presentation currency of the consolidated financial statements is the US Dollar.

(b) Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its controlled entities. Control is achieved when the Company has the power to govern the financial operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases.

Subsidiary	Ownership	Location
Bman Corp	100%	USA
Austin Powers LLC	100%	USA
Toasty Hosting LLC	100%	USA
Link Power Corp.	100%	Canada

Inter-company balances and transactions are eliminated on consolidation. The above subsidiaries were inactive throughout the three months ended February 29, 2020.

During the three months ended February 29, 2020, the Company wound up all of its US subsidiaries and deconsolidated them upon their dissolution.

3. Digital Currencies

As at February 29, 2020, the Company's digital currencies consist of bitcoins with a fair value of $26,608. Digital currencies are recorded at fair value on the date they are received as revenues, and are marked to fair value at each reporting date.

The continuity of digital currencies was as follows:

	Number of bitcoins	
	February 29, 2020	**November 30, 2019**
Balance, at beginning of period	4.11	0.69
Digital currency mined	16.64	88.27
Digital currency sold	(17.66)	(84.85)
Balance, at end of period	3.09	4.11

The continuity of digital currencies was as follows:

		February 29, 2020		November 30, 2019
Balance, at beginning of period	$	31,142	$	2,783
Digital currency mined		138,135		661,374
Digital currency sold		(141,240)		(631,880)
Revaluation adjustment		(1,429)		(1,135)
Balance, at end of period	$	26,608	$	31,142

(Unaudited, Expressed in United States Dollars)

3. Digital Currencies (cont'd)

During the three months ended February 29, 2020, the Company sold $141,240 (2019 - $89,460) in bitcoins and recorded a loss on sale of $3,649 (2019 - $4,488).

4. Prepaids and deposits

		February 29, 2020		November 30, 2019
Prepaids	$	21,146	$	18,906
Deposits		50,000		50,000
	$	71,146	$	68,906

5. Equipment

Cost		Mobile Data Centres		Bitcoin Mining Machines		Computers		Total
Balance, November 30, 2018	$	544,535	$	-	$	9,247	$	553,782
Addition		18,258		10,616		-		28,874
Impairment		-		(2,800)		-		(2,800)
Balance, November 30, 2019		562,793		7,816		9,247		579,856
Addition		-		11,520		-		11,520
Impairment		-		-		-		-
Balance, February 29, 2020	$	562,793	$	19,336	$	9,247	$	591,376
Accumulated Depreciation								
Balance, November 30, 2018	$	89,394	$	-	$	1,689	$	91,083
Addition		184,010		218		3,082		187,310
Impairment		-		-		-		-
Balance, November 30, 2019		273,404		218		4,771		278,393
Addition		46,899		1,512		771		49,182
Impairment		-		-		-		-
Balance, February 29, 2020	$	320,303	$	1,730	$	5,542	$	327,575
Net Book Value								
Balance, November 30, 2019	$	289,389	$	7,598	$	4,476	$	301,463
Balance, February 29, 2020	$	242,490	$	17,606	$	3,705	$	263,801

During the three months ended February 29, 2020, the Company sold 413 bitcoin mining machines to an unrelated party for $20,650, and recorded a gain of $20,650 from the sale as these machines were fully impaired in prior years.

6. Trade Payables and Accrued Liabilities

		February 29, 2020		November 30, 2019
Trade payables	$	25,969	$	68,114
Accrued liabilities		91,297		136,270
	$	117,266	$	204,384

(Unaudited, Expressed in United States Dollars)

7. Short-Term Loans Payable

During the year ended November 30, 2019, the Company entered into an agreement with a related party of the Company for a principal balance of $11,331 (CAD$15,000). The loan was unsecured, due on demand and subject to interest at 5% per annum. In July 2019, the Company repaid the principal balance in full. As at November 30, 2019 and February 29, 2020, $229 of interest was outstanding.

During the year ended November 30, 2019, the Company entered into a loan agreement with a third party for a principal balance of $15,044 (CAD$20,000). The loan was unsecured, due on demand and subject to interest at 5% per annum. In November 2019, the Company repaid the loan in full including the principal balance and interest totaling $15,632 (CAD$20,682).

