Note to Reader

Refiling of Annual Consolidated Financial Statements for the Years Ended December 31, 2023 and 2022

The annual consolidated financial statements of the Company for the years ended December 31, 2023 and December 31, 2022 appended hereto are being refiled to include a required paragraph in the Independent Auditor's Report which was not included in the consolidated financial statements filed on April 29, 2024 due to a clerical error. No other changes were made to the contents of the annual financial statements.

SPACKMAN EQUITIES GROUP INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Spackman Equities Group Inc.:

Opinion

We have audited the consolidated financial statements of Spackman Equities Group Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2023, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended December 31, 2023 and, as of that date, the Company had an accumulated deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

Valuation of investment in shares of private company

Key Audit Matter Description

As described in Notes 2, 6, and 13 to the consolidated financial statements, the Company's investment portfolio as at December 31, 2023 included investment in the shares of a private company, valued at $89,638.

The valuation of investment in shares of private company requires significant judgement and estimates by management and any significant input inaccuracies or unreasonable basis used in the valuation judgements could result in a material misstatement in the consolidated financial statements.

We considered this to be a key audit matter due to the subjective nature of certain assumptions used in valuation of the investment in shares of private company which resulted in an increased extent of audit effort, including the involvement of internal valuation experts.

Audit Response

We responded to this matter by performing procedures in relation to the valuation of investment in shares of private company. Our audit work in relation to this included, but was not restricted to, the following:

- We utilized internal valuation experts to evaluate the appropriateness of management's valuation model and certain key inputs used in the model.
- We sent third party confirmations to management of the private company to corroborate certain assumptions used by the Company's management in valuing its investments, including third-party financing raised during the year.
- We utilized financial statements of the investee company and other publicly available information to corroborate reasonableness of the overall fair value determined by management.
- We assessed the appropriateness of the disclosures relating to the assumptions used in the valuation of investment in shares of private company in the notes to the consolidated financial statements.

Other Matter

The consolidated financial statement for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on April 19, 2023.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, 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 consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ahlan Veerasamy.

MNP LLP

Toronto, Ontario
April 29, 2024

Chartered Professional Accountants
Licensed Public Accountants

SPACKMAN EQUITIES GROUP INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT

	Notes	**December 31, 2023**	December 31, 2022
ASSETS			
Cash	4	**$ 7,936**	$ 7,470
Investment in shares of public company	5	**429,740**	434,998
Investment in shares of private company	6	**89,638**	154,943
Total assets		**$ 527,314**	$ 597,411
LIABILITIES			
Accounts payable and accrued liabilities	7,11	**$ 424,425**	$ 297,362
Due to related party	11	**17,482**	17,482
Loans payable	8	**1,299,514**	1,000,790
Total liabilities		**1,741,421**	1,315,634
SHAREHOLDERS' EQUITY			
Share capital	9	**11,601,165**	11,601,165
Contributed surplus	10	**1,558,667**	1,558,667
Accumulated deficiency		**(14,373,939)**	(13,878,055)
Total shareholders' deficiency		**(1,214,107)**	(718,223)
Total shareholders' equity and liabilities		**$ 527,314**	$ 597,411

Nature of operations and Going concern (Note 1)
Subsequent event (Note 14)

Approved on Behalf of the Board

'Richard Lee' Director

'Kyoungwon Na' Director

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

SPACKMAN EQUITIES GROUP INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED

	Notes	Years Ended December 31, 2023	2022
Investment loss			
Unrealized gain (loss) on fair value of investment in shares of private company		**$ (58,079)**	$ 18,678
Unrealized loss on fair value of investment in shares of public company		**(1,641)**	(144,999)
Total loss from investments		**(59,720)**	(126,321)
Expenses			
General and administrative	11	**468,840**	184,881
Interest and penalties	8	**45,096**	63,329
Loss (gain) on foreign currency		**(8,479)**	42,420
Accretion expense		**31,689**	16,516
Fair value adjustment on loans payable		**(100,982)**	-
Total expenses		**436,164**	307,146
Loss before income tax		**(495,884)**	(433,467)
Other income		**-**	34,250
Net loss and comprehensive loss for the year		**$ (495,884)**	$ (399,217)
Net loss per share			
Basic and fully diluted loss per share		**$ (0.03)**	$ (0.03)
Weighted average number of shares outstanding basic and fully diluted		**14,889,972**	14,889,972

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

SPACKMAN EQUITIES GROUP INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	Share capital				
	Common shares	Amount	Contributed surplus	Accumulated deficit	Total
Balance, January 1, 2022	14,889,972	$11,601,165	$ 1,558,667	$ (13,478,838)	$ (319,006)
Net loss and comprehensive loss for the year	-	-	-	(399,217)	(399,217)
Balance, December 31, 2022	14,889,972	$11,601,165	$ 1,558,667	$ (13,878,055)	$ (718,223)
Balance, January 1, 2023	14,889,972	$11,601,165	$ 1,558,667	$ (13,878,055)	$ (718,223)
Net loss and comprehensive loss for the year	-	-	-	(495,884)	(495,884)
Balance, December 31, 2023	14,889,972	$11,601,165	$ 1,558,667	$ (14,373,939)	$ (1,214,107)

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

SPACKMAN EQUITIES GROUP INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED

