



mimedia

MiMedia Inc.

Financial Statements

For the years ended December 31, 2021 and 2020

(Expressed in United States Dollars)

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of MiMedia Inc.

Opinion

We have audited the financial statements of MiMedia Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2021 and 2020, and the statements of comprehensive loss/income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates that the Company incurred a net loss during the year ended December 31, 2021 and, as of that date, the Company's current liabilities exceeded its current assets. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis and the information, other than the financial statements and our auditor's report thereon, included in the Annual Report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner of the audit resulting in this independent auditor's report is Glen McFarland.

McGovern Hurley LLP



**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario
April 27, 2022

MiMedia Inc.Statements of Financial Position
(United States Dollars)

	Notes	December 31, 2021	December 31, 2020
ASSETS		\$	\$
Current			
Cash		143,854	-
Restricted cash	5	3,163,056	-
Accounts receivable		3,886	5,974
Other receivables		65,643	-
Prepaid expenses		7,979	10,272
Deferred financing charges	5	107,571	-
Total Current Assets		3,491,989	16,246
Intangible assets		3,769	5,183
Security deposit		5,934	5,934
Total Assets		3,501,692	27,363
LIABILITIES AND SHAREHOLDERS' DEFICIENCY			
Current			
Accounts payable and accrued liabilities	6	1,324,009	2,304,600
Subscription liability	5	3,270,626	-
Loans	7	554,177	554,177
Deferred revenue		1,150	1,791
Total Liabilities		5,149,962	2,860,568
Shareholders' Deficiency			
Share capital	8	53,876,331	50,669,669
Accumulated deficit		(55,524,601)	(53,502,874)
Total Shareholders' Deficiency		(1,648,270)	(2,833,205)
Total Liabilities and Shareholders' Deficiency		3,501,692	27,363
Commitments and Contingencies	15		
Subsequent Events	16		

APPROVED ON BEHALF OF THE BOARD:

Chris Giordano
Director

John MacPhail
Director

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

MiMedia Inc.Statements of Loss and Comprehensive Loss
(United States Dollars)

	Notes	Year ended December 31, 2021	Year ended December 31, 2020
Revenue		\$	\$
Subscription revenue		5,748	6,398
Partner income		13,899	23,217
Total Revenue		19,647	29,615
Expenses			
Research and development	10(a)	595,302	375,001
Selling expense	10(b)	125,219	63,254
General and administrative	10(c)	1,302,363	721,676
Finance expense	10(d)	18,490	22,157
Total Expenses		2,041,374	1,182,088
Net Loss and Comprehensive Loss		(2,021,727)	(1,152,473)
Loss per share			
Basic and diluted		\$ (0.06)	\$ (0.18)
Weighted average shares outstanding - basic & diluted		33,351,214	6,510,936

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

MiMedia Inc.Statements of Changes in Equity (Deficiency)
(United States Dollars)

	Number of shares issued and outstanding		Share Capital		Accumulated Deficit		Total
Balance, January 1, 2020	6,052,002	\$	49,567,823	\$	(52,350,401)	\$	(2,782,578)
Share issuance, net of issuance costs (Note 8)	425,859		701,846		-		701,846
Share issuance on debt settlement (Note 8, 12(b))	249,896		400,000		-		400,000
Net loss and comprehensive loss for the year	-		-		(1,152,473)		(1,152,473)
Balance, December 31, 2020	6,727,757	\$	50,669,669	\$	(53,502,874)	\$	(2,833,205)
Balance, January 1, 2021	6,727,757	\$	50,669,669	\$	(53,502,874)	\$	(2,833,205)
Share issuance, net of issuance costs (Note 8)	29,952,856		2,757,612		-		2,757,612
Obligation to issue shares (Note 8, 12(b))	-		449,050		-		449,050
Net loss and comprehensive loss for the year	-		-		(2,021,727)		(2,021,727)
Balance, December 31, 2021	36,680,613	\$	53,876,331	\$	(55,524,601)	\$	(1,648,270)

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

MiMedia Inc.Statements of Cash Flows
(United States Dollars)

