# FORM 5

## QUARTERLY LISTING STATEMENT

Name of Listed Issuer: _Canadian Nexus Team Ventures Corp. (formerly Brand X

Lifestyle Corp.)(the "Issuer").

Trading Symbol: TEAM

**SCHEDULE A: FINANCIAL STATEMENTS**

The unaudited interim consolidated financial statements for the six months period (2nd quarter) ended June 30, 2021 are attached hereto as Schedule "A".

**SCHEDULE B: SUPPLEMENTARY INFORMATION**

**1. Related party transactions**

Reference is made to Note 8 in the unaudited interim consolidated financial statements attached hereto as Schedule "A".

**2. Summary of securities issued and options granted during the period.**

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) summary of securities issued during the period,

Reference is made to Note 7(a) in the unaudited interim consolidated financial statements attached hereto as Schedule "A".

(b) summary of options granted during the period,

Reference is made to Note 7(c) in the unaudited interim consolidated financial statements attached hereto as Schedule "A".

**3. Summary of securities as at the end of the reporting period.**

The following information details the outstanding share capital of the issuer a at the quarter ended June 30, 2021:

(a) **Authorized**:

Unlimited common shares, without par value

(b) **Common Shares Issued and Outstanding**:

51,957,878 common shares issued and outstanding with a recorded value of $33,809,961

(c) **Options and Warrants Outstanding**:

| Security | Number of Common Shares Issuable | Exercise Price per Common Share | Expiry Date |
|---|---|---|---|
| **STOCK OPTIONS** | 762,500 | $0.33 | December 8, 2021 |
| | 600,000 | $0.86 | January 11, 2023 |
| | 635,000 | $0.14 | May 1, 2025 |
| | | | |
| **WARRANTS** | 5,000,000 | $0.35 | January 15, 2022 |
| | 7,595,000 | $0.105 | February 26, 2026 |

(d) **Shares Subject to Escrow**:

None

**4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.**

| Name | Position |
|---|---|
| Arni Johannson | Director, President and Chief Financial Officer |
| Lisa Kowan | Director and Corporate Secretary |
| Sean Cote | Director |
| Jonathan Jackson | Director |

## SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

The management discussion and analysis for the 2nd quarter ended June 30, 2021 are attached hereto as Schedule “B”.

**Certificate Of Compliance**

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated August 30, 2021.

Arni Johannson
Name of Director or Senior Officer

*"Arni Johannson"*
Signature

CEO
Official Capacity

<table>
<tr><td>Issuer Details<br>Name of Issuer<br><br>Canadian Nexus Team Ventures Corp. (formerly Brand X Lifestyle Corp.)</td><td>For Quarter Ended<br><br>June 30, 2021</td><td>Date of Report YY/MM/D<br><br>20/08/30</td></tr>
<tr><td colspan="3">Issuer Address<br>403 850 Harbourside Drive</td></tr>
<tr><td>City/Province/Postal Code<br><br>North Vancouver, BC V7L 3A5</td><td>Issuer Fax No.<br>( )</td><td>Issuer Telephone No.<br>(604) 618-7781</td></tr>
<tr><td>Contact Name<br><br>Arni Johannson</td><td>Contact Position<br><br>CEO</td><td>Contact Telephone No.<br><br>604-618-7781</td></tr>
<tr><td>Contact Email Address<br><br>arni@canadiannexus.com</td><td colspan="2">Web Site Address</td></tr>
</table>

# CANADIAN NEXUS TEAM VENTURES CORP.

(formerly Brand X Lifestyle Corp.)

Consolidated Condensed Interim Financial Statements
For the six months ended June 30, 2021

Expressed in Canadian Dollars
**(unaudited)**

**NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCAL STATEMENTS**

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

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company. They include appropriate accounting principles, judgment and estimates in accordance with IFRS for unaudited condensed consolidated interim financial statements

The Company's independent auditors have not performed a review of these unaudited condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of unaudited condensed interim financial statements by an entity's auditors.

**CANADIAN NEXUS TEAM VENTURES CORP. (formerly Brand X Lifestyle Corp.)**
**Consolidated Statements of Financial Position**
**Expressed in Canadian dollars (unaudited)**

| | Note | June 30, 2021 | December 31, 2020 |
|---|---|---|---|
| | | $ | $ |
| **Assets** | | | |
| Current | | | |
| Cash and cash equivalents | | **599,876** | 356,363 |
| Other receivables | 4 | **58,038** | 39,006 |
| Prepaid expenses | | **10,000** | - |
| Note receivable | 4 | **566,282** | 250,000 |
| Reclamation deposits | | **60,000** | 60,000 |
| Investments | 5 | **7,330,270** | 7,763,144 |
| Convertible debenture receivable | 6 | **370,342** | 370,342 |
| | | **8,994,808** | 8,838,855 |
| **Liabilities** | | | |
| Current | | | |
| Accounts payable and accrued liabilities | 8 | **55,407** | 88,588 |
| | | **55,407** | 88,588 |
| **Equity** | | | |
| Share capital | 7 | **33,809,961** | 32,011,456 |
| Treasury stock | 7 | **(16,475)** | - |
| Warrant reserve | 7 | **-** | - |
| Option reserve | 7 | **890,433** | 1,234,252 |
| Deficit | | **(25,744,518)** | (24,495,441) |
| | | **8,939,401** | 8,750,267 |
| | | **8,994,808** | 8,838,855 |

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

These condensed consolidated interim financial statements were approved by Board of Directors on August 30, 2021 and were signed on its behalf by:

**On behalf of the Board:**

*"Arni Johannson"* Director    *"Lisa Kowan"* Director

**CANADIAN NEXUS TEAM VENTURES CORP. (formerly Brand X Lifestyle Corp.)**
**Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)**
**Expressed in Canadian dollars (unaudited)**

| | | Three months ended | | Six months ended | |
|---|---|---|---|---|---|
| | **Note** | **June 30, 2021** | June 30, 2020 | **June 30, 2021** | June 30, 2020 |
| | | **$** | $ | **$** | $ |
| Change in fair value of investments and convertible debentures | 5, 6 | **(1,786,465)** | 199,715 | **(1,613,467)** | 268,286 |
| Finance income | 4, 5 | **68,384** | 85,342 | **83,793** | 104,801 |
| Foreign exchange gain | | **155** | - | **155** | - |
| Impairment of investment | | **241,500** | - | **241,500** | - |
| | | **(1,476,426)** | 285,057 | **(1,288,019)** | 373,087 |
| Finance fees and bank charges | | **499** | 428 | **924** | 642 |
| Consulting fees | 8 | **15,750** | 10,500 | **31,500** | 130,390 |
| Filing and transfer agent fees | | **8,094** | 25,889 | **10,720** | 40,276 |
| Office, rent and administration | | **9,638** | 11,592 | **19,390** | 29,902 |
| Professional fees | | **31,203** | 15,390 | **42,415** | 62,088 |
| Marketing | | **240** | - | **240** | - |
| Salaries and employment costs | | **107,929** | - | **199,688** | - |
| Share-based payments | 7, 8 | **4,688** | - | **24,701** | - |
| | | **(178,041)** | (63,799) | **(329,578)** | (263,298) |
| **Net and comprehensive income (loss)** | | **(1,654,467)** | 221,258 | **(1,617,597)** | 109,789 |
| **Net income per share** | | | | | |
| Basic | | **(0.03)** | 0.01 | **(0.03)** | 0.00 |
| Diluted | | **(0.03)** | 0.01 | **(0.03)** | 0.00 |
| **Weighted average number of common shares outstanding** | | | | | |
| Basic and diluted | | **52,829,856** | 37,139,252 | **48,338,734** | 32,751,889 |

**CANADIAN NEXUS TEAM VENTURES CORP. (formerly Brand X Lifestyle Corp.)**
**Consolidated Statements of Changes in Equity**
**Expressed in Canadian dollars (unaudited)**

| | Common Shares | Share Capital | Treasury Stock | Warrant Reserve | Option Reserve | Deficit | Total |
|---|---|---|---|---|---|---|---|
| | # | $ | $ | $ | $ | $ | $ |
| **Balance at December 31, 2019** | **24,112,878** | **30,449,956** | **-** | **119,754** | **1,038,131** | **(27,099,746)** | **4,508,095** |
| Shares issued for cash, net share issue costs (Note 7) | 7,500,000 | 750,000 | - | - | - | - | 750,000 |
| Shares issued for investment asset (Note 7) | 6,900,000 | 483,000 | - | - | - | - | 483,000 |
| Net income for the period | - | - | - | - | - | 109,789 | 109,789 |
| **Balance at June 30, 2020** | **38,512,878** | **31,682,956** | **-** | **119,754** | **1,038,131** | **(26,989,956)** | **5,8850,884** |
| **Balance at December 31, 2020** | **38,812,878** | **32,011,456** | **-** | **-** | **1,234,252** | **(24,495,441)** | **8,750,267** |
| Shares issued for cash, net of share issue costs (Note 7) | 7,595,000 | 600,005 | - | - | - | - | 600,005 |
| Shares issued for acquisition of investment asset (Note 5) | 9,000,000 | 1,440,000 | - | - | - | - | 1,440,000 |
| Escrow share cancellation (Notes 5 and 7) | (3,450,000) | (241,500) | - | - | - | - | (241,500) |
| Normal course issuer bid (Note 7) | - | - | (16,475) | - | - | - | (16,475) |
| Share-based payments (Note 7) | - | - | - | - | 24,701 | - | 24,701 |
| Stock options cancelled (Note 7) | - | - | - | - | (368,520) | 368,520 | - |
| Net loss for the period | - | - | - | - | - | (1,617,597) | (1,617,597) |
| **Balance at June 30, 2021** | **51,957,878** | **33,809,961** | **(16,475)** | **-** | **890,433** | **(25,744,518)** | **8,939,401** |

