

**TIIDAL GAMING GROUP CORP.  
(FORMERLY GTA FINANCECORP INC.)**  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED JANUARY 31, 2024, AND 2023**  
**(EXPRESSED IN CANADIAN DOLLARS)**  
**(UNAUDITED)**

**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited condensed consolidated interim financial statements of Tiidal Gaming Group Corp. (formerly GTA Financecorp Inc.) have been prepared by management in accordance with International Financial Reporting Standards (“IFRS”). These condensed consolidated interim financial statements, which are the responsibility of management, are unaudited and have not been reviewed by the Company’s auditors. The Company’s Audit Committee and Board of Directors have reviewed and approved these condensed consolidated interim financial statements. In accordance with the disclosure requirements of National Instruments 51-102 released by the Canadian Securities Administrators, the Company’s independent auditors have not performed a review of these condensed consolidated interim financial statements.

**TIIDAL GAMING GROUP CORP. (FORMERLY GTA FINANCECORP INC.)**

Condensed Consolidated Interim Statements of Financial Position

As at January 31, 2024 and October 31, 2023

(Expressed in Canadian Dollars)

	Note	January 31, 2024	October 31, 2023
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 516,048	\$ 79,265
Other receivables	6	253,697	436,936
Prepaid expenses and deposits		44,182	11,667
Short-term investments	5	-	10,600,000
<b>Total assets</b>		<b>\$ 813,927</b>	<b>\$ 11,127,868</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and other liabilities		\$ 246,191	\$ 219,760
		246,191	219,760
Government loan payable	7	-	39,250
<b>Total liabilities</b>		<b>246,191</b>	<b>259,010</b>
<b>Shareholders' equity</b>			
Share capital	8	673,522	13,572,500
Reserves	8	6,831,379	4,166,666
Accumulated other comprehensive loss		(5,419)	(5,419)
Accumulated deficit		(6,931,746)	(6,864,889)
<b>Total shareholders' equity</b>		<b>567,736</b>	<b>10,868,858</b>
<b>Total liabilities and shareholders' equity</b>		<b>\$ 813,927</b>	<b>\$ 11,127,868</b>

Nature of Operations and Going Concern (Note 1, 2)

Discontinued Operations (Note 13)

Subsequent Events (Note 14)

**Approved and Authorized by the Board on March 11, 2024:**

“Carlo Rigillo” Director

“Fraser Hartley” Director

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

**TIIDAL GAMING GROUP CORP. (FORMERLY GTA FINANCECORP INC.)**  
Condensed Consolidated Interim Statements of Net Loss and Comprehensive Loss  
For the three months ended January 31, 2024, and 2023  
(Expressed in Canadian Dollars)

	<b>Note</b>	<b>2024</b>		<b>2023</b>
<b>Operating expenses</b>				
General and administrative	10	\$ <b>105,571</b>	\$	245,141
Advertising and promotion		-		22,007
Consulting		-		17,377
Management fees		<b>21,667</b>		38,800
Bad debt (recovery)		-		(1,893)
Depreciation of equipment		-		362
Share-based payments	8	-		150,287
Total operating expenses		<b>127,238</b>		472,081
<b>Loss before other items</b>			<b>(127,238)</b>	(472,081)
<b>Other items</b>				
Foreign exchange gain		<b>1,104</b>		(3,301)
Interest income	5	<b>60,028</b>		1,260
Finance charges (recovery)		<b>(751)</b>		(5,330)
<b>Net loss from continuing operations</b>		\$ <b>(66,857)</b>	\$	(479,452)
<b>Net loss from discontinued operations</b>	13	-		(587,183)
<b>Net loss</b>		<b>(66,857)</b>		(1,066,635)
<b>Other comprehensive income</b>				
Foreign currency translation adjustment		-		129,741
<b>Comprehensive loss for the period</b>		<b>(66,857)</b>		(936,894)
Weighted average number of common shares outstanding		<b>44,603,221</b>		82,216,755
Basic and diluted earning (loss) per share from continuing operations		\$ <b>(0.00)</b>	\$	(0.00)
Basic and diluted earning (loss) per share from discontinued operations		\$ <b>0.00</b>	\$	(0.01)
Basic and diluted earning (loss) per share		\$ <b>0.00</b>	\$	(0.01)

