GOLDMONEY INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2021 AND 2020

(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, 2021 and March 31, 2020;
- the consolidated statements of operations and comprehensive (loss) income for the year ended March 31, 2021 and March 31, 2020;
- the consolidated statement of cash flows for the year ended March 31, 2021 and March 31, 2020;
- the consolidated statements of changes in equity for the year ended March 31, 2021 and March 31, 2020; 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, 2021 and March 31, 2020 and its consolidated financial performance and its consolidated cash flows for the year March 31, 2021 and March 31, 2020 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"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, 2021. 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),13 and 14 to the consolidated financial statements. Goodwill and indefinite-lived intangible assets were $35,053,748 and 16,498,309, respectively, of which $32,722,163 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 Company 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), 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

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

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

Toronto, Canada

June 23, 2021

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

	Note	March 31, 2021	March 31, 2020[i]
Assets			
Cash and cash equivalents		$ 24,070,869	$ 33,535,219
Cash held for dealing	4	1,457,065	2,992,680
Restricted cash	5	-	70,935
Precious metals	6	38,096,110	16,506,975
Short-term investments	7	4,487,762	11,751,023
Receivables		159,986	642,288
Prepaid and other assets	8	4,555,881	1,520,506
Loans receivable	9	23,456,293	23,496,292
Property and equipment	10	3,802,701	4,001,818
Right-of-use assets	11	466,775	668,483
Investment in associates	12	35,229,533	33,137,588
Intangible assets	13	19,381,615	21,063,915
Goodwill	14	35,053,748	35,302,318
Total Assets		**$ 190,218,338**	**$ 184,690,040**
Equity and Liabilities			
Liabilities			
Accounts payable and accrued liabilities	15	$ 5,837,674	$ 6,306,946
Lease liabilities	11	509,979	695,569
Short-term marketable securities	7	2,414,659	4,184,870
Mortgage payable	16	961,179	1,067,801
Total liabilities		9,723,491	12,255,186
Shareholders' Equity			
Share capital	17	165,220,267	170,384,058
Contributed surplus	18	13,514,117	11,361,624
Accumulated other comprehensive income		251,725	832,181
Retained earnings (deficit)		1,508,738	(10,143,009)
Total shareholders' equity		180,494,847	172,434,854
Total Shareholders' Equity and Liabilities		**$ 190,218,338**	**$ 184,690,040**

(i) Certain comparative figures have been reclassified to conform with the current year's presentation.
The accompanying notes are an integral part of these consolidated financial statements

Approved on behalf of the Board:

"Roy Sebag", Director

"James Turk", Director

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

	Note	For the year ended March 31, 2021	March 31, 2020
Revenue	19	$ 654,409,596	$ 458,872,651
Cost of sales		635,009,030	449,800,052
Gross margin		19,400,566	9,072,599
Fee revenue		8,875,359	4,412,924
Interest income		861,196	1,926,337
Realized gain on sale of cryptoassets		-	1,060
(Loss) gain on revaluation of precious metals		(1,038,024)	5,048,273
Gross profit		28,099,097	20,461,193
Operating expenses			
Service provider fees		927,612	880,970
Advertising and promotion		3,774,716	1,968,304
Stock-based compensation		2,932,893	3,118,679
Payroll expenses		5,869,918	4,481,956
General and administrative	27	3,643,600	2,193,578
Professional fees		2,581,171	3,841,946
Foreign exchange gain		(1,081,028)	(748,698)
Depreciation and amortization		1,311,314	1,377,705
Technology and development costs		785,805	1,450,706
Market and business development		170,621	195,710
Impairment of investment in subsidiary	13, 14	1,059,648	-
Total operating expenses		21,976,270	18,760,856
Operating income for the year		6,122,827	1,700,337
Interest expense		(33,550)	(42,543)
Income tax	22	(803,464)	(270,961)
Share of net loss from investment in associate	12	(934,681)	(2,923,680)
Gain (loss) on sale of investments		4,469,030	(6,764,399)
Unrealized gain (loss) on investments		2,831,585	(1,411,316)
Net income (loss) for year		**11,651,747**	**(9,712,562)**
Other comprehensive (loss) income			
Item that will be reclassified subsequently to income			
Unrealized loss on foreign currency translation		(580,456)	(1,640,804)
Other comprehensive loss for the year		(580,456)	(1,640,804)
Net income (loss) and comprehensive income (loss) for the year		$ 11,071,291	$ (11,353,366)
Attributable to:			
Equity holders		$ 11,651,747	$ (9,712,562)
Basic and diluted earnings per share	20		
Basic		$ 0.15	$ (0.13)
Diluted		$ 0.15	$ (0.13)
Weighted average number of common shares	20		
Basic		76,149,697	77,682,421
Diluted		78,079,739	77,682,421

