

**MiMedia Holdings Inc.**

**Condensed Interim Consolidated Financial Statements**

For the three and nine months ended September 30, 2024 and 2023

(Expressed in United States Dollars)

(Unaudited)

**NOTICE OF NO AUDIT OR REVIEW OF  
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a note indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the management. The Corporation's independent auditor has not performed a review of these interim consolidated financial statements.

**MiMedia Holdings Inc.**

Unaudited Condensed Interim Consolidated Statements of Financial Position  
(United States Dollars, unless otherwise indicated)

As at	Notes	September 30, 2024	December 31, 2023
<b>ASSETS</b>		\$	\$
<b>Current</b>			
Cash and cash equivalents	5	436,549	1,720,004
Accounts and other receivables	6	17,925	16,022
Prepaid expenses		69,729	75,165
<b>Total Current Assets</b>		<b>524,203</b>	<b>1,811,191</b>
Loan receivable	7	137,411	136,156
Security deposit and other assets		9,934	10,876
<b>Total Assets</b>		<b>671,548</b>	<b>1,958,223</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	8	978,763	944,067
Deferred revenue		847	1,086
<b>Total Current Liabilities</b>		<b>979,610</b>	<b>945,153</b>
Promissory note	9	702,180	-
Convertible debentures	10	4,037,356	3,855,031
<b>Total Liabilities</b>		<b>5,719,146</b>	<b>4,800,184</b>
<b>Shareholders' Equity (Deficiency)</b>			
Share capital	11	58,795,977	58,239,390
Reserves	12	2,122,868	1,967,057
Accumulated other comprehensive loss		(38,266)	(72,550)
Accumulated deficit		(65,928,177)	(62,975,858)
<b>Total Shareholders' Deficiency</b>		<b>(5,047,598)</b>	<b>(2,841,961)</b>
<b>Total Liabilities and Shareholders' Deficiency</b>		<b>671,548</b>	<b>1,958,223</b>
Going concern	2		
Commitments and contingencies	19		
Subsequent events	20		

**APPROVED ON BEHALF OF THE BOARD:**

Chris Giordano  
Director

John MacPhail  
Director

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

# MiMedia Holdings Inc.

Unaudited Condensed Interim Consolidated Statements of Loss and Comprehensive Loss  
(United States Dollars, unless otherwise indicated)

		Three months ended		Nine months ended	
	Notes	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
<b>Revenue</b>		\$	\$	\$	\$
Subscription revenue		1,198	1,311	3,529	3,852
Partner income		374	2,276	2,173	5,092
<b>Total Revenue</b>		<b>1,572</b>	<b>3,587</b>	<b>5,702</b>	<b>8,944</b>
<b>Operating Expenses</b>					
Research and development	13(a)	233,515	346,041	856,856	815,620
Selling expenses	13(b)	112,437	209,890	497,349	491,567
General and administrative	13(c)	341,333	548,775	1,043,233	1,471,607
<b>Operating Expenses</b>		<b>687,285</b>	<b>1,104,706</b>	<b>2,397,438</b>	<b>2,778,794</b>
<b>Other Income (Expenses)</b>					
Foreign exchange gain (loss)		(13,412)	47,127	22,727	(10,352)
Accretion	9,10	(103,036)	(74,320)	(272,891)	(126,941)
Interest expense	9,10	(127,751)	(104,849)	(354,535)	(179,497)
Interest income	5,7	11,004	30,494	32,099	52,341
		<b>(233,195)</b>	<b>(101,548)</b>	<b>(572,600)</b>	<b>(264,449)</b>
<b>Net Loss Before Tax</b>		<b>(918,908)</b>	<b>(1,202,667)</b>	<b>(2,964,336)</b>	<b>(3,034,299)</b>
Deferred income tax recovery	14	12,017	58,003	12,017	135,544
<b>Net Loss</b>		<b>(906,891)</b>	<b>(1,144,664)</b>	<b>(2,952,319)</b>	<b>(2,898,755)</b>
<b>Other comprehensive income: (items that may be subsequently reclassified to profit or loss)</b>					
Foreign currency translation differences		(62,001)	16,192	34,284	13
<b>Total Comprehensive Loss</b>		<b>(968,892)</b>	<b>(1,128,472)</b>	<b>(2,918,035)</b>	<b>(2,898,742)</b>
<b>Loss per share</b>					
Basic and diluted		\$ (0.01)	\$ (0.02)	\$ (0.04)	\$ (0.04)
Weighted average shares outstanding – Basic and diluted	11	73,747,267	71,193,314	73,056,797	71,159,083

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

# MiMedia Holdings Inc.

Unaudited Condensed Interim Consolidated Statements of Changes in Equity (Deficiency)  
(United States Dollars, unless otherwise indicated)