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

**TIIDAL GAMING GROUP CORP. (FORMERLY GTA FINANCE CORP INC.)**  
Condensed Consolidated Interim Statements of Cash Flows  
For the three months ended January 31, 2024, and 2023  
(Expressed in Canadian Dollars)

	<b>2024</b>	<b>2023</b>
<b>Operating activities</b>		
Net loss from continuing operations	\$ (66,857)	\$ (479,452)
Adjustments for non-cash items:		
Depreciation of equipment	-	362
Amortization of intangible asset	-	812
Share-based payments	-	150,287
Accretion expense	751	1,016
Unrealized foreign exchange	-	(977)
Changes in non-cash working capital items:		
Trade and other receivables	183,239	65,881
Prepaid expenses and deposits	(32,515)	16,165
Accounts payable and other liabilities	26,431	210,617
<b>Net cash provided by (used in) operating activities</b>	<b>111,049</b>	<b>(35,289)</b>
<b>Net cash used in discontinued operations</b>	<b>-</b>	<b>(196,275)</b>
<b>Investing activities</b>		
Purchase of short-term investment	10,600,000	-
<b>Net cash from investing activities</b>	<b>10,600,000</b>	<b>-</b>
<b>Financing activities</b>		
Share issuer buy-back	(10,198,940)	-
Option cancellation payment	(35,325)	-
Proceeds from share issuance	-	202,960
Repayment of government loan	(40,000)	-
<b>Net cash provided by financing activities</b>	<b>(10,274,265)</b>	<b>202,960</b>
<b>Net cash provided by (used in) financing activities in discontinued operations</b>	<b>-</b>	<b>(13,848)</b>
Effect of foreign exchange on cash	(1)	44,323
<b>Net change in cash</b>	<b>436,783</b>	<b>1,871</b>
<b>Cash, beginning of period</b>	<b>79,265</b>	<b>16,223</b>
<b>Cash, end of period</b>	<b>\$ 516,048</b>	<b>\$ 18,094</b>

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

**TIIDAL GAMING GROUP CORP. (FORMERLY GTA FINANCECORP INC.)**

Condensed Consolidated Interim Statement of Shareholders' Equity (Deficiency)

For the three months ended January 31, 2024, and 2023

(Expressed in Canadian Dollars)

						Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Shareholders' Equity
	Note	Number of Shares	Share Capital \$	Shares to be Issued \$	Reserves \$			
<b>Balance, October 31, 2022</b>		<b>80,231,301</b>	<b>12,790,672</b>	<b>667,880</b>	<b>3,454,882</b>	<b>(178,760)</b>	<b>(15,801,305)</b>	<b>933,369</b>
Share-based payments	8	-	-	-	150,287	-	-	150,287
Shares issued for cash	8	2,029,600	202,960	-	-	-	-	202,960
Shares issued for debt settlement	8	932,307	93,231	-	-	-	-	93,231
Foreign currency translation		-	-	-	-	129,741	-	129,741
Net loss for the period		-	-	-	-	-	(1,066,635)	(1,066,635)
<b>Balance, January 31, 2023</b>		<b>83,193,208</b>	<b>13,086,863</b>	<b>667,880</b>	<b>3,605,169</b>	<b>(49,019)</b>	<b>(16,867,940)</b>	<b>442,953</b>
<b>Balance, October 31, 2023</b>		<b>87,603,908</b>	<b>13,572,500</b>	<b>-</b>	<b>4,166,666</b>	<b>(5,419)</b>	<b>(6,864,889)</b>	<b>10,868,858</b>
Share issuer buy-back	8	(83,256,650)	(12,898,978)	-	2,700,038	-	-	(10,198,940)
Share option cancellation	8	-	-	-	(35,525)	-	-	(35,525)
Foreign currency translation		-	-	-	-	-	-	-
Net loss for the period		-	-	-	-	-	(66,857)	(66,857)
<b>Balance, January 31, 2024</b>		<b>4,347,258</b>	<b>673,522</b>	<b>-</b>	<b>6,831,379</b>	<b>(5,419)</b>	<b>(6,931,746)</b>	<b>567,736</b>