	Notes	Year ended December 31, 2021	Year ended December 31, 2020
Cash flows from operating activities		\$	\$
Loss for the year		(2,021,727)	(1,152,473)
Items not affecting cash from operations:			
Amortization of intangible assets		1,414	1,414
Changes in non-cash working capital balances:			
Accounts receivable		2,088	(5,974)
Other receivables		(65,643)	-
Prepaid expenses		2,292	378
Accounts payable and accrued liabilities		(680,591)	443,124
Deferred revenue		(641)	(1,026)
Total cash outflows from operating activities		(2,762,808)	(714,557)
Cash flows from financing activities			
Issuance of common shares		2,777,932	701,846
Share issuance costs		(20,320)	-
Proceeds received from shares not yet issued		149,050	-
Total cash inflows from financing activities		2,906,662	701,846
Total increase (decrease) in cash during the year		143,854	(12,711)
Cash and cash equivalents, beginning of year		-	12,711
Cash and cash equivalents, end of year		143,854	-
Supplemental cash flow information			
Share issuance on debt settlement	8	-	400,000
Shares to be issued on accounts payable settlement	8	300,000	-
Interest earned		264	-
Interest paid		16,253	-

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

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Notes to the Financial Statements

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(United States Dollars)

1. NATURE OF OPERATIONS

MiMedia Inc. (the “Company” or “MiMedia”) was incorporated on August 20, 2010 under the provisions of the General Corporation Law of the State of Delaware. The address of the Company's registered office is 1209 Orange Street, Wilmington, New Castle, United-States of America. The principal business of the Company is the development of a cloud-based online backup service for mobile devices.

2. MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

These financial statements have been prepared on a going concern basis, which assumes that assets will be realized, and liabilities discharged in the normal course of business for the foreseeable future. Accordingly, these financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or on the discharge or classification of liabilities, should the Company be unable to continue its business in the normal course. Such adjustments could be material.

The Company has incurred losses since its inception and anticipates that losses will continue. For the year ended December 31, 2021, the Company has incurred a net loss of \$2,021,727 and, on that date, the Company’s current liabilities exceed its current assets by \$1,657,973 and various liabilities are past due.

Management believes that the financing obtained by the issuance of share capital during 2021 and subsequently during 2022 (Note 16), will enable the Company to continue its operations towards commercial activities.

Further financing will continue to be required since it is impossible to estimate if and when the Company will achieve profitability. Management continues to negotiate further financing and different agreements. The success of these negotiations is contingent on many factors outside the Company’s control and its ability to successfully complete such financings and agreements represents material uncertainty that cast significant doubt on the Company's ability to continue as a going concern.

3. BASIS OF PRESENTATION

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board (“IFRS”). The financial statements have been prepared on a historical cost basis. These financial statements were approved for issue by MiMedia’s board of directors on April 27, 2022.

b) Basis of measurement

These financial statements are presented in United States Dollars, which is also the Company’s functional currency. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Exchange differences are recognized in operations in the period in which they arise.

The accounting policies have been applied consistently to all years presented in these financial statements, unless otherwise indicated.

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c) New IFRS pronouncements

New IFRS pronouncements that have been issued but are not yet effective at the date of these financial statements are listed below. These amendments will be applied in the annual period for which they are first required.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2

In January 2020, the IASB issued an amendment to IAS 1 Presentation of Financial Statements (IAS 1). The amendment applies to annual reporting periods beginning on or after January 1, 2023. The amendment clarifies the criteria for classifying a liability as non-current if there is the right to defer settlement of the liability for at least 12 months after the reporting period. Management will assess the impact of this standard.

In February 2021, the IASB issued an amendment to IAS 1 Presentation of Financial Statements (IAS 1) and IFRS Practice Statement 2. The amendment applies to annual reporting periods beginning on or after January 1, 2023. The amendment requires that an entity discloses its material accounting policies, instead of its significant accounting policies. The amendment also clarifies that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. Further, the amendment to IAS 1 clarifies that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information. To support this amendment, the Board also amended IFRS Practice Statement 2, 'Making Materiality Judgements', to provide guidance on how to apply the concept of materiality to accounting policy disclosures. This amendment is not expected to have a significant impact on the preparation of financial statements.

Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets (IAS 37). The amendments clarify when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. – costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on or after January 1, 2022.

There are no other IFRS's or International Financial Reporting Interpretations Committee interpretations that are not yet effective or early adopted that are expected to have a material impact on the Company.

d) Judgement and estimates

The preparation of financial statements in compliance with IFRS requires management to exercise judgment in applying the Company's accounting policies and make certain critical accounting estimates. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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Notes to the Financial Statements

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Judgements

Judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements are outlined below:

i) Going Concern

Management's assessment that the Company will be able to execute its strategy and fund future working capital requirements to continue as a going concern requires significant judgment.

ii) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law in the relevant jurisdiction. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision.

Management believes they have adequately provided for the probable outcome of these matters; however, the outcome may result in a materially different outcome than the amount included in the tax liabilities. In addition, the Company recognizes deferred tax assets relating to tax losses carried forward only to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

iii) Revenue Recognition

The process of revenue recognition, including the valuation of barter transactions, involves significant management judgment. The Company performed focused procedures to test the valuation of revenue recorded in consideration of non-barter contracts. In its determination of the amount and timing of revenue to be recognized, management relies on assumptions and estimates supporting its revenue recognition policy. Estimates of the percentage of completion for applicable customer projects are based upon current actual and forecasted information and contractual terms.

iv) Assessment of indicators of impairment

Non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or when required by IFRS. In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

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v) COVID-19

In March 2020, the World Health Organization declared a global pandemic related to COVID-19. The pandemic significantly impacted the global markets and is expected to continue its impact in the foreseeable future. The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries.

In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations. To date, the Company has experienced limited impact from the global pandemic.

Estimates

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods are outlined below.

i) Share-based payments

In estimating the fair value of options using the Black-Scholes option pricing model, management is required to make certain assumptions and estimates such as the expected life of options, volatility of the Company's future share price, risk-free rate, future dividend yields and estimated forfeitures at the initial grant date. Changes in assumptions used to estimate fair value could result in materially different results.

ii) Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events. See Note 15.

4. SIGNIFICANT ACCOUNTING POLICIES

a) Impairment of non-current assets

Non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or when required by IFRS. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to dispose and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units, or "CGU's").

Value in use is determined as the present value of the future cash flows expected to be derived from an asset or CGU in its present form. These estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU for which estimates of future cash flows have not been adjusted.

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Fair value is the price that would be received from selling an asset in an orderly arm's length transaction between market participants at the measurement date. Costs to dispose are incremental costs directly attributable to the disposal of an asset or CGU. Estimated future cash flows are calculated using estimated future prices and operating and capital costs. All inputs used are those that an independent market participant would consider appropriate.

Impairment losses for other assets or CGU's recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. If so, an impairment loss is reversed only to the extent that the related asset or CGU's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

b) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and deposits held with banks, including monetary instruments that may be cashed or redeemed within three months of purchase.

c) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the related proceeds, net of applicable tax.

d) Earnings (loss per share)

Basic earnings (loss) per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings per share is computed by dividing the net income applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

e) Income taxes

Tax is recognized in net income or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is recognized in other comprehensive income or directly in equity, respectively.

The current income tax expense is the expected tax payable on the taxable income for the year plus any adjustment to tax payable in respect to previous years. It is calculated on the basis of the tax laws and rates enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

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Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

f) Share-based compensation and warrants

Share-based compensation arises when the Company issues equity instruments as consideration for services received from employees and non-employees. Its amount is calculated based on the fair value of shares or stock options awarded to employees, measured on their grant date. The fair value of shares or stock options awarded to non-employees is measured on the date that the goods or services are received. The fair value of the shares and stock options is recognized as an expense over their vesting period with a corresponding increase in equity.

The Company has a stock option plan under which directors, executives, employees, and consultants can be granted stock options of the Company.

