

Goldmoney®

GOLDMONEY INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2022 AND 2021

(EXPRESSED IN CANADIAN DOLLARS)



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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Goldmoney Inc.

Opinion

We have audited the consolidated financial statements of Goldmoney Inc. (the "Entity"), which comprise:

- the consolidated statements of financial position as at March 31, 2022 and March 31, 2021;
- the consolidated statements of operations and comprehensive income (loss) for the year ended March 31, 2022 and March 31, 2021;
- the consolidated statement of cash flows for the year ended March 31, 2022 and March 31, 2021;
- the consolidated statements of changes in equity for the year ended March 31, 2022 and March 31, 2021; and
- notes to the consolidated financial statements, including a summary of significant accounting policies.

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at March 31, 2022 and March 31, 2021 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

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 "***Auditors Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.



We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended March 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our auditors' report.

Recoverability of the carrying value of goodwill and brand indefinite-lived intangible asset of Goldmoney.com

Description of the matter

We draw attention to Note 2(l), 2(m), 2(n), 12 and 13 to the consolidated financial statements. Goodwill and indefinite-lived intangible assets were \$21,253,748 and 16,498,309, respectively, of which \$18,922,163 and \$16,100,000 related to the Goldmoney.com cash generating unit ("CGU"). Annually, or whenever events or changes in circumstances indicate a potential impairment has occurred, the recoverable amount of the goodwill and indefinite-lived intangible assets is estimated to determine the extent of the impairment loss. Recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. In determining the recoverable amount, significant assumptions include the expected future cash flows from the Goldmoney.com CGU for five years, the discount rate and the terminal growth rate.

Why the matter is a key audit matter

We identified the evaluation of the recoverability of the carrying values of goodwill related to Goldmoney.com, CGU and brand indefinite-lived intangible asset to be a key audit matter. A high degree of judgment was required by the Entity to estimate the recoverable amount of this CGU and the brand intangible. Subjective and challenging auditor judgment was required to evaluate the expected future cash flows, the terminal growth rate and discount rate assumptions. Specialized skills and knowledge were also required to assess the assumptions.

How the matter was addressed in the audit

The following are the primary procedures we performed to address this key audit matter:

We evaluated the design and tested the operating effectiveness of certain controls over the Company's goodwill and intangible asset impairment assessment process. This included



controls over the determination of the significant assumptions to estimate the value in use of the CGU.

To assess the Company's ability to project cash flows, including revenue growth rates, we compared the Company's historical cash flow projections to actual results. We evaluated the Company's revenue and expenses growth rate used in expected future cash flows by comparing the growth achieved in prior years with the forecasted amounts.

In addition, we involved valuation professionals with specialized skills and knowledge, who assisted in assessing the discount rate and terminal growth rate utilized by the management of the Company in the determination of the recoverable amount of the CGU as at the Valuation Date. We independently developed an acceptable discount rate range applicable to the CGU based on the Capital Asset Pricing Model using market inputs, empirical studies and our understanding of the CGU's operations. The terminal growth rate was independently developed based on long-term inflation expectations.

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above 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 the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

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 financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional scepticism 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 risk 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors'



report. However, future events or conditions may cause the Entity 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.
- 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.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Goldmoney Inc. to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Chartered Professional Accountants, Licensed Public Accountants

The engagement partner on the audit resulting in this auditors' report is Christopher D. Cornell

Toronto, Canada

June 21, 2022

Goldmoney Inc.
Consolidated Statement of Financial Position
(Expressed in Canadian Dollars)

	Note	Mar 31, 2022	Mar 31, 2021
Assets			
Cash and cash equivalents		\$ 26,030,546	\$ 24,070,869
Cash held for dealing	4	1,855,348	1,457,065
Precious metals	5	54,158,068	38,096,110
Inventories - other		91,035	-
Marketable securities	6	5,951,601	4,487,762
Receivables		886,515	159,986
Prepaid and other assets	7	270,353	4,555,881
Loans receivable	8	11,410,409	23,456,293
Property and equipment	9	1,404,919	3,802,701
Right-of-use assets	10	-	466,775
Investment in associates	11	34,817,996	35,229,533
Intangible assets	12	18,832,172	19,381,615
Goodwill	13	21,253,748	35,053,748
Total Assets		\$ 176,962,710	\$ 190,218,338
Equity and Liabilities			
Liabilities			
Accounts payable and accrued liabilities	14	\$ 2,026,511	\$ 5,837,674
Lease liabilities	10	-	509,979
Marketable securities	6	437	2,414,659
Mortgage payable	15	-	961,179
Total liabilities		2,026,948	9,723,491
Equity			
Share capital	16	165,584,036	165,220,267
Contributed surplus	17	13,609,978	13,514,117
Accumulated other comprehensive income		295,123	251,725
Retained earnings (deficit)		(4,241,292)	1,508,738
Non-controlling interest		(312,083)	-
Total equity		174,935,762	180,494,847
Total Equity and Liabilities		\$ 176,962,710	\$ 190,218,338

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

Approved on behalf of the Board:

"Roy Sebag", Director

"James Turk", Director

Goldmoney Inc.
Consolidated Statement of Operations and Comprehensive Income (Loss)
(Expressed in Canadian Dollars)

	Note	For the year ended	
		Mar 31, 2022	Mar 31, 2021
Revenue	24	\$ 350,246,185	\$ 654,409,596
Cost of sales	24	337,056,236	635,009,030
Gross margin		13,189,949	19,400,566
Fee revenue		8,366,511	8,875,359
Interest income		387,789	861,196
Gain (loss) on revaluation of precious metals		1,923,294	(1,038,024)
Gross profit		23,867,543	28,099,097
Operating expenses			
Service provider fees		508,311	927,612
Advertising and promotion		2,552,013	3,774,716
Stock-based compensation		1,457,035	2,932,893
Payroll expenses		4,349,766	5,869,918
General and administrative		3,959,922	3,643,600
Professional fees		1,952,415	2,581,171
Foreign exchange (gain) loss		(33,696)	(1,081,028)
Depreciation and amortization		1,023,148	1,311,314
Technology and development costs		663,926	785,805
Market and business development		166,372	170,621
Impairment of goodwill and intangibles assets	12, 13	13,800,000	1,059,648
Total operating expenses		30,399,212	21,976,270
Operating income (loss) for the period		(6,531,669)	6,122,827
Income tax	20	(441,834)	(803,464)
Share of net loss from investment in associate	11	(411,537)	(934,681)
Gain (loss) on sale of investments		174,727	4,469,030
Unrealized gain (loss) on investments		1,018,667	2,831,585
Interest expense		(22,500)	(33,550)
Other income	10, 25	151,986	-
Net income (loss) for period		(6,062,160)	11,651,747
Other comprehensive income (loss)			
Item that will be reclassified subsequently to income			
Unrealized gain (loss) on foreign currency translation		43,398	(580,456)
Other comprehensive income (loss) for the period		43,398	(580,456)
Net income (loss) and comprehensive income (loss) for the period		\$ (6,018,762)	\$ 11,071,291
Attributable to:			
Equity holders		\$ (5,750,030)	\$ 11,651,747
Non-controlling interest		\$ (312,130)	\$ -
Basic and diluted earnings per share			
Basic	18	\$ (0.08)	\$ 0.15
Diluted		\$ (0.08)	\$ 0.15
Weighted average number of common shares			
Basic	18	75,764,270	76,149,697
Diluted		75,764,270	78,079,739

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

Goldmoney Inc.
Consolidated Statement of Cash Flows
(Expressed in Canadian Dollars)

	For the year ended	
	Mar 31, 2022	Mar 31, 2021
Cash provided by (used in):		
Operating Activities		
Net income (loss) for period	\$ (6,062,160)	\$ 11,651,747
Adjustment for:		
(Gain) loss on investments	(1,193,394)	(2,831,585)
Stock-based compensation	1,457,035	2,932,893
Depreciation and amortization	1,023,148	1,311,314
Unrealized foreign exchange (gain) loss	196,192	(2,321)
Share of loss from investment in associates	411,537	934,681
(Gain) loss on revaluation of precious metals	(1,923,294)	1,038,024
Interest on lease liability	22,204	35,717
Other Income	(151,986)	-
Impairment of goodwill and intangibles assets	13,800,000	1,059,648
Changes in operating assets and liabilities:		
Cash held for dealing	(398,283)	1,535,615
Restricted cash	-	70,935
Precious metals	(15,320,045)	(22,627,159)
Receivables	(726,529)	482,302
Prepaid and other assets	3,580,148	(3,035,375)
Accounts payable and accrued liabilities	(3,896,238)	(469,273)
Marketable securities	2,000,000	8,324,635
Net cash provided by (used in) operating activities	(7,181,665)	411,798
Investing Activities		
Repayment in loans receivable	14,135,690	27,037
Purchase of loans receivable	(999,458)	-
Purchase of investments	(5,553,441)	-
Sale of investments	821,779	-
Investment in associate	-	(3,026,626)
Sale (purchase) of property and equipment	(43,618)	(40,183)
Proceeds from sale of subsidiary	2,188,611	-
Net cash provided by (used in) investing activities	10,549,563	(3,039,772)
Financing Activities		
Proceeds from stock options	11,407	55,809
Payment of mortgage liability	(175,702)	(90,423)
Payment of lease liabilities	(76,830)	(221,307)
Goldmoney shares repurchases	(1,008,812)	(6,000,000)
Net cash used in financing activities	(1,249,937)	(6,255,921)
(Decrease) increase in cash and cash equivalents	2,117,961	(8,883,895)
Change in cash related to foreign exchange	(158,284)	(580,455)
Cash and cash equivalents, beginning of period	24,070,869	33,535,219
Cash and cash equivalents, end of period	\$ 26,030,546	\$ 24,070,869

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

Goldmoney Inc.