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

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

	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash provided by (used in):		
Operating Activities		
Net income (loss) for year	$ 11,651,747	$ (9,712,562)
Adjustment for:		
Gain on investments	(2,831,585)	1,411,316
Stock-based compensation	2,932,893	3,118,679
Depreciation and amortization	1,311,314	1,377,705
Unrealized foreign exchange	(2,321)	(2,770,410)
Share of loss from investment in associates	934,681	2,923,680
(Loss) gain on revaluation of precious metals	1,038,024	(5,048,273)
Interest on lease liability	35,717	48,298
Impairment of investment in subsidiary	1,059,648	-
Accretion expense		
Changes in operating assets and liabilities:		
Cash held for dealing	1,535,615	(556,397)
Restricted cash	70,935	730,845
Precious metals	(22,627,159)	6,966,238
Receivables	482,302	692,448
Prepaid and other assets	(3,035,375)	728,193
Accounts payable and accrued liabilities	(469,273)	3,180,471
Short-term marketable securities	8,324,635	(501,009)
Net cash provided by (used in) operating activities	411,798	2,589,222
Investing Activities		
Purchase of property and equipment	(5,751)	(67,709)
Purchase of software	(34,432)	-
Investment in loans receivable	-	(342,544)
Cash paid on acquisition of LBTH	-	(404,740)
Investment in associate	(3,026,626)	(1,157,929)
Repayment in loans receivable	27,037	6,768,709
Proceeds on sale of short-term investments	-	12,409,708
Purchase of short-term investments		(5,242,991)
Net cash provided by (used in) investing activities	(3,039,772)	11,962,504
Financing Activities		
Proceeds from stock options	55,809	22,500
Payment of mortgage liability	(90,423)	(43,107)
Payment of lease liabilities	(221,307)	(338,486)
Dividend paid	-	(546,788)
Goldmoney shares repurchased	(6,000,000)	(646,423)
Net cash used in financing activities	(6,255,921)	(1,552,304)
(Decrease) increase in cash and cash equivalents	(8,883,895)	12,999,422
Change in cash related to foreign exchange	(580,455)	(229,488)
Cash and cash equivalents, beginning of year	33,535,219	20,765,285
Cash and cash equivalents, end of year	$ 24,070,869	$ 33,535,219

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

Goldmoney Inc.
Consolidated Statement of Changes in Equity
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Contributed surplus	Accumulated Other Comprehensive Income (Loss)	Retained earnings (deficit)	Shareholders' Equity
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 year	-	-	-	-	11,651,747	11,651,747
Other comprehensive loss for the year	-	-	-	(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

	Number of Shares	Share Capital	Contributed surplus	Accumulated Other Comprehensive Income (Loss)	Retained earnings (deficit)	Shareholders' Equity
Balance, March 31, 2019	77,291,090	$ 168,148,558	$ 11,102,368	$ 2,472,985	$ 116,341	$ 181,840,252
Net loss for the year	-	-	-	-	(9,712,562)	(9,712,562)
Other comprehensive loss for the year	-	-	-	(1,640,804)	-	(1,640,804)
Transactions with Shareholders of the Company						
Exercise of RSUs	777,571	1,867,698	(1,867,698)	-	-	-
Exercise of options	25,000	36,545	(14,045)	-	-	22,500
Schiff Gold performance shares	121,000	977,680	(977,680)		-	-
Goldmoney share repurchase	(319,300)	(646,423)	-	-	-	(646,423)
Dividend to equityholders	-	-	-	-	(546,788)	(546,788)
Stock based compensation	-	-	3,118,679	-	-	3,118,679
Balance, March 31, 2020	77,895,361	$ 170,384,058	$ 11,361,624	$ 832,181	$ (10,143,009)	$ 172,434,854

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

1. Nature of operations:

Goldmoney Inc. ("GMI", "Group" or the "Company") was incorporated on August 14, 2014, under the federal laws of Canada. On July 7, 2015, the Company acquired the assets of GoldMoney Network Limited, which had launched Goldmoney.com in February 2001. 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.

The Company is a precious metal focused global business. 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 200 countries hold approximately $2.2 billion in precious metals assets. The Company's operations are conducted through three 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.

- Lend & Borrow Trust Company Limited is a United Kingdom ("U.K.") based online platform regulated by the Financial Conduct Authority offering auction-rate peer-to-peer lending and borrowing collateralized by precious metals. On May 21, 2019, the Company executed a share purchase agreement with the shareholders of LBT Holdings Limited, to acquire the 77% ownership interest it previously did not own.

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.

The Company also holds a controlling position in Totenpass, which has been developing a permanent digital storage drive constructed from solid gold. This technology uses the properties of gold to allow for the permanent storage of precious digital data, thereby eliminating any future dependence on the internet and the vast amounts of energy required presently to store content.

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 eight countries to provide insured physical

1. Nature of operations (continued):

storage of gold under LBMA and COMEX standards. Goldmoney Vault Inc. currently maintains vault relationships with The Brink's Company (NYSE: BCO) and The Royal Canadian Mint. Goldmoney Vault Inc. is a reporting entity to FINTRAC.

Goldmoney Wealth Limited (Jersey) – maintains client agreements and related records and operates pursuant to a Money Service Business license granted by the JFSC to provide treasury and money transfer services to eligible clients.

Goldmoney USA Limited (Delaware) – maintains client agreements with U.S.-based clients and is registered with FinCEN in the United States as a Money Service Business for compliance and reporting.

Goldmoney Processing Europe Limited (Jersey) – provides market-based quotes to enable eligible 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, storage of physical precious metals that meet LBMA and COMEX standards.

Goldmoney Processing Europe Limited currently maintains vault relationships 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.

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, other than the change noted below.

These consolidated financial statements have been prepared on an historical cost basis except for precious metals inventory, and short-term investments, which are recorded at fair value.

