Vertiqal Studios Corp.

(formerly, Gamelancer Media Corp.)

Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2025 and 2024

(Unaudited)

Vertiqal Studios Corp.
(formerly, Gamelancer Media Corp.)
Condensed Consolidated Interim Statements of Financial Position
As at March 31, 2025 and December 31, 2024
(Expressed in Canadian dollars, except number of shares - Unaudited)

	March 31, 2025	December 31, 2024
	$	$
Assets		
Current assets		
Cash	**196,171**	506,130
Receivables (Note 5)	**1,358,552**	1,338,061
Prepaid expenses and deposits	**199,566**	202,960
	1,754,289	2,047,151
Deposits	**4,425**	4,425
Property and equipment	**7,795**	8,549
Right of use asset (Note 7)	**190,896**	215,795
Intangible assets (Note 6)	**2,389,315**	2,589,276
Total Assets	**4,346,720**	4,865,196
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**2,399,307**	2,706,608
Income tax payable	**469,876**	470,058
Due to related parties (Note 18)	**291,569**	5,069
Debenture Units (Note 8)	**5,012,385**	4,675,399
Lease liability (Note 7)	**108,102**	88,871
	8,281,239	7,946,005
Promissory note (Note 9)	**159,746**	399,622
Lease liability (Note 7)	**98,082**	126,408
Private placement liability (Note 8)	**1,050,000**	350,000
Deferred tax liability	**40,611**	40,628
Total Liabilities	**9,629,678**	8,862,663
Shareholders' Equity		
Common shares (Note 11)	**59,677,290**	59,527,290
Shares to be issued (Note 11(ii))	**92,055**	173,014
Warrant reserve (Note 12)	**3,619,338**	3,619,338
Share-based benefits reserve (Note 13)	**1,928,930**	1,958,630
Accumulated other comprehensive loss	**1,114,009**	1,155,128
Accumulated deficit	**(71,714,580)**	(70,430,867)
Total Shareholders' Equity	**(5,282,958)**	(3,997,467)
Total Liabilities and Shareholders' Equity	**4,346,720**	4,865,196

General information and going concern (Note 1)
Contingent liabilities (Note 19)
Events after the reporting period (Note 20)

Vertiqal Studios Corp.
(formerly, Gamelancer Media Corp.)
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
For the three months ended March 31, 2025 and 2024
(Expressed in Canadian dollars, except number of shares - Unaudited)

	For the three months ended March 31	
	2025	**2024**
	$	$
Revenues	**705,845**	842,909
Cost of sales	**138,659**	188,064
Gross profit	**567,186**	654,845
Expenses		
Consultants and subcontractors	**609,419**	445,484
Share-based payments (Note 13)	**69,041**	-
Professional fees	**81,128**	(15,201)
General and administrative	**167,969**	229,360
Advertising and promotion	**69,304**	(10,954)
Salaries, wages and benefits	**199,382**	198,016
Depreciation and amortization (Note 6)	**225,285**	185,033
Foreign exchange loss (gain)	**106,054**	19,612
Finance costs, net (Note 14)	**219,435**	198,740
Loss on change in fair value recognized through profit and loss (Note 8)	**133,582**	-
	1,880,599	1,250,090
Loss before income taxes	**(1,313,413)**	(595,245)
Income taxes		
Current	**-**	(17,724)
Deferred	**-**	99,922
Net loss	**(1,313,413)**	(513,047)
Other comprehensive income (loss)		
Item that may be reclassified subsequently to loss:		
Exchange difference on translating foreign operations	**(41,119)**	24,850
Deferred tax	**-**	(144,056)
Total comprehensive loss	**(1,354,532)**	(632,253)
Basic and diluted loss per share	**(0.002)**	(0.001)
Weighted average number of common shares outstanding (basic and diluted)	**646,477,894**	**623,594,643**