8. Loans Payable

		February 29, 2020		November 30, 2019
Balance, beginning of period	$	502,820	$	706,439
Interest accretion and accrued interest		6,343		37,124
Repayments with cash		-		(188,182)
Repayments with shares		(377,245)		-
Loss on settlement of debt		105,659		-
Gain on extension of debenture B		-		(45,437)
Effect of foreign exchange		-		(7,124)
Balance, end of period	$	237,577	$	502,820
Debenture B due on February 7, 2022	$	154,880	$	148,438
Notes payable on the earlier of June 30, 2022 or 24 months post IPO		82,697		354,382
	$	237,577	$	502,820

Debenture B

In May 2018, the Company issued a partially convertible debenture with a principal balance of $388,682 (CAD$500,000) (“Debenture B”). The debenture was unsecured and bore interest at a rate at 5% per annum. The principal balance and accrued interest matured on the date of the earlier of 10 business days following the closing of the Company’s initial public offering (“IPO”), or 9 months after the agreement date. At the discretion of the holder, CAD$125,000 of Debenture B was convertible into common shares of the Company at a price that was the greater of CAD$0.12 per share, or an amount that represents a 20% discount to the issue price of shares sold in connection with the IPO.

On October 4, 2018, Debenture B was amended as follows:

- The portion of the debenture with conversion rights was convertible to common shares of the Company at a price of CAD$0.18 per share.
- Total interest owing on Debenture A increased to $19,436 (CAD$25,000).
- The portion of the debenture without conversion rights became due on February 7, 2020 and is non-interest bearing.

On October 4, 2018, the convertible portion of $97,391 (CAD$125,000), accrued interest of $19,478 (CAD $25,000), and conversion component of $37,874 were converted into common shares with a fair value of $162,318. The Company recorded a loss on settlement of the debt of $7,575.

On October 4, 2018, upon the conversion of the convertible portion and the modification of the remaining loan, the loan was assessed at a fair of $233,213 using the effective interest rate of 16%.

(Unaudited, Expressed in United States Dollars)

8. Loans Payable (cont'd)

Notes Payable

On May 27, 2019, the term of Debenture B was extended to February 7, 2022 with all other terms remaining the same. The loan extension constituted a substantial modification under IFRS 9 to the loan terms and was accounted for as an extinguishment and reissuance of the loan on May 27, 2019. As a result of the loan extinguishment, the present value of the loan was assessed at $203,941 using the effective interest rate of 16% which resulted in a gain on extinguishment of loan of $45,237 recognized through profit and loss.

During the three months ended February 29, 2020, the Company recorded interest and accretion expense of $6,343 (November 30, 2019 - $37,124). At February 29, 2020, the principal balance outstanding is $154,880.

In October 2018, the Company and a vendor agreed to convert a trade payable of $384,495 attributable to the purchase of equipment to a loan, repayable on the earlier of June 30, 2020 and the date that is 18 months after the IPO date. The loan is unsecured and non-interest bearing. On June 6, 2019, the term of the loan was amended to November 13, 2021. During the year ended November 30, 2019, the Company repaid $112,909 (November 30, 2018 - $nil) on the principal balance.

In February 2020, the Company and the vendor came to an agreement to convert the remaining outstanding balance of the loan to shares and warrants. The Company issued 1,562,500 units to the vendor, whereby each unit consists of one common share and one-half share purchase warrant. Each warrant entitles the holder to purchase one common share at CAD$0.64 per share for 2 years following issuance date. The fair value of the units is CAD$500,000 (US$377,245) and the Company recorded a loss of $105,659 on debt settlement.

In November 2018, the Company and a vendor agreed to convert a trade payable of $82,697 to a loan, repayable on the earlier of June 30, 2020 and the date that is 18 months after the IPO date. The loan is unsecured and non-interest bearing. On June 6, 2019, the term of the loan was amended to November 13, 2021. As at February 29, 2020, the balance of the loan is $82,697 (November 30, 2019 - $82,796).