	Notes	Years Ended December 31, 2023	2022
OPERATING ACTIVITIES			
Net loss for the year		**$ (495,884)**	$ (399,217)
Adjustments not affecting cash:			
Unrealized loss (gain) on fair value of investment in shares of private company	6	**58,079**	(18,678)
Unrealized loss on fair value of investment in shares of public company	5	**1,641**	144,999
Fair value adjustment of loans payable		**(100,982)**	-
Accretion expense		**31,689**	16,516
Foreign exchange (gain)/loss		**(14,901)**	40,389
		(520,358)	(215,991)
Changes in non-cash working capital			
Accounts payable and accrued liabilities		**127,063**	62,593
Cash used in operating activities		**(393,295)**	(153,398)
FINANCING ACTIVITIES			
Proceeds from loan payable	8	**393,761**	87,872
Cash provided by financing activities		**393,761**	87,872
Net increase (decrease) in cash		**466**	(65,526)
Cash, beginning of year		**7,470**	72,996
Cash, end of year		**$ 7,936**	$ 7,470

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Spackman Equities Group Inc. (the "Company" or "SEGI") was incorporated on May 18, 2006 under the Canada Business Corporations Act and its shares are publicly traded on the TSX Venture Exchange ("TSXV") under the symbol SQG.

SEGI carries on the business of identifying and investing into or acquiring small/medium sized growth companies. The Company focuses on investing into or acquiring growth companies in Asia, principally in the Republic of Korea ("Korea") at attractive valuations, building a diversified portfolio of such growth companies and, ultimately, delivering the collective value derived from the performance of these businesses to the shareholders.

These consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has not yet realized profitable operations and has incurred significant losses to date resulting in a cumulative deficit of $14,373,939 as at December 31, 2023 (December 31, 2022 - $13,878,055). Management believes that it has the ability to raise the required additional funding to operate the business. While management has been historically successful in raising the necessary capital, it cannot provide assurance that it will be able to execute on its business strategy or be successful in future financing activities. These events represent material uncertainties which may cast significant doubt on the Company's ability to continue as a going concern. As at December 31, 2023, the Company had assets of $527,314 (December 31, 2022 - $597,411) to cover liabilities of $1,741,421 (December 31, 2022 - $1,315,634).

The Company and Crystal Planet Limited ("CPL") entered into a definitive share exchange agreement on February 6, 2023 (the "Agreement") pursuant to which the Company will acquire all of the issued and outstanding shares in the capital of CPL from Spackman Media Group Limited (the "Vendor"). The Transaction involves share-based consideration only. Prior to completion of the Transaction, the Company will complete a share consolidation on the basis of five (5) pre-consolidation common shares for every one (1) post-consolidation common share (the "Consolidation").

On August 4, 2023, the Company and CPL have agreed to amend the share exchange agreement, including identifying the Directors and officers of the Company after the transaction, the foreign exchange ratio for the formula which determines the Vendors receipt of common shares of the Company, and the calculation of the Concurrent Financing, which is (i) a brokered private placement financing (the "SQG Concurrent Financing") by Hampton Securities Limited (the "Agent"), of subscription receipts of the Company (the "Subscription Receipts") at a post-Consolidation price of CAD$0.20 (US$0.15) per Subscription Receipt; and (ii) a non-brokered private placement of ordinary shares of the Target at a price of US$2.72 per ordinary share (the "CPL Concurrent Financing"), for aggregate gross proceeds from the sale of the Subscription Receipts and the ordinary shares of the Target of a minimum of US$3,400,000 and a maximum of US$20,000,000 (collectively, the "Concurrent Financing").

2. BASIS OF PRESENTATION

Investment Entity Status

The Company does not qualify as an investment entity as the concentration of its investments is not sufficiently diversified. The Company considers itself to be a venture capital organization. It is determined that the company's main investee company, Spackman Entertainment Group Limited (SEGL), is considered an investment, as the Company is considered not to have significant influence over it. This investment is accounted for as a financial instrument under IFRS 9 at fair value through profit and loss.

2. BASIS OF PRESENTATION (Cont'd)

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements of the Company for the years ended December 31, 2023 and 2022 were approved and authorized for issue by the Board of Directors on April 29, 2024.

Basis of measurement and functional currency

The consolidated financial statements are presented in Canadian dollars and have been prepared on the historical cost basis except for financial instruments measured at fair value through profit or loss. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The Company and its subsidiary's functional currency is the Canadian dollar.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, SEGI Investments Limited, a BVI company, which is inactive. A subsidiary is an entity in which the Company has control, directly or indirectly, where control is determined based on whether the company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

New Standards, Interpretations, and Amendments:

The Company has adopted all new and revised standards and interpretations issued by the IASB that are relevant to its operations and effective for financial periods beginning on or after a specified date.

The key standards, interpretations, and amendments that have been adopted are listed, with a brief description of their nature.

Basis of Preparation Under IAS 8

Under IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, the company selects and applies its accounting policies consistently for similar transactions, other events, and conditions.

Any changes in accounting policies are applied retrospectively, except when impractical, with adjustments made to the opening balance of retained earnings and other components of equity as of the earliest period presented.

Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Impact of IAS 12 - Income Taxes:

Recognition of Deferred Tax

The company recognizes deferred tax liabilities and assets for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Any impact due to changes in tax rates or tax laws, or due to reassessment of the recoverability of deferred tax assets, is reported in the period in which the change occurs.

2. BASIS OF PRESENTATION (Cont'd)

Current Tax

The company measures current tax liabilities and assets based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

No Significant Impact

The adoption of new or revised standards, interpretations, or amendments, including those related to IAS 12, has not had a significant impact on the company's interim financial statements.