Vertiqal Studios Corp.
(formerly, Gamelancer Media Corp.)
Condensed Consolidated Interim Statements of Changes in Shareholders’ Equity
For the three months ended March 31, 2025 and 2024
(Expressed in Canadian dollars, except number of shares - Unaudited)

	Common shares	Shares to be issued	Warrant reserve	Share-based benefits reserve	Accumulated Deficit	Other comprehensive income (loss)	Total shareholders' equity
	$	$	$	$	$	$	$
Balance, December 31, 2023	58,788,585	513,074 -	5,798,148	3,137,310	(71,522,203)	1,215,890	(2,069,196)
Issuance of common shares for second tranche of private placement (Note 11(i))	653,074	(513,074)	-	-	-	-	140,000
Issuance of common shares for finders fee	37,776	-	-	-	-	-	37,776
Share issuance Costs	(9,517)	-	-	-	-	-	(9,517)
Net loss and total comprehensive loss	-	-	-	-	(513,047)	(119,206)	(632,253)
Balance, March 31, 2024	**59,469,918**	**-**	**5,798,148**	**3,137,310**	**(72,035,250)**	**1,096,684**	**(2,533,190)**
Balance, December 31, 2024	59,527,290	173,014	3,619,338	1,958,630	(70,430,867)	1,155,128	(3,997,467)
Issuance of Restricted Share Units (RSUs) (Note 11)	150,000	(150,000)	-	-	-	-	-
Vesting of RSU Shares (Note 11)	-	69,041	-	-	-	-	69,041
Expriy of Stock Option	-	-	-	(29,700)	29,700	-	-
Net loss and total comprehensive loss	-	-	-	-	(1,313,413)	(41,119)	(1,354,532)
Balance, March 31, 2025	**59,677,290**	**92,055**	**3,619,338**	**1,928,930**	**(71,714,580)**	**1,114,009**	**(5,282,958)**

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

Vertiqal Studios Corp.
(formerly, Gamelancer Media Corp.)
Condensed Consolidated Interim Statements of Cash Flows
For the three months ended March 31, 2025 and 2024
(Expressed in Canadian dollars, except number of shares - Unaudited)

	For the three months ended March 31	
	2025	2024
	$	$
Cash flows used in operating activities		
Net loss	**(1,313,413)**	(513,047)
Adjustments for:		
Share-based payments (Note 13)	**69,041**	-
Finance costs, net (Note 14)	**216,604**	198,740
Depreciation and amortization (Note 6 & 7)	**225,285**	185,033
Unrealized foreign exchange loss	**(47,863)**	19,612
Change in fair value of debenture	**133,582**	-
Provision (benefit) for deferred taxes	**-**	(99,922)
	(716,764)	(209,584)
Changes in non-cash w orking capital items:		
Receivables	**(20,491)**	743,292
Prepaid expenses and deposits	**3,394**	137,877
Accounts payable and accrued liabilities	**(307,301)**	(838,217)
Income Tax Payable	**(199)**	18,464
Deferred revenue	**-**	(56,011)
	(1,041,361)	(204,179)
Finance costs		
Interest paid (net) (Note 14)	**2,831**	(38,541)
	(1,038,530)	(242,720)
Cash flows used in investing activities		
Restricted cash	**-**	340,000
	-	340,000
Cash flows provided from financing activities		
Repayment of promissory note (Note 9)	**(244,369)**	(205,211)
Proceeds from private placement tranche 2	**-**	168,259
Proceeds from private placement clearing	**700,000**	-
Lease payments	**(12,795)**	-
Loan from related party	**286,500**	-
	729,336	(36,952)
Net decrease in cash	**(309,194)**	60,328
Effect of foreign currency exchange rate changes on cash and cash equivalents	**(765)**	27,480
Cash, beginning of period	**506,130**	1,163,239
Cash, end of period	**196,171**	1,251,047