These consolidated financial statements were approved for issuance by the Board of Directors on June 23, 2021.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries, Goldmoney Vault Inc., GoldVault Limited, (Channel Island), Goldmoney Corp., Goldmoney Vault USA Inc., Goldmoney Vault USA Limited, Goldmoney BVI Inc., Goldmoney IP Holdings Corp., Goldmoney Europe Limited, Goldmoney Wealth Limited, Goldmoney Processing Europe Limited, Goldmoney UK, Nine Bond Street Limited, Net Transactions (Jersey) Ltd, BlockVault Inc, Schiff Gold, Lend & Borrow Trust co. Ltd and Totenpass Inc.

2. Significant accounting policies (continued):

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 profit or loss.

Basis of measurement

These consolidated financial statements have been prepared on an historical cost basis except for precious metals inventory, and short-term investments, which are recorded at fair value.

Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

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 2m and note 13), valuation of warrants and options (note 2(h) and note 18), recoverability of deferred income tax assets (note 2p and note 22) and the fair values of assets acquired and liabilities assumed in a business combination, and goodwill and intangibles. 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:

• Fair values of assets acquired, and liabilities assumed – for the acquisition of 77% in LBT Holdings Limited, the fair values under the acquisition method are based on management's best estimates using established methodologies of the fair value of the assets and liabilities acquired and disposed (note 14).

• 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 (note 14).

2. Significant accounting policies (continued):

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.

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.

The Company also earns interest income, and it 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.

(a) 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 Processing Europe Limited, Goldmoney UK Limited, Nine Bond Street Limited, Net Transactions (Jersey) 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:

2. Significant accounting policies (continued):

- 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
- 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 statements of operations. When a gain or loss on certain non-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.

(b) 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.

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, or other risks as described in the Risk Management section of Management's Discussion and Analysis, 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 investments have been negatively impacted. Evidence of impairment could include significant financial difficulty of the issuer or counterparty; or significant or prolonged decrease in fair value; or default or delinquency in interest or principal payments; or the likelihood that the borrower will enter bankruptcy or financial reorganization.

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

2. Significant accounting policies (continued):

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 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. Impairment losses on available for sale equity instruments are not reversed through profit or loss.

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).

(c) 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 30 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.

(d) 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.

(e) Short term investments

Short term investments are liquid investments with a maturity greater than 30 days and less than twelve months and are recorded at fair market value.

2. Significant accounting policies (continued):

(f) Inventories

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. 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 will generate 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.

(g) Leases

On April 1, 2019, IFRS 16 was applied using the modified retrospective approach, under which the cumulative effect of initial application was recognized on the consolidated balance sheet as at April 1, 2019 without restating the financial statements on a retrospective basis. IFRS 16 replaces IAS 17 “Leases” and requires a lessee to recognize assets and liabilities for most leases on its balance sheet, as well as associated depreciation and interest expense.

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.

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.

2. Significant accounting policies (continued):

(h) 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.

(i) 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.

(j) 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.

2. Significant accounting policies (continued):

(k) 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.

(l) 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.

(m) 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 operation.

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.

2. Significant accounting policies (continued):

(n) Cost of sales

Cost of gold sold for precious metal sale 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.

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.

(o) 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.

(p) Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in the consolidated statement of operations 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.

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

2. Significant accounting policies (continued):

expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

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.

(q) 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.

(r) 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 operation.

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.

2. Significant accounting policies (continued):

(s) Translation of foreign currencies

The financial statements of each of the Company's foreign operations are measured using its functional currency, being the currency of the primary economic environment of the foreign operation.

Translation gains and losses related to the Company's monetary items are recognized in the Consolidated Statement of Operations. Revenues and expenses denominated in foreign currencies are translated using average exchange rates, except for depreciation and amortization of buildings, purchased in foreign currency, which are translated using historical rates. Foreign currency non-monetary items that are measured at historical cost are translated into the functional currency at historical rates. Foreign currency non-monetary items measured at fair value are translated into functional currency using the rate of exchange at the date the fair value was determined. Foreign currency gains and losses on non-monetary items are recognized in the Consolidated Statement of Operation or Consolidated Statement of Comprehensive Income consistent with the gain or loss on the non-monetary item.

Unrealized gains and losses arising upon translation of foreign operations, are credited or charged to net change in unrealized foreign currency translation gains/losses in the Consolidated Statement of Comprehensive Income. On disposal or partial disposal of a foreign operation, resulting in a loss of control, an appropriate portion of the translation differences previously recognized in other comprehensive income are recognized in the Consolidated Statement of Income.

(u) Standards issued but not yet effective
A number of new standards are effective for annual periods beginning after April 1, 2021 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these consolidated financial statements.

(i) 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 for assessing whether the contract is onerous. The amendments apply for annual reporting periods beginning on or after 1 January 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 operating balance adjustment to retained earnings or other components of equity as appropriate. The comparatives are not restated. The Company has determined that all contracts existing at March 31, 2021, will be completed before the amendments become effective.

(ii) Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
The amendments address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to:

2. Significant accounting policies (continued):

Changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities;

Change in basis for determining cash flows
The amendments will require an entity to account for a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required interest rate benchmark reform by updating the effective interest rate of the financial asset or financial liability.