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

# TIIDAL GAMING GROUP CORP. (FORMERLY GTA FINANCECORP INC.)

Notes to the Consolidated Financial Statements

For the three months ended January 31, 2024, and 2023

(Expressed in Canadian Dollars)

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## 1. Nature of Operations

Tiidal Gaming Group Corp. (formerly GTA Financecorp Inc.) (the “Company” or “Tiidal Corp.”) was incorporated pursuant to the provisions of the Business Corporations Act (Ontario) on August 9, 2006. On November 9, 2021, the Company changed its name from GTA Financecorp Inc. to Tiidal Gaming Group Corp. The address of the Company’s head, principal, and registered office is located at 365 Bay Street, Suite 800, Toronto, Ontario M5H 2V1. The Company’s shares were listed on the TSX Venture Exchange until February 8, 2019, at which time the shares were delisted at the request of the Company. On November 17, 2021, the Company commenced trading of its common shares on the Canadian Securities Exchange (the “CSE”) under the symbol TIDL. On April 11, 2022, the Company commenced trading of its common shares on the OTCQB Venture Market (“the OTCQB”) under the symbol TIIDF. On April 26, 2023, the trading of the Company’s common shares was relegated from the OTCQB to OTC Pink.

The Company’s principal business activities were owning and operating synergistic businesses across the esports ecosystem, including its former wholly-owned subsidiary, Tiidal Gaming NZ Limited (“Tiidal NZ”), incorporated on November 23, 2020 under the Companies Act 1993 in New Zealand and doing business as Sportsflare, which has developed a robust odds feed and advanced betting solutions for sportsbooks and online betting companies, and its subsidiary Lazarus Esports Inc. (“Lazarus Esports”), a Canadian leader and globally recognized competitive esports organization, incorporated under the Business Corporations Act of Ontario on May 19, 2019. The Company completed the sale of the assets of Lazarus Esports to TGS Esports Inc. on November 7, 2022. The financial results for Lazarus Esports are reflected in discontinued operations. On June 9, 2023, the Company completed the sale of its Sportsflare division (Tiidal NZ) to Entain Holdings (UK) Limited (“Entain”). The financial results of Tiidal NZ are reflected in discontinued operations. As of June 9, 2023, the Company does not have any remaining active operations.

On October 30, 2023, the Company announced that its Board of Directors has concluded its previously announced strategic review process and has determined it is in the best interest of the Company to return capital to its shareholders by way of substantial issuer bid (the “Offer”) to be completed no earlier than December 7, 2023. On December 15, 2023, the Company completed the Offer and purchased for cancellation 83,256,650 common shares at a price of \$0.1225 per share for aggregate purchase price of \$10,198,940. The shares purchased under the Offer represented approximately 95% of the total issued and outstanding shares.

# **TIIDAL GAMING GROUP CORP. (FORMERLY GTA FINANCECORP INC.)**

Notes to the Consolidated Financial Statements

For the three months ended January 31, 2024, and 2023

(Expressed in Canadian Dollars)

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## **2. Going Concern**

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company's ability to continue as a going concern is dependent upon its ability to identify an appropriate business for acquisition or investment to generate profits and positive cash flows from operations in order to cover its operating costs. There is no assurance that the business will be profitable.

The Company's accumulated deficit was \$6,931,746 at January 31, 2024 (October 31, 2023 – \$6,864,889) and its cash flow from operations was \$111,049 (October 31, 2023 – (\$1,124,994)). These factors comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and amounts different from those reflected in the accompanying consolidated financial statements. These adjustments could be material.