1. General information and going concern

General information

Gamelancer Media Corp. (formerly, Gamelancer Gaming Corp., Wondr Gaming Corp. and Transglobe Internet and Telecom Co. Ltd.) (the "Company" or "Gamelancer") was incorporated under the laws of the Province of British Columbia on June 24, 1999. The Company's principal place of business and registered office is 200-441 King Street, , Toronto, Ontario, M5V 1K4, Ontario, Canada. Gamelancer is a publicly traded company, listed on the Canadian Securities Exchange ("CSE"). Effective April 21, 2022, in connection with the acquisition of Gamelancer, Inc., the Company changed its name to Gamelancer Gaming Corp. and its CSE ticker symbol was changed to "GMNG". Effective September 27, 2022, the Company then changed its name to Gamelancer Media Corp.

Gamelancer Media Corp. is a technology and entertainment company providing direct advertising services to brands over its social media channels, with future programmatic advertising services planned as well as plans to build and acquire assets focused on Esports loyalty and rewards programs to unite the global gaming community.

Going concern

These condensed consolidated interim financial statements have been prepared on the basis that the Company will continue as a going concern, which contemplates the realization of its assets and the settlement of its liabilities in the normal course of operations for the foreseeable future. The Company incurred a net loss of $1,313,413 for the three months ended March 31, 2025 and has an accumulated deficit of $71,714,580 as at March 31, 2025. The Company has a working capital deficit of $6,526,950 at March 31, 2025. To-date, the Company has funded its operations principally through the issuance of debt and equity securities. The availability of such funding in the future is subject to uncertainty. As such, there is a material uncertainty related to these events and conditions that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

Management acknowledges that there is a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent on the Company's ability to pay its liabilities; obtaining new funding to fund operations; implement cost savings associated with managing operating expense levels, raising other equity and/or debt financings, as well as the Company's ability to maintain sufficient working capital from operations. It cannot be determined at this time whether these objectives will be realized.

Management believes that the use of the going concern assumption is appropriate for these condensed consolidated interim financial statements. If the Company were unable to continue its operations, adjustments to the carrying amounts and classification of assets and liabilities may be necessary. Such adjustments could be material to the consolidated financial statements.

2. Material accounting policies

Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard 34 *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements do not include all of the disclosures required for annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and should be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended December 31, 2024.

The condensed consolidated interim financial statements were authorized for issuance by the board of directors on May 15, 2025.

Basis of preparation

The condensed consolidated financial statements of the Company have been prepared using the same basis of presentation, accounting policies and methods of computation as those of the audited consolidated financial statements for the year ended December 31, 2024. All financial information is presented in Canadian dollars, except share and per share amounts or as otherwise noted. The functional currency of the Company and each of its subsidiaries is the Canadian dollar, except for Wondr Gaming USA Corp. and Gamelancer, Inc. for which the functional currency is the U.S. dollar.

The principal material accounting policies are set out below.

Basis of consolidation

The condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiaries:

Subsidiary	Domicile and country of incorporation
Wondr Gaming Corp.	Ontario, Canada
Enterprise Gaming Canada Inc.	Quebec, Canada
Hot Dot Media Inc.	Ontario, Canada
JoyBox Media Inc.	British Columbia, Canada
Gamelancer, Inc.	Delaware, United States of America
Wondr Gaming USA Corp.	Delaware, United States of America (incorporated on August 30, 2021)

(Expressed in Canadian dollars - Unaudited)

2. Material accounting policies *(continued from previous page)*

Basis of consolidation (continued from previous page)

On March 1, 2022, the Company acquired 100% of the issued and outstanding common shares of JoyBox Media Inc. ("JoyBox") (Note 7). On April 14, 2022, the Company acquired 100% of the issued and outstanding common shares of Gamelancer Inc.

Each subsidiary is fully consolidated from the date of acquisition, which is when the Company obtains control, and continues to be consolidated until the date when such control ceases. Control is achieved when the Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and can use its power to affect its returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate changes to one or more of the three elements of control listed above. The subsidiaries' financial statements are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

3. New standards, amendments and interpretations not yet adopted by the Company

The amended standards and interpretations that are issued, but not yet effective, have been disclosed in the Company's consolidated financial statements for the year ended December 31, 2024. The Company is currently assessing the effect of these new accounting standards and amendments. The Company intends to adopt such amended standards and interpretations, if applicable, when they become effective.

4. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors and management are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The critical accounting judgements and key sources of estimation uncertainty applicable to these condensed consolidated interim financial statements are the same as those described in the Company's annual audited consolidated financial statements for the year ended December 31, 2024.

5. Receivables

	March 31, 2025	December 31, 2024
	$	$
Trade receivables	**998,632**	1,048,819
Harmonized sales tax receivable	**359,462**	288,784
Other receivables	**458**	458
	1,358,552	1,338,061

(Expressed in Canadian dollars - Unaudited)

6. Intangible assets

In December 2023, the Company entered into an Asset Purchase Agreement with Offbeat Media Group Inc., to purchase 68 snapchat social media channels. The acquired snapchat channels met the definition of an intangible asset under IAS 38 and therefore these channels were measured at cost, $2,773,590. These channels were categorized under Customer Relationships as they are similar to assets that were purchased from Gamelancer Inc. which also were categorized under Customer Relationships in 2022. This transaction is accounted for as an asset acquisition.

	Technology	Trade Name	Customer Relationships	Total
	$			$
Cost				
Balance, December 31, 2023	787,688	18,235,100	3,897,150	22,919,938
Additions	-	-	186,722	186,722
Effect of foreign exchange rate changes	-	1,570,050	69,780	1,639,830
Balance, December 31 2024	787,688	19,805,150	4,153,652	24,746,490
Additions	-	-	-	-
Effect of foreign exchange rate changes	-	(17,550)	(780)	(18,330)
Balance, March 31 2025	**787,688**	**19,787,600**	**4,152,872**	**24,728,160**
Accumulated amortization and impairment losses				
Balance, December 31, 2023	769,421	17,856,818	1,111,943	19,738,182
Amortization	18,267	55,889	713,815	787,971
Effect of foreign exchange rate changes	-	1,540,865	90,196	1,631,061
Balance, December 31, 2024	787,688	19,453,572	1,915,954	22,157,214
Amortization	-	14,613	185,019	199,632
Effect of foreign exchange rate changes	-	(17,221)	(780)	(18,001)
Balance, March 31, 2025	787,688	19,450,964	2,100,193	22,338,845
Carrying amount				
Balance, December 31, 2024	-	351,578	2,237,698	2,589,276
Balance, March 31, 2025	**-**	**336,636**	**2,052,679**	**2,389,315**

(Expressed in Canadian dollars - Unaudited)

7. Leases

The Company’s right of use assets and lease obligations relate to the Company’s office premise.

Right of use asset	**March 31, 2025**
	$
Balance, December 31, 2023	-
Addition	224,095
Balance, December 31, 2024	224,095
Addition	-
Balance, March 31, 2025	**224,095**
	-
Accumulated depreciation	
Balance, December 31, 2023	-
Depreciation	8,300
Balance, December 31, 2024	8,300
Depreciation	24,899
Balance, March 31, 2025	**33,199**
Net balance, December 31, 2024	215,795
Net balance, March 31, 2025	**190,896**

Lease obligations	**March 31, 2025**
Balance, December 31, 2023	-
Addition	224,095
Interest accretion	1,252
Lease payments	(10,068)
Balance, December 31, 2024	215,279
Addition	-
Interest accretion	3,700
Lease payments	(12,795)
Balance, March 31, 2025	**206,184**
Current	108,102
Non-current	98,082

(Expressed in Canadian dollars - Unaudited)

8. Debenture units.

The following table summarizes the movement in the carrying value of the debt during the period:

On June 27, 2024, the Company issued unsecured convertible debentures (CD II) in the amount of $1,000,000. Each $1,000 of principal is convertible at a conversion price of $0.025 per common share and accrues interest at 15% per annum. The convertible debenture matures on June 27, 2026. For accounting purposes, the Company has designated the convertible debenture at FVTPL. The conversation feature does not meet the fixed-for-fixed criteria for the accrued interest due to the conversion price being variable. The Company does not separately account for the fair value of the conversion feature as a derivative as it has classified the entire instrument as FVTPL. The change in fair value of the debentures was $51,450 during the year ended December 31, 2024. The change in fair value in the three months ended March 31, 2025 is $nil (2024-$nil)

On September 10, 2024, the Company entered into the Amendment of the convertible debenture (CD I) with the subscribers. As a result, the agreement was modified. The amendments resulted in several changes to the terms of the debentures, among others, notably:

- Increase in interest rate from 12% to 15%;
- Maturity date changed from November 3, 2027, to September 10, 2025;
- Automatic conversion to common shares at maturity, unless the Company exercises a prepayment option.

Due to the substantial modification of the terms of an existing financial liability, it was accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similar to the above, the debenture is recorded as FVTPL. The change in fair value of the debenture was $1,267,126 during the year ended December 31, 2024. The change in fair value in the three months ended March 31, 2025 is $133,582 (2024 - $nil)

In December 2024, the Company commenced a private placement to issue unsecured convertible debentures up to an amount of $3,000,000. The Company only received first tranche of funds in December for $350,000 from one subscriber, and an additional $700,000 in funds during the first quarter of 2025, providing a total balance of $1,050,000 as of March 31, 2025. The first tranche of the debenture was closed on May 1, 2025.

	$	$
	CD I	**CD II**
Balance, December 31, 2023	4,579,822	-
Additions	-	1,000,000
Repayment	(84,894)	-
Extinguishment of convertible debt	(4,935,479)	-
Valuation of new convertible debt	2,250,000	-
Fair value Adjustment	1,267,126	(51,450)
Interest and accretion expense	573,425	76,848
Balance, December 31, 2024	3,650,000	1,025,398
Fair value Adjustment	133,582	-
Interest and accretion expense	166,418	36,987
Balance, March,31, 2025	**3,950,000**	**1,062,385**

(Expressed in Canadian dollars - Unaudited)

9. Promissory note

The following table summarizes the movement in the carrying value of the debt during the period:

	$ Debt
Balance, December 31, 2023	1,204,917
Repayment	(909,746)
Interest and accretion expense	104,900
Interest payments	(43,501)
Effect of foreign exchange rate changes	43,053
Balance, December 31, 2024	**399,622**
Repayment	(240,365)
Interest and accretion expense	9,499
Interest payments	(4,004)
Effect of foreign exchange rate changes	(5,006)
Balance, March,31, 2025	**159,746**

10. Income Taxes

The Company's effective income tax rate was 13.81% for the three months ended March 31, 2025 (March 31, 2024 – 13.81%). The effective tax rate is different than the statutory rate primarily due to the imputed interest income on intercompany balance, utilization of prior year's unrecognized net operating loss in US and not recognizing current year losses because it is not probable that future taxable profit will be available against which the Company can use the benefits.

11. Common shares

Issued

The following schedule shows the movement in common shares during the period:

	#	$
Balance, December 31, 2023	604,045,994	58,788,585
Issuance of common shares for second tranche of private placement (N	26,122,960	653,074
Issuance of common shares for finders fee (Note 11(iii))	944,400	37,776
Increase in common shares listed (Note 11 (iv))	8,666,666	-
Issuance of common shares for acquisition (Note 11(v))	5,737,200	57,372
Shares to be Issued (Note 11 (ii))	-	173,014
Issuance Costs	-	(9,517)
Balance, December 31, 2024	645,517,220	59,700,304
Issuance of common shares from RSU's (i)	1,500,000	150,000
Shares transferred from shares to be issued (i)	-	(150,000)
Shares to be Issued (ii)	-	69,041
Balance, March 31, 2025	647,017,220	59,769,345

(Expressed in Canadian dollars - Unaudited)

(i) On February 4, 2025, 1,500,000 RSU, were issued from shares to be Issued to common shares

(ii) Vesting of RSU during the quarter to shares to be issued as share based payments of $69,041.