At March 31, 2021, the Company has £606,409 thousand sterling LIBOR secured bank loans that will be subject to IBOR reform. The Company expects that the interest rate benchmark for these loans will be changed to SONIA in 2021 and that no significant modification gain or loss will arise as a result of applying the amendments to these changes.

(iii) 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 (Amendment to IFRS 16)
- 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

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).

Short-term investments considered to be Level 2 and 3 under the fair value hierarchy are further described in Note 7 Short-term investments and Short-term marketable securities.

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).

3. Financial instruments at fair value (continued):

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, short-term investments, 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 short-term investments are held with reputable institutions, from which management believes the risk of loss to be remote. Loans receivable from third parties are fully collateralized by precious metals held in trust. The maximum exposure to credit risk is the carrying value of cash and cash equivalents, cash held for trading, short-term investments and loans receivable.

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, 2021, the Company had cash and cash equivalents, cash held for dealing, inventories and short-term investments balance of $68,111,806 (March 31, 2020 - $64,785,897) to settle liabilities of $9,723,491 (March 31, 2020 - $12,255,186).

The contractual cash flows requirements for financial liabilities at March 31, 2021 are due within one year and the mortgage has principal payments that are payable monthly based upon a 20-year amortization period.

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 decided the credit ratings of its Banks are acceptable.

3. Financial instruments at fair value (continued):

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.

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 commodity

COVID-19
The global outbreak of COVID-19 continued during the year ended March 31, 2021. 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

3. Financial instruments at fair value (continued):

have on its business activities. The continuing extent of the effect of the COVID-19 pandemic on the Company is uncertain.

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 Inventories amounting to $38,096,110 (March 31, 2020 - $16,506,975) are subject to fair value fluctuations. As at March 31, 2021, if the fair value of the Company's precious metals inventory had decreased/increased by 10% with all other variables held constant, net loss and comprehensive loss and shareholders' equity for the year ended March 31, 2021 would have been approximately $3,809,611 (March 31, 2020 - $1,650,698) higher/lower.

(ii) The Company's metal loan to Menē Inc at March 31, 2021 amounts to $9,416,807 (March 31, 2020 - $9,348,662) and is subject to fair value fluctuations. As at March 31, 2021, if the fair value of the Company's precious metals had decreased/increased by 10% with all other variables held constant, net loss and comprehensive loss and shareholders' equity for the year ended March 31, 2021 would have been approximately $941,681 (March 31, 2020 - $934,866) higher/lower.

(iii) The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash and cash equivalents, short-term investments, precious metals and accounts payable and accrued liabilities. Financial instruments are denominated in U.S. dollars, Euros and British pound. As at March 31, 2021, the net loss and comprehensive loss would have been approximately $3,195,074 (March 31, 2020 - $2,295,236) 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, 2021, the Company had $1,457,065 (March 31, 2020: $2,992,680) 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.

5. Restricted Cash:

As of March 31, 2021, the Company held nil (March 31, 2020 - $70,395) of restricted cash, consisting of cash held as a rolling reserve balance with third party payment processors for six months or less.

(Expressed in Canadian Dollars)

6. Precious metals:

Precious metals inventories consist of bullion bars and coins owned and held by the Company and are separate from client assets (note 25).

		March 31, 2021		March 31, 2020		CHANGE	
		Quantity	Fair Value	Quantity	Fair Value	Quantity	Fair Value
Gold	grams	339,291	$ 23,247,129	128,213	$ 9,320,384	211,079	13,926,745
Silver	ounces	327,284	9,861,691	265,866	5,203,526	61,419	4,658,165
Platinum	grams	72,496	3,414,291	39,986	1,317,912	32,510	2,096,379
Palladium	grams	14,864	1,572,999	6,510	665,153	8,354	907,846
Total precious metals			$ 38,096,110		$ 16,506,975		$ 21,589,135

7. Short-term investments and Short-term marketable securities:

As at March 31, 2021 the company held $4,487,762 (March 31, 2020: $ 11,751,023) distributed as follow:

	March 31, 2021	March 31, 2020	Levelling
Guaranteed investment certificates	$ 2,288,359	$ 7,376,120	Level 2
Equity instruments	1,979,376	4,231,921	Level 1
Other financial instruments	220,027	142,982	Level 3
Total Short-term investments	4,487,762	11,751,023	
Securities short (liabilities)	$ 2,414,659	$ 4,184,870	Level 1

There were no movement of securities between the three levels during the year.

8. 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.

At March 31, 2021, prepaid and other assets include cash advances of $3,003,009 (2020 – nil) for precious metal paid in advance of delivery of by the supplier. The Company received the precious metals on April 1, 2021.

	As at March 31, 2021	As at March 31, 2020
Cash advances paid	$ 3,003,009	$ -
Goldmoney prepaid cards - prepaid expense	-	109,855
Prepaid and advances	1,552,872	1,410,651
Total	$ 4,555,881	$ 1,520,506

9. Loans receivable:

Loans receivable consist of loans extended by the Company, totaling $23,456,293 (March 31, 2020: $23,496,292).

Menē Inc. metal loan receivable

On March 19, 2020, 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, 2021 and is unsecured, bears a 3% interest per annum, and matures at the earlier of March 19, 2022, 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, 2021, the loan value was $9,416,807 (March 31, 2020 $9,348,662) based on the stated metal weight of the loan and current value of the metal.