The sale of Tiidal NZ constituted the sale of substantially all of the assets and operating activities of the Company. The board of directors of the Company assessed the available options to return capital received pursuant to the sale of Tiidal NZ to its shareholders following the expiry of the 180-day holding period. The Company will continue to be dependent on external equity financing to fund its activities. Management reviews its capital management approach on an ongoing basis and believes this approach is reasonable.

## **3. Basis of Presentation**

### **Statement of Compliance**

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of the condensed consolidated interim financial statements, including International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRC").

The condensed consolidated interim financial statements were approved and authorized for issuance by the Board of Directors of the Company on March 11, 2024.

### **Basis of Presentation**

The condensed consolidated interim financial statements of the Company have been prepared on an accrual basis and on the historical cost basis except for certain financial instruments which are measured at fair value. The condensed consolidated interim financial statements are presented in Canadian dollars, which is the functional currency for all entities of the consolidated group, except for the Space Esports, which has the U.S. dollar as its functional currency.

# **TIIDAL GAMING GROUP CORP. (FORMERLY GTA FINANCECORP INC.)**

Notes to the Consolidated Financial Statements  
For the years ended October 31, 2023, and 2022  
(Expressed in Canadian Dollars)

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## **3. Basis of Presentation (continued)**

### **Basis of Consolidation**

Subsidiaries are entities controlled by the Company where control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the consolidated financial statements from the date control is obtained until the date control ceases. All intercompany balances, transactions, income and expenses have been eliminated on consolidation.

The condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries. The accounts of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The table below lists the Company's wholly owned subsidiaries:

<b>Name of subsidiary</b>	<b>Jurisdiction Incorporated</b>	<b>Functional Currency</b>	<b>Accounting Method</b>
Tiidal Gaming Holdings Inc. (formerly Tiidal Gaming			
Group Inc.)	Canada	Canadian dollars	Consolidation
Lazarus Esports Inc.	Canada	Canadian dollars	Consolidation
Tiidal Gaming Canada Inc.	Canada	Canadian dollars	Consolidation
Space Esports Inc.	United States	U.S. dollars	Consolidation

## **4. Material accounting policies**

The accounting policies applied by the Company in these unaudited condensed consolidated interim financial statements are the same as those applied by the Company in the audited financial statements for the period ended October 31, 2023.

## **5. Short-term Investments**

On June 13, 2023, the Company transferred a total of \$10,600,000 into guaranteed investment certificates ("GICs") bearing interest at an annualized rate of 5.30%. The GICs mature on December 10, 2023. For the three-months ended January 31, 2024, the Company recorded interest receivable of \$nil (October 31, 2023 – \$217,024). For the three months ended January 31, 2024, the Company recorded interest income of \$60,028 (January 31, 2023 - \$nil).

## **6. Other Receivables**

Trade and other receivables consist of the following:

	<b>January 31, 2024</b>	<b>October 31, 2023</b>
Other receivables	\$ 4,446	\$ 4,446
GST/HST receivable	249,251	215,466
Interest receivable (Note 5)	-	217,024
	\$ 253,697	\$ 436,936

# **TIIDAL GAMING GROUP CORP. (FORMERLY GTA FINANCECORP INC.)**

Notes to the Consolidated Financial Statements

For the three months ended January 31, 2024, and 2023

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## **6. Other Receivables (continued)**

During the three months ended January 31, 2024, the Company recorded a recovery of bad debt expense of \$nil (October 31, 2023 - \$725) on trade receivables and recorded a provision for expected credit losses.

## **7. Government Loan Payable**

In May 2020, Tiidal Inc. entered into a Canada Emergency Business Account (“CEBA”) loan with the Government of Canada which provided \$40,000 in interest free loans to Tiidal Inc. until December 31, 2022. In January 2021, Tiidal Inc. received an additional \$20,000 interest free CEBA loan from the Government of Canada. The Government of Canada has announced that the December 31, 2022, forgiveness repayment date has been extended by one year to December 31, 2023, for eligible CEBA loan holders in good standing. The CEBA loan terms were also amended such that the CEBA loans are interest free until December 31, 2023, and any remaining balance would bear interest at 5% per annum starting on January 1, 2024.