Consolidated Statement of Changes in Equity

(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Contributed surplus	Accumulated Other Comprehensiv e Income (Loss)	Retained earnings (deficit)	Non- Controlling interest	Equity
Balance, March 31, 2021	75,590,446	\$ 165,220,267	\$ 13,514,117	\$ 251,725	\$ 1,508,738	\$ -	\$ 180,494,847
Net income for the period	-	-	-	-	\$ (5,750,030)	-	(5,750,030)
Other comprehensive gain for the period	-	-	-	43,398	-	-	43,398
Non-Controlling interest	-	-	-	-	-	(312,130)	(312,130)
Non-Controlling interest at issue of capital	-	-	-	-	-	47	47
Transactions with Shareholders of the Company							
Exercise of RSUs	510,365	1,356,638	(1,356,638)	-	-	-	-
Exercise of options	5,025	15,943	(4,536)	-	-	-	11,407
Goldmoney share repurchase	(474,500)	(1,008,812)	-	-	-	-	(1,008,812)
Stock based compensation	-	-	1,457,035	-	-	-	1,457,035
Balance, March 31, 2022	75,631,336	\$ 165,584,036	\$ 13,609,978	\$ 295,123	\$ (4,241,292)	\$ (312,083)	\$ 174,935,762
Balance, March 31, 2020	77,895,361	\$ 170,384,058	\$ 11,361,624	\$ 832,181	\$ (10,143,009)	\$ -	\$ 172,434,854
Net income for the period	-	-	-	-	11,651,747	-	11,651,747
Other comprehensive loss for the period	-	-	-	(580,456)	-	-	(580,456)
Transactions with Shareholders of the Company							
Exercise of RSUs	653,091	1,601,852	(1,601,852)	-	-	-	-
Exercise of options	41,994	81,409	(25,600)	-	-	-	55,809
Goldmoney share repurchase	(3,000,000)	(6,847,052)	847,052	-	-	-	(6,000,000)
Stock based compensation	-	-	2,932,893	-	-	-	2,932,893
Balance, March 31, 2021	75,590,446	\$ 165,220,267	\$ 13,514,117	\$ 251,725	\$ 1,508,738	\$ -	\$ 180,494,847

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

Goldmoney Inc.

Notes to Consolidated Financial Statements

Years Ended March 31, 2022 and 2021

(Expressed in Canadian Dollars)

1. Nature of operations

Goldmoney Inc. ("GMI", "Group" or the "Company") was incorporated on August 14, 2014, under the federal laws of Canada. The Company was continued under the laws of the Province of British Columbia on October 3, 2019.

The principal office of the Company is located at 334 Adelaide Street West, Suite 305, Toronto, Ontario M5V 1R4. The Company is listed on the Toronto Stock Exchange ("TSX") under the symbol XAU.

Goldmoney is a precious metal focused investment company. Through its ownership of various operating subsidiaries, the Company is engaged in precious metals sales to its clients, including arranging for custody and storage of precious metals for its clients, coin retailing and lending. Goldmoney clients located in over 100 countries hold approximately \$2.2 billion in precious metals assets. The Company's operations are conducted through two principal wholly owned business segments:

- Goldmoney.com – Goldmoney.com is an online platform that provides clients with access to their Holding to purchase and sell physical precious metals and arrange for their custody and storage.
- SchiffGold – Schiff Gold LLC is a United States-based dealer in precious metals that offers to its clients the purchase and sale of physical precious metals in the form of bars, coins, and wafers with direct-to-client delivery.

In addition to the Company's principal business segments, the Company holds a significant interest in Menē Inc., which crafts pure 24-karat gold and platinum investment jewelry that is sold by gram weight. Menē designs, manufactures, and offers its jewelry through a transparent pricing and e-commerce platform. Through Menē.com, clients can buy, sell, and exchange their jewelry by weight at the prevailing market prices for gold and platinum, plus a transparent design and manufacturing premium.

As of June 23, 2021, the Company completed its previously announced restructuring, and transferred its precious metal operating activity to its Canadian and United Kingdom offices, ceasing operations in Jersey, Channel Islands. See note 25 for more details.

On August 12, 2021, the Company decided to discontinue its operations in Lend & Borrow Trust Company Limited, a United Kingdom based platform offering auction-rate peer-to-peer lending and borrowing collateralized by precious metals. Accordingly, the Company ceased all operating activity during the quarter ended December 31, 2021. See note 26 for more details.

Goldmoney Inc.

Notes to Consolidated Financial Statements

Years Ended March 31, 2022 and 2021

(Expressed in Canadian Dollars)

1. Nature of operations (continued)

The Company's principal operating subsidiaries are:

Goldmoney Vault Inc. (Canada) – maintains client agreements and related records and provides market-based quotes to enable clients to buy and sell precious metals and, as an agent for clients, contracts with independent non-bank precious metal vault custodians in seven countries to provide insured physical storage of gold under LBMA and COMEX standards. Goldmoney Vault Inc. currently maintains contracts with The Brink's Company (NYSE: BCO), Loomis International (NASDAQ OMX: LOOM), Malca-Amit, G4S International Logistics (LSE: GFS), The Royal Canadian Mint, and Rhenus Logistics. Goldmoney Vault Inc. is a reporting entity to FINTRAC.

Goldmoney Vault (UK) Limited - maintains client agreements and assists with servicing clients, including on-boarding.

Goldmoney USA Limited (Delaware) – is registered with FinCEN as a Money Service Business for compliance and reporting of clients' resident in the United States.

2. Significant accounting policies

Basis of Presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). Accounting policies are consistently applied to all years presented.

These consolidated financial statements were approved for issuance by the Board of Directors on June 21, 2022.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries, Goldmoney Vault Inc., Goldmoney Vault (UK) Ltd., Schiff Gold LLC, Goldmoney USA Limited, Goldmoney Vault (USA) Inc., Goldmoney BVI Inc., Goldmoney IP Holdings Corp., Goldmoney Europe Limited, Goldmoney Wealth Limited, BlockVault Inc, Lend & Borrow Trust co. Ltd and Totenpass Inc.

A change in the ownership interest of a subsidiary resulting in a loss of control results in the de-recognition of the subsidiary's assets and liabilities as well as any associated non-controlling interest. Any surplus or deficit on the loss of control is recognized in the consolidated statement of operations and comprehensive income (loss).

Goldmoney Inc.

Notes to Consolidated Financial Statements

Years Ended March 31, 2022 and 2021

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

Basis of measurement

These consolidated financial statements have been prepared on an historical cost basis except for precious metals inventory, loan receivables and marketable securities, which are recorded at fair value.

Use of estimates and assumptions

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. Key areas of estimation uncertainty include those relating to impairment of non-financial assets with finite lives (note 2(n)), valuation of warrants and options (note 2(h) and note 17), fair values of assets acquired and liabilities assumed in a business combination, and goodwill and intangibles (note 12 and note 13). The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Information about assumptions and estimate uncertainties that have a significant risk of resulting in a material adjustment in these financial statements is included in the following notes:

- Impairment of goodwill and indefinite life intangible assets – impairment tests are completed using the higher of fair value less costs of disposal, where available, and value-in-use calculations, determined using management's best estimates of future cash flows, terminal growth rates and appropriate discount rates (notes 12 and 13).

(a) Revenue

Revenue from physically settled precious metal sale transactions are recognized based on the gross proceeds at the time of transfer of control of the metal, or the fair market value of precious metals received at the time of precious metal sale. Transfer of control occurs at the time of settlement, which is when the title to the metal is transferred to the buyer from the seller.

Revenue from the storage of precious metals arranged by Goldmoney for its clients and from fees charged to its clients are recognized as the services are provided.

Goldmoney Inc.

Notes to Consolidated Financial Statements

Years Ended March 31, 2022 and 2021

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

Revenue from the exchange of fiat currency to the customer and receipt by the Company of precious metals or other fiat currency are recognized at the time of the settlement of the transaction. The revenue earned on these exchange services is recorded on a net basis.

Interest income is recognized on an accrual basis using the effective interest method. Under the effective interest method, the interest rate realized is not necessarily the same as the stated rate in the loan. The effective interest rate is the rate required to discount the future value of all loan cash flows to their present value and is adjusted for the receipt of cash and non-cash items in connection with the loan.