In the normal course of business, the Company grants options in exchange for goods or services to parties other than directors, executives, or employees. For these transactions, the Company evaluates the goods or services received and the increase in equity, which is the counterpart, directly to the fair value of goods or services received, unless that fair value cannot be reliably estimated. In this case, the fair value is the value of the options issued at the date the goods or services are received.

The Company may at certain times grant warrants in the process of share capital or long-term debt issuance. The proceeds are distributed between the warrants and the share capital or long-term debt.

g) Financial Instruments

The Company applies IFRS 9, Financial Instruments, which sets out the accounting standards for the classification and measurement of financial instruments.

Classification and measurement

The Company classifies its financial assets in the following categories: at fair value through profit or loss (“FVTPL”), at fair value through other comprehensive income (“FVTOCI”) or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

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Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL. For other equity instruments, the Company can make an irrevocable election (on an instrument by-instrument basis) on the day of acquisition to designate them as at FVTOCI.

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the income statement. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the income statement in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges.

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the income statement. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are initially recorded at fair value. Realized and unrealized gains and losses arising from changes in the fair value of the financial liability held at FVTPL are included in the income statement in the period in which they arise. Derivatives are categorized as FVTPL unless they are designated as hedges.

Financial liabilities at amortized cost

All financial liabilities that are not held for trading or designated as at FVTPL are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

The classification of the Company's financial instruments under IFRS 9 is as follows:

Cash	FVTPL
Restricted cash	Amortized cost
Accounts receivable	Amortized cost
Other receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loans	Amortized cost

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h) Intangible assets subject to amortization

Intangible assets reflect the value assigned to Organization Costs. These costs are amortized on a straight-line basis over the term of the intangible asset and tested for impairment when circumstances indicate that the carrying value may be impaired.

i) Revenue Recognition

The Company recognizes its revenue from contracts with customers, according to the following five steps:

- Identify the contracts with a client;
- Identify the performance obligations contained in the contracts;
- Determine the transaction price;
- Allocate the transaction price between the performance obligations contained in the contracts; and
- Recognize revenue when the Company fulfilled or as the Company fulfills a performance obligation.

The Company applies this five-step model to contracts when it is probable that it will recover the consideration to which it is entitled in exchange for the goods or services it provides. At contract award, it evaluates the goods and services promised in each contract, determines which promised goods or services are performance obligations, and assesses whether each promised good or service is distinct. The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when the performance obligation is fulfilled.

The Company earns revenue through offering partners access to its cloud platform (partner income) and charging a license fee for users of its software (subscription revenue). Revenue is recognized as platform access obligations are fulfilled.

j) Research and development expenses

Research and development expenses are expensed as incurred. However, development expenses are capitalized when they meet the accepted criteria for deferral up to the amount that is reasonably certain to be recovered.

5. RESTRICTED CASH

Restricted cash consists of \$3,163,056 (\$4,010,122 CAD) subscription receipt proceeds received and held in escrow for a subscription receipt financing pursuant to the reverse takeover transaction (Note 16). As at December 31, 2021, there is a total of \$3,163,056 (\$4,010,122 CAD) (2020 – \$Nil) in restricted cash.

On November 16, 2021, in preparation for the completion of the reverse takeover transaction, the Company closed a private placement of 16,586,000 subscription units for total proceeds of \$3,303,984 (\$4,146,500 CAD) at a price per subscription unit of \$0.25 CAD. As part of the transaction, upfront cash financing costs of \$107,571 (\$136,378 CAD) were incurred. All proceeds and shares from this private placement were held in escrow until completion of the reverse takeover transaction on March 15, 2022. Had the escrow release conditions not been satisfied before the escrow release deadline, the subscription receipt agent would have had to distribute the restricted cash to the holders of the subscription receipts on a pro rata basis and the subscription receipts would have immediately become void and of no further force or effect.

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On March 15, 2022, the escrow release conditions were satisfied and the funds held in escrow were transferred to the Company's unrestricted bank account.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2021	December 31, 2020
	\$	\$
Trade payables	976,617	1,277,161
Accrued liabilities and other	347,392	1,027,439
	1,324,009	2,304,600

7. LOANS

The Company has outstanding unsecured loans in the remaining amount of \$554,177. The loans were initially issued in 2010 and were subject to various amendments and partial repayments. The loans are unsecured and do not bear interest.