	Number of Shares				Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
	Multiple Voting Shares	Subordinate Voting Shares	Share Capital \$	Reserves \$	\$	\$	\$
<b>Balance, January 1, 2023</b>	<b>7,515,550</b>	<b>33,483,429</b>	<b>58,131,081</b>	<b>1,219,670</b>	<b>1,027</b>	<b>(59,111,031)</b>	<b>240,747</b>
Issuance of convertible debentures	-	-	-	503,480	-	-	503,480
Convertible debenture transaction costs	-	-	-	(64,793)	-	-	(64,793)
Deferred income tax on convertible debentures	-	-	-	(135,940)	-	-	(135,940)
Issuance of broker and advisory warrants	-	-	-	71,597	-	-	71,597
Shares issued for interest payments on convertible debentures	-	200,189	75,984	-	-	-	75,984
Shares returned to treasury for cancellation	(29)	-	-	-	-	-	-
Share conversions	(498,698)	2,493,489	-	-	-	-	-
Exercise of warrants	-	130,080	38,642	(8,129)	-	-	30,513
Share-based compensation	-	-	-	322,965	-	-	322,965
Foreign currency translation	-	-	-	-	13	-	13
Net loss for the period	-	-	-	-	-	(2,898,755)	(2,898,755)
<b>Balance, September 30, 2023</b>	<b>7,016,823</b>	<b>36,307,187</b>	<b>58,245,707</b>	<b>1,908,850</b>	<b>1,040</b>	<b>(62,009,786)</b>	<b>(1,854,189)</b>
<b>Balance, January 1, 2024</b>	<b>6,925,156</b>	<b>36,765,521</b>	<b>58,239,390</b>	<b>1,967,057</b>	<b>(72,550)</b>	<b>(62,975,858)</b>	<b>(2,841,961)</b>
Shares issued for interest payments on convertible debentures	-	1,855,821	448,356	-	-	-	448,356
Share issuance cost	-	-	(13,886)	-	-	-	(13,886)
Share conversions	(216,172)	1,080,860	-	-	-	-	-
Exercise of warrants	29	500,000	122,117	(31,243)	-	-	90,874
Issuance of warrants pursuant to service agreement	-	-	-	32,972	-	-	32,972
Issuance of warrants alongside promissory note	-	-	-	44,508	-	-	44,508
Promissory note transaction costs	-	-	-	(546)	-	-	(546)
Deferred income tax on promissory note	-	-	-	(12,017)	-	-	(12,017)
Share-based compensation	-	-	-	122,137	-	-	122,137
Foreign currency translation	-	-	-	-	34,284	-	34,284
Net loss for the period	-	-	-	-	-	(2,952,319)	(2,952,319)
<b>Balance, September 30, 2024</b>	<b>6,709,013</b>	<b>40,202,202</b>	<b>58,795,977</b>	<b>2,122,868</b>	<b>(38,266)</b>	<b>(65,928,177)</b>	<b>(5,047,598)</b>

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

**MiMedia Holdings Inc.**

Unaudited Condensed Interim Consolidated Statements of Cash Flows  
(United States Dollars, unless otherwise indicated)

	Nine months ended	
	September 30, 2024	September 30, 2023
<b>Cash flows from operating activities</b>	<b>\$</b>	<b>\$</b>
Loss for the period	(2,952,319)	(2,898,755)
Items not affecting cash from operations:		
Amortization of intangible assets	942	1,060
Accretion	272,891	126,941
Share-based compensation	122,137	322,965
Deferred income tax recovery	(12,017)	(135,544)
Shares issued for interest payments on convertible debentures	228,174	75,984
Warrants issued for services	32,972	-
Changes in non-cash working capital balances:		
Accounts and other receivables	(2,173)	(4,607)
Loan receivable	(1,255)	(1,255)
Prepaid expenses	(4,144)	85,763
Accounts payable and accrued liabilities	266,132	218,697
Deferred revenue	(239)	377
<b>Net cash used in operating activities</b>	<b>(2,048,899)</b>	<b>(2,208,374)</b>
<b>Cash flows from financing activities</b>		
Share issuance costs	(13,886)	-
Proceeds from issuance of convertible debenture	-	4,611,808
Convertible debenture transaction costs	-	(518,292)
Proceeds from exercise of warrants	90,874	30,513
Proceeds from promissory note	735,727	-
Promissory note transaction costs	(9,016)	-
<b>Net cash provided by financing activities</b>	<b>803,699</b>	<b>4,124,029</b>
Impact of currency translation on cash	(38,255)	(23,289)
<b>Net increase (decrease) in cash during the period</b>	<b>(1,283,455)</b>	<b>1,892,366</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>1,720,004</b>	<b>574,554</b>
<b>Cash and cash equivalents, end of period</b>	<b>436,549</b>	<b>2,466,920</b>
<b>Supplemental cash flow information (Note 18)</b>		

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

# **MiMedia Holdings Inc.**

Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
For the three and nine months ended September 30, 2024 and 2023  
(United States Dollars, unless otherwise indicated)

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## **1. NATURE OF OPERATIONS**

MiMedia Holdings Inc. (the “Company”) was incorporated by Certificate of Incorporation issued pursuant to the provisions of the British Columbia Business Corporations Act on May 22, 2018. The Company’s head office is 85 Broad Street, New York, NY 10004 and registered and records office address is 220 – 333 Terminal Avenue, Vancouver, BC V6A 4C1. The principal business of the Company is to provide a next generation consumer cloud platform that enables all types of personal media to be secured in the cloud, accessed seamlessly, across all devices, and on all operating systems at any time. The Company trades on the TSX Venture Exchange under the stock symbol MIM.