9. Derivative Liability

		February 29, 2020		**November 30, 2019**
Balance, beginning of period	$	1,026,216	$	885,267
Fair value of warrants issued		128,185		-
Change in fair value of warrants		363,113		140,425
Effect of foreign exchange		-		524
Balance, end of period	$	1,517,514	$	1,026,216

The derivative financial liability consists of the fair value of share purchase warrants that have exercise prices that differ from the functional currency of the Company and are within the scope of IAS 32 "Financial Instruments: Presentation". Details of these warrants and their fair values are as follows:

Expiration Date	Exercise Price (CAD $)	Number of Warrants Outstanding at February 29, 2020	Number of Warrants Outstanding at November 30, 2019		Fair Value at February 29, 2020		Fair Value at November 30, 2019
May 15, 2023	0.10	5,160,000	5,160,000	$	1,391,000	$	1,026,216
February 20, 2022	0.64	781,250	-		126,514		-
		5,941,250	5,160,000	$	1,517,514	$	1,026,216

(Unaudited, Expressed in United States Dollars)

9. Derivative Liability (cont'd)

The fair values of these warrants were estimated using the Black-Scholes Option Pricing Model using the following assumptions:

- The stock price was based upon the most recent share issuance price immediately before the time of issuance or measurement date;
- The risk-free interest rate assumption is based on the government of Canada marketable bonds for a period consistent with the expected term of the option in effect at the time of measurement;
- The Company does not pay dividends on common stock and does not anticipate paying dividends on its common stock in the foreseeable future. Therefore, the expected dividend rate was 0%;
- The expected life of the warrants was estimated to be the remaining contractual term; and
- The expected volatility was based off of the historical trading prices of similar public traded entities over a period equivalent to the expected remaining life of the warrants.

The fair values of these warrants were estimated using the Black-Scholes Option Pricing Model using the following inputs:

Input	February 29, 2020	November 30, 2019
Expected volatility	123.24% - 139.08%	130.30%
Expected life	1.98 – 3.21 years	3.46 years
Dividends	0.00%	0.00%
Risk-free interest rate	1.10% - 1.32%	1.54%

10. Share Capital

Pursuant to an escrow agreement dated December 20, 2018, 1,980,000 common shares are to be held in escrow. Under the escrow agreement, 10% of the escrowed common shares have been issued on completion of the IPO. 15% will be released every six months thereafter over a period of 36 months. As of February 29, 2020 and November 30, 2019, 1,782,000 shares are held in escrow.

(a) Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares without par value.

(b) Issued Share Capital

For the three months ended February 29, 2020

In February 2020, the Company issued 1,562,500 units for debt settlement with a vendor (see Note 8). Each consists of one common share and one-half share purchase warrant. Each warrant entitles the holder to purchase one common share at CAD$0.64 per share for 2 years following the issuance date. The fair value of the shares is $249,059 and the fair value of the warrants is $126,514. The warrants are valued using the Black-Sholes Option Pricing Model with the following assumptions: annualized volatility of 123.24%, risk-free interest rate of 1.32%, expected life of 2 years, and a dividend rate of Nil.

For the year ended November 30, 2019

In March 2019, the Company issued 300,000 common shares for proceeds of $55,881 (CAD$75,000).

In May 2019, the Company issued 240,000 common shares for proceeds of $44,643 (CAD$60,000).

(Unaudited, Expressed in United States Dollars)

10. Share Capital (cont'd)

(b) Issued Share Capital (cont'd)

For the year ended November 30, 2019 (cont'd)

In November 2019, the Company completed its initial public offering ("IPO") and issued 5,000,000 common shares for gross proceeds of $1,132,161. In connection with the IPO, the Company paid cash commissions $101,899, corporate finance fees of $11,360, and issued 450,000 finders' options. Each option is exercisable into one common share at CAD$0.30 until November 13, 2021. The finders' options were valued at $47,788 using the Black Scholes option pricing model using an expected life of 2 years, volatility of 87.77%, risk-free interest rate of 1.59% and expected dividends of $nil.

(c) Subscription Received in Advance

During the three months ended February 29, 2020, the Company commenced a non-brokered private placement. As at February 29, 2020, the Company received $595,726 in advance for subscription towards this financing which closed in March 2020. Also see Note 14.

11. Stock Options

The Company adopted a stock option plan (the "Plan") whereby it can grant stock options to directors, officers, employees, and consultants of the Company. The maximum number of shares that may be reserved for issuance under the Plan is subject to the restrictions imposed under applicable securities laws.