The loans are repayable on the earlier of (i) a deemed liquidation event or (ii) the date of the issuance of convertible preferred stock by the Company with immediately available gross proceeds to the Company (including proceeds from any indebtedness of the Company that convert into equity in such financing) of at least \$30,000,000.

As the timing of any repayment event is uncertain, the loans have been presented at their face value.

8. SHARE CAPITAL

As at December 31, 2021, 80,000,000 shares of common stock are authorized, participating and voting, with a par value of \$0.001 per share.

As at December 31, 2021, the number of issued and outstanding common shares is 36,680,613 (December 31, 2020: 6,727,757).

Immediately preceding the closing of the Company's reverse takeover transaction on March 15, 2022, the Company split its common shares on a 1:2.60 basis. The effect of the split has been presented on a retrospective basis in the Company's financial statements.

Activities during the year ended December 31, 2021

Throughout 2021, the Company issued 26,952,856 shares of common stock for total proceeds of \$2,757,612. The Company also received \$149,050 in proceeds as consideration for 759,863 shares that were not issued as of December 31, 2021.

During July 2021, the Company agreed to issue 3,234,730 shares of common stock to settle amounts owing totaling \$300,000. These shares are to be issued subsequent to December 31, 2021, and have been presented as shares to be issued within share capital at December 31, 2021.

Activities during the year ended December 31, 2020

Throughout 2020, the Company issued 425,859 shares of common stock in consideration for \$701,846 in cash.

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In July 2020, the Company issued 249,896 shares of common stock in settlement of amount owing totaling \$400,000.

9. STOCK OPTIONS AND WARRANTS

The following table summarizes information about the options and warrants outstanding and exercisable as at December 31, 2021 and 2020:

	Options outstanding and exercisable		
	Number of warrants outstanding	Weighted average remaining contractual life	Weighted average exercise price
Outstanding at December 31, 2020 and 2021	24,372	4.19 years	\$62

	Warrants outstanding and exercisable		
	Number of warrants outstanding	Weighted average remaining contractual life	Weighted average exercise price
Outstanding at December 31, 2020 and 2021	214,919	5.05 years	\$0.38

10. SCHEDULE OF EXPENSES

	Year ended December 31, 2021	Year ended December 31, 2020
(a) Research and Development	\$	\$
Salary and employer contributions	55,337	190,092
Subcontracts	414,875	69,178
Services	125,090	115,731
	595,302	375,001
(b) Selling Expenses		
Subcontracts	120,000	63,254
Travel and entertainment	5,219	-
	125,219	63,254

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(c) Administrative Expenses		
Salary and employer contributions	639,279	439,843
Insurance	22,244	15,648
Office expenses	1,975	42,686
Professional fees	602,766	192,189
Rent	22,217	19,330
Telecommunications	8,602	5,512
Travel and entertainment	3,866	8,807
Amortization of intangible assets	1,414	1,413
	1,302,363	721,676
(d) Finance Expenses		
Bank charges	1,850	3,752
Interest income	(264)	-
Interest expense	16,904	18,405
	18,490	22,157

11. INCOME TAXES

The presented recovery of income taxes differs from the amount of the income tax expense calculated using the US statutory tax rates, mainly due to the following:

	Year ended December 31, 2021	Year ended December 31, 2020
	\$	\$
Loss before income taxes	(2,021,727)	(1,152,473)
Income tax rate	27.50%	27.50%
Income tax expense (recovery) calculated using statutory rate	(555,975)	(317,000)
Increase (decrease) in income taxes resulting from:		
Non-deductible (taxable) items	195	-
Change in tax assets not recognized	555,780	317,000
Income tax expense (recovery)	-	-

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The nature and tax effect of the temporary differences giving rise to the deferred tax assets and liabilities at December 31, 2021 and 2020, are summarized as follows:

	Year ended December 31, 2021	Year ended December 31, 2020
	\$	\$
Deferred tax assets (liabilities)		
Non-capital losses	14,941,305	14,385,525
	14,941,305	14,385,525
Unrecognized benefit from income tax losses	(14,941,305)	(14,385,525)
Net deferred tax assets	-	-

As at December 31, 2021, the Corporation has available net operating losses for income tax purposes in the United States which are available to be carried forward to reduce taxable income in future years and for which no deferred income tax asset has been recognized, and which expire as follows:

Expiry	Taxable Losses	
	Federal \$	New York State \$
2030	2,578,000	-
2031	4,072,000	-
2032	5,288,000	-
2033	6,941,000	-
2034	6,678,000	27,914,000
2035	7,388,000	7,388,000
2036	8,324,000	8,323,000
2037	4,638,000	4,638,000
2038	-	3,438,000
2039	-	1,888,000
2040	-	1,078,000
2041	-	2,021,000
Indefinite	8,425,000	-
Total	54,332,000	56,688,000

The potential benefits of these carry-forward net operating losses in excess of those which offset recognized deferred tax liabilities have not been recognized in these financial statements as there is no certainty that sufficient future taxable profit will allow the deferred tax asset to be recovered.

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12. RELATED PARTY TRANSACTIONS

The following is a summary of the Company's related party transactions during the period:

a) Key Management Compensation

Key management personnel are persons responsible for planning, directing, and controlling the activities of an entity, and include executive management and non-executive directors. Key management personnel compensation comprised:

	Year ended December 31, 2021	Year ended December 31, 2020
Salaries and short-term benefits	\$ 570,930	\$ 510,000
Management fees	592	-
	\$ 571,522	\$ 510,000

b) Other Related Party Transactions

\$32,421 in accounts payable and accrued liabilities were owing to officers and directors at December 31, 2021 (December 31, 2020: \$673,506).

\$65,643 in other receivables were receivable from an officer of the Company at December 31, 2021 (December 31, 2020: \$Nil).

The Company is obligated to issue 3,234,730 shares in settlement of \$300,000 owing to an officer of the Company pursuant to a settlement agreement dated July 2021.

During the year ended December 31, 2020, the Company issued 249,896 shares to settle \$400,000 owing to certain shareholders of the Company. All amounts owing were unsecured, did not bear interest, and had no fixed terms of repayment.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

The Company's financial instruments include cash and cash equivalents, restricted cash, interest and other receivables, trade and other payables and loans. IFRS 7 Financial Instruments: Disclosures ("IFRS 7") establishes a fair value hierarchy for financial instruments measured at fair value. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy are as follows:

- Level 1 - applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 - applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

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- Level 3 - applies to assets or liabilities for which there are unobservable market data.

The recorded amounts of cash, restricted cash, accounts and other receivables, and trade and other payables approximate their respective fair values due to their short-term nature. The fair value of the loans approximate their face value. See Note 7 for details.

Risk Management

The Company considers managing risk as being an integral part of its development and diversification strategies. The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. The Company focuses on actively securing short to medium term cash flows by minimizing the exposures to financial markets. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and accounts receivables. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure. As at December 31, 2021 and 2020, the Company is not exposed to credit risk in regard of any particular customer.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company is exposed to this risk primarily through its unsecured loan and accounts payable and accrued liabilities. The Company's approach to managing liquidity is to maintain sufficient cash to meet obligations when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

Contractual undiscounted cash flow requirements for financial liabilities as at December 31, 2021 are as follows:

	Less than 1 year	1 – 5 years	After 5 years	TOTAL
	\$	\$	\$	\$
Accounts payable and accruals	1,324,009	-	-	1,324,009
Subscription liability	3,270,626	-	-	3,270,626
Loans	554,177	-	-	554,177
	5,148,812	-	-	5,148,812

The Company endeavors to ensure that it has sufficient cash on demand to meet its obligations as they become due by preparing expenditure budgets, which are regularly monitored and updated as considered necessary. The Company also manages its liquidity risk through the financial support of its shareholders and key management personnel.