## **2. GOING CONCERN**

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that assets will be realized, and liabilities discharged in the normal course of business for the foreseeable future. The Company has incurred losses since its inception and anticipates that losses will continue. For the nine months ended September 30, 2024, the Company has incurred a comprehensive loss of \$2,918,035 (2023: \$2,898,742). The Company also had operating cash outflows of \$2,048,899 (2023: \$2,208,374). The Company has not generated sufficient cash inflows from operations. These conditions cast significant doubt about the Company’s ability to continue as a going concern. The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or generate profitability and positive cash flow. These unaudited condensed interim consolidated financial statements do not give effect to the adjustments that would be necessary should the Company be unable to continue as a going concern and to realize its assets and liquidate its liabilities and commitments at amounts different from those in the accompanying condensed interim consolidated financial statements. Such adjustments could be material.

## **3. BASIS OF PRESENTATION**

### **a) Statement of compliance**

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), including International Accounting Standards (“IAS”) 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These condensed interim consolidated financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company’s audited financial statements for the year ended December 31, 2023.

The Company’s interim results are not necessarily indicative of its results for a full year.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on November 29, 2024.

## MiMedia Holdings Inc.

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### b) Consolidation

These condensed interim consolidated financial statements are presented on a consolidated basis and include the accounts of the Company and its controlled entities. Control occurs when the Company is exposed to, or has right to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Details of controlled entities are as follows:

Entity	Country of Incorporation	Functional Currency	Percentage Owned	
			September 30, 2024	December 31, 2023
MiMedia Inc.	United States	United States Dollars	100%	100%

All intercompany balances and transactions have been eliminated on consolidation.

### c) Basis of measurement

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

The accounting policies have been applied consistently to all periods presented in these condensed interim consolidated financial statements, unless otherwise indicated.

The condensed interim consolidated financial statements have been presented in United States dollars. The Company's functional currency is Canadian dollars and its subsidiary's is United States dollars.

The functional currency of each entity is determined using the currency of the primary economic environment in which that entity operates.

In preparation of the condensed interim consolidated financial statements of the Company, the results of foreign operations with a functional currency other than United States dollars are translated to United States dollars upon consolidation. Each entity's assets and liabilities are translated to United States dollars at the prevailing exchange rate at reporting date. The revenue and expenses of these foreign operations are translated to United States dollars using average exchange rates prevailing for each reporting period. Foreign exchange differences arising on translation are recognized directly in the consolidated statement of loss and comprehensive loss and presented in the foreign currency translation reserve within equity. On disposal of a foreign operation, the related cumulative translation difference recognized in equity are reclassified to profit or loss and are recognized as part of the gain or loss on disposal.

At the entity level, transactions in currencies other than the entity's functional currency are recorded at the exchange rates prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the prevailing exchange rates on the date of the statement of financial position. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the prevailing exchange rates on the date when the fair value was determined. Non-monetary items measured at historical costs in foreign currency are not re-translated. Exchange differences arising on the settlement of monetary items, and on the remeasurement of monetary items, are included in profit or loss for the period.



## MiMedia Holdings Inc.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
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### d) Judgement and estimates

In preparing these condensed interim consolidated financial statements, management has made judgments, estimates, and assumptions that affect the applicability of the Company's accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted prospectively in the period in which the estimates are revised. In preparing these condensed interim consolidated financial statements, the significant estimates and critical judgements were the same as those applied to the annual financial statements as at and for the year ended December 31, 2023.

## 4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 4 to the audited consolidated financial statements for the year ended December 31, 2023, and have been consistently followed in the preparation of these condensed interim consolidated financial statements.

## 5. CASH AND CASH EQUIVALENTS

	September 30, 2024	December 31, 2023
	\$	\$
Cash	436,549	307,646
Guaranteed Investment Certificates ("GICs")	-	1,412,358
	436,549	1,720,004

The GICs were cashable, bore interest at a rate of 5.2% to 5.4% and were considered a cash equivalent. On July 9, 2024, the GICs were fully redeemed. Interest earned on the cash equivalents and the Company's high-interest savings accounts amounted to \$31,676 for the nine months ended September 30, 2024 (2023: \$51,003).

## 6. ACCOUNTS AND OTHER RECEIVABLES

	September 30, 2024	December 31, 2023
	\$	\$
Accounts receivable	4,896	2,723
Sales taxes recoverable	13,029	13,299
	17,925	16,022

## 7. LOAN RECEIVABLE

On December 6, 2021, the Company advanced \$65,643 to an officer and director of the Company. The advance bears interest at 1.26% per annum, is due on demand and is secured by 646,946 Multiple Voting Shares of the Company. The advance is repayable upon sale of the share security.

On June 2, 2022, the Company further advanced \$67,458 to an officer and director of the Company. The advance shares the same terms as the December advance.

As at September 30, 2024, \$4,310 in interest was accrued on the advances (December 31, 2023: \$3,055).

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Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
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### 8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2024	December 31, 2023
	\$	\$
Trade payables	714,444	624,555
Interest payable on debt (Note 9 and 10)	127,945	224,717
Accrued liabilities and other payables	136,374	94,795
	978,763	944,067

### 9. PROMISSORY NOTE

On August 21, 2024, the Company entered into a promissory note agreement with a third-party creditor, for a principal amount of \$735,727 (\$1,000,000 CAD). Pursuant to the financing, the Company issued 4,000,000 Subordinate Voting Share purchase warrants to the lender, which are exercisable at \$0.25 per share until February 21, 2026 (Note 12).