(b) Functional and foreign currency translation

The presentation currency of these consolidated financial statements is Canadian dollars. The functional currency for each entity consolidated with the Company is determined by the currency of the primary economic environment in which it operates ("the functional currency").

The Company and the following subsidiaries' functional currency is the Canadian dollar: Goldmoney Vault Inc., Goldmoney Corp., Goldmoney BVI Inc., and Goldmoney IP Holdings Corp.

The functional currency of the following entities is Pound Sterling: Goldmoney Europe Limited, Goldmoney Wealth Limited, Goldmoney UK Limited, and Lend & Borrow Trust Co. Ltd.

The functional currency of the following entities is United States dollar: Goldmoney Vault USA Inc. Goldmoney Vault USA Limited and Schiff Gold.

For the subsidiaries, whose functional currency is other than the Canadian dollar, assets and liabilities are translated at the exchange rate in effect at the reporting date. Revenues and expenses are translated at average exchange rates throughout the reporting period or at rates that approximate the actual exchange rates. Exchange gains or losses on translation are included in other comprehensive income ("OCI"). The cumulative amount of the exchange differences is presented as a separate component of equity until disposal of the foreign operation. Transactions denominated in foreign currencies are translated into the entity's functional currency as follows:

- Monetary assets and liabilities are translated at the exchange rate in effect at the reporting date;
- Non-monetary assets and liabilities are translated at historical exchange rates prevailing at each transaction date; and
- Deferred tax assets and liabilities are translated at the exchange rate in effect at the reporting date with translation gains and losses recorded in income tax expense; and

Goldmoney Inc.

Notes to Consolidated Financial Statements

Years Ended March 31, 2022 and 2021

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

- Revenues and expenses are translated at the average exchange rates throughout the reporting period, except depreciation, which is translated at the rates of exchange applicable to the related assets, and share-based compensation expense, which is translated at the rates of exchange applicable at the date of grant of the share-based compensation.

Exchange gains or losses on translation of transactions are included in the consolidated statement of operations and comprehensive income (loss). When a gain or loss on certain monetary items, such as financial assets at fair value through other comprehensive income, is recognized in OCI, the translation differences are also recognized in OCI.

(c) Financial instruments

Classification

Financial assets are measured at fair value at initial recognition, and subsequently measured at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI) or amortized cost based on the business model for managing those financial instruments and the contractual cash flow characteristics of those instruments.

Debt instruments are measured at amortized cost if both of the following conditions are met and the asset is not designated as FVTPL:

- the asset is held within a business model that is Held-to-Collect (HTC) as described below, and
- the contractual terms of the instrument give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Debt instruments are measured at FVOCI if both of the following conditions are met and the asset is not designated as FVTPL:

- the asset is held within a business model that is Held-to-Collect-and-Sell (HTC&S) as described below, and
- the contractual terms of the instrument give rise, on specified dates, to cash flows that are SPPI.

All other debt instruments are measured at FVTPL.

Equity instruments are measured at FVTPL, unless the asset is not held for trading purposes and we make an irrevocable election to designate the asset as FVOCI. This election is made on an instrument-by-instrument basis.

Goldmoney Inc.

Notes to Consolidated Financial Statements

Years Ended March 31, 2022 and 2021

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

Business model assessment

Business models are assessed at the level that best reflects how portfolios of financial assets are managed to achieve the Company's objectives. Judgment is used in determining our business models, which is supported by relevant, objective evidence including:

- How the economic activities of our businesses generate benefits, for example through trading revenue, enhancing yields or hedging funding or other costs and how such economic activities are evaluated and reported to key management personnel;
- The significant risks affecting the performance of our businesses, for example, market risk, credit risk, and the activities undertaken to manage those risks;
- Historical and future expectations of sales of the loans or securities portfolios managed as part of a business model; and
- The compensation structures for managers of our businesses, to the extent that these are directly linked to the economic performance of the business model.

Our business models fall into three categories, which are indicative of the key strategies used to generate returns:

- HTC: The objective of this business model is to hold loans and securities to collect contractual principal and interest cash flows. Sales are incidental to this objective and are expected to be insignificant or infrequent.
- HTC&S: Both collecting contractual cash flows and sales are integral to achieving the objective of the business model.
- Other fair value business models: These business models are neither HTC nor HTC&S, and primarily represent business models where assets are held-for-trading or managed on a fair value basis.

Financial liabilities are derecognized when the obligations are discharged, cancelled, or expire.

Financial assets (other than a financial asset defined as FVTPL or FVOCI) are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, because of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the instrument have been negatively impacted. Evidence of impairment could include significant financial difficulty of the issuer or counterparty; or default or delinquency in interest or principal payments; or the likelihood that the borrower will enter bankruptcy or financial reorganization.

Goldmoney Inc.

Notes to Consolidated Financial Statements

Years Ended March 31, 2022 and 2021

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets except for financial assets classified as loans and receivables, where the carrying amount is reduced using an allowance account. When these assets are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the consolidated statement of operations and comprehensive income (loss) to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and, which may be settled on demand or an original maturity of less than 90 days. The cash and cash equivalents are held in various different currencies such as Canadian dollar, U.S. dollar, British pound, Euro, Australian dollar, Japanese yen, Swiss franc, Hong Kong dollar, New Zealand dollar, Norwegian krone, Mexican peso, Danish krone, and Swedish krona.

Goldmoney Inc.

Notes to Consolidated Financial Statements

Years Ended March 31, 2022 and 2021

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(e) Cash held for dealing

Cash held for dealing comprise cash at banks and cash with processors and, which may be settled on demand for trading purposes. The cash held for dealing are held in various different currencies such as Canadian dollar, U.S. dollar, British pound, Euro, Australian dollar, Japanese yen, Swiss franc, Hong Kong dollar, New Zealand dollar, Norwegian krone, Mexican peso, Danish krone, and Swedish krona.

(f) Marketable securities

Marketable securities consist of liquid investments with a maturity greater than 90 days and equity investments including derivatives. Liquid investments consist primarily of guaranteed investment certificates recorded at amortized cost. Equity investments and derivatives are recorded at fair value through profit and loss.

(g) Precious metals

Precious metals inventory is comprised of gold, silver, platinum and palladium, and is measured at fair value determined by reference to published spot price quotations, with unrealized and realized gains and losses recorded in the consolidated statement of operations and comprehensive income (loss). The inventories are principally acquired with the purpose of selling in the near future and there are no modifications or refinement of the metals/products. The Company generates a profit from fluctuations in price and or margin. When these inventories are measured at fair value less costs to sell, they are excluded from only the measurement requirements of IAS 2 Inventories. The margins are charged to the counterparty on top of the fair value.

(h) Leases

At inception of a contract, the Company will determine whether a contract is, or contains, a lease. A lease exists if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has elected to apply the practical expedient to account for each lease component and any non-lease components as a single lease component.

Goldmoney Inc.

Notes to Consolidated Financial Statements

Years Ended March 31, 2022 and 2021

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

A right-of-use asset and a lease liability are recognized at the commencement date of a lease. The lease liability is initially measured at the present value of lease payments to be paid after the commencement date, discounted using the interest rate implicit in the lease, or if not readily determinable, the lessee's incremental borrowing rate. The right-of-use asset is initially measured at cost, which consists of the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle or restore the leased asset, less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the useful life of the asset or the term of the lease. If a purchase option is expected to be exercised, the asset is amortized over its useful life.

Lease liabilities are subsequently measured at amortized cost using the effective interest method and are re-measured if and when there is a change in future lease payments arising from a change in an index or rate, or if and when there is a change in the assessment of whether a purchase, extension or termination option will be exercised.

(i) Share based payments

Share based payment awards that are direct awards of stock to employees or directors, call for settlement in cash or other assets, or are stock appreciation rights that call for settlement by issuing equity instruments. The awards are valued using the Black Scholes option pricing model. The cost is recognized on a graded vesting method basis adjusted for expected forfeitures as an employee or director expense with a corresponding increase to equity in contributed surplus. Consideration paid by employees or directors on the exercise of stock options is recorded as share capital.

Share based payments with parties other than employees, assumes a rebuttable presumption that the fair value of the goods or services received can be estimated reliably. In certain circumstances, the Company rebuts this presumption because it cannot estimate reliably the fair value of the goods or services received. The Company then measures the goods or services received, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders service.

(j) Research and development

Research and development costs are expensed in the period incurred unless development costs meet the criteria for capitalization as an intangible asset.

Goldmoney Inc.

Notes to Consolidated Financial Statements

Years Ended March 31, 2022 and 2021

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(k) Property and equipment

Property and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses. The cost of an item of property and equipment consists of the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for its intended use.

Depreciation is recognized based on the cost of an item of property and equipment, less its estimated residual value, over its estimated useful life at the following rates:

Computer equipment	30%	Declining balance
Building	5%	Straight line
Leasehold improvements	Length of lease	Straight line
Office equipment and furniture	20%	Declining balance
Land	-	Not depreciated

An asset's residual value, useful life and depreciation method are reviewed, and adjusted if appropriate, on an annual basis.