12. Warrants

The following reconciles the warrants outstanding at the beginning and the end of the period:

	#	$
Balance, December 31, 2023	133,877,182	5,214,482
Warrants expired	(30,633,228)	(1,595,144)
Balance, December 31, 2024	103,243,954	3,619,338
Balance, March,31, 2025	**103,243,954**	**3,619,338**

	Number of warrants	Weighted average exercise price
	#	$
Balance, December 31, 2023	133,877,182	0.18
Expired	(30,633,228)	0.29
Balance, December 31, 2024	103,243,954	0.15
Balance, March,31, 2025	**103,243,954**	**0.15**

Additional information regarding warrants outstanding at March 31, 2025 follows.

	Warrants outstanding	
Exercise price	Number of warrants	Weighted average remaining contractual life
	#	(in years)
$0.07	1,197,259	0.6
$0.15	100,038,500	1.2
$0.10	2,008,195	1.2
	103,243,954	**1.2**

(Expressed in Canadian dollars - Unaudited)

13. Share-based benefits reserve

The Company has adopted a stock option plan (the "Plan") to attract, retain and motivate qualified directors, officers, employees and consultants whose present and future contributions are important to the success of Vertiqal by offering them an opportunity to participate in the entity's future performance through the award of stock options.

Each stock option converts into one common share of Vertiqal on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The total number of common shares reserved and available for grant and issuance pursuant to the Plan is equal to 10% of the issued and outstanding common shares of the Company. The following reconciles the number of share options available for grant under the Plan:

The vesting terms of options granted pursuant to the Plan are determined by the board of directors, which are to vest immediately.

The following reconciles the options outstanding at the beginning and end of the period that were granted to eligible participants pursuant to the Plan:

Total number of options reserved and available for grant and issuance under the Plan	64,701,722
Issued and outstanding at end of period	(45,773,100)
Number of options available for grant under the Plan at March 31, 2025	18,928,622

	Three months ended March 31, 2025		Year ended December 31, 2024	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
	#	**$**	#	$
Balance, beginning of period	46,503,100	0.10	42,172,600	0.17
Granted	**-**	**-**	8,448,000	0.02
Expired/Cancelled	(730,000)	0.40	(11,017,500)	0.29
Granted	**-**	**-**	6,900,000	0.025
Balance, end of period	**45,773,100**	**0.09**	46,503,100	0.10
Exercisable, end of period	**45,773,100**	**0.09**	**46,503,100**	**0.10**

(Expressed in Canadian dollars - Unaudited)

	Share options issued and outstanding	
Exercise prices	Number of options	Weighted average remaining contractual life in years
	#	#
$0.02	8,448,000	2.4
$0.025	6,900,000	2.7
$0.10	6,800,000	0.3
$0.11	4,825,100	1.2
$0.12	125,000	0.7
$0.13	13,000,000	0.6
$0.155	5,675,000	0.8
	45,773,100	1.3

During the three months ended March 31, 2025, the Company recognized share-based compensation expense of $69,041 (three months ended March 31, 2024 - $nil), presented in the line item 'share-based payments' in the condensed consolidated interim statements of loss and comprehensive loss.

14. Finance costs, net

	For the three months ended March, 31	
	2025	2024
	$	$
Interest and bank charges	**2,887**	2,439
Interest and accretion expense on promissory note	**9,499**	36,102
Interest and accretion expense on debenture units (Note 8)	**203,405**	160,356
Interest on lease	**3,699**	-
Interest income	**(55)**	(157)
	219,435	198,740

15. Capital management

The Company manages its capital to ensure it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from 2024.