As at January 31, 2024, the Company has an repaid its CEBA loan balance (October 31, 2023 - \$39,250) and recognized \$nil (2023 - \$nil) in income from government assistance. For the three months ended January 31, 2024, the Company has recognized \$751 of interest accretion (October 31, 2023 - \$4,206).

## **8. Share Capital**

### **Authorized**

The Company is authorized to issue an unlimited number of common shares. On January 31, 2024, the Company had 4,347,258 shares outstanding.

On October 30, 2023, the Company announced a return of capital to its shareholders by way of substantial issuer bid. On December 15, 2023, the Company announced that it has taken up and purchased for cancellation an aggregate of 83,256,650 common shares of the Company at a price of \$0.1225 per Share pursuant to its substantial issuer bid for aggregate purchase price of \$10,198,940.

#### **a) Issued**

The Company did not issue common shares for the three months ended January 31, 2024.

The Company issued common shares as described below for the three months ended January 31, 2023:

On December 1, 2022, the Company closed a non-brokered private placement financing of 2,029,600 units at a price of \$0.10 per unit for gross proceeds of \$202,960. Each unit is comprised of one common share and one common share purchase warrant, with each warrant being exercisable to acquire one common share of the Company at a price of \$0.15 per common share for a period of 36 months following the closing date. The Company issued 932,307 common shares to settle \$93,231 in accounts payable.

# **TIDAL GAMING GROUP CORP. (FORMERLY GTA FINANCECORP INC.)**

Notes to the Consolidated Financial Statements

For the three months ended January 31, 2024, and 2023

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## **8. Share Capital (continued)**

For the three months ended January 31, 2023, the Company incurred \$nil in share issuance costs for the subscription receipt financing and conversion to common shares and warrants.

### **b) Stock options**

The Company's Stock Option Plan was approved by shareholders at the annual and special meeting held on September 26, 2008. The Stock Option Plan provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Issuer, or any subsidiary of the Company, the option to purchase the common shares. Additionally, under the Stock Option Plan, the number of the common shares reserved for any one person may not exceed 5% of the outstanding common shares. The Board determines the price per common share and the number of common shares that may be allotted to each director, officer, employee and consultant and all other terms and conditions of the options, subject to the rules of the Exchange. The exercise price per common share set by the Board is subject to minimum pricing restrictions set by the Exchange.

Stock Options may be exercisable for up to five years from the date of grant, but the Board has the discretion to grant options that are exercisable for a shorter period. Options under the Stock Option Plan are non-assignable.

If prior to the exercise of an option, the holder ceases to be a director, officer, employee or consultant, the option shall be limited to the number of common shares purchasable by them immediately prior to the time of their cessation of office or employment and they shall have no right to purchase any other common shares. Stock Options must be exercised within 90 days of termination of employment or cessation of position with the Company, although if the cessation of office, directorship, consulting arrangement or employment was by reason of death or disability, the option must be exercised within one year, subject to the expiry date.

For the three months ended January 31, 2024, the following activity occurred:

- On December 15, 2023, the Company in connection with the completed substantial issuer bid cancelled an aggregate of 1,570,000 options of the Company that had an exercise price of \$0.10 per Share for consideration of \$0.0225 per In-the-Money Option, representing the difference between the exercise price of the In-the-Money Options and the purchase price under the substantial issuer bid, for aggregate consideration equal to approximately \$35,325.

For the three months ended January 31, 2023, the following activity occurred:

- On December 1, 2022, 125,000 options granted to employees of Lazarus were effectively cancelled on the date the operations ceased.

# TIIDAL GAMING GROUP CORP. (FORMERLY GTA FINANCECORP INC.)

## Notes to the Consolidated Financial Statements

For the three months ended January 31, 2024, and 2023

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### 8. Share Capital (continued)

For the three months ended January 31, 2024, and 2023, the stock option activity is as follows:

	Number	Weighted Average Exercise Price
Outstanding, October 31, 2022	13,824,476	\$0.26
Expired	(1,463,919)	(\$0.33)
Forfeited	(7,108,787)	(\$0.27)
<b>Outstanding, October 31, 2023</b>	<b>5,251,771</b>	<b>\$0.22</b>
Cancelled	(5,251,771)	(\$0.22)
<b>Outstanding, January 31, 2024</b>	<b>-</b>	<b>-</b>

At January 31, 2024, there are no stock options outstanding as previously issued options were cancelled on December 15, 2023.