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

**CANADIAN NEXUS TEAM VENTURES CORP. (formerly Brand X Lifestyle Corp.)**
**Consolidated Statements of Cash Flows**
**Expressed in Canadian dollars (unaudited)**

| | Six months Ended June 30, 2021 | Six months Ended June 30, 2020 |
|---|---|---|
| **Cash flows used in operating activities** | | |
| Net income (loss) for the period | **$ (1,617,597)** | $ 109,789 |
| Adjustments for: | | |
| Share-based payments | **24,701** | - |
| Accretion | - | (23,288) |
| Accrued interest | **(19,032)** | (20,909) |
| Change in fair value of investments | **1,371,967** | (268,286) |
| Normal course issuer bid | **(16,475)** | - |
| Dividend income | **(64,761)** | (60,000) |
| Purchase/disposition of investments | **324,168** | - |
| Investment in note receivable | **(316,127)** | (565,398) |
| Foreign exchange | **(155)** | - |
| Changes in non-cash working capital items: | | |
| Other receivables | **-** | (425) |
| Prepaid expenses | **(10,000)** | - |
| Accounts payable and accrued liabilities | **(33,181)** | 34,310 |
| Net cash used in operating activities | **(356,492)** | (794,207) |
| **Cash flows from financing activities** | | |
| Proceeds from issuance of shares, net of costs | **600,005** | 750,000 |
| Net cash generated by financing activities | **600,005** | 750,000 |
| **Change in cash and cash equivalents** | 243,513 | (44,207) |
| **Cash and cash equivalents, beginning** | 356,363 | 186,296 |
| **Cash and cash equivalents, ending** | $ 599,876 | $ 142,089 |
| Cash and cash equivalents are comprised of: | | |
| Cash | **$ 599,876** | $ 142,089 |
| Guaranteed Investment Certificate | **-** | - |
| | **$ 599,876** | $ 142,089 |

## 1. Nature of operations and going concern

Canadian Nexus Team Ventures Corp. (formerly Brand X Lifestyle Corp.) (the "Company") is incorporated under the Business Corporations Act (British Columbia). The Company is an investment company focused on creating shareholder value by acquiring and investing in early-stage to mid-level emerging growth companies. The Company's shares trade on the Canadian Securities Exchange ("CSE") under the symbol "TEAM". The Company's registered and records office is located at 10th floor, 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5.

These unaudited condensed consolidated interim financial statements ("financial statements") are prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. For the six months ended June 30, 2021, the Company realized a net loss of $1,617,597 (2020 – net income of $109,789) and as of that date the Company's deficit was $25,744,518 (December 31, 2020 – $24,495,441). Additional financing may be required to acquire new investments. In addition, the Company has no sources of revenue. Future funding for investments may not be available or may be available but on terms that may not be suitable for the Company. These factors indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its consolidated statement of financial position.

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified 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 caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and conditions of the Company and its operations in future periods.

2. Basis of Presentation and significant accounting policies

a) Statement of compliance

These financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the Financial Reporting Interpretations Committee ("IFRIC"). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed, and therefore these financial statements should be read in conjunction with the Company's December 31, 2020 audited annual consolidated financial statements and the notes to such financial statements.

The financial statements of the Company for the six months ended June 30, 2021 were authorized for issue by the Board of Directors ("Board") on August 30, 2021.

b) Basis of presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are classified as fair value at the end of each reporting period. In addition these financial statements have been prepared using the accrual basis of accounting except for cash flow information. All amounts in the consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company.

## 2. Basis of Presentation and significant accounting policies (continued)

b) Basis of presentation (continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would consider those characteristics when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described in Note 9.

c) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. These financial statements include the accounts of the Company and its wholly-owned subsidiaries CNV Mining Holdings Corp., Wooden Table Hospitality Corp. and Canadian Copper & Gold Corp (Inactive). Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intercompany transactions and balances have been eliminated on consolidation. Canadian Copper & Gold Corp. was inactive for the years ended December 31, 2020 and 2019.

Status as investment entity:

The following are the criteria within IFRS 10, Consolidated financial statements, which the Company used to evaluate and determine that it continues to meet the definition of an Investment Entity:

(a) Obtain funds from one or more investors for the purpose of providing those investor(s) with investment management services;
(b) Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
(c) Measures and evaluates the performance of substantially all its investments on a fair value basis.

The Company has evaluated the above criteria and determined that it meets the definition of an Investment Entity.

d) Significant accounting policies

These unaudited condensed interim financial statements follow the same accounting policies and methods of application as the annual audited financial statements for the year ended December 31, 2020.

## 3. Adoption and future changes in accounting standards

Certain pronouncements were issued by the IASB that are mandatory for accounting years on or after January 1, 2021 or later years. Many are not applicable or do not have significant impact on the Company and have been excluded. The following standard is likely to apply to the Company, has not yet been adopted and is being evaluated to determine its impact.

## 3. Adoption and future changes in accounting standards (continued)

IAS 1 - Presentation of Financial Statements ("IAS 1") was amended in January 2020 to address inconsistences with how entities apply the standard over classification of current and non-current liabilities. The amendment addresses whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. This amendment is effective for annual years beginning on or after January 1, 2022. Earlier adoption is permitted. The Company is evaluating the impact of the adoption of this amendment on its consolidated financial statements.

Adoption of Accounting Standards

The Company has adopted IAS 1 that has been revised to incorporate a new definition of "material" and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, has been revised to refer to this new definition in IAS 1. The amendments were effective for annual years beginning on or after January 1, 2020. This adoption did not have a material effect on the Company.

## 4. Note receivable

On June 19, 2019, the Company issued a $250,000 loan to MineHub Technologies Inc. ("MineHub"), an investee. The note receivable bears interest at 10% and matures on June 18, 2020. In addition, bonus securities of 200,000 common shares of MineHub were issued to the Company. The common shares received were recognized at their fair value of $50,000. The note receivable was initially recorded at fair value of $200,000 and will be accreted to face value over the term of the loan. The note receivable subsequently was amended to have a modified repayment date of March 31, 2022 for which MineHub has provided 100,000 common share purchase warrants exercisable by the Company at a price of $0.64 per common share on or before March 31, 2022. All other terms of the note receivable remain the same. On December 31, 2020 and June 30, 2021, the carrying value of the note receivable was $250,000 consisting of the initial fair value plus accretion. During the six months ended June 30, 2021, the Company recognized $12,397 (2020: $12,534) in finance income resulting from the interest and $Nil (2020: $23,253) in finance income resulting from the accretion on the note receivable.

On March 24, 2020, the Company issued a $170,898 loan to CBIO Brand Development Inc. ("CBIO"), an investee. The note receivable bears interest at 7% and matures March 24, 2021. On April 13, 2020, the Company issued a $299,500 loan to CBIO. The note receivable bears interest at 7% and matures April 13, 2021. On June 3, 2020, the Company issued a $95,000 loan to CBIO. The note receivable bears interest at 7% and matures June 3, 2021. On August 12, 2020 the Company issued 300,000 shares with a fair value of $52,500 for a loan to CBIO bearing interest at 7% and maturing August 12, 2021. During the year ended December 31, 2020, total note receivable of $617,898 was fully impaired.

On January 14, 2021, the Company issued a $60,000 loan to Citizen Mining Corp ("Citizen"), an investee. The note bears interest at 8%. During the six months ended June 30, 2021, the Company recorded $2,196 in interest which is included in Other receivables.

On April 15, 2021, the Company issued a $250,000 loan to Aurista Exploration Corp. ("Aurista"), an investee. The note bears interest at 8% and is payable on demand. During the six months ended June 30, 2021, the Company recorded $4,164 in interest which is included in Other receivables.

On April 30, 2021, the Company issued a US $5,000 (CAD $6,282) loan to Tajus-Link Enterprise, an investee. The note will bear interest at 8% per annum and is due and payable on demand. During the six months ended June 30, 2021, the Company recorded $83 in interest which is included in Other receivables.

## 5. Investments

Investments consist of common shares and warrants are classified as FVTPL.

Expressed in Canadian dollars (unaudited)

| | Financial Instruments Hierarchy | | Fair value at December 31, 2020 | Additions (dispositions) | Fair value adjustment | Fair value at June 30, 2021 |
|---|---|---|---|---|---|---|
| | | | $ | $ | $ | $ |
| iComply Investor Services Inc. | Level 3 | | 666,664 | - | - | 666,664 |
| Eli Technologies Corp. | Level 3 | | 195,000 | - | - | 195,000 |
| Abaxx Technology Inc. | Level 1 | | 1,748,338 | - | (245,457) | 1,502,881 |
| Quisitive Technology Solutions Inc. | Level 1 | (vii) | 467,142 | (68,747) | 207,319 | 605,714 |
| FansUnite Entertainment Inc. | Level 1 | (viii) | 330,000 | (142,426) | 30,676 | 218,250 |
| AgriFORCE Growing Systems Ltd. | Level 3 | (i) | 3,400,000 | 64,761 | (500,000) | 2,964,761 |
| MineHub Technologies Inc. | Level 3 | (iv) | 384,000 | (262,500) | 103,500 | 225,000 |
| CBIO Brand Development Inc. | Level 3 | (ii) | - | - | - | - |
| Nano Innovations Inc. | Level 3 | (iii) | 21,000 | - | - | 21,000 |
| Silota Research and Development Inc. | Level 3 | | 551,000 | - | - | 551,000 |
| Citizen Mining Corp. | Level 3 | (v) | - | 100,000 | - | 100,000 |
| Kutcho Copper Corp. | Level 1 | (vi) | - | 49,505 | 30,495 | 80,000 |
| Aurista Exploration Corp. | Level 3 | (ix) | - | 1,440,000 | (1,240,000) | 200,000 |
| **Total** | | | **7,763,144** | **1,180,593** | **(1,613,467)** | **7,330,270** |

i) On January 16, 2019, the Company purchased 1,000,000 units of AgriFORCE at $0.35 per unit via private placement for $350,000. Each unit consists of one common share and one share purchase warrant, exercisable at $0.50 for three years from the issue date. The fair value of 1,000,000 units of AgriFORCE was $1,000,000 at December 31, 2019.