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of the valuation of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant areas of financial reporting that require management's estimates and judgments are as follows:

Fair value of investment in private companies or securities not quoted in an active market

Where the fair values of financial assets and financial liabilities recorded on the consolidated statements of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. All privately held investments are initially recorded at the transaction price, being the fair value at the time of acquisition.

Share-based payments

In calculating the stock-based compensation expense, key estimates such as the rate of forfeiture of options granted, the expected life of the option, the volatility of the Company's stock price and the risk-free interest rate are used. Certain of the inputs are estimates which involve considerable judgement and are, or could be, affected by significant factors that are out of the Company's control. For example, a longer expected life of the option or a higher volatility used would result in an increase in the option value.

Deferred income tax assets

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

3. MATERIAL ACCOUNTING POLICIES

Investment Income

Purchases and sales of investments are recognized on the settlement date. Realized gains and losses on disposal of investments in shares of public and private companies and unrealized gains and losses in the value of investments in shares of public and private companies are reflected in the consolidated statements of loss and comprehensive loss.

Other income

Other income includes interest earned on invested funds, or other services provided.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Financial instruments

Financial assets

Recognition and initial measurement

The Company recognizes financial assets when it becomes party to the contractual provisions of the instrument. Financial assets are measured initially at their fair value plus, in the case of financial assets not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Transaction costs attributable to the acquisition of financial assets subsequently measured at fair value through profit or loss are expensed in the consolidated statements of loss and comprehensive loss when incurred.

Classification and subsequent measurement

On initial recognition, financial assets are classified as subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). The Company determines the classification of its financial assets, together with any embedded derivatives, based on the business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets are classified as follows:

- Amortized cost - Assets that are held for collection of contractual cash flows where those cash flows are solely payments of principal and interest are measured at amortized cost. Interest revenue is calculated using the effective interest method and gains or losses arising from impairment, foreign exchange and derecognition are recognized in the consolidated statements of loss and comprehensive loss.

- Fair value through other comprehensive income - Assets that are held for collection of contractual cash flows and for selling the financial assets, and for which the contractual cash flows are solely payments of principal and interest, are measured at fair value through other comprehensive income. Interest income calculated using the effective interest method and gains or losses arising from impairment and foreign exchange are recognized in the consolidated statements of loss and comprehensive loss. All other changes in the carrying amount of the financial assets are recognized in other comprehensive income. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to the consolidated statements of loss and comprehensive loss. The Company does not hold any financial assets measured at fair value through other comprehensive income.

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

- Mandatorily at fair value through profit or loss - Assets that do not meet the criteria to be measured at amortized cost, or fair value through other comprehensive income, are measured at fair value through the consolidated statements of loss and comprehensive loss. All interest income and changes in the financial assets' carrying amount are recognized in profit or loss. Financial assets mandatorily measured at fair value through profit or loss are comprised of cash, investment in shares of public companies, and investment in shares in private companies.
- Designated at fair value through profit or loss – On initial recognition, the Company may irrevocably designate a financial asset to be measured at fair value through profit or loss in order to eliminate or significantly reduce an accounting mismatch that would otherwise arise from measuring assets or liabilities, or recognizing the gains and losses on them, on different bases. All interest income and changes in the financial assets' carrying amount are recognized in the consolidated statements of loss and comprehensive loss. The Company does not hold any financial assets designated to be measured at fair value through profit or loss.

Business model assessment

The Company assesses the objective of its business model for holding a financial asset at a level of aggregation which best reflects the way the business is managed, and information is provided to management. Information considered in this assessment includes stated policies and objectives.

Contractual cash flow assessment

The cash flows of financial assets are assessed as to whether they are solely payments of principal and interest on the basis of their contractual terms. For this purpose, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money, the credit risk associated with the principal amount outstanding, and other basic lending risks and costs. In performing this assessment, the Company considers factors that would alter the timing and amount of cash flows such as prepayment and extension features, terms that might limit the Company's claim to cash flows, and any features that modify consideration for the time value of money.

Impairment

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than financial assets measured at fair value through profit or loss. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

The Company groups its financial assets into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1– Receivables that have not experienced a significant increase in credit risk since initial recognition;

Stage 2– Receivables that have experienced a significant increase in credit risk since initial recognition;

Stage 3 – Receivables for which there is objective evidence of impairment.

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

Significant increase in credit risk

The Company has established a policy to assess, at the end of each reporting period, whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. IFRS 9 provides a rebuttable presumption that a significant increase in credit risk ("SICR") has occurred if contractual payments are more than 30 days past due. The Company has not rebutted this presumption. Additional risk factors may be considered such as changes in financial condition of the borrower and other borrower specific information and other forward looking information.

Definition of default

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments. In certain other cases, where qualitative thresholds indicate unlikeliness to pay as a result of a credit event, the Company carefully considers whether the event should result in an assessment at Stage 2 or 3 for ECL calculations.

The Company applies the simplified approach for other receivable. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

The Company assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts and breaches of borrowing contracts such as default events or breaches of borrowing covenants. For financial assets assessed as credit-impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses.

For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the consolidated statements of financial position as a deduction from the gross carrying amount of the financial asset.

Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof.

Derecognition of financial assets

The Company derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire.

Financial liabilities

Recognition and initial measurement

The Company recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in the consolidated statements of loss and comprehensive loss.

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

Classification and subsequent measurement

Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest rate method. Interest, gains and losses relating to a financial liability are recognized in the consolidated statements of loss and comprehensive loss.