The capital structure of the Company consists of net debt (comprising amounts due to related parties, deferred consideration and contingent consideration offset by cash) and equity (comprising common shares, warrant reserve, share-based benefits reserve, accumulated other comprehensive income and deficit).

(Expressed in Canadian dollars - Unaudited)

Total managed capital is as follows:

	March 31, 2025	December 31, 2024
	$	$
Amount due to relates parties	291,569	5,069
Deferred consideration	-	-
Contingent consideration	-	-
Share capital	59,769,345	59,700,304
Warrant reserve	3,619,338	3,619,338
Share-based benefit reserves	1,928,930	1,958,630
Less: cash	(196,171)	(506,130)
Total	**65,413,011**	**64,777,211**

In order to maintain or adjust its capital structure, the Company may elect to issue or repay financial liabilities, issue shares, or undertake any other activities as deemed appropriate under the specific circumstances. The Company is not subject to any externally imposed capital requirements.

16. Financial instruments

In the normal course of business, the Company is exposed to a number of risks that can affect its operating performance. These risks, and the actions taken to manage them, are described below.

Fair value

The carrying value of financial instruments classified at amortized cost (including cash, trade receivables, accounts payable and accrued liabilities and amounts due to related parties) approximate fair value due to their short-term nature.

Financial instruments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The convertible debentures (Note 8) have been classified as Level 3 in the fair value hierarchy as at March 31, 2025 and the year ended December 31, 2024.

Credit and concentration risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company does not provide any guarantees which would expose the Company to credit risk.

The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. There has been no instance of default with any counterparty since the Company's incorporation on May 6, 2019. The maximum credit exposure at March 31, 2025 is the carrying amount of cash, trade and other receivables. The Company's exposure to credit risk is considered to be low, given the size and nature of the various counterparties involved and their history of performance.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets or liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

Amounts due to related parties are non-interest bearing. Accordingly, the fair value of these financial liabilities could fluctuate because of changes in market interest rates.

(Expressed in Canadian dollars - Unaudited)

Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Ultimate responsibility for liquidity risk management rests with the management with oversight by the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash balances and borrowings, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table provides details of the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

March 31, 2025	Less than one year	Later than one year and not later than five years	Later than five years	Total
	$	$	$	$
Accounts payable and accrued liabilities	2,399,307	-	-	2,399,307
Due to related parties	291,569	-	-	291,569
Lease Liabilities	118,468	100,676	-	219,144
Promissory note	-	159,746	-	159,746
Debenture units	-	5,012,385	-	5,012,385
	2,809,344	**5,272,807**	**-**	**8,082,151**

December 31, 2024	Less than one year	Later than one year and not later than five years	Later than five years	Total
	$	$	$	$
Accounts payable and accrued liabilities	2,706,608	-	-	2,706,608
Lease liability	101,060	130,879	-	231,939
Due to related parties	5,069	-	-	5,069
Promissory note	399,622	-	-	399,622
Debenture units	5,388,801	-	-	5,388,801
	8,601,160	130,879	-	8,732,039

Foreign currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

(Expressed in Canadian dollars - Unaudited)

	March 31, 2024	December 31, 2024
	$	$
Monetary assets		
U.S. dollars	**699,467**	1,933,087
Monetary liabilities		
U.S. dollars	**(543,435)**	(346,996)

The following table details the Company's sensitivity to a 10% increase and decrease in the Canadian dollar against the U.S. dollar. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit where the Canadian dollar strengthens 10% against the U.S. dollar. For a 10% weakening of the Canadian dollar against the U.S. dollar, there would be a comparable impact on the profit, and the balances below would be opposite.

	U.S. dollar	
	2025	2024
Increase / (decrease) in profit	**(22,431)**	(228,223)

17. Segment information

The Company is engaged in a single business activity and does not have multiple operating segments. The CEO is the Company's chief operating decision-maker, as defined by IFRS 8, and all significant operating decisions are taken by the CEO. In assessing performance, the CEO reviews financial information on an integrated basis for the Company as a whole, substantially in the form of, and on the same basis as, the Company's consolidated financial statements.