On May 10, 2019, the Company purchased 1,000,000 units at $1.00 per unit via private placement. Each unit consists of one preferred share and one common share purchase warrant, exercisable at $2.00 for five years from the issue date. The fair value of 1,000,000 units of AgriFORCE was 1,000,000 at December 31, 2019. The Company received 60,000 common shares with a fair value of $60,000 as payment of dividends during the year ended December 31, 2019.

In February 2020, the Company received notification from AgriFORCE Growing Systems Ltd. (“AgriFORCE”), that the automatic conversion requirements under the terms of the subscription agreement executed March 22, 2019 had been met. The convertible debenture converted with a fair value of $506,904 ($500,000 convertible debenture and $6,904 interest) at $1.00 per unit, resulting in the Company holding 506,904 units, where each unit is comprised of one common share and one common share purchase warrant exercisable at $2.00 per share (Note 6).

During the year ended December 31, 2020, the Company received 120,000 common shares with a fair value of $120,000 as payment of dividends. The amount was recorded as finance income on the consolidated statements of income (loss) and comprehensive income (loss). During the six months ended June 30, 2021, the Company received 12,632 common shares with a fair value of $64,761 as payment of dividends.

## 5. Investments (continued)

At December 31, 2020, the Company held 1,506,904 warrants of AgriFORCE with a fair value determined to be $500,000 (2019: $nil) using the Black Scholes Option Pricing Model with the following assumptions: Risk-free rate of 0.28%; Expected life of 3.36 years and expected volatility of 75%. During the period ended June 30, 2021, the warrants were cancelled and the Company recorded $500,000 as a fair value adjustment related to the warrants.

ii) On March 30, 2020 (the "Closing Date") the Company acquired 100% of the issued and outstanding common shares in the capital of CBIO. In consideration for the CBIO shares, the Company issued an aggregate of 6,900,000 shares at a fair value of $759,000 to the CBIO shareholders who have transferred their CBIO shares to the Company.

The aggregate of 6,900,000 shares were held in escrow by the Company and released to the CBIO shareholders as follows:

- 1,725,000 shares on the date that is five business days from the end of any three month period following the Closing Date and before March 1, 2021 (the "Clawback Date") in which CBIO generates $500,000 or more in gross revenue in such three month period;
- 1,725,000 shares on the date that is five business days from the end of any three month period following the Closing Date and before the Clawback Date in which CBIO generates $1,000,000 or more in gross revenue in such three month period:
- 1,725,000 shares on the date that is five business days from the end of any three month period following the Closing Date and before the Clawback Date in which CBIO generates $2,000,000 or more in gross revenue in such three month period (cancelled on Clawback Date); and
- 1,725,000 shares on the date that is five business days from the end of any three month period following the Closing Date and before the Clawback Date in which CBIO generates $4,000,000 or more in gross revenue in such three month period (cancelled on Clawback Date).

3,450,000 shares remaining in escrow on the Clawback Date with fair value of $241,500 were cancelled and returned to treasury during the six months ended June 30, 2021 (Note 7).

During the year ended December 31, 2020, the Company fully impaired the CBIO investment and recorded an impairment of $759,000.

iii) On December 1, 2020, the Company acquired 70,000 shares of Nano Innovations Inc. at a price of $0.30 per share for a fair value of $21,000.

iv) On April 4, 2019, the Company purchased 1,000,000 common shares of MineHub Technologies Inc. ("MineHub") at $0.25 per share via private placement for $250,000. On June 19, 2019, the Company received 200,000 common shares of MineHub with a fair value of $50,000 in relation to a loan provided to MineHub.

During the six months ended June 30, 2021, the Company sold 750,000 shares of MineHub Technologies Inc. for aggregate proceeds of $262,500.

**5. Investments (continued)**

v) On January 14, 2021, the Company purchased 1,000,000 common shares of Citizen Mining Corp. at $0.10 per share via a private placement for $100,000.

vi) On May 26,2021, the Company purchased 100,000 common shares of Kutcho Copper Corp. at $0.45 per share.

vii) During the six months ended June 30, 2021, the Company disposed of 50,000 shares of Quisitive Technology Solutions for total proceeds of $68,747.

viii) During the six months ended June 30, 2021, the Company disposed of 75,000 shares of Fans Unite Entertainment Inc. for total proceeds of $142,426.

ix) On April 15, 2021, the Company received 4,000,000 common shares at $0.05 per share of Aurista Exploration Corp. in connection to the assignment of the Urban Barry Gold Project (Note 7).

The fair value of the Company's investments is determined as follows:

***Listed securities***

The fair value of securities traded in active markets are based on quoted market prices at the close of trading on the reporting date. The fair value of securities that are subject to trading restrictions are recorded at a value which takes into account the length and nature of the restrictions, if needed.

***Unlisted securities***

For investments that are not publicly traded, subsequent to initial recognition, the fair value of these investments is determined by the Company using the most appropriate valuation methodology in light of the nature, facts and circumstances of the investment and its materiality in the context of the total investment portfolio and are valued as follows:

- Investments are valued at cost for a limited period after the date of acquisition, if the purchase price remains representative of the fair value at the reporting date; otherwise, investments are valued using one of the other methodologies detailed below.

Investments in which there has been a recent or in-progress funding round involving significant financing from external investors are valued at the price of the recent funding, whereby the various shareholder categories rights are taken into account in the valuation. The price is adjusted, where appropriate.

- Investments in which there has been a recent private secondary market trade of meaningful volume and the transaction is undertaken by a sophisticated, arm's-length investor are valued at the price of the recent trade.
- Investments in early-stage companies not generating sustainable revenue or earnings and for which there has not been any recent independent funding are valued using alternative methodologies. The Company considers investee company performance relative to plan, going concern risk, continued funding availability, comparable peer group valuations, exit market conditions and general sector conditions and calibrates its valuation of each investment as appropriate.

**5. Investments (continued)**

***Unlisted securities (continued)***

- For public company warrants, options and conversion features on debt (i.e., the underlying security of which is traded on a recognized stock exchange), valuation models such as Black-Scholes Option Pricing

Expressed in Canadian dollars (unaudited)

Model are used when there are sufficient and reliable observable market inputs. These market inputs include risk-free interest rate, exercise price, market price at date of valuation, expected dividend yield, expected life of the instrument and expected volatility of the underlying security based on historical volatility. For private company warrants, the underlying security is not traded on a recognized stock exchange, therefore fair value is determined consistent with other investments that do not have an active market, as described above.

- Loans, debentures and promissory notes issued by investees are generally valued at the price at which the instrument was issued. The Company regularly considers whether any indications of deterioration in the value of the underlying business exist, which suggest that the debt instrument will not be fully recovered. The fair value of convertible debentures receivable is measured using valuation techniques including discounted cash flow models and modified Black Scholes Option Pricing Models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment and assumptions provided by Management is required in establishing fair values. Judgements include consideration of inputs such as credit risk, discount rates, volatility, probability of certain triggering events and IPO events, and share prices of private company borrowers. Changes in assumptions relating to these factors could affect the reported fair value of the financial instruments.

The Company may apply a further illiquidity discount to the fair value of an investment if conditions exist that could make it challenging to monetize the investment in the near term at a price indicated by the valuation models. The amount of illiquidity discount applied requires considerable judgment and is based on the facts and circumstances of each investment. The process of valuing investments for which no active market exists is inevitably based on inherent uncertainties, and the resulting values may differ significantly from values that would have been used had a ready market existed for the investments. These differences could be material to the fair value of investments in the portfolio. During the year ended December 31, 2020 and the six months ended June 30, 2021, the reconciliation of investments measured at fair value using unobservable inputs (Level 3) is presented as follows:

| | | |
|---|---|---|
| Balance - December 31, 2019 | | 2,813,332 |
| Purchases | | 1,406,904 |
| Change in unrealized gains | | 1,756,428 |
| Impairment | | (759,000) |
| Balance - December 31, 2020 | $ | 5,217,664 |
| Purchases | | 102,261 |
| Change in unrealized losses | | (396,500) |
| Balance – June 30, 2021 | | 4,923,425 |

The table below presents the valuation techniques and the nature of significant inputs used to determine the fair values of the Level 3 investments as at June 30, 2021:

| **Investment** | **Method** | **Inputs** |
|---|---|---|
| Equity Instruments | Transaction Price | Recent purchase price |
| Convertible Debt | Black Scholes Option Pricing Model | Market prices, volatility, discount rate |

## 5. Investments (continued)

### *Unlisted securities (continued)*

As at June 30, 2021, if fair values were higher by 2% per annum, the potential effect to the Company would be a decrease in net unrealized losses on portfolio investments by $146,605 (December 31, 2020 - $104,353). If fair values were lower by 2% per annum, the potential effect to the Company would be an increase in net unrealized losses on portfolio investments by $146,605 (December 31, 2020 - $104,353).

## 6. Convertible debenture receivable

On March 22, 2019, the Company invested in a $500,000 convertible debenture in AgriFORCE. The convertible debenture had an annual interest rate of 12% and matures in five years from the date of issuance. The debenture is convertible based on certain automatic conversion features or at the Company's option until maturity at $1.00 per unit. Each unit includes one common share and one share purchase warrant, exercisable at $2.00 for five years from the issue date.