The financial instruments of the Company were classified as follows:

	IFRS 9	
	Classification	**Measurement**
Cash	FVTPL	Fair value
Investment in shares of public company	FVTPL	Fair value
Investment in shares of private company	FVTPL	Fair value
Loan payable	Other financial liabilities	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

Derecognition of financial liabilities

The Company derecognizes a financial liability only when its contractual obligations are discharged, cancelled or expire.

Cash

Cash include cash on hand and in banks currently held by financial institutions with high credit worthiness.

Investments in shares of public company

Investments in shares of public company are measured at fair value and recognized on the trade date. The fair value of publicly traded securities is determined using quoted market prices. Realized and unrealized gains and losses are recognized using average cost. Gains and losses in the changes on fair value of investments in shares of public company are recognized in the consolidated statements of loss and comprehensive loss.

Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in the consolidated statements of loss and comprehensive loss except to the extent that it relates to a business combination or to items recognized directly in equity or in other comprehensive loss. In this case, the tax is also recognized directly in equity or in other comprehensive loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the reporting date in the countries in which the Company operates, and any adjustment to tax payable in respect of previous years.

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill, and when differences that at the time of the transaction, does not give rise to equal taxable and deductible temporary differences. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

In the ordinary course of business, there are many transactions for which the ultimate tax outcome is uncertain. The final tax outcome of these matters may be different from the estimates originally made by management in determining income tax provisions. Management periodically evaluates the positions taken in the Company's tax returns with respect to situations in which applicable tax rules are subject to interpretation. A provision is established related to tax uncertainties where appropriate based on management's best estimate of the amount that will ultimately be paid to or received from tax authorities.

Foreign currency translation

Transactions denominated in foreign currencies are translated to the respective functional currencies of the Company's entity at exchange rates in effect at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate prevailing at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate in effect at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate prevailing at the date that the fair value was determined. Non-monetary items denominated in a foreign currency that are measured based on historical cost are translated using the exchange rate in effect at the date of the transaction.

Foreign currency differences arising on translation of foreign currency balances into the functional currency are recognized in the consolidated statements of loss and comprehensive loss.

(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Stock-based compensation

The Company issues share-based awards to its officers and directors. The awards are comprised of equity settled stock options. Fair values of stock options are calculated using the Black-Scholes option pricing model at the date of the grant and adjusted for estimated forfeitures. For awards with graded vesting, the fair value of each tranche is calculated separately and recognized over its respective vesting period. Nonmarket vesting conditions are considered in making assumptions about the number of awards that are expected to vest. At each reporting date, the Company will reassess its estimates of the number of awards that are expected to vest and recognize the impact of any revision in the consolidated statements of loss and comprehensive loss with a corresponding adjustment to contributed surplus.

Any consideration paid on exercise of stock options or purchase of shares, together with the amount initially recorded in contributed surplus, is credited to share capital. When options expire, their grant date fair value is kept in contributed surplus.

Net income (loss) per share

Basic income (loss) per common share is calculated by dividing net income (loss) by the weighted average number of common shares outstanding during the year. Diluted income (loss) per share is calculated using a common share balance increased by the number of common shares that could be issued on the exercise of outstanding options of the Company. Diluted income (loss) per share for the years presented does not include the effect of stock options as they are anti-dilutive.

4. CASH

The Company's cash consist of the following:

	December 31, 2023	December 31, 2022
Cash held in banks	**$ 7,936**	$ 7,470

5. INVESTMENT IN SHARES OF PUBLIC COMPANY

	December 31, 2023	December 31, 2022
Spackman Entertainment Group Limited (SEGL)	**$ 429,740**	$ 434,998

The Company owns 7.82% (December 31, 2022 - 7.82%) of SEGL, and based on the December 31, 2023 closing price of SEGL's shares on the Singapore Exchange ("SGX") of Singapore dollars ("SGD") $0.003 and CAD $0.003 per share (December 31, 2022 - SGD $0.003 and CAD $0.003 per share), the market value of the Company's stake in SEGL is SGD $429,128 (CAD $429,943) (December 31, 2022 - CAD $434,998). The fair value was determined based on quoted prices in active markets (Level 1).

(Expressed in Canadian Dollars)

6. INVESTMENT IN SHARES OF PRIVATE COMPANY

The Company has historically made investments in private companies through equity and debt investments. Due to uncertainty surrounding these investments, the Company historically wrote down these investments to a nominal value. The Company considers these investments, which were written down in the past, to still be impaired during the current period.

During the year ended December 31, 2017, the Company purchased 130,000 common voting shares of Spackman Media Group Limited (SMGL) for USD $390,000 (CAD $491,595), or USD $3.00 (CAD $3.78) per common share, from an unrelated shareholder of SMGL. The fair value of the investment is based on a independent, third party valuator as discussed in Note 13.

The Company owns 0.41% (December 31, 2022 - 0.41%) of SMGL and the fair value of the Company's stake in SMGL is USD $67,600 (CAD $89,638) (December 31, 2022 - USD $114,400 (CAD $154,943)). The gain (loss) in the fair value of SMGL for the period was ($58,079) (December 31, 2022 -$18,678) and was recognized in the consolidated statements of loss and comprehensive loss.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		December 31, 2023		December 31, 2022
Accounts payable	**$**	**110,183**	$	83,402
Accrued expenses		**314,242**		213,960
	$	**424,425**	$	297,362

Accounts payable and accrued liabilities are current obligations expected to be settled in the normal course of operations.