The promissory note matures on February 21, 2026, and bears interest at a rate of 15% per annum, payable in cash or Subordinate Voting Shares, at the option of the lender, on an annual basis. Any payment of interest pursuant to the issuance of Subordinate Voting Shares will be subject to the prior approval of the TSX Venture Exchange and the issue price per Subordinate Voting Share shall be at the then applicable Market Price (as such term is defined in the applicable policies of the TSX Venture Exchange). Amounts of the principal and interest that are past due under this note shall bear interest at a rate of 18% per annum, payable on demand, from the date of such non-payment until such amount is paid in full.

In connection with the issuance of this promissory note, the Company incurred \$9,016 (\$12,255 CAD) in directly attributable transaction costs for legal fees.

Upon initial recognition, the promissory note was determined to be a financial instrument comprising of warrants with a host debt component. The present value of the promissory note in the amount of \$691,219 (\$939,505 CAD) was measured using a discount rate of 20%, which was determined to be a market rate for similar unsecured debt. The residual amount of \$44,508 (\$60,495 CAD) was allocated to the warrants. The issuance costs of \$9,016 were prorated and allocated to the promissory note and equity components in the amount of \$8,470 and \$546, respectively.

A continuity schedule of the Company's promissory note is as follows:

	\$
Balance, December 31, 2022 and 2023	-
Issued during the year	735,727
Warrant component	(44,508)
Transaction costs	(8,470)
Accretion	14,614
Foreign currency translation	4,817
Balance, September 30, 2024	702,180

During the nine months ended September 30, 2024, the Company accrued \$12,083 (2023: \$Nil) of interest on the promissory note (Note 8).

## **MiMedia Holdings Inc.**

Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
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### **10. CONVERTIBLE DEBENTURES**

#### **a) March 14, 2023 Convertible Debenture**

On March 14, 2023, the Company completed a private placement of 10% unsecured convertible debenture units of the Company. Pursuant to the offering, the Company issued and sold 3,400 debenture units for aggregate gross proceeds to the Company of \$2,485,925 (\$3,400,000 CAD).

Each debenture unit consists of:

- i. \$1,000 CAD principal amount unsecured convertible debenture of the Company; and
- ii. 1,000 Subordinate Voting Share purchase warrants of the Company for a total of 3,400,000 subordinate share purchase warrants.

The outstanding principal amount of each convertible debenture is convertible at the option of the holder thereof, at any time prior to maturity, into Subordinate Voting Shares of the Company at a conversion price of \$0.50 CAD per Subordinate Voting Share. Each warrant is exercisable to acquire one Subordinate Voting Share at an exercise price of \$0.65 CAD until March 14, 2025.

The Convertible Debentures mature on March 14, 2026, and bear interest at a rate of 10% per annum, payable in cash or Subordinate Voting Shares, at the option of the Company, on a semi-annual basis. Any payment of interest pursuant to the issuance of Subordinate Voting Shares will be subject to the prior approval of the TSX Venture Exchange (the "Exchange") and the issue price per Subordinate Voting Share shall be at the then applicable Market Price (as such term is defined in the applicable policies of the Exchange).

If, at any time following the date that is four months from the closing date of the debenture offering (or any subsequent closing date), the daily volume weighted average trading price of the Subordinate Voting Shares on the TSX Venture Exchange is greater than \$1.00 CAD per Subordinate Voting Share for the preceding 10 consecutive trading days, the Company shall have the option to convert all of the principal amount of the then outstanding convertible debentures into Subordinate Voting Shares at the conversion price with at least 30 days' prior written notice to the holders of convertible debentures.

In connection with the issuance of this convertible debenture, the Company paid:

- i. a cash commission equal to \$106,566, being an amount equal to 5.0% of the aggregate gross proceeds of the brokered portion of the convertible debenture offering;
- ii. 291,500 non-transferable broker warrants, valued at \$32,308 based on their grant date fair value determined using the Black-Scholes Option Pricing Model (Note 12), being such number of broker warrants as is equal to 5.0% of the gross proceeds of the brokered portion of the offering divided by the conversion price;
- iii. a cash advisory fee in the amount of \$15,098; and
- iv. 41,300 non-transferable advisory fee warrants, valued at \$4,577 based on their grant date fair value determined using the Black-Scholes Option Pricing Model (Note 12).

Each broker warrant and advisory warrant is exercisable to acquire one unit, consisting of one Subordinate Voting Share and one-half of one compensation unit warrant, at an exercise price of \$0.50 CAD until March 14, 2025. Each

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compensation unit warrant will be exercisable to purchase one Subordinate Voting Share on the same terms and conditions applicable to the convertible debenture warrants.

The Company also incurred \$195,149 in directly attributable transaction costs for legal fees and other agent expenses.

Upon initial recognition, these debentures were determined to be a financial instrument comprising an equity classified conversion feature and warrants with a host debt component. The fair value of the convertible debenture (host debt) in the amount of \$2,201,920 was measured using a discount rate of 15%, which was determined to be a market rate for similar unsecured debt without the conversion feature. The residual amount of \$284,005 was allocated to equity (conversion feature). The issuance costs of \$353,698 were prorated and allocated to the convertible debenture and equity components in the amount of \$313,290 and \$40,408, respectively.