(l) Intangibles

Intangible assets acquired by way of an asset acquisition or business combination are recognized if the asset is separable or arises from contractual or legal rights and the fair value can be measured reliably on initial recognition.

Intangibles are carried at cost, less accumulated amortization and accumulated impairment losses.

Intangible assets with finite useful lives are amortized on a straight-line basis over their useful lives. The estimated useful lives of intangible assets, are as follows:

Patents	5-20 years	Straight line
Customer relationships	10 years	Straight line
Capitalized development costs	5 years	Straight line

The useful life and amortization method are reviewed, and adjusted if appropriate, on an annual basis. Intangible assets with indefinite life are not amortized and are subject to annual impairment test (note 12).

Goldmoney Inc.

Notes to Consolidated Financial Statements

Years Ended March 31, 2022 and 2021

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(m) Goodwill

Goodwill is recognized at cost on acquisition less any subsequent impairment in value. The Company measures goodwill arising on a business combination as the fair value of the consideration transferred less the fair value of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. The Company elects on a transaction-by-transaction basis whether to measure non-controlling interests at fair value or at their proportionate share of the recognized amount of the identifiable net assets acquired, at the acquisition date. Transaction costs, other than those associated with the issue of debt or equity securities as consideration, that the Company incurs in connection with a business combination are expensed as incurred.

(n) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss.

Where such an indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. In assessing value in use, the 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. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statement of operations and comprehensive income (loss).

The Company will reverse any previous impairment losses (except for goodwill) where circumstances have changed such that the level of impairment in the value of the assets has been reduced (note 13).

Assets with an indefinite useful life that are not amortized are tested annually for impairment, irrespective of whether there is any indication these assets may be impaired.

(o) Cost of sales

Cost of precious metal sold is measured at the fair value of the precious metals inventory sold determined by reference to published bid price quotations, or the value of cash and cash equivalents paid, with unrealized and realized gains and losses recorded in loss on revaluation of precious metals inventories.

Goldmoney Inc.

Notes to Consolidated Financial Statements

Years Ended March 31, 2022 and 2021

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

Cost of goods sold on revenue from the exchange of fiat currency to the customer and receipt by the Company of precious metals, or other fiat currency are recognized at the time of the settlement of the transaction, is measured at the fair value of the precious metals. The cost of goods sold is netted with revenue earned on these exchange services and recorded on a net basis in revenue.

(p) Earnings per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the earnings (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year.

Diluted EPS is calculated by dividing adjusted net income for the year attributable to common shareholders by the weighted-average number of diluted common shares outstanding for the year. In the calculation of diluted earnings per share, earnings are adjusted for changes in income or expenses that would result from the issuance of dilutive shares. The weighted-average number of diluted common shares outstanding for the year reflects the potential dilution that would occur if options, securities or other contracts that entitle their holders to obtain common shares had been outstanding from the beginning of the year (or a later date) to the end of the year (or an earlier date). Instruments determined to have an antidilutive impact for the year are excluded from the calculation of diluted EPS.

(q) Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in the consolidated statement of operations and comprehensive income (loss) except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the consolidated statement of financial position date and are expected to apply when the deferred tax asset or liability is settled, and reflect uncertainty related to income taxes, if any. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Goldmoney Inc.

Notes to Consolidated Financial Statements

Years Ended March 31, 2022 and 2021

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except, in the case of subsidiaries, 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 presented as non-current.

(r) Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Provisions are determined by discounting the expected future cash flows to present value.

(s) Investment in associate

An associate is an entity in which the Company has significant influence, but not control, over the operating and financial policies of the entity. Significant influence is ordinarily presumed to exist when the Company holds between 20% and 50% of the voting rights. The Company may also be able to exercise significant influence through board representation. The effects of potential voting rights that are currently exercisable or convertible are considered in assessing whether the Company has significant influence.

Investments in associates are recognized initially at cost, which includes the purchase price and other costs directly attributable to the purchase. Associates are accounted for using the equity method which reflects the Company's share of the increase or decrease of the post-acquisition earnings and other movements in the associate's equity. If there is a loss of significant influence and the investment ceases to be an associate, equity accounting is discontinued from the date of loss of significant influence. If the retained interest on the date of loss of significant influence is a financial asset, it is measured at fair value and the difference between the fair value and the carrying value is recorded as an unrealized gain or loss in the consolidated statement of operations and comprehensive income (loss).

Investments in associates are evaluated for impairment at the end of each financial reporting period, or more frequently if events or changes in circumstances indicate the existence of objective evidence of impairment. For purposes of applying the equity method for an investment that has a different reporting period from the Company, adjustments are made for the effects of any significant events or transactions that occur between the reporting date of the investment and the reporting date of the Company.

Goldmoney Inc.

Notes to Consolidated Financial Statements

Years Ended March 31, 2022 and 2021

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(t) Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after April 1, 2022, and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these consolidated financial statements.

Onerous contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments apply for annual reporting periods beginning on or after January 1, 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other components of equity, as appropriate. Comparative figures are not restated. The Company is not expecting to have a significant impact of amendment on the financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences - e.g., leases and decommissioning liabilities. The amendments apply for annual reporting periods beginning on or after 1 January 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented. The Company is not expecting to have a significant impact of the amendment on the financial statements.

Other standards

The following new and amended standards are not expected to have a significant impact on the Company's consolidated financial statements.

- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16).
- Annual Improvements to IFRS Standards 2018-2020.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
- Reference to Conceptual Framework (Amendments to IFRS 3).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.

Goldmoney Inc.

Notes to Consolidated Financial Statements

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(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).
- Definition of Accounting Estimates (Amendments to IAS 8).

3. Financial instruments at fair value

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency, and price risks).

Risk management is carried out by the Company's management team with guidance from the Audit and Risk Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk:

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's credit risk is primarily attributable to cash and cash equivalents, cash held for trading, marketable securities, metal loan receivable and loans receivable. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents, cash held for trading and marketable securities are held with reputable institutions, from which management believes the risk of loss to be remote. The maximum exposure to credit risk is the carrying value of cash and cash equivalents, cash held for trading, marketable securities and loans receivable.

Goldmoney Inc.

Notes to Consolidated Financial Statements

Years Ended March 31, 2022 and 2021

(Expressed in Canadian Dollars)

3. Financial instruments at fair value (continued)

Liquidity Risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's liquidity risk is subject to extensive risk management controls and is managed within the framework of policies and limits approved by the Board. Senior management provides the Board reports on risk exposures and performance against approved limits.

As at March 31, 2022, the Company had cash and cash equivalents, cash held for dealing, precious metals and marketable securities of \$87,995,563 (March 31, 2021 - \$68,111,806) to settle liabilities of \$2,026,948 (March 31, 2021 - \$9,723,491).

The contractual cash flows requirements for financial liabilities at March 31, 2022, are due within one year.

Market Risk:

Interest rate risk

The Company has cash balances and no variable interest-bearing debt. The Company's current policy is to invest excess cash in investment grade short-term certificates of deposits issued by banking institutions. The Company periodically monitors the investments it makes and the credit ratings of its banks to ensure they are acceptable.

Foreign currency risk

The Company's functional currencies are the Canadian dollar, U.S. dollars and British pound. The Company's reporting currency is the Canadian dollar. Major purchases are transacted in Canadian dollars, U.S. dollars, British pounds, and euros. The Company also transact with the sale of approximately thirteen different currencies for precious metals and is exposed to foreign exchange risk associated with these transactions.

The Company holds financial instruments denominated in U.S. dollars, Euros and British pounds. The Company uses its in-house foreign exchange team to manage foreign exchange transaction exposures, by shifting exposure to certain currencies as forecasted. The Company is mainly affected by changes in exchange rates between the Canadian dollar and these foreign currencies.

Goldmoney Inc.

Notes to Consolidated Financial Statements

Years Ended March 31, 2022 and 2021

(Expressed in Canadian Dollars)

3. Financial instruments at fair value (continued)

Price risk

The Company is exposed to price risk with respect to the price of gold, silver, platinum, and palladium held as assets. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to their price movements and volatilities. The Company closely monitors prices of precious metals.

The Company's precious metal inventory is subject to fair value fluctuations arising from changes in commodities.

COVID-19

The global outbreak of COVID-19 continued during the year ended March 31, 2022. On March 11, 2020, the World Health Organization designated COVID-19 as a global pandemic. Governments around the world have mandated, and continue to introduce, orders to slow the transmission of the virus, including but not limited to shelter-in-place orders, quarantines, significant restrictions on travel, as well as work restrictions that prohibit many employees from going to work. Uncertainty with respect to the economic effects of the pandemic has introduced significant volatility in financial markets.

At this time, it is unknown the extent of the continuing impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and additional quarantine/isolation measures that are currently, or may be put, in place by Canada, U.S. and other countries to fight the virus.