The Company determined the fair value at initial recognition was $500,000 and $506,904 at December 31, 2019, resulting in a change in fair value of $6,904 recognized in profit and loss during the year ended December 31, 2019.

In February, 2020, the Company received notice from AgriFORCE that the convertible debenture had been converted to 506,904 units of AgriFORCE (500,000 units from the convertible debenture and 6,904 units from the interest). Each unit is comprised of one common share and one common share purchase warrant exercisable at $2.00 per share (Note 5).

During the year ended December 31, 2020, the Company fair valued the convertible debenture receivable to $300,000 that was previously impaired in 2018. The Company recorded a fair value of $370,342 in convertible debenture receivable and change in fair value adjustment. The convertible debenture receivable is due on March 27, 2023.

## 7. Share capital

Authorized: unlimited number of common shares without par value

Issued and outstanding June 30, 2021: 51,957,878 (December 31, 2020: 38,812,8778) common shares.

On March 30, 2020, the Company consolidated its issued and outstanding share capital on the basis of one post consolidated common share for every two pre-consolidated common shares. No fractional shares were issued, as all fractional shares were rounded to the nearest whole number. All share and per share amounts in these consolidated financial statements are presented on a post-consolidation basis.

On April 30, 2021, the Company announced that it intends to execute a normal course issuer bid ("NCIB") through the facilities of the Canadian Securities Exchange. Under the NCIB, the Company intends to acquire up to 2.59 million common shares in the capital of the Company, representing approximately 5% of its issued and outstanding common shares. As of April 30, 2021, the Company had 51,957,878 common shares issued and outstanding. The normal course issuer bid commenced on May 3, 2021, and will end no later than May 3, 2022. The Company may terminate the NCIB earlier if it feels it is appropriate to do so. During the six months ended June 30, 2021, the Company acquired 123,500 common shares at an average price per share of $0.131 for total cost of $16,475.

## 7. Share capital (continued)

### a) Share issuances

*Share issuances during the period ended June 30, 2021*

On February 26, 2021 the Company completed a non-brokered private placement whereby it issued 7,595,000 units at a price of $0.079 per unit for gross proceeds of $600,005. Each unit consists of one common share in the capital of the Company and one common share purchase warrant, each warrant entitling the holder to purchase one additional common share of the Company, at an exercise price of $0.105 per share, for a period of five years from the date of issuance.

Expressed in Canadian dollars (unaudited)

On March 9,2021 the Company issued 9,000,000 common shares at $0.16 per share for fair value of $1,440,000 in connection with the acquisition of an investment asset pursuant to the terms of a Joint Venture Option Agreement with arms-length vendors to acquire a 100% interest in the Urban Barry Gold Project. by issuing an aggregate of 9,000,000 common shares (issued), paying $1,300,000 over three years, and completing $2,100,000 in exploration expenditures over three years. In addition, a 1% Gross Overriding Royalty has been granted to the vendors, of which ½% can be purchased from the vendors for $1,000,000. The Joint Venture Option Agreement was subsequently assigned to Aurista Exploration Corp. on April 15, 2021 resulting in the Company recording a loss of fair value of investment of $1,240,000 during the period ended June 30, 2021 (Note 5).

On April 23, 2021, the Company cancelled the remaining portion of the TEAM shares that were held in escrow by the Company to be released to the CBIO shareholders on the terms provided in the Company's agreement with the CBIO shareholders dated March 10, 2020. As the Clawback Date of March 1, 2021 has passed and the required gross revenue milestones were not met by CBIO, 3,450,000 common shares were cancelled and returned to treasury (Note 5).

*Share issuances during the year ended December 31, 2020*

On August 12, 2020, the Company issued 300,000 common shares in connection with a note receivable to CBIO (see note 4).

On May 20, 2020, the Company completed a non-brokered private placement whereby it issued 2,500,000 units at a price of $0.10 per unit for proceeds of $250,000. Each unit consists of one common share in the capital of the Company and one common share purchase warrant entitling the holder to purchase one additional common share of the Company, at an exercise price of $0.35 per share, for a period of one year from the date of issuance. The warrants are subject to an acceleration right that allows the Company to give notice of an earlier expiry date if the Company's share price on the CSE (or such other stock exchange the Company's shares may be trading on) is equal to or greater than $0.60 for a period of 10 consecutive trading days.

On January 15, 2020, the Company completed a non-brokered private placement whereby it issued 5,000,000 units at a price of $0.10 per unit for proceeds of $500,000. Each unit consists of one common share in the capital of the Company and one common share purchase warrant entitling the holder to purchase one additional common share of the Company, at an exercise price of $0.35 per share, for a period of two years from the date of issuance. The warrants are subject to an acceleration right that allows the Company to give notice of an earlier expiry date if the Company's share price on the CSE (or such other stock exchange the Company's shares may be trading on) is equal to or greater than $0.60 for a period of 10 consecutive trading days.

## 7. Share capital (continued)

### b) Share purchase warrants

The warrant continuity schedule is as follows:

| | Number of warrants | Weighted average exercise price |
|---|---|---|
| | | $ |

| | | |
|---|---|---|
| Balance, December 31, 2019 | 201,500 | 0.80 |
| Issued | 7,500,000 | 0.35 |
| Expired | (201,500) | 0.80 |
| Balance, December 31, 2020 | 7,500,000 | 0.35 |
| Issued | 7,595,000 | 0.105 |
| Expired | (2,500,000) | 0.35 |
| **Balance, June 30, 2021** | **12,595,000** | **0.20** |
| Weighted average remaining contractual life | | 3.03 years |

| | Warrants outstanding | | | | Warrants exercisable | |
|---|---|---|---|---|---|---|
| Expiry Date | Exercise Price | Warrants | Weighted Average Exercise Price | Weighted average remaining contractual life (years) | Warrants | Weighted Average Exercise Price |
| | $ | | $ | | | $ |
| January 15, 2022 | 0.35 | 5,000,000 | 0.35 | 0.79 | 5,000,000 | 0.35 |
| February 26, 2026 | 0.105 | 7,595,000 | 0.105 | 4.91 | 7,595,000 | 0.105 |

During the six months ended June 30, 2021, 2,500,000 warrants expired unexercised.

During the year ended December 31, 2020, 201,500 warrants expired for which the fair value of $119,754 was transferred to deficit.

**c) Stock options**

On May 4, 2020, the Company granted 1,685,000 stock options to directors and consultants of the Company at an exercise price of $0.14 per common share for a period of five years ending May 4, 2025. The stock options vest 25% every three months after the grant date. The fair value of the options was $196,120 determined using Black-Scholes Option Pricing Model with the following assumptions: Risk-free rate of 0.37%; expected life of 5 years, expected volatility of 195% and dividend rate of 0%.

During the six months ended June 30, 2021, the Company recognized share-based payments of $24,701 (2020 - $Nil).

**7. Share capital (continued)**

**c) Stock options (continued)**

The balance of stock options outstanding and exercisable for the six months ended June 30, 2021 is as follows:

| | Number of options | Weighted average exercise price |
|---|---|---|

Expressed in Canadian dollars (unaudited)

| | | |
|---|---|---|
| | | $ |
| Balance, December 31, 2019 | 1,632,500 | 0.61 |
| Issued | 1,685,000 | 0.14 |
| Balance, December 31, 2020 | 3,317,500 | 0.37 |
| Expired/Cancelled | (1,320,000) | 0.29 |
| Balance, June 30, 2021 | 1,997,500 | 0.43 |
| Weighted average remaining contractual life | | 1.85 years |

| | Options outstanding | | | Options exercisable | |
|---|---|---|---|---|---|
| Expiry Date | Exercise Price | Options | Remaining contractual life (years) | Options | Exercise Price $ |
| | $ | | | | |
| December 8, 2021 | 0.33 | 762,500 | 0.44 | 762,500 | 0.33 |
| January 11, 2023 | 0.86 | 600,000 | 1.53 | 600,000 | 0.86 |
| May 4, 2025 | 0.14 | 635,000 | 3.85 | 635,000 | 0.14 |
| Weighted average | 0.47 | 1,997,500 | | 1,997,500 | |

For options cancelled during the period ended June 30, 2021, the fair value of $368,520 (2020 - $Nil) was transferred to deficit.

**d) Reserves**

Warrant reserve records fair value of the warrants issued as part of the units in private placement and issued for finders until such time that the warrants are exercised or expired, at which time the corresponding amount will be transferred to share capital. The reserve also records fair value of the warrant issued for services other than finders until such time that the warrants are exercised or expired, at which time the corresponding amount will be transferred to share capital or charged to deficit, respectively.

Option reserve records fair value of the stock options issued for services until such time that the options are exercised or expired, at which time the corresponding amount will be transferred to share capital or charged to deficit, respectively.

**8. Related party transactions**

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consists of executive and non-executive members of the Company's Board of Directors and corporate officers.

*Key management personnel compensation*

During the six months ended June 30, 2021, the Company incurred consulting fees of $33,000 (2020 - $10,000) and salaries of $125,000 (2020 - $Nil) to key management personnel.

**8. Related party transactions (continued)**

During the six months ended June 30, 2021, compensation to key management personnel included share-based payments of $7,696 (2020 - $Nil).

At June 30, 2021, $5,250 (December 31, 2020 - $10,500) was due to related parties and included in accounts payables.

**9. Financial instruments and risk management**

The Company's financial instruments are exposed in varying degrees to a variety of financial risks. The Board approves and monitors the risk management processes:

*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's primary exposure to credit risk is on its cash held in bank accounts and notes receivable. The majority of cash is deposited in bank accounts held with a major bank in Canada. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk for notes receivable is management by considering the entity to which the loan is

*Credit risk (continued)*
made and the underlying business. The notes receivable were not past due as at June 30, 2021. Credit risk is assessed low.