Geographic information:

	Canada	United States	Total
	$	$	$
Revenue	454,855	250,990	705,845
Property and equipment	7,795	-	7,795

18. Related party transactions

Compensation of key management personnel

	March 31, 2025	March 31, 2024
	$	$
Short-term benefits	**419,839**	432,959
Share-based compensation	**-**	-
	419,839	432,959

The remuneration of key management personnel, including directors and officers, during the year was as follows:

Short-term benefits include salaries of $119,351 (2024 - $164,351) and consulting fees of $300,488 (2023 - $268,608). Consulting fees, paid to companies controlled by key management personnel, were recognized in the line item 'consultants and subcontractors' in the consolidated statements of loss and comprehensive loss. During the three months ended March 31, 2025, the Company has an amount owing due to a related party of $291,569 (2024 - $5,069)

The remuneration of key management personnel is determined by the board of directors having regard to the performance of individuals and market trends**.**

Due to related parties

Amounts due to related parties are owed to key management personnel for reimbursement of various business expenditures that such individuals made payment for on behalf of the Company. Amounts due to related parties are unsecured, non-interest bearing and payable on demand.

In February 2025, the Company received a non-interest-bearing loan from a related party in the amount of $200,000 USD.

19. Contingent liabilities

Statement of claim – July 29, 2021

On July 29, 2021, the Company received a statement of claim filed by GroupBy Inc. alleging breach of contract and unjust enrichment and seeking USD $4,136,807 plus interest and costs. The Company is contesting the claim.

On September 7, 2021, the Company filed a Statement of Defence and Counterclaim in the Ontario Superior Court of Justice against GroupBy Inc. The Company claims, among other things, GroupBy Inc.'s failure to perform the services and misrepresentation and seeks dismissal of the action. Furthermore, the Company is counterclaiming seeking damages of $400,000 plus costs for breach of contract and negligent misrepresentation.

On October 27, 2021, the Company filed a Third Party Counterclaim in the Ontario Superior Court of Justice against an individual who is a former director of the Company and the CEO of GroupBy Inc. claiming breach of fiduciary duties and duties of good faith and is seeking USD $4.1 million in damages plus costs.

As litigation is subject to many uncertainties, it is not possible to predict the ultimate outcome of this claim or to estimate the loss, if any, which may result. Accordingly, the outcome of the claim is not yet determinable, and the extent to which an outflow of funds maybe required to settle this possible obligation cannot be reliably determined.

On Jul 11, 2023, the Issuer attended a Mediation. There were no offers on the table that was settled upon at Mediation. Legal Counsel has suggested the Company to settle at $1.14M with payments spread out over time. The Company denied and as at December 31, 2023, the counter offer came down to $500,000. The offer has further come down to $200,000 in fiscal year 2024.No decisions have been made on settling.

Statement of claim – November 19, 2024

On November 19, 2024, the Company filed a claim in the Ontario Superior Court of Justice against Playground Media Corp., as well as the individuals associated with the Company. The Company is claiming damages relating to breach of contract and misuse of confidential information, among other things and seeking $4,770,000 in damages plus costs. Subsequent to year end, the Company received a defense denying all claims and allegations. The company is preparing a defense to submit.

Statement of claim – January 8, 2025

On January 8, 2025, the Company received a claim from a former consultant claiming dues for wrongful termination in the amount of $193,957. On February 18, 2025 the Company filed a statement of defense. On March 3, 2025, the Company received a reply to the statement of defense. The Company has offered to schedule a mediation in June of 2025

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20. Events after the reporting period

On May 1, 2025, the Company announced the closing of an unsecured convertible debentures for aggregate gross proceeds of $1,550,000. The debenture will mature on May 1, 2027, will bear interest at an interest rate of fifteen percent (15%) per annum. $750,000 of the principal is considered a related party transaction.