A CAD 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 profit and loss.

LBT collateralized loan receivable

These fiat currency loans are secured by London good delivery silver or gold bars pledged as collateral, over which the Company has first ranking. The loans, interest payments and collateral are managed by a subsidiary company, Lend & Borrow Trust Company Limited ("LBT"), a U.K.-based company regulated by the Financial Conduct Authority to act as a credit broker and to operate an online peer-to-peer lending platform. LBT acts as an agent on behalf of the Company to ensure each loan is secured by gold and silver bars held as collateral under LBT's control.

Should the value of a loan increase above 75% of the pledged collateral value for gold or 65% for silver, LBT will arrange for the borrower to add more precious metal collateral or partially repay the loans, or LBT will sell pledged silver or gold bars and use the proceeds from the sale to partially repay the loan so that the loan-to-value is reduced to the 75% or 65% borrowing limits. The loans are for a varying duration that at their commencement ranged from 12 months to 24 months. The Company earns interest income ranging from 2.37% to 4.20% per annum on the loans, payable monthly on the loans, depending on the terms and currency.

At March 31, 2021, the total loans extended were $14,039,485 (March 31, 2020 $14,147,630) and during the year ended March 31, 2021, three loans receivable totaling $8,744,437 matured, of which two loan receivables totalling $8,717,400 were extended to and fully repaid in April 2021.

(Expressed in Canadian Dollars)

10. Property and equipment:

Cost	Computer Equipment	Leasehold Improvements	Office Equipment & Furniture	Land & Building	Total
Balance, March 31, 2019	$ 415,234	$ 607,608	$ 256,329	$ 3,676,347	$ 4,955,518
Additions	29,608	-	38,101	-	67,709
Foreign exchange	-	-	-	15,086	15,086
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
Accumulated Depreciation					
Balance, March 31, 2019	$ 397,581	$ 170,869	$ 101,643	$ 138,910	$ 809,003
Depreciation	35,421	30,222	20,271	141,578	227,492
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
Carrying Value					
Balance, March 31, 2020	$ 11,840	$ 406,517	$ 172,516	$ 3,410,945	$ 4,001,818
Balance, March 31, 2021	$ -	$ 390,256	$ 155,342	$ 3,257,103	$ 3,802,701

The Company owns land $640,940 (March 31, 2020 $640,940) and a building $2,183,087 (March 31, 2020 $2,306,224) in Jersey, Channel Islands purchased for $2,563,760. The Company owns an office suite in Toronto, Canada acquired for $504,150 and has a carrying value of 443,615 (March 31, 2020 $463,781).

11. Leases:

Right-of-use assets

The following is a summary of the right-of-use assets as at and for the year ended March 31, 2021.

	As at March 31, 2021	As at March 31, 2020
Cost	$ 985,757	$ -
Addition	-	985,757
Total cost	985,757	985,757
Accumulated amortization	(317,274)	-
Addition	(201,708)	(317,274)
Total accumulated amortization	(518,982)	(317,274)
Net book value	$ 466,775	$ 668,483

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

(Expressed in Canadian Dollars)

11. Leases (continued):

Lease liability

The following is a summary of the lease liability as at and for the year ended March 31, 2021

	As at March 31, 2021	As at March 31, 2020
Balance, beginning of year	$ 695,569	$ 985,757
Lease payments	(221,307)	(338,486)
Interest expense on lease liabilities	35,717	48,298
Balance, end of year	509,979	695,569
Lease liabilities due within one year	75,410	185,591
Lease liabilities due after one year	434,569	509,978
Total lease liabilities	$ 509,979	$ 695,569

12. Investment in Associate:

Investment in associates	**LBT Holdings LTD**	**Menē Inc**	**Total**
Balance, March 31, 2019	$ 862,848	$ 33,007,161	$ 33,870,009
Menē Inc. warrants exercised*	-	3,050,002	3,050,002
Acquisition of 100% of LBTH	(858,743)	-	(858,743)
Share of loss and comprehensive loss	(4,105)	(2,919,575)	(2,923,680)
Balance, March 31, 2020	$ -	$ 33,137,588	$ 33,137,588
Menē Inc shares purchases	-	3,026,626	3,026,626
Share of loss and comprehensive loss	-	(934,681)	(934,681)
Balance, March 31, 2021	$ -	$ 35,229,533	$ 35,229,533

* Certain figures were reclassified for comparative purposes.

(i) **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.

(Expressed in Canadian Dollars)

12. Investment in Associate (continued):

At March 31, 2021, the Company's ownership in Menē Inc. was 93,692,949 shares or 36.81% (March 31, 2020: 90,082,055 or 36.92%) consisting of Class B shares 81,433,947 (March 31, 2020 77,823,053) and Class A shares 12,259,002 (March 31, 2020 12,259,002). The share price was $0.55 (March 31, 2020 $0.41). At March 31, 2021, the carrying value of the investment was $35,229,533 (March 31, 2020: $33,137,588), and Menē Inc. had total assets of $28,593,429 and total liabilities of $10,771,890. For the twelve months ended March 31, 2021 Menē Inc. had a net loss of $2,035,712.

(ii) **LBT Holdings LTD.** - At May 21, 2019, the Company acquired the remaining 77% in LBT Holdings Limited ("LBTH"), an Isle of Man-based investment company and parent of Lend & Borrow Trust Company Ltd. The investment gave Goldmoney Inc. a 100% ownership in LBTH and subsidiary status. See note 14.