The potential effects of COVID-19 could impact the Company in a number of other ways including, but not limited to, reductions to our profitability, laws and regulations affecting our business, fluctuations in foreign currency markets, the availability of future borrowings, the cost of borrowings, credit risks of our counterparties and the potential impairment of the carrying value of goodwill or other indefinite-lived intangible assets.

While the Company believes that precious metals are generally well suited to withstand the COVID-19 pandemic, the Company continues to monitor its investments and assess the impact that COVID-19 will have on its business activities. The continuing extent of the effect of the COVID-19 pandemic on the Company is uncertain.

Goldmoney Inc.

Notes to Consolidated Financial Statements

Years Ended March 31, 2022 and 2021

(Expressed in Canadian Dollars)

3. Financial instruments at fair value (continued)

Sensitivity analysis

Based on management's knowledge of and experience with the financial markets, the Company believes the following movements are "reasonably possible":

(i) The Company's precious metal assets amounting to \$54,158,068 (March 31, 2021: \$38,096,110) are subject to fair value fluctuations. As at March 31, 2022, if the fair value of these assets had decreased/increased by 10% with all other variables held constant, net income and comprehensive income and equity for the year ended March 31, 2021, would have been approximately \$5,415,807 (March 31, 2021: \$3,809,611) higher/lower.

(ii) The Company's precious metal loan to Menē Inc at March 31, 2021 amounts to \$10,985,938 (March 31, 2021: \$9,416,807) and is subject to fair value fluctuations. As at March 31, 2022, if the fair value of this asset had decreased/increased by 10% with all other variables held constant, net income and comprehensive income and equity for the year ended March 31, 2021 would have been approximately \$1,098,594 (March 31, 2021: \$941,681) higher/lower.

(iii) The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash and cash equivalents, marketable securities, precious metals, and accounts payable and accrued liabilities. Financial instruments are denominated in U.S. dollars, euros and British pounds. As at March 31, 2022, net income and comprehensive income would have been approximately \$3,600,000 (March 31, 2021: \$3,195,074) higher/lower, had the Canadian dollar weakened/strengthened by 5%, as a result of foreign exchange gains/losses on translation of U.S. dollar, euros and British pound denominated financial instruments related to cash and cash equivalents and accounts payable and accrued liabilities.

4. Cash held for dealing

As of March 31, 2022, the Company had \$1,855,348 (March 31, 2021: \$1,457,065) of cash held for dealing, consisting of cash in various currencies including the Canadian dollar, U.S. dollar, British pound, euro, Australian dollar, Japanese yen, Swiss franc, Hong Kong dollar, New Zealand dollar, Norwegian krone, Mexican peso, Danish krone, and Swedish krona. This cash is held by the Company to facilitate the transfer of fiat currency to its customers, receipt by the Company of fiat currency and purchase of precious metals.

Goldmoney Inc.

Notes to Consolidated Financial Statements

Years Ended March 31, 2022 and 2021

(Expressed in Canadian Dollars)

5. Precious metals

Precious metals consist of bullion bars and coins owned and held by the Company and are separate from client assets (note 23).

		March 31, 2022		March 31, 2021	
		Quantity	Fair Value	Quantity	Fair Value
Gold	grams	404,638	\$ 31,172,818	339,291	\$ 23,247,129
Silver	ounces	585,130	17,802,643	327,284	9,861,691
Platinum	grams	98,825	3,804,473	72,496	3,414,291
Palladium	grams	15,343	1,378,134	14,864	1,572,999
Total precious metals			\$ 54,158,068		\$ 38,096,110

6. Marketable securities

As at March 31, 2022, the company held \$5,951,601 (March 31, 2021: \$4,487,762) in marketable security assets and \$437 (March 31, 2021: \$2,414,659) in marketable security liabilities distributed as follow:

	March 31, 2022	March 31, 2021	Levelling
Guaranteed investment certificates	\$ 285,249	\$ 2,288,359	Level 2
Equity instruments	5,638,483	1,979,376	Level 1
Other financial instruments	27,869	220,027	Level 3
Total Marketable securities	5,951,601	4,487,762	
Securities short (liabilities)	\$ 437	\$ 2,414,659	Level 1

Marketable securities are measured at fair value through profit or loss, with the exception of guaranteed investment securities which are measured at amortized cost. There were no movement of securities between the three levels during the year.

7. Prepaid and other assets

The Company purchased plastic and metal prepaid cards in advance classified as prepaid and advances. The cost of the prepaid cards is expensed over the useful life of the cards once given to the customers. Prepaid and other prepaid assets are expensed when the benefit of the asset is realized.

Goldmoney Inc.

Notes to Consolidated Financial Statements

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(Expressed in Canadian Dollars)

7. Prepaid and other assets (continued)

At March 31, 2021, prepaid and other assets include cash advances of \$3,003,009 for precious metal paid in advance of delivery of by the supplier. The Company received the precious metals on April 1, 2021.

	As at Mar 31, 2022	As at March 31, 2021
Cash advances paid	\$ -	\$ 3,003,009
Prepaid and advances	270,353	1,552,872
Total	\$ 270,353	\$ 4,555,881

8. Loans receivable

Loans receivable consist of loans extended by the Company, totaling \$11,410,409 (March 31, 2021: \$23,456,293).

Menē Inc. metal loan receivable

On March 19, 2019, the Company and its associate company Menē Inc. agreed to terms for an unsecured line of credit promissory note to facilitate the sale of gold and platinum by the Company to Menē. The line of credit established a loan limit up 5,000 troy ounces of gold and 1,000 troy ounces of platinum, up to a maximum aggregate amount of 5,000 ounces. The line of credit promissory note was renewed on March 19, 2022 and is unsecured, bears a 3% interest per annum, and matures at the earlier of March 19, 2023, or on demand by the Company. On the Maturity Date, if this note is not renewed or has not been paid in full, it shall bear interest from inception at the rate of 8.0% per annum until paid in full.

At March 31, 2022, the loan value was \$10,985,938 (March 31, 2021: \$9,416,807) with metal weight of the loan comprising 4,344 ounces of gold and 351 ounces of platinum (March 31, 2021: 4,139 ounces of gold and 340 ounces of platinum).

A Canadian dollar valuation of the loan is calculated at the end of each quarterly reporting period based on the spot price of the metals borrowed, multiplied by the weight of gold and or weight of platinum owed on the valuation date. The difference arising from the new valuation is recognized in the consolidated statement of operations and comprehensive income (loss).

LBT collateralized loan receivable

On March 31, 2022, total loans extended were nil (March 31, 2021: \$14,039,485) and during the year ended March 31, 2022, three loans receivable totaling \$14,135,690 matured and were repaid.

Goldmoney Inc.

Notes to Consolidated Financial Statements

Years Ended March 31, 2022 and 2021

(Expressed in Canadian Dollars)

8. Loans receivable (continued)

Related party loans

On March 31, 2022, total loans extended to officers and employees were \$424,471 (March 31, 2021: Nil).

See Note 19 for more details on employee loan receivables.

9. Property and equipment

Cost	Computer Equipment	Leasehold Improvements	Office		Land & Building	Total
			Equipment & Furniture			
Balance, March 31, 2020	\$ 444,842	\$ 607,608	\$ 294,430		\$ 3,691,433	\$ 5,038,313
Additions	2,414	-	3,337		-	\$ 5,751
Foreign exchange	-	-	-		(914)	\$ (914)
Balance, March 31, 2021	447,256	607,608	297,767		3,690,519	5,043,150
Additions	559,331	-	75,191		-	634,522
Disposals	(297,744)	-	(88,281)		(3,185,969)	(3,571,994)
Balance, March 31, 2022	\$ 708,843	\$ 607,608	\$ 284,677		\$ 504,550	\$ 2,105,678
Accumulated Depreciation						
Balance, March 31, 2020	\$ 433,002	\$ 201,091	\$ 121,914		\$ 280,488	\$ 1,036,495
Depreciation	14,254	16,261	20,511		152,928	\$ 203,954
Balance, March 31, 2021	447,256	217,352	142,425		433,416	1,240,449
Disposals	(357,434)	-	140		(430,276)	(787,570)
Depreciation	113,730	17,526	42,196		77,963	251,415
Foreign exchange	(3,451)	-	(82)		(2)	(3,535)
Balance, March 31, 2022	\$ 200,101	\$ 234,878	\$ 184,679		\$ 81,101	\$ 700,759
Carrying Value						
Balance, March 31, 2021	\$ -	\$ 390,256	\$ 155,342		\$ 3,257,103	\$ 3,802,701
Balance, March 31, 2022	\$ 508,742	\$ 372,730	\$ 99,998		\$ 423,449	\$ 1,404,919

During the year ended March 31, 2022, the Company sold the subsidiary that holds the land (March 31, 2021: \$640,940) and building (March 31, 2021: \$2,183,087) domiciled in the Jersey, Channel Islands. The sale of the subsidiary resulted in the effective disposal of the land and building. The Company owns an office suite in Toronto, Canada acquired for \$504,150 with a carrying value of \$423,449 (March 31, 2021: \$443,615).