### **b) July 20, 2023 Convertible Debenture**

On July 20, 2023, the Company completed a private placement of 10% unsecured convertible debenture units of the Company. Pursuant to the offering, the Company has issued and sold 2,800 debenture units for aggregate gross proceeds to the Company of \$2,125,883 (\$2,800,000 CAD).

Each debenture unit consists of:

- i. \$1,000 CAD principal amount unsecured convertible debenture of the Company; and
- ii. 1,000 Subordinate Voting Share purchase warrants of the Company for a total of 2,800,000 subordinate share purchase warrants.

The outstanding principal amount of each convertible debenture is convertible at the option of the holder thereof, at any time prior to maturity, into Subordinate Voting Shares of the Company at a conversion price of \$0.50 CAD per Subordinate Voting Share. Each warrant is exercisable to acquire one Subordinate Voting Share at an exercise price of \$0.65 CAD until March 14, 2025.

The Convertible Debentures mature on March 14, 2026, and bear interest at a rate of 10% per annum, payable in cash or Subordinate Voting Shares, at the option of the Company, on a semi-annual basis. Any payment of interest pursuant to the issuance of Subordinate Voting Shares will be subject to the prior approval of the TSX Venture Exchange (the "Exchange") and the issue price per Subordinate Voting Share shall be at the then applicable Market Price (as such term is defined in the applicable policies of the Exchange).

If, at any time following the date that is four months from the closing date of the debenture offering (or any subsequent closing date), the daily volume weighted average trading price of the Subordinate Voting Shares on the TSX Venture Exchange is greater than \$1.00 CAD per Subordinate Voting Share for the preceding 10 consecutive trading days, the Company shall have the option to convert all of the principal amount of the then outstanding convertible debentures into Subordinate Voting Shares at the conversion price with at least 30 days' prior written notice to the holders of convertible debentures.

In connection with the issuance of this convertible debenture, the Company paid:

- i. a cash commission equal to \$104,016, being an amount equal to 5.0% of the aggregate gross proceeds of the brokered portion of the convertible debenture offering; and

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- ii. 274,000 non-transferable broker warrants, valued at \$34,712 based on their grant date fair value determined using the Black-Scholes Option Pricing Model (Note 12), being such number of broker warrants as is equal to 5.0% of the gross proceeds of the brokered portion of the offering divided by the conversion price.

The Company also incurred \$97,463 in directly attributable transaction costs for legal fees and other agent expenses.

Upon initial recognition, these debentures were determined to be a financial instrument comprising an equity classified conversion feature and warrants with a host debt component. The fair value of the convertible debenture (host debt) in the amount of \$1,906,408 was measured using a discount rate of 15%, which was determined to be a market rate for similar unsecured debt without the conversion feature. The residual amount of \$219,475 was allocated to equity (conversion feature). The issuance costs of \$236,191 were prorated and allocated to the convertible debenture and equity components in the amount of \$211,807 and \$24,384, respectively.

A continuity schedule of the Company's convertible debentures is as follows:

	<b>July 20, 2023</b>	<b>March 14, 2023</b>	<b>TOTAL</b>
	<b>Debenture</b>	<b>Debenture</b>	
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance, December 31, 2022	-	-	-
Issued during the year	2,125,883	2,485,925	4,611,808
Conversion feature	(219,475)	(284,005)	(503,480)
Broker warrants	(31,128)	(28,617)	(59,745)
Advisory warrants	-	(4,054)	(4,054)
Transaction costs	(180,679)	(280,619)	(461,298)
Accretion	64,766	145,374	210,140
Foreign currency translation	(5,720)	67,380	61,660
Balance, December 31, 2023	1,753,647	2,101,384	3,855,031
Accretion	113,003	145,274	258,277
Foreign currency translation	(34,586)	(41,366)	(75,952)
Balance, September 30, 2024	1,832,064	2,205,292	4,037,356

As at September 30, 2024, \$115,767 interest was accrued on the convertible debentures (December 31, 2023: \$224,717) (Note 8).

## 11. SHARE CAPITAL

At September 30, 2024, the authorized capital of the Company consists of an unlimited number of Subordinate Voting Shares and Multiple Voting Shares with no par value. As at September 30, 2024, the Company had 40,202,202 Subordinate Voting Shares and 6,709,013 Multiple Voting Shares outstanding. Each Multiple Voting Share may be converted into five Subordinate Voting Shares and entitles holders to five votes.

For the purpose of the loss per share calculation, the Multiple Voting Shares were converted into Subordinate Voting Shares.

### *Activities during the nine months ended September 30, 2024*

During January 2024, the Company made an interest payment of \$221,701 on its convertible debentures (Note 10) by issuing 1,017,983 Subordinate Voting Shares.

## **MiMedia Holdings Inc.**

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During March 2024, the Company issued 500,000 Subordinate Voting Shares in connection with the exercise of Subordinate Voting Share warrants for proceeds of \$90,870. \$31,243 was reclassified from reserves to share capital on exercise of the warrants.

During June 2024, the Company issued 29 Multiple Voting Shares in connection with the exercise of Multiple Voting Share warrants for proceeds of \$4.

During June 2024, the Company made an interest payment of \$226,655 on its convertible debentures (Note 10) by issuing 837,838 Subordinate Voting Shares.