8. LOANS PAYABLE

On August 9, 2017 the Company borrowed USD $400,000 (CAD $504,200) from an unrelated third party, on an unsecured basis for a term of one (1) year at an interest rate of 5% per annum. On June 12, 2019 the Company made a repayment of USD $375,000 (CAD $513,210). The balance as at December 31, 2023 is USD $25,000 (CAD $33,065) and accrued interest expense was $1,687 for the year ended December 31, 2023, respectively (December 31, 2022 - $1,627). On maturity, the loan has been extended on three occasions for additional one-year terms. On August 8, 2023, the loan was extended again for an additional one year term to August 8, 2024. Total accrued interest as at December 31, 2023 was $55,658.

On June 10, 2019 the Company borrowed USD $400,000 (CAD $519,520) from an unrelated third party, on an unsecured basis for a term of one (1) year at an interest rate of 4% per annum. On September 25, 2020 the Company made a portion repayment of USD $218,000 (CAD $290,520). The balance as at December 31, 2023 is USD $182,000 (CAD $240,713) and accrued interest expense was $9,840 for the year ended December 31, 2023, respectively (December 31, 2022 - $9,480). On maturity, the loan has been extended on three occasions for additional term. On June 10, 2023, the loan was extended again for an additional one year term to June 10, 2024. Total accrued interest as at December 31, 2023 was $58,958.

On August 12, 2020 the Company borrowed SGD $400,000 (CAD $390,520) from an unrelated third party, on an unsecured basis for a term of one (1) year at an interest rate of 5% per annum. The balance as at December 31, 2023 is SGD $400,000 (CAD $400,760) and accrued interest expense was $20,038 for the year ended December 31, 2023, respectively (December 31, 2022 - $18,884). On maturity, the loan has been extended on two occasions for additional term. On August 11, 2023, it was extended again for an additional one year term to August 11, 2024. Total accrued interest as at December 31, 2023 was $60,114.

8. LOAN PAYABLE (Cont'd)

On August 12, 2020 the Company borrowed SGD $96,000 (CAD $93,725) from an unrelated third party, on an unsecured basis for a term of one (1) year at an interest rate of 5% per annum. The balance as at December 31, 2023 is SGD $96,000 (CAD $96,182) and accrued interest expense was $4,809 for the year ended December 31, 2023, respectively (December 31, 2022 - $4,520). On maturity, the loan has been extended on two occasions for additional term. On August 11, 2023, it was extended again for an additional one year term to August 11, 2024. Total accrued interest as at December 31, 2023 was $14,401.

On April 29, 2021 the Company borrowed USD $20,000 (CAD $24,992) from a related party, on an unsecured basis with maturity date December 31, 2022 at an interest rate of 2% per annum. On June 10, 2021 the Company made a portion repayment of USD $14,960 (CAD $18,143). On December 31, 2022, the maturity date of the loan payable by the Company was extended to December 31, 2023 and on December 31, 2023, it was extended to December 31, 2024. The amortized cost of the loan after extension as at December 31, 2023 was $5,583 (December 31, 2022 - $6,391). Accrued interest expense was $135 for the year ended December 31, 2023, respectively (December 31, 2022 - $130). Total accrued interest as at December 31, 2023 was $400.

On August 24, 2021 the Company borrowed USD $50,000 (CAD $63,015) and on November 23, 2021 USD $50,000 (CAD $62,850) from a related party, on an unsecured basis with maturity date December 31, 2022 at an interest rate of 2% per annum. On December 31, 2022, the maturity date of the loan payable by the Company was extended to December 31, 2023 and on December 31, 2023, it was extended to December 31, 2024. The amortized cost of the loans after extension as at December 31, 2023 was $113,921 (December 31, 2022 - $135,440). Accrued interest expense was $2,699 for the year ended December 31, 2023, respectively (December 31, 2022 - $2,602). Total accrued interest as at December 31, 2023 was $5,896.

The interest rate for the 2021 loans payable were determined to be below market. The initial fair value of the loans payable was $134,734 which was determined using an estimated discount rate of 13%. The difference between the principal and the fair value of the loans has been recorded as a fair value change in loans payable cost on the consolidated statements of loss and comprehensive loss for the year ended December 31, 2021. The amortized cost of the 2021 loans as at December 31, 2023 after the extension was $119,504 (December 31, 2022 - $141,831), which was determined using an estimated discount rate of 17%. Total accrued interest expense was $2,834 for the year ended December 31, 2023, respectively (December 31, 2022 - $2,732).

On February 25, 2022 the Company borrowed USD $35,000 (CAD $44,506) from a related party, on an unsecured basis with maturity date December 31, 2023 at an interest rate of 2% per annum. On December 31, 2023, the maturity date of the loan payable by the Company was extended to December 31, 2024. The amortized cost of the loan after extension as at December 31, 2023 was $39,083 (December 31, 2022 - $47,404). Accrued interest expense was $945 for the year ended December 31, 2023, respectively (December 31, 2022 - $778). Total accrued interest as at December 31, 2023 was $1,710.

On July 12, 2022 the Company borrowed USD $20,000 (CAD $25,884) from a related party, on an unsecured basis with maturity date December 31, 2023 at an interest rate of 2% per annum. On December 31, 2023, the maturity date of the loan payable by the Company was extended to December 31, 2024. The amortized cost of the loan as at December 31, 2023 was $22,333 (December 31, 2022 - $27,088). Accrued interest expense was $540 for the year ended December 31, 2023, respectively (December 31, 2022 - $250). Total accrued interest as at December 31, 2023 was $778.