Prior to May 21, 2019, Goldmoney had accounted for its 23% investment in LBTH as an associate, and that was based on the existence of significant influence by having the power to participate in the financial and operating policy decisions, and representation on the LBTH Board of Directors. The carrying value of the investment on the acquisition date (May 21, 2020) was $858,743.

13. Intangible assets:

Cost	Capitalized Development	Customer Relationships	Brand	Software	Patents	Total
Balance, March 31, 2019	$ 287,295	$ 6,400,000	$ 16,498,309	$ -	$ 120,337	$ 23,305,941
Addition	-	-	386,251	730,984	-	1,117,235
Foreign exchange	-	-	8,348	-	-	8,348
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
Accumulated Amortization						
Balance, March 31, 2019	$ 147,713	$ 2,365,902	$ -	$ -	$ 21,054	$ 2,534,669
Addition	-	-	-	109,050	-	109,050
Amortization	47,289	640,000	-	29,062	7,539	723,890
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
Carrying Value						
Balance, March 31, 2020	$ 92,293	$ 3,394,098	$ 16,892,908	$ 592,872	$ 91,744	$ 21,063,915
Balance, March 31, 2021	$ 45,003	$ 2,754,098	$ 16,498,309	$ -	$ 84,205	$ 19,381,615

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 are tested annually for impairment.

At March 31, 2021, the Company determined that the internally developed software associated with LBTH was impaired, and therefore written down to nil. The assessment was based on the Company's decision to discontinue peer-to-peer lending and the current low interest rate environment which will impact

(Expressed in Canadian Dollars)

13. Intangible assets (continued):

LBTH's ability to attract third party lenders. The current low interest rate environment is expected to impact LBTH for the foreseeable future.

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, 2021 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 indefinite intangible asset is not amortized, an impairment test was performed as at March 31, 2021. The Company determined that Brand intangible associated with LBTH was impaired and written down to nil. 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 11% to 11.4% and terminal growth rate ranging from 4% to 5%. It was determined that the recoverable amount was greater than the carrying value as that time and therefore no impairment was deemed necessary .

14. Goodwill:

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

	Goldmoney.com CGU	**Schiff Gold CGU**	**LBTH CGU**	**Total**
Balance, March 31, 2019	$ 32,722,163	$ 2,331,585	$ -	$ 35,053,748
Addition	-	-	248,570	248,570
Balance, March 31, 2020	32,722,163	2,331,585	248,570	35,302,318
Impairment	-	-	(248,570)	(248,570)
Balance, March 31, 2021	$ 32,722,163	$ 2,331,585	$ -	$ 35,053,748

* Certain figures were reclassified for comparative purposes.

Acquisition of LBT Holdings Limited

On May 21, 2019, the Company executed a share purchase agreement with the shareholders of LBT Holdings Limited ("LBTH") to acquire the remaining 77% ownership interest it did not own. The consideration to the remaining shareholders of LBTH comprised of two components, which together constituted the purchase price:

(a) Cash consideration for the purchase was $ 500,000; and
(b) Profit share of 77% of the net profit earned by LBTH for twenty years from May 21, 2019.

(Expressed in Canadian Dollars)

14. Goodwill (continued):

The consideration paid and allocation to the net assets acquired on the acquisition are as follows:

	As at May 21, 2019
Carrying value of the 23% investment	$858,743
Cash consideration for 77%	500,000
Total consideration for 100%	$1,358,743
Cash and cash equivalents	$ 95,260
Other assets	140,666
Accounts payable and accrued liabilities	(145,812)
Nets assets acquired	90,114
Proprietary Software	$ 633,808
Brand Intangible	$ 386,251
Goodwill	$ 248,570

The excess of consideration over the net assets acquired has been recorded as goodwill. Goodwill represents cost savings, operating synergies and other benefits expected to result from combining the operations of LBTH with those of the Company and intangible assets that do not qualify for separate recognition such as the assembled workforce, license to operate from the regulator, and customers.

For the year end March 31, 2021, LBTH had revenue of $313,747 (March 31, 2020, $127,868) and loss from operation of $298,168 (March 31, 2020, $256,863).

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, 2021 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 11% to 16% and terminal growth rates of 4% to 5%. 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.

(Expressed in Canadian Dollars)

15. Accounts payable and accrued liabilities:

As at March 31, 2021, accounts payable and accrued liabilities was $5,837,674 (March 31, 2020: $6,306,946). Included in accounts payable and accrued liabilities is income taxes payable of $482,379.

16. 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 is $1,300,275 (£750,000) and bears interest at base rate plus 3.25% per annum. Principal payments are payable monthly based upon a 20 years amortization period.

As at March 31, 2021, the current portion of the mortgage is $90,152 (£52,000) and the non-current portion is $961,179 (£554,409) and the Company is compliant with the terms of the mortgage. During the year ended March 31, 2021, the Company incurred interest expense of $33,550 (March 31, 2020: $42,543).

17. 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.