The estimated fair value of stock options granted is determined using the Black-Scholes option pricing model and is recorded as a charge in the consolidated statement of loss and comprehensive loss over the vesting period of the stock options, with a corresponding increase to reserves. For the three months ended January 31, 2024, \$nil (January 31, 2023 - \$150,287) was recorded as share-based payments for stock options.

Stock options are granted at a price equal to or above the fair value of the common shares. The consideration received on the exercise of stock options is added to share capital at the time of exercise.

### c) Warrants

For the three months ended January 31, 2024 and October 31, 2023, the warrant activity is as follows:

	Number	Weighted Average Exercise Price
<b>Outstanding, October 31, 2022</b>	<b>13,314,120</b>	<b>\$0.33</b>
Granted	2,961,907	\$0.15
<b>Outstanding, January 31, 2023</b>	<b>16,276,027</b>	<b>\$0.30</b>
<b>Outstanding, October 31, 2023</b>	<b>13,864,917</b>	<b>\$0.32</b>
Expired	(3,939,409)	(\$0.75)
<b>Outstanding, January 31, 2024</b>	<b>9,925,508</b>	<b>\$0.15</b>

# TIIDAL GAMING GROUP CORP. (FORMERLY GTA FINANCECORP INC.)

## Notes to the Consolidated Financial Statements

For the three months ended January 31, 2024, and 2023

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### 8. Share Capital (continued)

At January 31, 2024, the following warrants were outstanding and exercisable, entitling the holders thereof the right to purchase one common share for each warrant held as follows:

Number Outstanding	Exercise Price	Expiry Date	Number Exercisable
5,597,051	\$0.15	September 20, 2025	5,597,051
1,366,550	\$0.15	October 12, 2025	1,366,550
2,961,907	\$0.15	November 30, 2025	2,961,907
<b>9,925,508</b>			<b>9,925,508</b>

As at January 31, 2024, the weighted average life of warrants outstanding was 1.70 years (October 31, 2023 – 1.41 years).

The estimated fair value of warrants granted is determined using the Black-Scholes option pricing model and is recorded as a charge in the consolidated statements of loss and comprehensive loss over the vesting period of the warrants, with a corresponding increase to reserves. For the three months ended January 31, 2024, \$nil (October 31, 2023 – \$nil) was recorded as share-based payments for warrants. Warrants are issued at a price equal to or above the fair value of the common shares. The consideration received on the exercise of warrants is added to share capital at the time of exercise.

### 9. Related Party Transactions

#### a) Key management compensation

Key management consists of the officers and directors who have authority and are responsible for overseeing, planning, directing and controlling the activities of the Company.

For the years ended October 31, 2023, and 2022, the Company incurred charges with officers and directors recorded at their exchange amounts as agreed upon by transacting parties as follows:

	Three months ended January 31, 2024	Three months ended January 31, 2023
Management and director fees and salaries	\$ 15,000	\$ 38,800
Salaries included in general and administrative expenses in the Statements of Net Loss and Comprehensive Income Loss	-	100,457
Share-based payments	-	69,238
Payments made under the share buy back	3,498,245	-
	<b>\$ 3,513,245</b>	<b>\$ 208,495</b>

Share-based payments are the fair value of stock options granted to key management personnel as at the grant date.

For the three months ended January 31, 2024, and 2023, key management personnel were not paid any post-employment benefits, termination benefits or any other long-term benefits.

# **TIIDAL GAMING GROUP CORP. (FORMERLY GTA FINANCECORP INC.)**

Notes to the Consolidated Financial Statements

For the three months ended January 31, 2024, and 2023

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## **9. Related Party Transactions (continued)**

As at January 31, 2024, included in trade and other receivables is \$nil (October 31, 2023 - \$nil) owing to the Company from an officer of the Company.