Initial recognition of the below-market interest rate 2022 loans payable were measured in accordance with IFRS 9 (Financial Instruments), which requires these loans to be initially measured at its fair value. Fair value has been calculated as the present value of the expected future cash flows discounted using a market-related interest rate (determined to be 13% in 2022, and 17% for the extended loans in 2023). The difference between fair value and the transaction price was determined to be immaterial.

8. LOAN PAYABLE (Cont'd)

On January 20, 2023 the Company borrowed USD $25,000 (CAD $33,555) from a related party, on an unsecured basis with maturity date December 31, 2023 at an interest rate of 2% per annum. On December 31, 2023, the maturity date of the loan payable by the Company was extended to December 31, 2024. The amortized cost of the loan after the extension as at December 31, 2023 was $27,928. Accrued interest expense was $638 and accretion expense were $4,975 for the year ended December 31, 2023, respectively. Total accrued interest as at December 31, 2023 was $625.

On February 8, 2023 the Company borrowed USD $25,000 (CAD $33,625) from a related party, on an unsecured basis with maturity date February 7, 2024 at an interest rate of 2% per annum. The amortized cost of the loan as at December 31, 2023 was $32,485. Accrued interest expense was $603 and accretion expense $4,636 for the year ended December 31, 2023, respectively. Total accrued interest as at December 31, 2023 was $591.

On March 14, 2023 the Company borrowed USD $45,000 (CAD $61,569) from a related party, on an unsecured basis with maturity date March 13, 2024 at an interest rate of 2% per annum. The amortized cost of the loan as at December 31, 2023 was $57,542. Accrued interest expense was $972 and accretion expense $7,419 for the year ended December 31, 2023, respectively. Total accrued interest as at December 31, 2023 was $952.

On April 20, 2023 the Company borrowed USD $20,000 (CAD $26,970) from a related party, on an unsecured basis with maturity date April 19, 2024 at an interest rate of 2% per annum. The amortized cost of the loan as at December 31, 2023 was $25,127. Accrued interest expense was $374 and accretion expense was $2,841 for the year ended December 31, 2023, respectively. Total accrued interest as at December 31, 2023 was $368.

On June 6, 2023 the Company borrowed USD $38,000 (CAD $50,494) from a related party, on an unsecured basis with maturity date June 5, 2024 at an interest rate of 2% per annum. The amortized cost of the loan as at December 31, 2023 was $46,696. Accrued interest expense was $579 and accretion expense was $4,391 for the year ended December 31, 2023, respectively. Total accrued interest as at December 31, 2023 was $576.

On June 28, 2023 the Company borrowed USD $14,800 (CAD $19,742) from a related party, on an unsecured basis with maturity date December 31, 2024 at an interest rate of 2% per annum. The amortized cost of the loan as at December 31, 2023 was $16,526. Accrued interest expense was $204 and accretion expense was $1,390 for the year ended December 31, 2023, respectively. Total accrued interest as at December 31, 2023 was $199.

On July 20, 2023 the Company borrowed USD $24,000 (CAD $31,610) from a related party, on an unsecured basis with maturity date December 31, 2024 at an interest rate of 2% per annum. The amortized cost of the loan as at December 31, 2023 was $26,798. Accrued interest expense was $290 and accretion expense was $1,996 for the year ended December 31, 2023, respectively. Total accrued interest as at December 31, 2023 was $285.

(Expressed in Canadian Dollars)

8. LOAN PAYABLE (Cont'd)

On September 5, 2023 the Company borrowed USD $50,000 (CAD $68,135) from a related party, on an unsecured basis with maturity date September 4, 2024 at an interest rate of 2% per annum. The amortized cost of the loan as at December 31, 2023 was $58,938. Accrued interest expense was $431 and accretion expense was $3,143 for the year ended December 31, 2023, respectively. Total accrued interest as at December 31, 2023 was $420.

On November 15, 2023 the Company borrowed USD $20,000 (CAD $27,350) from an unrelated third party, on an unsecured basis with maturity date December 31 2024 at an interest rate of 2% per annum. The amortized cost of the loan as at December 31, 2023 was $22,331. Accrued interest expense was $69 and accretion expense was $478 for the year ended December 31, 2023, respectively. Total accrued interest as at December 31, 2023 was $67.

On December 11, 2023 the Company borrowed USD $30,000 (CAD $40,710) from an unrelated third party, on an unsecured basis with maturity date December 31 2024 at an interest rate of 2% per annum. The amortized cost of the loan as at December 31, 2023 was $33,500. Accrued interest expense was $44 and accretion expense was $316 for the year ended December 31, 2023, respectively. Total accrued interest as at December 31, 2023 was $43.

The interest rate for the 2023 loans payable were determined to be below market. Fair value has been calculated as the present value of the expected future cash flows discounted using a market-related interest rate in accordance with IFRS 9 (Financial Instruments). The initial fair value of the loans payable obtained during 2023 was $328,873 which was determined using an estimated discount rate of 17%. The difference between the principal and the fair value of the loans of $65,150 has been recorded as an unrealized gain from fair value change in loans cost of the loans obtained during 2023 on the consolidated statements of loss and comprehensive loss for the period ended December 31, 2023. $35,832 has been recorded as an unrealized gain from fair value change in loans cost of the loans extended during 2023 on the consolidated statements of loss and comprehensive loss for the period ended December 31, 2023. Subsequent measurement is at amortized cost for these loans.

9. SHARE CAPITAL

(a) Authorized:

An unlimited number of common shares

(b) Issued and outstanding

On August 13, 2021, the Company executed the consolidation of the outstanding common shares on the basis of ten existing common shares for one new common share. This resulted in a reduction of outstanding shares from 148,900,183 to 14,889,972 (subject to fractional rounding), the prior year presentation in the consolidated financial statements has been restated.