	Number of common shares	**Amount**
Balance, March 31, 2019	77,291,090	$168,148,558
Schiff Gold performance shares	121,000	977,680
Goldmoney share repurchase	(319,300)	(646,423)
Exercise of stock options	25,000	36,545
Exercise of RSU	777,571	1,867,698
Balance, March 31, 2020	77,895,361	$170,384,058
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 RSU	653,091	1,601,852
Balance, March 31, 2021	75,590,446	$165,220,267

(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

(Expressed in Canadian Dollars)

17. Share capital (continued):

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 July 20, 2020, the Board of Directors of the Company approved a plan to repurchase a portion of the Company’s common shares. The Toronto Stock Exchange (“TSX”) accepted the notice of intention, on July 22, 2020, to make a normal course issuer bid to repurchase up to 752,049 of its common shares, representing 1% of its 75,040,980 common shares issued and outstanding as of July 16, 2020. The NCIB commenced on July 22, 2020 and will terminate on July 21, 2021 or at such earlier date in the event that the number of shares sought in the NCIB has been repurchased. Goldmoney reserves the right to terminate the NCIB earlier if it feels that it is appropriate to do so.

The Company entered into a share purchase plan with a broker in order to facilitate the 2020-2021 repurchase. The primary purpose of the 2020-2021 Repurchase is for cancellation. 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, 2021, the Company repurchased and cancelled nil shares (March 31, 2020: 319,300 for $646,423).

18. Contributed Surplus:

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

a) Warrants

	Number of warrants	Weighted average exercise price
Balance, March 31, 2019	1,400,000	$5.26
Exercised	-	-
Expired	-	-
Balance, March 31, 2020 and March 31, 2021	1,400,000	$5.26

Number of warrants outstanding	Exercise price	Expiry date
700,000	5.00	14-Nov-26
350,000	5.25	14-Nov-26
350,000	5.80	14-Nov-26
1,400,000	$5.26	

During the year ended March 31, 2021, none of the vested warrants were exercised.

(Expressed in Canadian Dollars)

18. Contributed Surplus (continued):

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.

	Number of stock options	**Weighted average exercise price**
Balance, March 31, 2019	2,521,995	$3.57
Issued	949,500	2.33
Exercised	(25,000)	0.90
Forfeited/cancelled	(530,683)	3.30
Balance, March 31, 2020	2,915,812	$3.24
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

During the year ended March 31, 2021, the Company granted 396,250 stock options (March 31, 2020: 949,500).

The assumptions used to estimate the fair value of options granted during the ended March 31, 2021 and 2020.

	March 31, 2021	March 31, 2020
Risk free interest rate	0.32%	1.67%
Expected volatility	63.26%	56.65%
Expected life	3 years	3 years
Expected dividends	-	-
Forfeiture rate (%)	-	-

(Expressed in Canadian Dollars)

18. Contributed Surplus (continued):

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.

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, 2019	561,930
Granted	967,502
Exercised	(777,571)
Forfeited	(31,255)
Outstanding, March 31, 2020	720,606
Granted	746,247
Exercised	(653,091)
Forfeited	(6,684)
Outstanding, March 31, 2021	807,078

For the year end March 31, 2021, 433,667 (March 31, 2020: 353,670) of the 807,078 (March 31, 2020: 720,606) outstanding RSU shares were vested.

During the year ended March 31, 2021, the Company issued 746,247 RSU shares with fair value per RSU share ranging from $3.18 to $2.31 (March 31, 2020: $1.85 to $2.39).

(Expressed in Canadian Dollars)

19. Revenue:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue - Metals	$ 350,067,990	$ 296,753,321
Cost of sales	338,364,541	291,280,457
Gross margin	$ 11,703,449	$ 5,472,864
Revenue - Coins	$ 303,504,734	$ 161,498,549
Cost of sales	296,644,489	158,519,595
Gross margin	$ 6,860,245	$ 2,978,954
Revenue exchange services	$ 836,872	$ 620,781
Revenue	$ 654,409,596	$ 458,872,651
Cost of sales	635,009,030	449,800,052
Gross margin	$ 19,400,566	$ 9,072,599

20. Earnings per share:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Basic earnings per common share		
Net income (loss) attributable to common shareholders	$ 11,651,747	$ (9,712,562)
Weighted average number of common shares outstanding	76,149,697	77,682,421
Basic earnings per common share	$ 0.15	$ (0.13)
Diluted earnings per common share		
Net income (loss) attributable to common shareholders	$ 11,651,747	$ (9,712,562)
Weighted average number of common shares outstanding	76,149,697	77,682,421
Adjustments to average shares due to share-based options and others	1,930,042	-
Weighted average number of diluted common shares outstanding	78,079,739	77,682,421
Diluted earnings per common share	$ 0.15	$ (0.13)

21. 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. Refer to Note 12 for additional detail on a related party transaction with Mene Inc that took place during the fiscal year. Key management is defined as those with authority and responsibility for planning, directing

(Expressed in Canadian Dollars)

21. Related party transactions (continued):

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, 2021	For the year ended March 31, 2020
Salaries		
Key management	$628,574	$561,000
Directors	34,500	-
Stock-based compensation		
Key Management	1,345,415	1,281,324
Directors	534,725	759,301

Transactions with associates

	For the year ended March 31, 2021	For the year ended March 31, 2020
Receivables	$160,926	$98,359
Loan receivables	$9,255,881	$9,250,303
	$9,416,807	$9,348,662

22. 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. The table below provides the reconciliation of the statutory tax rate to the effective tax rate.