As at January 31, 2024, included in accounts payable and other liabilities is \$5,000 (October 31, 2023 - \$1,018) in amounts payable to directors and officers of the Company. The amount is unsecured, non-interest bearing and due on demand.

## **10. General and Administrative Expenses**

General and administrative expenses consisted of the following:

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	<b>January 31, 2024</b>	<b>January 31, 2023</b>
Office and miscellaneous	\$ 23,583	\$ 4,243
Salaries and benefits	-	67,840
Professional fees	82,057	155,022
Insurance and bank	-	18,036
	<b>\$ 105,571</b>	<b>\$ 245,141</b>

## **11. Capital Management**

The Company considers its capital structure to consist of shareholders' equity, and government loan payable. The Company manages its capital structure and makes adjustments to it, in order to have the funds available to support the acquisition and development of its business. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements as at January 31, 2024.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company's ability to raise future capital is subject to uncertainty and the inability to raise such capital may have an adverse impact over the Company's ability to continue as a going concern (Note 2).

The Company is dependent on external equity financing to fund its activities. In order to carry out the planned operations and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

# **TIDAL GAMING GROUP CORP. (FORMERLY GTA FINANCECORP INC.)**

Notes to the Consolidated Financial Statements

For the three months ended January 31, 2024, and 2023

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## **11. Capital Management (continued)**

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management for the three months ended January 31, 2024.

## **12. Financial Instruments and Risk Management**

### **Fair values**

Hierarchical levels, defined by IFRS 7 and directly related to the amount of subjectivity associated with inputs to fair valuation of these financial assets and liabilities, are as follows:

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

The fair values of the cash, trade and other receivables, short-term investments, accounts payable and other liabilities approximate their carrying values due to the relatively short-term nature of these financial instruments.

Cash, and short-terms investments are recorded at fair value using level 1 inputs.

### **Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company's maximum exposure to credit risk for its trade receivables is equal to the carrying amount of those items.

The Company's cash and short-term investment are held with major financial institutions and thus the exposure to credit risk on cash is considered insignificant. Management actively monitors the Company's exposure to credit risk under its financial instruments, including with respect to trade and other receivables.

The Company applies the simplified approach to provide for expected credit losses as prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The loss allowance is based on the Company's historical collection and loss experience and incorporates forward-looking factors, where appropriate. At January 31, 2024, the Company had recorded an expected credit loss of \$nil (October 31, 2023 - \$nil).

### **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support its normal operating requirements. The Company coordinates this planning and budgeting process with its financing activities through its capital management process.

# TIIDAL GAMING GROUP CORP. (FORMERLY GTA FINANCECORP INC.)

## Notes to the Consolidated Financial Statements

For the three months ended January 31, 2024, and 2023

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### 12. Financial Instruments and Risk Management (continued)

Maturity analysis of liabilities which are due in the next twelve months can be summarized as follows:

	<b>January 31, 2024</b>	<b>October 31, 2023</b>
Accounts payable and other liabilities	\$ 246,191	\$ 219,760
	<b>\$ 246,191</b>	<b>\$ 219,760</b>

#### Foreign currency risk

Foreign currency risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign currency exchange rates. The Company's currency risk primarily arises from financial instruments denominated in US dollars that are held in entities with a Canadian dollar functional currency. Conversely for the Tiidal NZ subsidiary who has a NZ dollar functional currency, currency risk primarily arises from financial instruments denominated in Canadian dollars that are held in Tiidal NZ.

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts receivable, and accounts payable and other liabilities that are denominated in US dollars. Therefore, a 10% appreciation or depreciation of the U.S. dollar against the Canadian dollar would have resulted in an approximate \$3,000 (October 31, 2023 - \$3,000) respectively, in net income (loss).

#### Interest rate risk

The Company does not have any significant exposure as at January 31, 2024 and 2023 to interest rate risk through its financial instruments.