Goldmoney Inc.

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10. Right-of-use-assets

During the year ended March 31, 2022, the Company modified its remaining long-term lease agreement with originally expired on September 2026. The modified lease agreement changed the termination date from September 2026 to June 2022. As the modification resulted in a lease term of less than one year, the lease has been reclassified to a short-term lease. As a result of the reclassification, the right-of-use asset and lease liability has been derecognized. The derecognition resulted in a gain of \$52,233 representing the difference between the right-of-use asset and lease liability. The gain is recorded in other income on the consolidated statement of operations and comprehensive income (loss).

Right-of-use assets

The following is a summary of the right-of-use assets as at and for the year ended March 31, 2022.

	As at March 31, 2022	As at Mar 31, 2021
Cost	\$ 985,757	\$ 985,757
Accumulated amortization	(518,982)	(317,274)
Amortization	(63,655)	(201,708)
Lease termination	(403,120)	-
Total accumulated amortization	(985,757)	(518,982)
Net book value	\$ -	\$ 466,775

The discount rate used to calculate right-of-use assets ranges from 4.83% to 6.02%.

Lease liability

The following is a summary of the lease liability as at and for the year ended March 31, 2022.

	As at March 31, 2022	As at Mar 31, 2021
Balance, beginning of period	\$ 509,979	\$ 695,569
Lease payments	(76,830)	(221,307)
Interest expense on lease liabilities	22,204	35,717
Lease termination	(455,353)	-
Balance, end of period	-	509,979
Lease liabilities due within one period	-	75,410
Lease liabilities due after one period	-	434,569
Total lease liabilities	\$ -	\$ 509,979

Goldmoney Inc.

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11. Investment in Associate

Investment in associates	Menē Inc
Balance, March 31, 2020	\$ 33,137,588
Menē Inc shares purchases	3,026,626
Share of loss and comprehensive loss	(934,681)
Balance, March 31, 2021	\$ 35,229,533
Share of loss and comprehensive loss	(411,537)
Balance, March 31, 2022	\$ 34,817,996

Menē Inc. - On October 31, 2018, the Company's subsidiary, Menē Inc., completed a reverse take-over transaction with Amador Gold Corp. and its subordinate voting shares and subsequently started trading on the TSX Venture Exchange. The issuance of new shares, the appointment of additional independent directors to the board of Menē Inc. and a decision of the Goldmoney's Board of Directors to distribute 3,989,947 Class B subordinate voting shares of Menē Inc. from its holdings to the shareholders of Goldmoney on a pro rata basis, resulted in a loss of control.

Following the loss of control in Menē Inc, the Company recorded an equity investment of \$35,910,000 based on the fair value of the shares held on October 31, 2018. Management has determined that its investment in the common shares of Menē Inc. gave it significant influence over Menē Inc., and as a result, the Company applied the equity method of accounting for its investment in Menē Inc.

At June 30, 2019, the Company acquired 12,259,002 of Menē Inc Class A common share warrants and exercised the warrants, by paying Menē with \$1,225,900.

At March 31, 2022, the Company's ownership in Menē Inc. was 93,692,949 shares or 36.27% (March 31, 2021: 93,692,949 or 36.81%) consisting of Class B shares 81,433,947 (March 31, 2021: 81,433,947) and Class A shares 12,259,002 (March 31, 2021: 12,259,002). The share price was \$0.63 (March 31, 2021: \$0.55).

At March 31, 2022, the carrying value of the investment was \$34,817,996 (March 31, 2021: \$35,229,533), and Menē Inc. had total assets of \$29,863,957 and total liabilities of \$12,882,503. For the twelve months ended March 31, 2022 Menē Inc. had a net comprehensive loss of \$1,123,901.

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12. Intangible assets

Cost	Capitalized		Customer			Total
	Development	Relationships	Brand	Software	Patents	
Balance, March 31, 2020	\$ 287,295	\$ 6,400,000	\$ 16,892,908	\$ 730,984	\$ 120,337	\$ 24,431,524
Addition	-	-	-	34,432	-	34,432
Balance, March 31, 2021	287,295	6,400,000	16,892,908	765,416	120,337	24,465,956
Addition	-	-	-	158,998	-	158,998
Foreign exchange	-	-	-	178	-	178
Balance, March 31, 2022	\$ 287,295	\$ 6,400,000	\$ 16,892,908	\$ 924,592	\$ 120,337	\$ 24,625,132
Accumulated Amortization						
Balance, March 31, 2020	\$ 195,002	\$ 3,005,902	\$ -	\$ 138,112	\$ 28,593	\$ 3,367,609
Impairment	-	-	394,599	416,479	-	811,078
Amortization	47,290	640,000	-	210,825	7,539	905,654
Balance, March 31, 2021	242,292	3,645,902	394,599	765,416	36,132	5,084,341
Foreign exchange	-	-	-	540	-	540
Amortization	45,003	640,000	-	15,536	7,539	708,078
Balance, March 31, 2022	\$ 287,295	\$ 4,285,902	\$ 394,599	\$ 781,492	\$ 43,671	\$ 5,792,959
Carrying Value						
Balance, March 31, 2021	\$ 45,003	\$ 2,754,098	\$ 16,498,309	\$ -	\$ 84,205	\$ 19,381,615
Balance, March 31, 2022	\$ -	\$ 2,114,098	\$ 16,498,309	\$ 143,099	\$ 76,666	\$ 18,832,172

Capitalized development consists of internally developed software that are in use by the Company. The internally developed software is amortized over its five-year expected useful life and tested annually for impairment.

The Customer Relationships and Patents intangible assets have a finite life and are amortized over 10 and 20 years respectively. For intangible assets with a finite life, the Company assessed for indicators of impairment as at March 31, 2022, and determined there to be no indicators of impairment.

The Company has determined brand intangible assets have an indefinite life and based on the brand's long history and the continued investments to be made to support the Brands, which is a key contributor to the on-going success of the business. Since the indefinite intangible asset is not amortized, an impairment test was performed as at March 31, 2022.

During the year ended March 31, 2021, the Company determined that the Brand intangible associated with LBTH was impaired and written down to nil. For the year ended March 31, 2022, the recoverable amount for all other Brand intangibles was determined by preparing the discounted cash flow analysis using expected future cash flows for five years discounted at rate ranging from 12.8% to 20% and terminal growth rate ranging from 2% to 5%. It was determined that the recoverable amount was greater than the carrying value at that time and therefore no impairment was deemed necessary.

Goldmoney Inc.

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12. Intangible assets (continued)

At March 31, 2021, the Company determined that the internally developed software associated with LBTH was impaired, and therefore written down to nil.

13. Goodwill

The carrying amounts of goodwill by cash-generating unit (CGU) are as follows:

	Goldmoney CGU	Schiff Gold CGU	LBTH CGU	Total
Balance, March 31, 2020	\$ 32,722,163	\$ 2,331,585	\$ 248,570	\$ 35,053,748
Impairment	-	-	(248,570)	(248,570)
Balance, March 31, 2021	32,722,163	2,331,585	-	35,053,748
Impairment	(13,800,000)	-	-	(13,800,000)
Balance, March 31, 2022	\$ 18,922,163	\$ 2,331,585	\$ -	\$ 21,253,748

Impairment testing of goodwill:

Goodwill acquired in business combinations is allocated to each of the CGUs that are expected to benefit from the synergies of the particular acquisition. Goodwill is assessed for impairment annually or more frequently if events or circumstances occur that may result in the recoverable amount of the CGU falling below the carrying value.

An impairment test was performed as at the year ended March 31, 2022, on each CGU through the generation of expected future cash flows for the business. The discounted cash flow analysis was prepared using expected future cash flows for five years discounted at rates ranging from 12.8% to 20% and terminal growth rates of 2% to 5%.

As at March 31, 2022, the Company determined that goodwill associated with the Goldmoney CGU was impaired, and recognized an impairment of \$13.8 million in goodwill. The impairment provision reduced the carrying value of the goodwill from \$32,722,163 to \$18,922,163. In assessing the impairment, management considered the market environment at March 31, 2022, including market valuations and market risk premiums.

As at March 31, 2021, the Company determined that the goodwill associated with LBTH was impaired, and therefore written down to nil. The Company assessed and determined that the recoverable amount for all other goodwill intangibles was greater than the carrying value as at that time and therefore no goodwill impairment was deemed necessary.

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Notes to Consolidated Financial Statements

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13. Goodwill (continued)

The Company assessed and determined that the recoverable amount for all other goodwill intangibles was greater than the carrying value as at that time and therefore no goodwill impairment was deemed necessary.

14. Accounts payable and accrued liabilities

As at March 31, 2022, accounts payable and accrued liabilities was \$2,026,511 (March 31, 2021: \$5,837,674). Included in accounts payable and accrued liabilities is income taxes payable of \$230,000.