*Liquidity risk*
Liquidity risk is the risk that the Company cannot meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to settle liabilities and obligations when they become due. As at June 30, 2021 the Company had cash and cash equivalents of $599,876 to settle current liabilities of $55,407. Liquidity risk was assessed as high.

*Market risk*
Market risk consists of currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns. The Company is exposed to certain market risk that the value of, or future cash flows from, the Company's financial assets will significantly fluctuate due to changes in market prices. The value of the financial assets can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is exposed to market risk in trading its investments, and unfavorable market conditions could result in dispositions of investments at less than favorable prices. Additionally, the Company is required to mark to market its fair value through profit or loss investments at the end of each reporting period. This process could result in significant write-downs of the Company's investments over one or more reporting periods, particularly during periods of overall market instability, which would have a significant unfavourable effect on the Company's financial position. The Company manages market risk by having a portfolio which is not singularly exposed to any one issuer or class of issuers. The Board monitors changes in the market on an ongoing basis and adjusts the Company's lending and investing practices and policies when necessary to reduce the impact of the above risks.

**9. Financial instruments and risk management (continued)**

The Company's investments include publicly-listed entities that are listed on a CSE. Changes in the fair value of investments designated as fair value through profit and loss are reported in the consolidated statement of income and comprehensive income. The following table shows the estimated sensitivity on the consolidated statement of comprehensive income for the six months ended June 30, 2021 from a change in closing price of the Company's publicly-listed investments, with all other variables held constant as at June 30, 2021:

Expressed in Canadian dollars (unaudited)

| Percentage of change in closing prices | Change in comprehensive income (net of tax) from % increase in closing price | Change in comprehensive income (net of tax) from % decrease in closing price |
|---|---|---|
| 5% | $120,342 | $(120,342) |
| 10% | $240,685 | $(240,685) |

*Foreign currency risk*
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company has no foreign exchange rate risk.

*Interest rate and commodity price risk*
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Commodity price risk is the risk of financial loss resulting from movements in the price of the Company's commodity inputs and outputs. The Company is not significantly exposed to interest rate or commodity price risk.

*Fair value hierarchy*
Financial instruments measured at fair value are grouped into three levels, based on the degree to which the fair value is observable:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2- significant observable inputs other than quoted prices included within Level 1; and
- Level 3 – significant unobservable inputs.

There were no transfers between levels of the fair value hierarchy during the six months ended June 30, 2021.

The following is a summary of the Company's financial instruments at fair value as at June 30, 2021:

| | Level 1 | Level 2 | Level 3 |
|---|---|---|---|
| | $ | $ | $ |
| Cash | 599,876 | - | - |
| Note receivable | - | - | 566,282 |
| Convertible debenture receivable | - | - | 370,342 |
| Investments | 2,406,845 | - | 4,923,425 |
| | 2,906,721 | - | 5,860,049 |

The carrying amounts in the consolidated statements of financial position for other receivables, reclamation deposits and accounts payable, approximate their fair values due to their short-term maturity of these instruments.

## 10. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure to finance its corporate administration and working capital for projects.

In order to maintain or adjust its capital structure the Company may issue new equity if it is available on favorable terms or finance through debt.

The Company is dependent on capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the markets, by the status of the Company's projects in relation to these markets and by its ability to compete for investor support of its projects. The Company is not subject to externally imposed capital requirements and there were no changes in the Company's management of capital during the six months ended June 30, 2021 or the year ended December 31, 2020. The Company's capital structure consists of cash and shareholders' equity, which is comprised of share capital net of accumulated deficit. In order for the Company to carry out operations and pay for administrative costs, the Company will spend its working capital and intends to raise additional amounts externally as needed.

## 11. Subsequent events

The following events occurred subsequent to June 30, 2021:

i) The Company acquired 276,500 of common shares at an average price of $0.12 per share as part of the announced NCIB.

ii) On July 12, 2021, the Company issued 5,100,000 common shares in connection with an option agreement with arm's-length vendors to acquire a 100-per-cent interest in Abitibi claims.

iii) On July 27, 2021, 123,500 common shares of the Company were returned to treasury as part of the NCIB.

**CANADIAN NEXUS TEAM VENTURES CORP.**
**(formerly Brand X Capital Corp.)**
**MANAGEMENT DISCUSSION AND ANALYSIS**
**SIX MONTHS ENDED JUNE 30, 2021**

This Management Discussion and Analysis ("MD&A") of Canadian Nexus Team Ventures Corp. (formerly Brand X Lifestyle Corp.) (the "Company" or "Canadian Nexus") was prepared by management and is current as of August 30, 2021. This MD&A should be read in conjunction with our unaudited interim condensed financial statements and accompanying notes thereto for the six months ended June 30, 2021, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts following are expressed in Canadian dollars, unless otherwise indicated. Additional information regarding the Company can be found on SEDAR at www.sedar.com.

**Description of Business and Operations**

The Company was incorporated pursuant to the *Business Corporations Act* (British Columbia) and its office is at Suite 403 – 850 Harbourside Drive, North Vancouver, BC, V7P 0A3. On June 20, 2014, the Company delisted from the TSX Venture Exchange ("TSX-V") and commenced trading on the Canadian Securities Exchange ("CSE") on June 23, 2014. In March 2020, the Company changed its name to Brand X Lifestyle Corp. and traded under the symbol "BXXX". On May 5, 2021, the Company changed its name to Canadian Nexus Team Ventures Corp. and continues to trade on the CSE under its new symbol "TEAM".

The Company was historically a junior mineral exploration-stage company in the business of acquiring, exploring and evaluating natural resource properties, with the goal of developing these properties further. As the commodity market changed the company pivoted into alternative investment classes and began to expand these opportunities.

With this in mind, in November 2017, the Company announced a change of business and transitioned to an investment issuer focused on companies in the blockchain technology industry. In June 2020, the Company amended and restated its investment policy. The Company's investment objectives are to seek investment opportunities in early-stage to mid-level emerging growth companies and to achieve an acceptable rate of return by focusing on opportunities with attractive risk to reward profiles. The Company's investments are made in accordance with, and are otherwise subject to, the Company's investment policy, which may be amended from time to time.

Investments

*The Company completed the following investments during the six months ended June 30, 2021:*

On January 14, 2021, the Company purchased 1,000,000 common shares of Citizen Mining Corp. at $0.10 per share via a private placement for $100,000.

On April 15, 2021, the Company received 4,000,000 common shares at $0.05 per share of Aurista Exploration Corp. in connection to the assignment of the Urban Barry Gold Project.

On May 26, 2021, the Company purchased 100,000 common shares of Kutcho Copper Corp. at $0.49 per share.

*The Company completed the following investments during the year ended December 31, 2020:*

**AgriForce Growing Systems Ltd.**
In relation to the March 22, 2019 $500,000 convertible debenture investment into AgriFORCE (see below), in February, 2020, the Company received notice from AgriFORCE that the convertible debenture had been converted to 506,904 units of AgriFORCE (500,000 units from the convertible debenture and 6,904 units from the interest). Each unit is comprised of one common share and one common share purchase warrant exercisable at $2.00 per share. During the year ended December 31, 2020, the Company received 120,000 common shares as payment of dividends from AgriFORCE.

As at December 31, 2020, the Company held a total of 1,506,904 warrants of AgriFORCE (including the warrants from the May 10, 2019 financing below) with a fair value of $500,000. During the period ended June 30, 2021, the warrants were cancelled and the Company recorded $500,000 as a fair value adjustment related to the warrants.

During the period ended June 30, 2021, the Company received 12,632 common shares of AgriFORCE as payments of dividends.

At June 30, 2021, the fair value of the Company's total investment in AgriFORCE was determined to be $2,964,761 (December 31, 2020: $3,400,000).

**CBIO Brand Development Inc.**
On March 30, 2020 (the "Closing Date") the Company acquired 100% of the issued and outstanding common shares in the capital of CBIO. In consideration for the CBIO shares, Canadian Nexus issued an aggregate of 6,900,000 shares to the CBIO shareholders who have transferred their CBIO shares to Canadian Nexus. The aggregate of 6,900,000 shares were held in escrow by Canadian Nexus and released to the CBIO shareholders as follows:

- 1,725,000 shares on the date that is five business days from the end of any three month period following the Closing Date and before March 1, 2021 (the "Clawback Date") in which CBIO generates $500,000 or more in gross revenue in such three month period. On July 10, 2020, the Company announced that this first milestone had been met and released 1,725,000 shares to the shareholders of CBIO;
- 1,725,000 shares on the date that is five business days from the end of any three month period following the Closing Date and before the Clawback Date in which CBIO generates $1,000,000 or more in gross revenue in such three month period. On July 10, 2020, the Company announced that this second milestone had been met and released 1,725,000 shares to the shareholders of CBIO;
- 1,725,000 shares on the date that is five business days from the end of any three month period following the Closing Date and before the Clawback Date in which CBIO generates $2,000,000 or more in gross revenue in such three month period; and
- 1,725,000 shares on the date that is five business days from the end of any three month period following the Closing Date and before the Clawback Date in which CBIO generates $4,000,000 or more in gross revenue in such three month period.

On April 23, 2021, the Company cancelled and returned to treasury 3,450,000 shares remaining in escrow with fair value of $241,500 on the Clawback Date.

During the year ended December 31, 2020, the Company fully impaired the CBIO investment and recorded an impairment of $759,000.

**Nano Innovations Inc.**
On December 1, 2020, the Company purchased 70,000 shares of Nano Innovations Inc. at a price of $0.30 per share. The Company determined that the fair value of its investment was $21,000 at December 31, 2020 and June 30, 2021.