During the nine months ended September 30, 2024, 216,172 Multiple Voting Shares were converted to 1,080,860 Subordinate Voting Shares.

### ***Activities during the nine months ended September 30, 2023***

During the nine months ended September 30, 2023, 498,698 Multiple Voting Shares were converted to 2,493,489 Subordinate Voting Shares, and 29 Multiple Voting Shares were returned to treasury for cancellation and were transferred back to the Company by their respective shareholders for no consideration.

During the nine months ended September 30, 2023, the Company issued 130,080 Subordinate Voting Shares in connection with the exercise of Subordinate Voting Share warrants for proceeds of \$30,513. \$8,129 was reclassified from reserves to share capital on exercise of the warrants.

During the nine months ended September 30, 2023, the Company made its first interest payment of \$75,984 on its March 14, 2023 convertible debenture (Note 10) by issuing 200,189 Subordinate Voting Shares.

## **12. STOCK OPTIONS AND WARRANTS**

### **Options**

The Company has established a stock option plan for its directors, officers, employees, and consultants under which the Company may grant options from time to time to acquire shares. The exercise price of each option shall be determined by the Board of Directors (but must be at least equal to the closing price of a Share on the TSX-V on the day immediately prior to the relevant grant date). Options may be granted for a maximum term of ten years from the date of grant. Options are non-transferable and expire immediately upon termination of employment for cause, or within 90 days of termination of employment or holding office as director or officer of the Company or in the case of death. Option vesting periods will be set by the Company's board upon grant.

On June 15, 2023, a new omnibus equity incentive plan was approved to supersede and replace the Company's existing stock option plan. The omnibus equity incentive plan is a "rolling up to 10% and fixed up to 10%" plan, as (i) the total number of Subordinate Voting Shares of the Company reserved for issuance upon the exercise of all options granted under the omnibus equity incentive plan must not exceed 10% of the total issued and outstanding Subordinate Voting Shares (on an as-converted basis as it relates to the Multiple Voting Shares of the Company) at the date of grant; and (ii) the total number of Subordinate Voting Shares that may be reserved for issuance pursuant to deferred share units, restricted share units, performance share units and other share-based compensation awards shall not exceed 7,119,111 Subordinate Voting Shares, representing 10% of the total issued and outstanding Subordinate Voting Shares (on an as converted basis as it relates to the Multiple Voting Shares) as at the date of approval of the omnibus equity incentive plan by the board of directors of the Company. The terms of stock option grants, as stipulated under the former stock option plan, remain unchanged.

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On April 29, 2024, the Company granted 100,000 Subordinate Voting Share options to a director. The options are exercisable at a price of \$0.29 CAD until April 29, 2029 and vest quarterly over 12 months and immediately upon the sale of the Company. The options were determined to have a value of \$14,041 using the Black Scholes option pricing model with the following assumptions: share price of \$0.28 CAD, exercise price of \$0.29 CAD, risk-free rate of 3.81%, expected volatility of 86% and expected life of five years.

Total share-based compensation expense for the nine months ended September 30, 2024, was \$122,137 (2023: \$322,965).

The following table summarizes information about the options outstanding and exercisable as at June 30, 2024:

Options outstanding			Options exercisable	
Exercise price	Number outstanding	Weighted-average remaining contractual life (years)	Number exercisable	Weighted-average remaining contractual life (years)
\$0.15 (\$0.19 CAD)	302,576	4.18	302,576	4.18
\$0.19 (\$0.25 CAD)	5,680,000	2.90	4,023,333	2.90
\$0.21 (\$0.29 CAD)	100,000	4.58	25,000	4.58
	6,082,576	2.99	4,350,909	3.00

  

	Options	Weighted average exercise price	
Outstanding at December 31, 2022	5,997,706	\$0.18	(\$0.25 CAD)
Expired	(15,130)	\$0.15	(\$0.19 CAD)
Outstanding at December 31, 2023	5,982,576	\$0.18	(\$0.25 CAD)
Granted	100,000	\$0.21	(\$0.29 CAD)
Outstanding at September 30, 2024	6,082,576	\$0.18	(\$0.25 CAD)

## Warrants

The following table summarizes information about the warrants outstanding and exercisable as at September 30, 2024:

Exercise price	Number of warrants outstanding	Weighted-average remaining contractual life (years)	Expiration date
<b>Multiple Voting Shares</b>			
\$1.90 (\$2.56 CAD)	2,436	0.58	May 1, 2025
\$1.90 (\$2.56 CAD)	33,046	2.37	February 13, 2027
	35,482	2.25	
<b>Subordinate Voting Shares</b>			
\$0.37 (\$0.50 CAD)	606,800	0.45	March 14, 2025
\$0.48 (\$0.65 CAD)	6,200,000	0.45	March 14, 2025
\$0.56 (\$0.75 CAD)	750,000	1.13	November 15, 2025
\$0.19 (\$0.25 CAD)	4,000,000	1.39	February 21, 2026
	11,556,800	0.82	