15. Mortgage payable

During the year ended March 31, 2018, a subsidiary of the Company entered into a 5-year commercial mortgage secured by the property at 9 Bond Street in St. Helier, Jersey, Channel Islands. The principal amount was \$1,300,275 (£750,000) bearing interest at base rate plus 3.25% per annum. Principal payments are payable monthly based upon a 20 years amortization period.

The Company sold the subsidiary during the year ended March 31, 2022. The sale of the subsidiary resulted in the disposal of the 9 Bond Street property and settlement of the outstanding mortgage.

As at March 31, 2022, the current and long-term portion of the mortgage is nil. During the year ended March 31, 2022, prior to disposal, the Company incurred interest expense of \$22,500 (March 31, 2021: \$33,550).

16. Share capital

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

Goldmoney Inc.

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16. Share Capital (continued)

	Number of common shares	Amount
Balance, March 31, 2020	77,895,361	\$170,384,058
Goldmoney share repurchase (a)	(3,000,000)	(6,847,052)
Exercise of stock options	41,994	81,409
Exercise of RSUs	653,091	1,601,852
Balance, March 31, 2021	75,590,446	\$165,220,267
Normal Course Issuer Bid repurchases (b)	(474,500)	(1,008,812)
Exercise of stock options	5,025	15,943
Exercise of RSUs	510,365	1,356,638
Balance, March 31, 2022	75,631,336	\$165,584,036

(a) Exempt Issuer Bid

On July 13, 2020, the Company executed an exempt issuer bid whereby it repurchased for cancellation 3,000,000 common shares for a total consideration of \$6,000,000, from an executive officer and director of Goldmoney. The transaction price represented a discount of 14% to the closing price of the Company's shares on the Toronto Stock Exchange (the "TSX") on July 10, 2020, and a discount of 17.1% to the average closing price of the Shares on the TSX for the prior twenty trading days.

(b) Normal Course Issuer Bid ("NCIB")

On August 26, 2021, the Company announced a plan to repurchase a portion of the Company's common shares. The Toronto Stock Exchange ("TSX") accepted the notice of intention, to make a normal course issuer bid to repurchase up to 3,000,000 of its common shares representing 3.95% of its 75,865,815 common shares issued and outstanding as of August 19, 2021.

The NCIB commenced on August 30, 2021 and terminates on August 29, 2022 or at such earlier date if the number of Shares sought in the NCIB has been repurchased. The Company may purchase a maximum of 20,129 shares on any one trading day, representing 25% of the average daily volume for the most recently completed six month period.

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Notes to Consolidated Financial Statements

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16. Share capital (continued)

Under the share purchase plan, the Company may repurchase shares from time to time at the Company's discretion. Any purchases made by Goldmoney pursuant to the NCIB will be made in accordance with the rules and policies of the TSX. The actual number of common shares purchased, and the timing of such purchases are determined by the Company considering market conditions, stock prices, its cash position and other factors. During the year ended March 31, 2022, the Company repurchased and cancelled 474,500 shares.

17. Contributed Surplus

Contributed surplus consists of warrant expense, stock option expense and performance share expense.

a) Warrants

The number of warrants is 1,400,000 as at March 31, 2022 (March 31, 2021: 1,400,000 million) with a weighted average exercise price of \$5.26. During the year ended March 31, 2022, none of the vested warrants were exercised. The warrants expire on November 14, 2026.

b) Stock options

Shareholders of the Company approved the unallocated options under the stock option plan at its shareholders' meeting on September 30, 2020. The aggregate maximum number of shares available for issuance from treasury under this plan and all the Company's other security-based compensation arrangements at any given time is 10% of the Company's issued and outstanding shares as at the date of grant of an option under the Plan, subject to certain stated adjustments. Under the plan, options granted can be exercisable for a maximum of 10 years from the date of grant or a lesser period as determined by the Board at the time of such grant. In the event of a change in control in the Company, all options outstanding shall be immediately exercisable. The vesting schedule of the options is at the discretion of the board; some options disclosed below vest immediately, while others vest over a three-year period.

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17. Contributed Surplus (continued)

	Number of stock options	Weighted average exercise price
Balance, March 31, 2020	2,915,812	\$3.24
Issued	396,250	2.92
Exercised	(41,994)	1.81
Forfeited / cancelled	(952,882)	3.42
Balance, March 31, 2021	2,317,186	\$3.08
Issued	385,500	2.70
Exercised	(5,025)	2.27
Forfeited / cancelled	(1,007,411)	3.43
Balance, March 31, 2022	1,690,250	\$2.86

During the year ended March 31, 2022, the Company granted 385,500 stock options (March 31, 2021: 396,250).

The weighted average assumptions used to estimate the fair value of options granted during the ended March 31, 2022 and 2021.

	March 31, 2022	March 31, 2021
Risk free interest rate	0.97%	0.32%
Expected volatility	60.33%	63.26%
Expected life	3 years	3 years
Expected dividends	-	-
Forfeiture rate (%)	-	-

c) Restricted share units

The Company established a restricted stock unit plan ("RSU Plan") which was approved by the Company's shareholders on September 29, 2017. On September 30, 2020, shareholders approved an amendment to the RSU Plan to allow for the replenishment of the number of Common Shares reserved for issuance under the RSU Plan when RSUs are exercised. The RSU Plan, which is administered by the Board of Directors, is intended to provide an incentive and retention mechanism to foster the interest of eligible directors, officers, employees and consultants of the Company in the success of the Company.

Goldmoney Inc.

Notes to Consolidated Financial Statements

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17. Contributed Surplus (continued)

Awards granted under the RSU Plan shall be settled, at the sole discretion of the Company, either: (i) through the issue from treasury of the number of RSU shares represented by such vested award; or (ii) in the case of awards in respect of RSU shares that are common shares, through the purchase on the secondary market by the Company of the number of RSU shares represented by such vested award and delivery to such RSU holder.

Outstanding, March 31, 2020	720,606
Granted	746,247
Exercised	(653,091)
Forfeited	(6,684)
Outstanding, March 31, 2021	807,078
Granted	541,551
Exercised	(510,365)
Forfeited	(44,926)
Outstanding, March 31, 2022	793,338

For the year end March 31, 2022, 641,181 (March 31, 2021: 433,667) of the 793,338 (March 31, 2021: 807,078) outstanding RSU shares were vested.

During the year ended March 31, 2022, the Company granted 541,551 RSUs with fair value per RSU share ranging from \$2.00 to \$2.73 (March 31, 2021: \$3.18 to \$2.31).

18. Earnings per share

	For the year ended	
	Mar 31, 2022	Mar 31, 2021
Basic earnings per common share		
Net income (loss) attributable to common shareholders	\$ (6,062,160)	\$ 11,651,747
Weighted average number of common shares outstanding	75,764,270	76,149,697
Basic earnings per common share	\$ (0.08)	\$ 0.15
Diluted earnings per common share		
Net income (loss) attributable to common shareholders	\$ (6,062,160)	\$ 11,651,747
Weighted average number of common shares outstanding	75,764,270	76,149,697
Adjustments to average shares due to share-based options and others	-	1,930,041
Weighted average number of diluted common shares outstanding	75,764,270	78,079,739
Diluted earnings per common share	\$ (0.08)	\$ 0.15

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19. Related party transactions

Related parties include the Board of Directors, senior management, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at fair value.

The Company has entered into a promissory note agreement with an executive. The \$350,000 promissory note pays interest at 3% per annum, calculated and payable monthly. The note may be repaid at any time without notice or penalty. The promissory note is collateralized by a priority security interest on RSU's held by the executive and all distributions, cash, instruments, and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the RSU's or other securities or property issued in respect thereof.

See Note 11 for additional detail on related party transactions with Menē Inc that took place during the fiscal year. Key management is defined as those with authority and responsibility for planning, directing, and controlling activities of the company, including directors and executive team. Remuneration of directors and key management personnel of the Company was as follows:

Compensation of key management personnel:

	For the year ended	
	March 31, 2022	March 31, 2021
Salaries		
Key management	\$ 992,906	\$ 628,574
Directors	112,250	34,500
Stock-based compensation		
Key Management	1,003,461	1,345,415
Directors	427,897	534,725

Transactions with associates

	For the year ended	
	March 31, 2022	March 31, 2021
Receivables	\$ 23,709	\$ -
Loan receivables	10,985,938	9,416,807
	\$ 11,009,647	\$ 9,416,807

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20. Income taxes

The following table reconciles the expected income tax expense (recovery) at the Canadian Federal and Provincial statutory rate of 26.5% to the amounts recognized in the consolidated statement of operations and comprehensive income (loss). The table below provides the reconciliation of the statutory tax rate to the effective tax rate.