	Number of Shares	Amounts
Balance, December 31, 2021, 2022 and 2023	14,889,972	$ 11,601,165

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (Cont'd)

(c) Stock options

The Company has an incentive stock option plan for the officers and directors enabling them to purchase common shares. Each option granted under the plan is for a maximum term of 5 years. The exercise price is determined by the Company's board of directors at the time the option is granted, subject to regulatory approval, and may not be less than the most recent closing price of the common shares at the date of grant. Vesting provisions are also determined at the time of grant by the Company's board of directors.

During the year ended December 31, 2023 and year ended December 31, 2022, no options were granted.

10. CONTRIBUTED SURPLUS

The December 31, 2023 contributed surplus of the Company was $1,558,667 (December 31, 2022 - $1,558,667). The contributed surplus resulted from the fair market value of stock options granted through 2007 - 2014.

11. RELATED PARTY TRANSACTIONS

The following related party transactions occurred and were reflected in general and administrative expense in the consolidated financial statements during the years ended December 31, 2023 and 2022 as follows:

REMUNERATION OF KEY PERSONNEL

	December 31,	
	2023	2022
Management consulting fees	$ 107,894	$ 70,633
Directors' fees	7,500	7,500

Key management personnel are those individuals having authority and responsibility for planning, directing and controlling the activities of the Company and its subsidiary including the Company's Board of Directors. The Company considers key management to be the members of the Board of Directors, the Chief Executive Officer and the Chief Financial Officer. Transactions with related parties are incurred in the normal course of operations and initially recorded at fair value.

Included in accounts payable and accrued liabilities are consulting and directors' fees of $53,175 and $15,000 (December 31, 2022 - $24,462 and $7,500) to companies controlled by officers, directors and chief financial officer in common with the Company.

At period end, the Company owes $17,482 to a related party (December 31, 2022 - $17,482).

The amortized cost of loans payable to related parties as at December 31, 2023 was $472,961 with accrued interest of $12,801.

(Expressed in Canadian Dollars)

12. INCOME TAXES

(a) Income tax expense

The reconciliation of income taxes attributable to operations computed at the combined statutory income tax rate of 26.5% (2022 - 26.5%) to income tax recovery is as follows:

		December 31, 2023		December 31, 2022
Net loss before recovery of income taxes	**$**	**(495,884)**	$	(399,217)
Expected income tax (recovery) expense		**(131,410)**		(105,793)
True-Ups and other adjustments		**(85,970)**		-
Non-deductible expenses		**48,320**		44,477
Unrealized foreign exchange		**-**		-
Change in tax benefits not recognized		**169,060**		61,316
Income tax (recovery) expense	**$**	**-**	$	-

(b) Deferred income taxes

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts for tax purposes. The significant components of the Company's deferred income taxes are as follows:

		December 31, 2023		December 31, 2022
Deferred Tax Assets				
Non-capital losses carried forward	**$**	**12,823**	$	-
Deferred Tax Liabilities				
Unrealized FX Gains or Losses On Loans		**(12,823)**		-
Net deferred tax asset	**$**	**-**	$	-

Unrecognized deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

		December 31, 2023		December 31, 2022
Property, plant and equipment	**$**	**-**	$	40,520
Investments		**2,105,370**		2,145,631
Loans		**-**		65,686
Intercompany loan		**436,770**		436,760
Non-capital losses carried forward		**8,052,790**		7,219,975
Capital losses carried forward		**86,960**		86,960

(Expressed in Canadian Dollars)

12. INCOME TAXES (Cont'd)

(c) Tax loss carry-forwards

The Company has approximately $8,065,450 (2022 - $7,219,975) of non-capital losses as at December 31, 2023 available to be carried forward against future taxable income. These non-capital losses will expire as follows:

2026	$ 56,020
2027	73,320
2028	162,470
2029	140,780
2030	329,810
2031	450,290
2032	359,540
2033	617,450
2034	1,670,590
2035	1,403,590
2036	635,420
2037	509,480
2038	313,740
2039	266,110
2040	220,270
2041	252,120
2042	247,590
2043	356,860
	$ 8,065,450

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's significant financial instruments comprise of cash, investments in shares of private and public companies, loans payable and accounts payable and accrued liabilities.

The Company classifies financial instruments in accordance with a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability;

Level 3 Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

(Expressed in Canadian Dollars)

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value at the various reporting dates:

December 31, 2023

Recurring fair value measurements	Level 1	Level 2	Level 3	Total
Cash	$ 7,936	$ -	$ -	$ 7,936
Investment in shares of public company	429,740	-	-	429,740
Investment in shares of private company	-	-	89,638	89,638
	$ 437,676	$ -	$ 89,638	$ 527,314

December 31, 2022

Recurring fair value measurements	Level 1	Level 2	Level 3	Total
Cash	$ 7,470	$ -	$ -	$ 7,470
Investment in shares of public company	434,998	-	-	434,998
Investment in shares of private company	-	-	154,943	154,943
	$ 442,468	$ -	$ 154,943	$ 597,411

The Company measures its investment in private companies as a Level 3 disclosure. At year end, the investment is carried at fair value. The fair value of the investment is based on an independent, third party valuator. The valuator determined that the discounted cash flow method ("DCF") (specifically debt-free cash flow) was selected as the most appropriate methodology in valuation of SMGL. To calculate the net present value of future cash flows using the Discounted Cash Flow method (DCF), the Weighted Average Cost of Capital (WACC) was determined by the valuator. The Size Premium according to Capital Asset Pricing Model (CAPM) and the Build-up Method was used to calculate the cost of equity and the WACC is calculated based on the target capital structure of the invested company.