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	Multiple Voting Share warrants		Weighted average exercise price	Subordinate Voting Share warrants		Weighted average exercise price
Outstanding at December 31, 2022	301,868	\$1.34	(\$1.77 CAD)	11,820,810	\$0.25	(\$0.32 CAD)
Granted	-	-	-	6,806,800	\$0.47	(\$0.64 CAD)
Exercised	-	-	-	(130,080)	\$0.24	(\$0.32 CAD)
Outstanding at December 31, 2023	301,868	\$1.34	(\$1.77 CAD)	18,497,530	\$0.33	(\$0.43 CAD)
Granted	-	-	-	4,750,000	\$0.25	(\$0.33 CAD)
Expired	(266,357)	\$1.26	(\$1.70 CAD)	(11,190,730)	\$0.24	(\$0.32 CAD)
Exercised	(29)	\$0.20	(\$0.27 CAD)	(500,000)	\$0.19	(\$0.25 CAD)
Outstanding at September 30, 2024	35,482	\$1.90	(\$2.56 CAD)	11,556,800	\$0.38	(\$0.51 CAD)

On April 30, 2024, the Company issued 750,000 Subordinate Voting Share warrants to a third-party vendor providing advisory services. Each warrant entitles its holder to acquire one Subordinate Voting Share of the Company at an exercise price of \$0.75 CAD until November 15, 2025. The Subordinate Voting Share warrants were determined to have a fair value of \$0.04 (\$0.06 CAD) based on the services provided.

On August 21, 2024, 4,000,000 Subordinate Voting Shares warrants were granted in connection with the Promissory Note received on August 21, 2024. Each warrant entitles its holder to acquire one Subordinate Voting Share of the Company at an exercise price of \$0.25 CAD until February 21, 2026. These share purchase warrants were determined to have a value of \$44,508 (Note 9).

Subordinate Voting Share warrants issued in March 2023 related to the March 14, 2023 convertible debenture issuance during the year ended December 31, 2023. These warrants were determined to have a fair value of \$0.11 (\$0.15 CAD). 3,400,000 share purchase warrants were issued to subscribers of the convertible debenture and their value has been considered as part of the equity residual component of the instrument (Note 10(a)). 291,500 broker warrants valued at \$32,308 (\$44,188 CAD) and 41,300 advisory warrants valued at \$4,577 (\$6,261 CAD) were granted in connection with the convertible debenture offering. The valuation of the broker and advisory warrants was computed using the Black Scholes option pricing model with the following assumptions: share price of \$0.40 CAD, exercise price of \$0.50 CAD, risk-free rate of 3.72%, expected volatility of 79%, and expected life of two years.

Subordinate Voting Share warrants issued in July 2023 related to the July 20, 2023 convertible debenture issuance during the year ended December 31, 2023. These warrants were determined to have a fair value of \$0.13 (\$0.17 CAD). 2,800,000 share purchase warrants were issued to subscribers of the convertible debenture and their value has been considered as part of the equity residual component of the instrument (Note 10(b)). 274,500 broker warrants valued at \$34,712 (\$45,719 CAD) were granted in connection with the convertible debenture offering. The valuation of the broker warrants was computed using the Black Scholes option pricing model with the following assumptions: share price of \$0.40 CAD, exercise price of \$0.50 CAD, risk-free rate of 4.62%, expected volatility of 95%, and expected life of 1.65 years.



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### Reserves

As at September 30, 2024, the Company had the following reserves in equity:

	Options	Warrants	Convertible Debenture Conversion Feature	Total
	\$	\$	\$	\$
Balance, December 31, 2022	372,402	847,268	-	1,219,670
Exercise of warrants	-	(8,129)	-	(8,129)
Issuance of broker and advisory warrants	-	71,597	-	71,597
Issuance of convertible debentures	-	-	503,480	503,480
Convertible debenture transaction costs	-	-	(64,793)	(64,793)
Deferred income tax on debentures	-	-	(135,940)	(135,940)
Share-based compensation	381,172	-	-	381,172
Balance, December 31, 2023	753,574	910,736	302,747	1,967,057
Exercise of warrants	-	(31,243)	-	(31,243)
Issuance of warrants for services	-	32,972	-	32,972
Issuance of promissory note warrants	-	31,945	-	31,945
Share-based compensation	122,137	-	-	122,137
Balance, September 30, 2024	875,711	944,410	302,747	2,122,868

The option and warrant reserves are used to recognize the value of option and warrant grants respectively.

### 13. SCHEDULE OF EXPENSES

	Three months ended		For the nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	\$	\$	\$	\$
<b>(a) Research and Development</b>				
Salary and employer contributions	74,767	124,837	235,476	253,969
Share-based compensation	4,089	10,602	16,017	40,510
Subcontracts	101,705	159,960	438,991	383,564
Services	52,954	50,642	166,372	137,577
	233,515	346,041	856,856	815,620
<b>(b) Selling Expenses</b>				
Subcontracts	38,101	61,548	237,723	104,548
Services	1,171	14,377	3,251	57,064
Salary and employer contributions	63,709	105,023	188,901	226,599
Share-based compensation	4,089	10,602	16,017	40,510
Travel and entertainment	5,367	18,340	51,457	62,846
	112,437	209,890	497,349	491,567

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<b>(c) Administrative Expenses</b>				
Salary and employer contributions	100,793	284,406	312,994	497,904
Share-based compensation	25,433	57,055	90,103	241,945
Insurance	14,692	30,958	50,617	58,693
Office expenses	2,915	240	11,154	3,822
Bank charges	1,196	1,797	3,322	3,780
Professional fees	171,893	158,282	500,084	596,027
Regulatory fees	17,320	3,924	32,636	13,011
Rent	2,560	7,680	17,920	22,316
Telecommunications	1,372	2,107	4,116	7,705
Travel and entertainment	2,924	1,973	19,345	25,344
Amortization of intangible assets	235	353	942	1,060
	341,333	548,775	1,043,233	1,471,607

## 14. INCOME TAXES

The Company calculated the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. During the nine months ended September 30, 2024, the Company recognized a deferred income tax recovery of \$12,017 (2023: \$135,544).