*The Company completed the following investments during the year ended December 31, 2019:*

**AgriForce Growing Systems Ltd.**
During 2019, the Company invested in AgriFORCE Growing Systems Ltd. ("AgriFORCE"). AgriFORCE has improved the production of cannabis by leveraging its proprietary propagation, growing environment, and growing methodology IP into three offtake agreements, with leading cannabis operators and brands in California. In addition to the receipt of an equity interest for cash, there are no additional significant terms or conditions to the investments.

- On January 16, 2019 the Company purchased 1,000,000 units via private placement for $350,000. Each unit consists of one common share and one common share purchase warrant, exercisable at $0.50 per share for three years from the issue date. The expiry of the warrants was accelerated in 2020 and the warrants expired unexercised.
- On May 10, 2019, the Company invested $1,000,000 in AgriFORCE by purchasing 1,000,000 units at $1.00 via private placement. Each unit consists of one preferred share and one common share purchase warrant exercisable for five years from the date of issue at a price of $2.00. The Company received 60,000 common shares with a fair value of $60,000 as payment of dividends during the year ended December 31, 2019.
- On March 22, 2019, the Company invested $500,000 in a convertible debenture, earning interest at 12% annually and maturing five years from the date of issue, with certain automatic conversion features. Each unit included one common share and one share purchase warrant, exercisable for five years from the date of issue at a price of $2.00. The Company determined the fair value at initial recognition was $500,000 and $506,904 at December 31, 2019, resulting in a change in fair value of $6,904 recognized in profit and loss. (also see note within investments completed during the year ended December 31, 2020 above).

**MineHub Technologies Inc.**
During 2019, the Company invested in MineHub Technologies, Inc. ("MineHub"). MineHub is an emerging technology company leveraging technologies, including blockchain, to develop a new generation of cost saving applications. The MineHub platform manages high value assets from mine to end buyer across the mining and metals supply chain. In addition to the receipt of an equity interest in MineHub for cash, there are no additional significant terms or conditions to the investments.

- On April 4, 2019, the Company purchased 1,000,000 common shares of MineHub at $0.25 per share via private placement for $250,000.
- On June 19, 2019, the Company issued a $250,000 loan to MineHub. The loan bears interest at 10% annually and matures on June 18, 2020. In conjunction with the loan, the Company received 200,000 common shares of MineHub with a fair value of $50,000 as bonus securities.
- On October 1, 2020, the loan to MineHub was amended such that the note is due on March 31, 2022. In connection with the amendment, MineHub issued 100,000 warrants to purchaser 100,000 shares of MineHub at a price of $0.64 until March 31, 2022. Other terms of the loan remain the same.
- As at December 31, 2020, the Company determined that the fair value of its investment in MineHub was $384,000 and recorded a fair value adjustment of $84,000.
- During the six months ended June 30, 2021, the Company sold 750,000 shares of MineHub for aggregate proceeds of $262,500 ($0.35 per share).
- As at June 30, 2021, the Company determined that the fair value of its remaining investment in MineHub was $225,000 and recorded a fair value adjustment of $103,500 during the six months ended June 30, 2021.

*Previous Investments*

**Eli Technologies Corp.**
On February 9, 2018, the Company purchased 500,000 common shares of Eli Technologies Corp. ("Eli") (formerly Buildings Block Technology Corp.) via private placement at $0.30 per share for $150,000. On June 28, 2018, the Company purchased 150,000 common shares at $0.05 per share for $7,500 via a private transaction. In addition to the receipt of an equity interest in the company for cash, there are no additional significant terms or conditions to the investment. The Company determined that the fair value of its investment was $195,000 at December 31, 2020. There was no change in the fair value of the investment during the six months ended June 30, 2021.

**Abaxx Technologies Inc.**
On April 11, 2018, the Company purchased 625,000 common shares of Abaxx Technologies Inc. at $0.40 per share for $250,000 via private placement. In addition to the receipt of an equity interest in the company for cash. In December, 2020 Abaxx completed its public listing, consolidated its common shares, and commenced trading on the OTC under the symbol ABXXF. After the consolidation, the Company held 505,625 common shares of Abaxx and the Company disposed of 75,000 shares in the public market on December 31, 2020 for total proceeds of $299,257. As at December 31, 2020, the Company determined that the fair value of its remaining investment (430,625 shares) was $1,748,338 (closing share price on December 31, 2020 was $4.06). As at June 30, 2021, the Company determined that the fair value of its investment was $1,502,881 (closing share price on June 30, 2021 was $3.49).

**Silota Research and Development Inc.**
On April 12, 2018, the Company acquired 238,500 common shares of Silota Research and Development Inc. ("Silota") for cash consideration of $24. In addition, the Company issued a $300,000 non-interest-bearing convertible note to Silota, due five years from the date of issuance, and convertible into common shares at an 18% discount. Silota's feature product, Covalent, is building tools and infrastructure to bridge decentralized blockchains with centralized databases. Covalent's technology will allow companies to quickly perform complex queries on, and derive analytics from, data stored on blockchains. The Company determined that the fair value of its investment in Silota was $551,000 at December 31, 2020 and recorded a fair value adjustment of $551,000. There was no change in the fair value of the investment in Silota during the six months ended June 30, 2021.

During the year ended December 31, 2020, the Company revalued a convertible debenture receivable of $300,000 that was previously impaired in 2018. The Company recorded a fair value of $370,342 in convertible debenture receivable and change in fair value adjustment. The convertible debenture receivable is due on March 27, 2023.

**FansUnite Entertainment Inc.**
On May 9, 2018, the Company purchased 800,000 common shares of FansUnite Entertainment Inc. ("FansUnite") at $0.25 per common share for $200,000 via private placement. In addition to the receipt of an equity interest in the company for cash, there are no additional significant terms or conditions to the investment. On May 5, 2020, FansUnite completed its public listing, consolidated its shares by a factor of 2:1, and commenced trading on the Canadian Securities Exchange under the symbol "FANS". After the consolidation, the Company held 400,000 shares of FansUnite. On November 2, 2020, the Company disposed of 100,000 common shares of FansUnite for total gross proceeds of $22,750. The Company determined that the fair value of its remaining investment in FansUnite (300,000 shares) was $330,000 at December 31, 2020 (closing share price on December 31, 2020 was $1.10). On March 2, 2021, the Company disposed of 75,000 common shares of FansUnite for total gross proceeds of $143,800. The Company determined the fair value of its remaining investment in FansUnite (225,000 shares) was $218,250 at June 30, 2021 (closing share price on June 30, 2021 was $0.97).

**Quisitive Technology Solutions Inc.**
On May 16, 2018, the Company purchased 428,571 units of Quisitive Technology Solutions Inc. ("Quisitive") (formerly "Fusion Agiletech Partners Inc.") at $0.35 per unit for $150,000 via private placement. Each unit consisted of one common share and one-half share purchase warrant. Each whole warrant is exercisable to purchase one common share at $0.50 per share for two years (expired). The Company determined that the fair value of its investment in Quisitive was $467,142 at December 31, 2020 (closing share price on December 31, 2020 was $1.09). On March 8, 2021, the Company disposed of 50,000 common shares of Quisitive for total gross proceeds of $69,457. The Company determined the the fair value of the remaining investment of Quisitive (378,571 shares) was $605,714 at June 30, 2021 (closing share price on June 30, 2021 was $1.60).

**iComply Investor Services Inc.**
On July 9, 2018, the Company purchased via a private placement 166,666 common shares of iComply Investor Services Inc. ("iComply") at $1.50 per common share for $249,999. During the year ended December 31, 2018, based on available information about the company's performance, the Company has recorded an impairment allowance of $249,999. The Company determined that the fair value of its investment in iComply was $666,664 at December 31, 2020 and recorded a fair value adjustment of $408,332. There was no change in the fair value of iComply during the six months ended June 30, 2021.

Share Consolidation

On March 30, 2020, the Company consolidated its issued and outstanding share capital on the basis of one post consolidated common share for every two pre consolidated common shares. No fractional shares were issued, as all fractional share were rounded to the nearest whole number. The CUSIP number is now 10527B108 and the ISIN number is now CA10527B1085. All share and per share amounts in these financial statements are presented on a post-consolidation basis.

Financings

On February 26, 2021, the Company completed a non-brokered private placement whereby it issued 7,595,000 units at a price of $0.079 per unit for gross proceeds of $600,005. Each unit consists of one common share in the capital of the Company and one common share purchase warrant, each warrant entitling the holder to purchase one additional common share of the Company, at an exercise price of $0.105 per share, for a period of five years from the date of issuance.

On May 20, 2020, the Company completed a non-brokered private placement whereby it issued 2,500,000 units at a price of $0.10 per unit for proceeds of $250,000. Each unit consists of one common share in the capital of the Company and one common share purchase warrant entitling the holder to purchase one additional common share of the company, at an exercise price of $0.35 per share, for a period of one year from the date of issuance. The warrants are subject to an acceleration right that allows the Company to give notice of an earlier expiry date if the company's share price on the CSE (or such other stock exchange the Company's shares may be trading on) is equal to or greater than $0.60 for a period of 10 consecutive trading days.

On January 15, 2020, the Company completed a non-brokered private placement whereby it issued 5,000,000 units at a price of $0.10 per unit for proceeds of $500,000. Each unit consists of one common share in the capital of the Company and one common share purchase warrant entitling the holder to purchase one additional common share of the company, at an exercise price of $0.35 per share, for a period of two years from the date of issuance. The warrants are subject to an acceleration right that allows the company to give notice of an earlier expiry date if the company's share price on the CSE (or such other stock exchange the company's shares may be trading on) is equal to or greater than $0.60 for a period of 10 consecutive trading days.

On January 8, 2020, 201,500 warrants exercisable at $0.80 expired.

On August 12, 2020 the Company issued 300,000 common shares of the capital of Brand X as a loan in connection with CBIO's acquisition of two hemp-complex CBD-infused health and wellness brands.