14. CAPITAL MANAGEMENT

The Company includes total debt instruments and equity in its definition of capital. The Company's objectives are to preserve its ability to continue its operation to ensure its sustainability and to provide an adequate return to its

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shareholders, and to ensure sufficient equity financing in a way that maximizes the shareholders' return given the assumed risks of its activities. The Company may issue new shares following approval by the Board of Directors.

The Company's objectives in terms of capital management have not changed during the years 2021 and 2020.

The Company is not subject to any external capital requirements as at December 31, 2021 and 2020. Subsequent to December 31, 2021, the Company became listed on the TSX Venture Exchange ("TSXV") and became subject to various TSXV listing requirements.

15. COMMITMENTS AND CONTINGENCIES

The Company is party to certain management contracts. These contracts contain minimum termination commitments of \$175,000. As a triggering event has not occurred, these amounts have not been recognized in these financial statements.

16. SUBSEQUENT EVENTS

Reverse takeover by MiMedia Inc. of Efficacious Elk Capital Corp. ("EECC")

On March 15, 2022, the Company closed a reverse takeover transaction with Efficacious Elk Capital Corp. ("Elk"). Pursuant to this transaction, Elk will acquire all of the issued and outstanding shares of capital stock of the Company by a "reverse triangular" merger (the "Merger") of a newly-formed subsidiary of Elk with and into the Company. The Company will be the surviving corporation following the Merger and, as a result, will become a wholly-owned operating subsidiary of the Resulting Issuer. Prior to completion of this transaction, the Company's shares were split on a 1:2.60 basis.

2,025,316 shares of the Company are to be issued as a finder's fee in connection with the identification and completion of the Merger. Pursuant to the Merger, the Company's management has also entered into discussions to issue 150,000 shares to directors as a form of advisors fee.

On November 16, 2021, in preparation for the completion of the Merger, the Company closed a private placement of 16,586,000 subscription units for total proceeds of \$4,146,500 CAD at a price per subscription unit of \$0.25 CAD. All proceeds and shares from this private placement were held in escrow until completion of the reverse takeover transaction on March 15, 2022. Each subscription unit is comprised of a common share of the Company and one-half of a common share purchase warrant. Each share purchase warrant entitles its holder to acquire one share of the Company at \$0.32 CAD for a period of 24 months following the date that the escrow release conditions are satisfied. Pursuant to the private placement, 497,580 subscription units were also issued to agents as a corporate finance fee. 1,091,020 broker warrants were also issued as compensation for completion of the private placement. The broker warrants are exercisable at a price of \$0.25 CAD for a period of 24 months following the date the escrow release conditions are satisfied.

The Company's management has entered into settlement discussions with the holders of the loans described in Note 7. Pursuant to the settlement agreements, immediately prior to, but contingent upon, the closing of the Merger, (i) 50% of the outstanding principal amount under each promissory note shall be converted into shares at a price per share equal to \$0.1967 USD, and (ii) any remaining outstanding balance under the promissory notes shall be cancelled. As of the date hereof, there is US\$554,177 outstanding under the promissory notes.

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Issuance of shares to settle accounts payable

Subsequent to December 31, 2021, 3,234,730 common shares of the Company were issued in settlement of \$300,000 owing to a director and officer of the Company pursuant to a settlement agreement dated July 2021.

Subsequent to December 31, 2021, the Company's management also entered into discussions with a vendor to issue 405,125 shares to settle approximately \$79,000 in outstanding accounts payable balances.

Cancellation of options

Subsequent to December 31, 2021, the Company and the holders of the options (Note 9) agreed to cancel all outstanding options.

Proceeds received from private placement share issuance

During February 2022, and prior to completion of the Merger, the Company completed a non-brokered, direct private placement of 2,646,137 units for gross proceeds of \$519,050. Each unit is comprised of one share of common stock of the Company and one-half of one common stock purchase warrant. Each warrant is exercisable to acquire one share at a price \$0.25 per share for a period of twenty-four months from the date of issuance. \$149,050 of the proceeds were received during the year ended December 31, 2021.