The changes in stock options are summarized as follows:

		Weighted Average Exercise Price	Number of Shares Issued or Issuable on Exercise
Balance, at November 30, 2018		0.10	2,400,000
Granted		0.30	450,000
Balance, at February 29, 2020 and November 30, 2019	$	0.13	2,850,000

In November 2019, the Company granted 450,000 finders' options valued at $47,788 (Note 10).

During the three months ended February 29, 2020, the Company recognized share-based compensation $nil (2019 - $55,604).

Stock options outstanding and exercisable on February 29, 2020 are summarized as follows:

		Outstanding and Exercisable	
	Exercise Price	Number of Shares Issuable on Exercise	Weighted Average Remaining Life (Years)
$	0.10	2,400,000	1.62
	0.30	450,000	1.71
$	0.13	2,850,000	1.63

(Unaudited, Expressed in United States Dollars)

12. Related Party Transactions

Key management personnel include the Company's Board of Directors and members of senior management. The Company's related parties include key management personnel, and companies related by way of directors or shareholders in common. Transactions with related parties for goods and services are made on normal commercial terms.

(a) Due to Related Parties

As at February 29, 2020, $Nil (November 30, 2019 - $3,541) is included in trade payables and accrued liabilities from amounts owing to related parties.

(b) Key Management Personnel Compensation

		February 29, 2020		February 28, 2019
Consulting and professional fees:				
CEO	$	31,495	$	17,233
Former CFO		-		14,314
CFO		11,384		-
	$	42,879	$	31,547

During the three months ended February 29, 2020, the Company had shared based compensation made to directors and management of $nil (2019 - $55,604).

(c) Cryptocurrency Sales

During the three months ended February 29, 2020, the Company transacted 18 (2019 – 6) bitcoins or $137,591 (2019 - $59,558) of bitcoin sales at fair value with a company formerly with a common director.

(d) Co-location agreement

The Company entered into a co-location agreement with a public company that has a common director. The co-location agreement provides for the public company to supply premises and electricity for operations of the Company's mining equipment.

13. Digital Currency Risk

Digital currency 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. The profitability of the Company is directly related to the current and future market price of digital currencies; in addition, the Company may not be able to liquidate its inventory of digital currency at its desired price if required. A decline in the market prices for digital currencies could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its digital currency sales.

To ensure the Company reduces its digital currency fluctuations risk, the Company does not hold in excess of (a) 5 Bitcoins or (b) Bitcoins valued totalling to $20,000. And as an effect of this policy, the Company does not hold Bitcoin for any appreciation time thus increasing the frequency of the monetization of Bitcoin.

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

13. Digital Currency Risk (Cont'd)

Security Risk

Bitcoins are controllable only by the processor of both the unique public key and private key relating to the local or online digital wallet in which the Bitcoins are held. The Bitcoin network requires a public eye relating to a digital wallet to be published when used in a spending transaction and, if keys are lost or destroyed, this could prevent trading of the corresponding Bitcoins.

Security breaches, computer malware and computer hacking attacks have been a prevalent concern in the Bitcoin exchange market since the launch of the Bitcoin network. Any security breach caused by hacking could cause loss of Bitcoin investments.

Bitcoin Network Risk

The open-source structure of the Bitcoin network protocol means that the core developers of the Bitcoin network and other contributors are generally not directly compensated for their contributions in maintaining and developing the Bitcoin network protocol. A failure to properly monitor and upgrade the Bitcoin network protocol could damage the Bitcoin network.

14. Subsequent Events

(a) In March 2020, the Company closed the first tranche of a non-brokered private placement offering of 2,500,000 units at a price of CAD$0.32 per unit for gross proceeds of CAD$800,000. Each unit consisted of one common share of the Company and one-half of one transferable common share purchase warrant. Each Warrant entitles the holder to purchase one additional share at a price of CAD$0.64 per share for a period of two years.

(b) In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economics, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

(c) On May 19, 2020, the Company granted 579,728 incentive stock options to certain officers and consultants of the Company. 395,269 options are exercisable at $0.37 per share over a 5-year period, with vesting evenly every 3 months over a period of 2 years, and 184,459 options are vested immediately upon grant, exercisable at $0.37 per share for a 2-year period.