On March 9,2021 the Company issued 9,000,000 common shares at $0.16 per share for fair value of $1,440,000 in connection with the acquisition of an investment asset pursuant to the terms of a Joint Venture Option Agreement with arms-length vendors to acquire a 100% interest in the Urban Barry Gold Project. by issuing an aggregate of 9,000,000 common shares (issued), paying $1,300,000 over three years, and completing $2,100,000 in exploration expenditures over three years. In addition, a 1% Gross Overriding Royalty has been granted to the vendors, of which ½% can be purchased from the vendors for $1,000,000. The Joint Venture Option Agreement was subsequently assigned to Aurista Exploration Corp. on April 15, 2021 resulting in the Company recording a loss of fair value of investment of $1,240,000 during the period ended June 30, 2021.

**Results and Discussion of Operations**

**Selected Annual Information**
**n/a – annual requirement**

**Results of Operations**

At June 30, 2021, the Company had no continuing source of operating revenues. The Company has not paid any cash dividends on its common shares nor does it have any present intention of paying cash dividends on its common shares, as it anticipates that all available funds for the foreseeable planning horizon will be invested to finance its business activities.

*Results of Operations for the six months ended June 30, 2021*

| | | **2021** | | **2020** |
|---|---|---|---|---|
| Finance fees and bank charges | $ | 924 | $ | 642 |
| Consulting fees | | 31,500 | | 130,390 |
| Filing and transfer agent fees | | 10,720 | | 40,276 |
| Office, rent and administration | | 19,390 | | 29,902 |
| Professional fees | | 42,415 | | 62,088 |
| Marketing | | 240 | | - |
| Salaries and employment costs | | 199,688 | | - |
| Share based payments | | 24,701 | | - |
| Change in fair value of investments and convertible debentures | | 1,613,467 | | (268,286) |
| Finance income | | (83,793) | | (104,801) |
| Foreign exchange gain | | (155) | | - |
| Impairment of investment | | (241,500) | | - |
| Net income (loss) for the period | $ | (1,617,597) | $ | 109,789 |

Net loss for the six months ended June 30, 2021, was $1,617,597 compared to a net income of $109,789 for the comparative period in 2020. The $1,727,389 decrease was driven primarily by a decrease in the change in fair value of investments due to decrease in fair value of investment in Aurista and cancellation of CBIO escrow shares discussed above. The fair value decrease in investments was offset by a decrease in filing and transfer agent fees, professional fees and office, rent and administration compared to the 2020 period. Consulting and salaries in 2021 are increased due to a change in operational personnel.

Share based payments during 2021 were $24,701 associated with the vesting of stock options during the period. There was no comparable cost in 2020.

*Results of Operations for the three months ended June 30, 2021*

| | | 2021 | | 2020 |
|---|---|---|---|---|
| Finance fees and bank charges | $ | 499 | $ | 428 |
| Consulting fees | | 15,750 | | 10,500 |
| Filing and transfer agent fees | | 8,094 | | 25,889 |
| Office, rent and administration | | 9,638 | | 11,592 |
| Professional fees | | 31,203 | | 15,390 |
| Marketing | | 240 | | - |
| Salaries and employment costs | | 107,929 | | - |
| Share based payments | | 4,688 | | - |
| Change in fair value of investments and convertible debentures | | 1,786,465 | | (199,715) |
| Finance income | | (68,384) | | (85,342) |
| Foreign exchange gain | | (155) | | - |
| Impairment of investment | | (241,500) | | - |
| Net income (loss) for the period | $ | (1,654,467) | $ | 221,258 |

The primary reasons for the fluctuations between periods are similar to those for the six months periods discussed above.

**Summary of Quarterly Results**

| | 30Jun21 | 31Mar21 | 31Dec20 | 30Sep20 | 30Jun20 | 31Mar20 | 31Dec19 | 30Sept19 |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | $Nil | $Nil | $Nil | $Nil | $Nil | $Nil | $Nil | $Nil |
| **Net Income (Loss)** | $(1,654,467) | $36,870 | $2,756,203 | $(381,441) | $221,258 | $(111,469) | $1,358,043 | $(20,839) |
| **Total Assets** | $8,994,808 | $10,897,839 | $8,838,855 | $5,710,605 | $5,914,724 | $5,456,907 | $4,537,625 | $3,159,257 |
| **Total Liabilities** | $55,407 | $50,684 | $88,588 | $72,043 | $63,840 | $77,280 | $29,530 | $9,205 |

The quarter ended June 30, 2021 saw a $1,986,180 decrease in the fair value of the Company's investments.

The quarter ended March 31, 2021 saw a $172,998 increase in the fair value of the Company's investments and convertible debentures.

The quarter ended December 31, 2020 saw a significant increase in the fair value of the Company's investments.

The quarter ended September 30, 2020 saw a decrease in the fair value of the Company's investments of $226,858 and finance income associated with notes receivable of $16,516.

The quarter ended June 30, 2020 experienced an increase in the fair value of the Company's investments of $199,714 and finance income associated with notes receivable of $85,342.

The quarter ended March 31, 2020 included a positive change in the fair value of investments of $68,571 and additions to the investment portfolio which total $989,904.

The quarter ended December 31, 2019 included a significant positive change in the fair value of investments of $1,374,772. Similar gains were not realized in the other quarters throughout 2019.

**Liquidity and Capital Resources**

The Company has no revenue generating operations from which it can internally generate funds and therefore must continue to rely on external financing to generate capital to maintain its capacity to meet working capital requirements. The Company has financed its operations and met its capital requirements primarily through the sale of capital stock by way of private placements and the subsequent exercise of share purchase warrants issued in connection with such private placements and the exercise of stock options. The Company also raised funds historically through the sale of interests in its mineral properties. The Company expects that it will continue to operate at a loss for the foreseeable future and will require additional financing to fund the Company's investments in early-stage to mid-level emerging technology projects. The Company is not subject to any externally imposed capital requirements.

At June 30, 2021, the Company's current assets exceeded its current liabilities by $8,939,401 (December 31, 2020: $8,750,267). As at June 30, 2021, the Company had cash and cash equivalents of $599,876 (December 31, 2020: $356,363). Cash was raised from private placement financings and the sale of investments, and used for investments and operations during the period.

**Commitments**

The Company has no commitments.

**Related Party Transactions**

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consists of executive and non-executive members of the Company's Board of Directors and corporate officers.

*Key management personnel compensation*
During the six months ended June 30, 2021, the Company incurred consulting fees of $33,000 (2020 - $10,000) and salaries of $125,000 (2020 - $Nil) to key management personnel.

During the six months ended June 30, 2021, compensation to key management personnel included share-based payments of $7,696 (2020 - $Nil).

At June 30, 2021, $5,250 (December 31, 2020 - $10,500) was due to related parties and included in accounts payables.

**Capital Management**

The Company's objectives when managing capital are to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern and maintain adequate levels of funds to support its corporate administration and working capital for projects, such that it can continue to provide returns to shareholders and benefits for other stakeholders.

The Company is dependent on capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the markets, by the status of the Company's projects in relation to these markets and by its ability to compete for investor support of its projects.
The Company's capital structure consists of cash and shareholders' equity, which is comprised of share capital net of accumulated deficit. The Company manages its capital structure and adjusts it, considering changes in economic conditions and the risk characteristics of the Company's underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares or sell assets to settle liabilities. The Company has no long-term debt and is not subject to externally imposed capital requirements. There were no changes in the Company's management of capital during the six months ended June 30, 2021, and the year ended December 31, 2020. In order for the Company to carry out operations and pay for administrative costs, the Company will spend its working capital and intends to raise additional amounts externally as needed.
The investments in which the Company currently has an interest are in the pre-revenue and/or pre-income stage. It is uncertain that, should these investments become profitable, that the Company will realize any liquidity through dividends or other distributions to shareholders. The Company's historical sources of capital have consisted of the sale of equity securities, loans, advances from related parties and interest income. In order for the Company to carry out strategy and pay for administrative costs, the Company expects to raise additional amounts externally as needed.

**Critical Accounting Estimates**

In the application of the Company's accounting policies, which are described in Note 2 to the audited consolidated financial statements for the six months ended June 30, 2021, management is required to make judgments, apart from those requiring estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include the determination of:

- whether the Company's investments, note receivable or convertible debenture receivable are impaired;
- deferred income tax assets and liabilities; and
- the Company's ability to continue as a going concern.
- the Company's assessment that it qualifies as an investment entity under IFRS 10

The preparation of financial statements in accordance with IFRS require the Company to make estimates and assumptions concerning the future. Management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include fair value measurements for financial instruments.

**Changes in accounting policies**

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are effective for annual periods beginning on or after January 1, 2020. The Company has not applied the following new standards which have been issued but are not yet effective:

- IAS 1 - Presentation of Financial Statements ("IAS 1") was amended in January 2020 to address inconsistences with how entities apply the standard over classification of current and non-current liabilities. The amendment addresses whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. This amendment is effective for annual years beginning on or after January 1, 2022. Earlier adoption is permitted. The Company is evaluating the impact of the adoption of this amendment on its consolidated financial statements.

**Financial instruments and risk management**

The Company's financial instruments are exposed in varying degrees to a variety of financial risks. The Board approves and monitors the risk management processes:

*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's primary exposure to credit risk is on its cash held in bank accounts and notes receivable. The majority of cash is deposited in bank accounts held with a major bank in Canada. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk for notes receivable is management by considering the entity to which the loan is made and the underlying business. The notes receivable were not past due as at June 30, 2021. Credit risk is assessed low.

*Liquidity risk*

Liquidity risk is the risk that the Company cannot meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to settle liabilities and obligations when they become due. As at June 30, 2021 the Company had cash and cash equivalents of $599,876 to settle current liabilities of $55,407. Liquidity risk was assessed as high.