The following table summarizes the structure of the invested company.

Factors	Rate	Description
Risk Free Rate	3.18%	Bloomberg data as of 31 Dec 2023
Equity Risk Premium	6.51%	Market Risk Premia's data as of 31 Dec 2023
Expected return of the market	9.68%	
Levered beta(*1)	0.839	Bloomberg data, data extracted from publicly traded entertainment companies in Korea
Cost of equity	8.64%	
Small Company Risk Premium(*2)	3.05%	Size Premium considering the value of equity
Adjusted cost of equity	11.69%	
Cost of debt	4.12%	Interest rate on the company's actual borrowings
Tax Rate	20.9%	Consideration of Corporate Tax Amendment in 2023
WACC	10.13%	

(*1) Bloomberg data, data extracted from publicly traded entertainment companies in Korea
(*2) Size Premium
Additional risk premium needs to be included in calculating the cost of equity of SMGL, which is an unlisted, because there is no track record. Hence, the discount rate has included the risk factor of 3.05%. Accordingly, the valuator assessed the cost of equity by taking this Size Premium into consideration. Ibbotson SBBI Size Premium Data, which is analyzed in the US market for valuation and updated every year, is used since the Size Premium in the Korean stock market has not been surveyed.

(Expressed in Canadian Dollars)

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

From a sensitivity perspective, if a new financing round was completed at $0.25 higher or lower, the impact on the carrying value of the investment and other comprehensive income will be higher or lower by $32,500.

There were no transfers between Level 1 and Level 2 investments during the year ended December 31, 2023.

The determination of what constitutes observable data, requires significant judgement by the Company. The Company considers observable data to be market data that is readily available, reliable, verifiable and provided from independent transactions.

Risk management

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company has exposure to the following risks from its use of financial instruments:

(a) Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity prices. The Company is exposed to market risk in trading its investments, and unfavourable market conditions could result in dispositions of investments at less than favourable prices.

For the year ended December 31, 2023, a 10% decrease (increase) in the closing prices of the Company's investments in shares of public company would result in an estimated decrease (increase) in pre-tax net income of $0.04 million (2022 - $0.04 million). The Company's private investments do not have an immediate market. An 10% increase in the potential value of the private investment could increase (decrease) in pre-tax net income of $8,964.

(b) Credit risk

Credit risk is attributable to cash. The Company's cash and cash equivalent are held with reputable financial institutions. The carrying value of cash represents the Company's maximum exposure to credit risk.

(c) Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they become due. The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company's cash is available on demand. There are adequate resources to meet any obligations as they fall due and mature within a year.

The Company's Board of Directors reviews and approves any material transactions out of the ordinary course of business including acquisitions or other major investments. Management believes that the risk associated with liquidity is low.

As at December 31, 2023, the Company has the following financial obligations:

	<1 year	1-5 years	>5 years	Total
Accounts payable	$ 110,183	$ -	$ -	$ 110,183
Accrued liabilities	314,242	-	-	314,242
Loan payable	1,299,514	-	-	1,299,514
	$ 1,723,939	$ -	$ -	$ 1,723,939

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

(d) Foreign exchange risk

Foreign currency exchange risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate as a result of changes in foreign exchange rates. The Company currently has financial instruments denominated in U.S. dollars, Singapore dollars and Hong Kong dollars.

The following assets were denominated in foreign currencies presented in Canadian dollars as of:

	December 31, 2023		
	US dollars	Singapore dollars	Hong Kong dollars
Cash	$ 4,768	$ 1,701	$ -
Investment in shares of public company	-	429,740	-
Loan receivable	-	-	-
Investment in shares of private company	89,638	-	-
	$ 94,406	$ 431,441	$ -

	December 31, 2022		
	US dollars	Singapore dollars	Hong Kong dollars
Cash	$ 3,451	$ 1,655	$ -
Investment in shares of public company	-	434,998	-
Loan receivable	-	-	-
Investment in shares of private company	154,943	-	-
	$ 158,394	$ 436,653	$ -

A fluctuation of 10% provided as an indicative range in currency movement, on financial instruments that are denominated in foreign currencies other than Canadian dollars, with, all other things being equal, have an effect on the after-tax net income and other comprehensive income of approximately $52,585 (2022 - $57,637).

(e) Concentration risk

The Company is exposed to the possible risk inherent in the concentration of the investment portfolio in a small number of industries or investment sectors. As at December 31, 2023 and 2022, the percentages of the Company's investment in each industry sector were as follows:

	As a % of Total Investments	
Sector	**December 31, 2023**	December 31, 2022
Media / Entertainment	99.9	99.9
Other	0.1	0.1
Total	100.0	100.0

14. SUBSEQUENT EVENT

The Company has filed a management information circular dated March 28, 2024 and related materials for the annual and special meeting of shareholders to approve the reverse takeover transaction (the "RTO") with CPL.

The TSX Venture Exchange (the "TSXV") conditionally approved the listing of the common shares of the resulting issuer upon completion of the RTO. Listing of the common shares is subject to the fulfillment of certain conditions, including the completion of the RTO.

In addition to obtaining approval of the Company's shareholders, the RTO is also subject to additional closing requirements and conditions pursuant to the terms and conditions of the share exchange agreement between the parties, a copy of which is available on SEDAR+ at www.sedarplus.ca under the Company's profile.