	For the year ended	
	March 31, 2022	March 31, 2021
Net (loss) income for the year before income taxes	\$ (5,620,326)	\$ 12,455,211
Expected income tax (recovery) expense	(1,489,386)	3,300,631
Foreign operations with difference in tax rates	4,130,857	(1,421,527)
Stock compensation expense	386,114	777,217
Permanent differences	34,372	453,327
Temporary differences not recognized in the year	(542,189)	(397,130)
Benefit of non-capital loss not recognized	626,290	132,530
Benefits of previously unrecognized non-capital losses	(2,517,697)	(2,041,584)
Prior period adjustment and other	(186,527)	-
Income tax expense	\$ 441,834	\$ 803,464

Income earned in foreign countries through subsidiaries is generally subject to tax in those countries. Upon repatriation of retained earnings from certain foreign subsidiaries, the Company may be required to pay tax on certain of these earnings. As repatriation of such earnings is not planned in the foreseeable future, the related deferred income tax liability was not recorded.

The amount of taxable temporary differences associated with investments in subsidiaries, branches, and interests in joint ventures for which deferred tax liabilities have not been recognized is \$15,700,000 as at March 31, 2022 (March 31, 2021: \$25,900,000).

The tax benefit of \$21,065,203 (2021: \$20,319,677) of unused tax losses and the deferred tax liability on \$4,223,351 of net taxable temporary differences (2021: \$16,785,321 of net taxable temporary differences) have not been recognized in the consolidated financial statements due to the unpredictability of future earnings.

Goldmoney Inc.

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20. Income taxes (continued)

The Company's non-capital income tax losses expire as follows:

Year of expiry:	
2042	\$ 2,349,849
2041	178,011
2040	10,122,190
2039	4,753,882
2038	284,266
2037	3,377,005
	<hr/>
	\$ 21,065,203

21. Capital risk management

The Company manages its capital with the following objectives:

- (i) to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities and pursuit of accretive acquisitions; and
- (ii) to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company considers its capital to be equity, comprising share capital, subscription receipts cost, warrants and retained earnings, which at March 31, 2022 totaled \$174,935,762 (March 31, 2021: \$180,494,847).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on actual activities. Capital management information is provided to the Board of Directors of the Company.

Goldmoney Inc.

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22. Commitments

The Company has three lease agreements on its premises that expire in March 2023. In addition, the Company terminated its longer-term lease agreement which expired on September 2026 (see note 10). Under the terms of the lease agreements the Company has the following remaining lease commitments in the following fiscal year:

Fiscal year ending	As at March 31, 2022
2023	158,944

23. Client Assets

All client assets are held off-balance sheet. Cash is deposited in bank accounts managed by Goldmoney that are separated from the bank accounts of the Company's own working capital. Precious metals are stored in independent vaulting companies by Goldmoney on behalf of its clients, who at all times retain title to these assets.

	March 31, 2022		March 31, 2021	
	Quantity	Fair Value	Quantity	Fair Value
Cash		\$ 56,851,128		\$ 72,323,507
Gold	Grams	17,320,174	18,668,165	1,275,532,973
Silver	Ounces	26,483,214	28,424,622	850,470,388
Platinum	Grams	798,838	872,878	40,381,799
Palladium	Grams	196,947	232,503	23,962,103
		\$ 2,234,287,041		\$ 2,262,670,770

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24. Segment information

Management's internal view provides the basis for the determination of operating segments. The operating segments are those whose operating results are reviewed by the Company's chief operating decision-maker to make decisions about resources to be allocated to the segment and assess its performance. The Company has two primary operating business units: Goldmoney Holding® and Schiff Gold. The Goldmoney Holding reflects the combination of Canada and Jersey into a unified business operation. Schiff Gold offers physical direct-to-consumer precious metal sales business.

For the year ended March 31, 2022, a portion of these expenses were not allocated to the business units as these costs are not specifically managed on a segment basis: stock-based compensation, payroll expenses, general and administrative, technology and development costs and market and business development.

The following tables present financial information by segment for the years ended March 31, 2022 and 2021.

For the year ended Mar 31, 2022

	Goldmoney.com	Schiff Gold	LBTH	Totenpass	Corporate and Other	Total
Revenue	\$ 123,475,322	\$ 226,758,153	\$ 719,347	\$ 12,710	\$ (719,347)	\$ 350,246,185
Cost of sales	114,738,244	222,309,070	-	8,922	-	337,056,236
Gross Margin	8,737,078	4,449,083	719,347	3,788	(719,347)	13,189,949
Fee revenue	8,188,649	-	177,862	-	-	8,366,511
Interest income	387,789	-	-	-	-	387,789
Gain (loss) on revaluation of precious metals	1,569,727	353,567	-	-	-	1,923,294
Gross profit	18,883,243	4,802,650	897,209	3,788	(719,347)	23,867,543
Operating expenses	22,676,497	2,977,359	353,286	274,743	4,117,327	30,399,212
Total operating income (loss)	\$ (3,793,254)	\$ 1,825,291	\$ 543,923	\$ (270,955)	\$ (4,836,674)	\$ (6,531,669)

For the year ended Mar 31, 2021

	Goldmoney.com	Schiff Gold	LBTH	Totenpass	Corporate and Other	Total
Revenue	\$ 350,904,862	\$ 303,504,734	\$ -	\$ -	\$ -	\$ 654,409,596
Cost of sales	338,364,541	296,644,489	-	-	-	635,009,030
Gross Margin	12,540,321	6,860,245	-	-	-	19,400,566
Fee revenue	8,561,612	-	313,747	-	-	8,875,359
Interest income	861,196	-	-	-	-	861,196
Gain (loss) on revaluation of precious metals	(1,264,410)	226,386	-	-	-	(1,038,024)
Gross profit	20,698,719	7,086,631	313,747	-	-	28,099,097
Operating expenses	12,523,601	4,446,178	566,470	-	4,440,021	21,976,270
Total operating income (loss)	\$ 8,175,118	\$ 2,640,453	\$ (252,723)	\$ -	\$ (4,440,021)	\$ 6,122,827

Goldmoney Inc.

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(Expressed in Canadian Dollars)

24. Segment information (continued)

The following tables present financial information by segment for the balance sheet as at March 31, 2022 and March 31, 2021.

As at March 31, 2022

	Goldmoney.com	Schiff Gold	LBTH	Totenpass	Corporate and Other	Total
Goodwill	\$ 18,922,163	\$ 2,331,585	\$ -	\$ -	\$ -	\$ 21,253,748
Total assets	98,584,494	2,733,149	87,196	653,954	74,903,917	176,962,710
Total liabilities	\$ (640,459)	\$ (1,316,435)	\$ (4,771)	\$ (65,283)	\$ -	\$ (2,026,948)

As at March 31, 2021

	Goldmoney.com	Schiff Gold	LBTH	Totenpass	Corporate and Other	Total
Goodwill	\$ 32,722,163	\$ 2,331,585	\$ -	\$ -	\$ -	\$ 35,053,748
Total assets	95,502,693	4,827,248	542,529	-	89,345,868	190,218,338
Total liabilities	\$ (7,356,867)	\$ (2,348,320)	\$ (18,304)	\$ -	\$ -	\$ (9,723,491)

Corporate consists of shared services cost, payroll and stock-based compensation for officers and directors and amortization of intangibles assets. Corporate also includes other segments whose asset and revenue levels do not warrant separate disclosure.

25. Restructuring

Restructuring Costs

In January 2021, the Company committed to a plan to restructure its operations by transferring and combining its Goldmoney.com precious metal trading activities from its Jersey, Channel Islands operations to its Canadian and United Kingdom operations.

The restructuring is in accordance with the Company's mandate to streamline its Goldmoney.com operations through cost efficiencies.

The Company transferred its precious metal operating activity to its Canadian and United Kingdom operations as of June 23, 2021, and ceased operations in the Jersey, Channel Islands.

The Company accrued estimated restructuring costs of \$1,500,000 during the year ended March 31, 2021. Restructuring costs include contract termination costs, consulting fees, employee termination benefits and other costs required to closing the business. Estimated costs were based on the terms of the relevant contracts and subject to adjustment as the Company completes its restructuring.

During the year ended March 31, 2022, the Company identified additional restructuring costs totaling \$2,400,000. These charges relate to the wind down of Jersey operations and the amount of distributable assets on dissolution.

As at March 31, 2022, the Company has paid \$3,848,000 of the accrued restructuring costs.

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25. Restructuring (continued)

Nine Bond Street Ltd.

On February 8, 2022, the company sold Nine Bond Street Ltd., its Jersey based subsidiary located at 9 Bond Street in St. Helier, Jersey, Channel Islands. The subsidiary held commercial land and property used in the company's Jersey operations.

The sale of Nine Bond Street Ltd. resulted in the disposal of the commercial land and property (see Note 9) and settlement of the mortgage payable (see Note 15) for net proceeds of \$2,188,611, resulting in a net gain of \$99,753 recorded in other income on the consolidated statement of operations and comprehensive income (loss).

26. Discontinued Operations

On August 12, 2021, the Company committed to the dissolution of its auction-rate peer-to-peer lending and borrowing platform. The operations were dissolved during the year ended March 31, 2022, with the dissolution of LBT Holdings Limited, with all debts paid and remaining assets distributed to the Company.

For the year ended March 31, 2022, the Lend and Borrow Trust operations had net comprehensive income of \$506,742. The net comprehensive income includes the forgiveness of intercompany receivables totaling \$719,347.