## 15. RELATED PARTY TRANSACTIONS

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

### a) Key Management Compensation

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

	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30,</b>	<b>September 30,</b>	<b>September 30,</b>	<b>September 30,</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Salaries and short-term benefits	195,352	446,907	580,556	840,189
Professional fees	50,856	66,501	175,530	178,897
Share-based compensation	33,733	78,259	122,137	322,965
	279,941	591,667	878,223	1,342,051

### b) Other Related Party Transactions

\$102,948 in accounts payable and accrued liabilities were owing to officers and directors at September 30, 2024 (December 31, 2023: \$56,863). These amounts are unsecured, non-interest bearing and have no fixed terms of repayment. As at September 30, 2024, \$137,411 in loans receivable was owed by the Company to an officer and director (December 31, 2023: \$136,156). The loans receivable bears interest at 1.26% per annum, is due on demand and is secured by 646,946 Multiple Voting Shares of the Company.

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### 16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

#### *Fair value*

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

- Level 1 - applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 - applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- Level 3 - applies to assets or liabilities for which there are unobservable market data.

The recorded amounts of cash and cash equivalents, accounts and other receivables, loans receivable and accounts payable and accrued liabilities approximate their respective fair values due to their short-term nature. The carrying values of the promissory note and convertible debentures approximate their fair value due to minimal changes in interest rates and the Company's overall interest rate risk on the instruments.

The level within which the financial asset or financial liability is classified is determined based on the lowest level of significant input to the fair value measurement. The Company's loan receivable is categorized as Level 3.

#### *Risk Management*

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

#### *Credit Risk*

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash, accounts and other receivables and loans receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. As at September 30, 2024 and December 31, 2023, the Company is not exposed to credit risk in regard of any particular customer. The Company's loan receivable is secured by shares valued at \$575,106 as of September 30, 2024. The carrying amount of financial assets thus represent the maximum credit exposure.

#### *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company is exposed to this risk primarily through its promissory note, convertible debt and accounts payable and

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accrued liabilities. The Company's approach to managing liquidity is to maintain sufficient cash to meet obligations when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

Contractual undiscounted cash flow requirements for financial liabilities as at September 30, 2024 are as follows:

	Less than 1 year	1 – 5 years	After 5 years	Total
	\$	\$	\$	\$
Accounts payable and accruals	978,763	-	-	978,763
Promissory note	-	740,796	-	740,796
Convertible debentures	-	4,592,933	-	4,592,933
	978,763	5,333,729	-	6,312,492

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

### *Foreign Currency Risk*

Currency risk relates to the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign exchange rates. Exchange rate fluctuations affect the costs that the Company incurs in its operations.

The Company operates in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than its functional currencies. The fluctuation in foreign currencies will consequently impact the profitability of the Company and may also affect the value of the Company's assets and liabilities and the amount of shareholders' equity. At September 30, 2024, the Company held net financial assets of \$72,460 denominated in currencies other than functional currencies. A 10% change in the foreign exchange rate would result in a change in the net income for the period of approximately \$12,000.

## 17. CAPITAL MANAGEMENT

The Company includes total debt instruments and equity in its definition of capital. The Company's objectives are to preserve its ability to continue its operation to ensure its sustainability and to provide an adequate return to its shareholders, and to ensure sufficient equity financing in a way that maximizes the shareholders' return given the assumed risks of its activities. The Company may issue new shares following approval by the Board of Directors.

The Company's objectives in terms of capital management have not changed during the nine months ended September 30, 2024.

On March 15, 2022, the Company closed its qualifying transaction and became listed on the TSX Venture Exchange and is now subject to various TSXV listing requirements. The Company is not subject to any other external capital requirements as at September 30, 2024.

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### 18. SUPPLEMENTAL CASH FLOW INFORMATION

	For the nine months ended	
	September 30, 2024	September 30, 2023
Interest earned	\$ 31,676	\$ 51,086
Non-cash investing and financing activities:		
Issuance of broker and advisory warrants	-	71,597
Warrants issued in connection with promissory note	77,480	-
Shares issued for interest payments on convertible debt	448,356	-

### 19. COMMITMENTS AND CONTINGENCIES

The Company is party to certain management contracts. These contracts contain minimum termination commitments of \$213,250.

During the year ended December 31, 2023, the Company approved an exit bonus for its CEO, whereby in the event of a takeover scenario, the CEO shall receive the following remuneration:

Purchase Price	Percent of Proceeds
\$50 – \$100 million	0.5% of proceeds
\$100 – \$200 million	1% – 2% of proceeds, scaling linearly
\$200 million and above	5% of proceeds

As a triggered event has not occurred, these amounts have not been recognized in these financial statements.

### 20. SUBSEQUENT EVENTS

Subsequent to September 30, 2024, the Company reacquired 72 Multiple Voting Shares for no consideration.