	For the year ended March 31, 2021	For the year ended March 31, 2020
Net (loss) income for the year before income taxes	$12,455,211	($9,441,602)
Expected income tax (recovery) expense	3,300,631	(2,502,025)
Foreign operations with difference in tax rates	(1,421,527)	(833,765)
Stock compensation expense	777,217	813,406
Other non-deductible expenses	453,327	516,034
Temporary differences not recognized in the year	(397,130)	69,267
Benefit of non-capital loss not recognized	132,530	2,208,043
Benefits of previously unrecognized non-capital losses	(2,041,584)	-
Income tax expense	803,464	270,961

(Expressed in Canadian Dollars)

22. Income taxes (continued):

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 would 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, associates and interests in joint ventures for which deferred tax liabilities have not been recognized is $25,900,000 as at March 31, 2021 (March 31, 2020 $17,300,000).

The tax benefit of $20,319,677 (2020: $30,223,284) of unused tax losses and the deferred tax liability on $16,785,321 of net taxable temporary differences (2020: $12,641,711 of net taxable temporary differences) have not been recognized in the consolidated financial statements due to the unpredictability of future earnings.

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

Year of expiry:	
2040	$8,925,104
2039	3,369,261
2038	-
2037	6,207,804
2036	1,817,508
	$20,319,677

23. 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 costs, warrants and retained earnings, which at March 31, 2021 totaled $180,494,847 (March 31, 2020 - $172,434,854).

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.

(Expressed in Canadian Dollars)

24. Commitments

The Company entered into three lease agreements on its premises expiring September 2026. Under the terms of the lease agreements the Company has the following remaining lease commitments in the following fiscal years:

Fiscal year ending	As at March 31, 2021
2022	195,679
2023	110,320
2024	110,320
2025	110,320
2026	110,320
2027	55,160
	$692,119

25. Client Assets

All client assets are held off-balance sheet. Cash is deposited in bank accounts managed by Goldmoney that are separated from 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, 2021		March 31, 2020	
		Quantity	Fair Value	Quantity	Fair Value
Cash			$ 72,323,507		$ 81,904,754
Gold	Grams	18,668,165	1,275,532,973	19,269,253	1,398,830,747
Silver	Ounces	28,424,622	850,470,388	28,110,847	543,966,940
Platinum	Grams	872,878	40,381,799	738,525	24,196,948
Palladium	Grams	232,503	23,962,103	234,626	24,940,746
			$ 2,262,670,770		$ 2,073,840,135

26. 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 three operating business units: Goldmoney Holding®, Schiff Gold and LBTH. The Goldmoney Holding reflects the combination of the Canada and Jersey into a unified business operation. Schiff Gold offers physical direct-to-consumer precious metal sales business. LBT Holdings Limited ("LBTH") is an Isle of Man-based investment company and parent of Lend & Borrow Trust Company Ltd. ("LBT"). LBT is a U.K.-based company regulated by the Financial Conduct Authority to operate an online peer-to-peer lending platform.

(Expressed in Canadian Dollars)

26. Segment information (continued):

For the year ended March 31, 2021, 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, 2021 and 2020.

For the year ended March 31, 2021

	Goldmoney.com	Schiff Gold	LBTH	Corporate	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	12,523,600	4,446,178	566,470	4,440,022	21,976,270
Total operating income (loss)	$ 8,175,119	$ 2,640,453	$(252,723)	$ (4,440,022)	$ 6,122,827

For the year ended March 31, 2020

	Goldmoney.com	Schiff Gold	LBTH	Corporate	Total
Revenue	$ 297,374,102	$161,498,549	$ -	$ -	$ 458,872,651
Cost of sales	291,280,457	158,519,595	$ -	-	449,800,052
Gross Margin	6,093,645	2,978,954	-	-	9,072,599
Fee revenue	4,285,056	-	127,868	-	4,412,924
Interest income	1,926,337	-	-	-	1,926,337
Realized gain on sale of cryptoassets	1,060	-	-	-	1,060
Gain (loss) on revaluation of precious metals	5,135,005	$ (86,732)	-	-	5,048,273
Gross profit	17,441,103	2,892,222	127,868	-	20,461,193
Operating expenses	10,506,215	2,045,145	349,417	5,860,080	18,760,857
Total operating income (loss)	$ 6,934,888	$ 847,077	$(221,549)	$ (5,860,080)	$ 1,700,336

The following tables present financial information by segment for balance sheet as at March 31, 2021 and March 31, 2020.

As at March 31, 2021

	Goldmoney.com	Schiff Gold	LBTH	Corporate	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)

As at March 31, 2020

	Goldmoney.com	Schiff Gold	LBTH	Corporate	Total
Goodwill	$ 32,722,163	$ 2,331,585	$ 248,570	$ -	$ 35,302,318
Total assets	97,249,513	6,252,628	659,942	80,527,957	184,690,040
Total liabilities	$ (6,867,338)	$ (5,354,822)	$ (33,026)	$ -	$ (12,255,186)

26. Segment information (continued):

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.

27. Restructuring

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 and is expected to be fully implemented during fiscal year 2022.

The company estimates $1,500,000 (£850,000) for expected restructuring costs, including contract termination costs, consulting fees and employee termination benefits. Estimated costs are based on the terms of the relevant contracts and subject to adjustment as the Company completes its restructuring.