*Market risk*

Market risk consists of currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

The Company is exposed to certain market risk that the value of, or future cash flows from, the Company's financial assets will significantly fluctuate due to changes in market prices. The value of the financial assets can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is exposed to market risk in trading its investments, and unfavorable market conditions could result in dispositions of investments at less than favorable prices. Additionally, the Company is required to mark to market its fair value through profit or loss investments at the end of each reporting period. This process could result in significant write-downs of the

Company's investments over one or more reporting periods, particularly during periods of overall market instability, which would have a significant unfavourable effect on the Company's financial position. The Company manages market risk by having a portfolio which is not singularly exposed to any one issuer or class of issuers. The Board monitors changes in the market on an ongoing basis and adjusts the Company's lending and investing practices and policies when necessary to reduce the impact of the above risks.

The Company's investments include publicly-listed entities that are listed on a stock exchange. Changes in the fair value of investments designated as fair value through profit and loss are reported in the consolidated statement of income and comprehensive income. The following table shows the estimated sensitivity on the consolidated statement of comprehensive income for the six months ended June 30, 2021 from a change in closing price of the Company's publicly-listed investments, with all other variables held constant as at June 30, 2021:

| Percentage of change in closing prices | Change in comprehensive income (net of tax) from % increase in closing price | Change in comprehensive income (net of tax) from % decrease in closing price |
|---|---|---|
| 5% | $120,342 | $(120,342) |
| 10% | $240,685 | $(240,685) |

*Foreign currency risk*

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company has no foreign exchange rate risk.

*Interest rate and commodity price risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Commodity price risk is the risk of financial loss resulting from movements in the price of the Company's commodity inputs and outputs. The Company is not significantly exposed to interest rate or commodity price risk.

**Risk Factors**

The Company is in the business of evaluating and investing in early-stage to mid-level emerging growth companies. Such investments are highly speculative and involves a high degree of risk. There is a probability that the investments made by the Company in will not result in adequate returns and potential write-offs due to both external factors related to the unique business risk factors related to the individual investments.

*Reliance on Key Personnel*

The Company's success depends, in large part, upon the continuing contributions of its personnel. The loss of the service of several key people within a short period of time could have a material adverse effect upon the Company's financial condition and operations. The Company's future success is also dependent upon its continuing ability to attract and retain other highly qualified personnel. Competition for such personnel is intense, and the Company's inability to attract and retain additional key employees could have a material and adverse effect on the Company's financial condition and operations.

*Dependence on Management Team*

The Company currently depends on certain key management team members to identify business and investment opportunities. The management team is also relied upon to oversee the core marketing, business development, operational and fundraising activities. If one or more of our management team members is unable or unwilling to continue their positions with the Company, the Company we may not be able to replace team members easily. Failure to attract and retain qualified employees or the loss or departure in the short-term of any member of senior management may result in a loss of organizational focus, poor operating execution, or an inability to identify and execute potential strategic initiatives. This could, in turn, materially and adversely affect the Company's business, financial condition and results of operations.

*Lack of Availability of Growth Opportunities*

The Company's business plan includes growth through identification of suitable investment or acquisition opportunities, pursuing such opportunities, consummating investments or acquisitions, and effectively generating returns on such investments or acquisitions. If the Company is unable to manage its growth effectively, its business, operating results, and financial condition could be adversely affected.

*Suitable Investment Candidates*

The Company expects a significant and major portion of its future growth to come from high-quality capital investments and acquisitions. There is no assurance that the Company can successfully identify suitable investment candidates. If suitable candidates are identified, however, the Company may not be able to complete an investment or acquisition on terms that are beneficial and acceptable to the Company. In addition, the Company competes with other entities to acquire quality technology investments and acquisitions. Some of its competitors may have greater financial resources than the Company does and may be able to outbid the Company for these investment or acquisition targets. If the Company is unable to complete investments or acquisitions, its growth strategy may be impeded and its earnings or revenue growth may be negatively affected.

If the Company succeeds in making investments or acquiring technology targets or a portion thereof, the investment or acquired companies may not perform to the Company's expectations for various reasons. Should an investment or acquired entity fail to perform to the Company's expectations, the Company's business, prospects, results of operations and financial condition may materially and adversely affected.

*Limited Diversification of Investments*

As the Company will be focusing on investments in the emerging technology sectors and, hence, concentrating its invested funds in limited sectors, the Company is subject to greater risk in one or more of its future investments should these sectors experience a downturn. A decline in emerging technology sectors will likely have a material adverse effect on the Company's business, results from operations, and financial condition. In addition, the Company is more exposed to business cycles than it would be if it owned a high number of investments diversified over various industries with differing business cycles in different geographic areas.

*Foreign Taxes and Double Taxation*

The Company may invest into companies based in foreign jurisdictions and may be subject to double taxation on its foreign investments, which will reduce the return on investments and the profitability, if any, of the Company.

*Conflicts of Interest*

The Company may, in the future, raise further funds through the sale of securities to other companies which may be associated with the directors of officers of the Company, and, as such, the directors and officers of the Company may increase their ownership and/or control positions in the Company without an equal opportunity to participate in such financings being granted to other shareholders. Under certain circumstances, shareholder approval of such action may be required. As certain directors and officers are involved with other companies, there may be potential conflicts of interest limiting the amount of time managing the affairs of the Company.

*Inability to Perform Accurate Due Diligence*

The Company will be investing in start-up companies and may not have the resources or may not be able to perform detailed due diligence, which may result in a partial or complete loss of investments.

*Lack of Capital*

Until revenues exceed expenses, the Company raises the necessary capital through private placements and other financing tools. There can be no assurance that management will be successful in raising the necessary capital required to fund ongoing activities.

*COVID-19*

The recent outbreak of COVID-19 which has been declared by the World Health Organization to be a "pandemic" has spread across the globe and is impacting worldwide economic activity. A public health epidemic, including

COVID-19, or the fear of a potential pandemic, poses the risk that the Company or its employees, contractors, suppliers, and other partners may be prevented from conducting business activities for an indefinite period of time, including due to shutdowns or other preventative measures taken to limit the potential impact from a public health epidemic that may be requested or mandated by governmental authorities. While it is not possible at this time to estimate the impact that COVID-19 (or any other actual or potential pandemic) could have on the Company's business, the continued spread of COVID-19 (or any other actual or potential pandemic) and the measures taken by the governments of countries affected could adversely impact its business, financial condition or results of operations. It could also affect the health and availability of the Company's workforce and the workforce of the business that the Company has invested in. The COVID-19 outbreak and mitigation measures may also have an adverse impact on global economic conditions which could have an adverse effect on the Company's business and financial condition. The extent to which the COVID-19 outbreak impacts the Company's results will depend on future developments that are highly uncertain and cannot be predicted.

**Proposed Transactions**

The Company is continuously evaluating new opportunities that could include a joint venture, a disposal of investments or sale of the Company. While various negotiations may be ongoing at any given time, these may or may not be successful. The Company considers opportunities where there is expected to be significant value to the shareholders. At this date, the Board of Directors have not approved any transaction, nor presented any potential transaction to the shareholders.

**Off-Balance Sheet Arrangements**

The Company does not have any off-balance sheet arrangements which may affect the Company's current or future operations or conditions.

**Outstanding Share Data**

Summary of outstanding securities:

| | **As at June 30, 2021** | **As at the date of this report** |
|---|---|---|
| Authorized | Unlimited | unlimited |
| Issued and outstanding | 51,957,878 | 56,934,378 |
| Stock options | 1,997,500 | 1,997,500 |
| Warrants | 12,595,000 | 12,595,000 |
| Fully diluted | 66,540,378 | 71,526,878 |

**Cautionary Note Regarding Forward-Looking Information**

This document may contain "forward-looking information" within the meaning of Canadian securities legislation ("forward-looking statements"). These forward-looking statements are made as of the date of this document and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation.

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, the adequacy of the Company's financial resources, the timing and amount of potential future investments, risks associated with investment in cryptocurrency related companies, the expectation the Company will operate at a loss for the foreseeable future and that the Company expects to raise additional funds as needed are forward-looking statements and contain forward-looking information. Generally, forward-looking statements and information can be identified by the use of forward-looking terminology such as "intends" or "anticipates", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would" or "occur". Forward-looking statements are based on certain material assumptions and analysis made by the Company and the opinions and estimates of management as of the date hereof, including that management's expectations with respect to the adequacy of the Company's financial resources, the timing and amount of potential future investments, risks associated with investment in cryptocurrency related companies are correct, that the Company will operate at a loss for the foreseeable future and that the Company will be successful in raising additional funds as needed.

Important factors that may cause actual results to vary, include, without limitation, the risk factors described under the heading Risk Factors in this MD&A, the risk factors contained in the Company's Filing Statement, other risk factors discussed in greater detail in the Company's various filings on SEDAR (www.sedar.com), that management's expectations with respect to the adequacy of the Company's financial resources, the timing and amount of potential future investments, risks associated with investment in cryptocurrency related companies are incorrect, that the Company will not operate at a loss for the foreseeable future and that the Company will not be successful in raising additional funds as needed. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. The Company does not undertake to update any forward-looking statement, forward-looking information or financial out-look that are incorporated by reference herein, except in accordance with applicable securities laws. We seek safe harbor.

## Subsequent Events

The following events occurred subsequent to June 30, 2021:

iv) The Company acquired 276,500 of common shares at an average price of $0.12 per share as part of the announced NCIB.

v) On July 12, 2021, the Company issued 5,100,000 common shares in connection with an option agreement with arm's-length vendors to acquire a 100-per-cent interest in Abitibi claims.

vi) On July 27, 2021, 123,500 common shares of the Company were returned to treasury as part of the NCIB.