### 13. Discontinued Operations

On December 1, 2022, the Company discontinued the operations and disposed of the remaining assets of Lazarus Esports Inc. ("Lazarus Esports"). As a result, Lazarus Esports was classified as discontinued operations in accordance with International Financial Reporting Standards relating to non-current assets held for sale and discontinued operations ("IFRS 5").

Consolidated statements of income (loss) and comprehensive income (loss) from discontinued operations of Lazarus Esports for the three months ended January 31, 2024, and 2023 are comprised of the following:

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## 13. Discontinued Operations (continued)

Lazarus Esports	January 31, 2024	January 31, 2023
	\$	\$
<b>Total revenue</b>	-	-
Cost of goods sold	-	-
<b>Gross Profit</b>	-	-
 <b>Expenses</b>		
Advertising	-	207
General and administration	-	3,650
Interest/accretion	-	1,289
Exchange gain/loss	-	(46)
Total expenses	-	5,100
<b>Net loss from discontinued operations</b>	-	(5,100)

Cash flows from discontinued operations of Lazarus for the three months ended January 31, 2024, and 2023 are comprised of the following:

Lazarus Esports	January 31, 2024	January 31, 2023
	\$	\$
<b>Cash flow provided by discontinued operations</b>		
Income (loss) from discontinued operations	-	(5,100)
Changes in non-cash working capital:		
Accounts receivable	-	13,147
Prepaid expenses	-	683
Trade and other payables	-	(8,745)
Total cash used by discontinued operations	-	(15)
<b>Change in net cash used in discontinued operations</b>	-	(15)

## Tiidal New Zealand

On March 13, 2023, the Company announced that it and its wholly owned subsidiary, Tiidal Inc., have entered into a share sale and purchase agreement with Entain Holdings (UK) Limited (“Entain”), pursuant to which Tiidal Inc. will sell all of the shares of the Company’s operating subsidiary, Tiidal NZ, to Entain (“Tiidal NZ Sale”). Tiidal Inc. agreed to sell all of the issued and outstanding shares of Tiidal NZ to Entain for gross proceeds of \$13,250,000 in cash (“Purchase Price”), subject to standard transaction adjustments. Pursuant to the Tiidal NZ Sale, the Purchase Price will be retained by Tiidal in a holding account for 180 days (the “Holding Period”). During the Holding Period, Tiidal may access the funds to satisfy any working capital adjustment or claims brought by Entain and may access up to 20% of the funds to pay reasonable costs related to the Tiidal NZ Sale. The sale of Tiidal NZ closed on June 9, 2023. The Company classified the operations as held for sale in accordance with International Financial Reporting Standards relating to non-current assets held for sale and discontinued operations (“IFRS 5”) for the three months ended January 31, 2024, and 2023.

Consolidated statements of income (loss) and comprehensive income (loss) from discontinued operations for the years ended October 31, 2023, and 2022 are comprised of the following:

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For the three months ended January 31, 2024, and 2023

**13. Discontinued Operations (continued)**

<b>Tiidal NZ</b>	<b>January 31, 2024</b>	<b>January 31, 2023</b>
	\$	\$
<b>Total revenue</b>	-	75,902
Cost of goods sold	-	-
<b>Gross Profit</b>	-	75,902
 <b>Expenses</b>		
Advertising	-	906
General and administration	-	572,136
Amortization	-	51,468
Depreciation	-	14,687
Travel	-	15,162
Consulting	-	-
Finance charges	-	4,392
Exchange gain/loss	-	(766)
<b>Total expenses</b>	-	657,985
 Net loss before gain on sale and foreign currency		
translation adjustment	-	(582,083)
Gain on sale of Tiidal NZ	-	-
Foreign currency translation adjustment	-	-
<b>Net income (loss) from discontinued operations</b>	-	(582,083)

Cash flows from discontinued operations for the three months ended January 31, 2024, and 2023 are comprised of the following:

<b>Tiidal NZ</b>	<b>January 31, 2024</b>	<b>January 31, 2023</b>
	\$	\$
<b>Cash flow provided by discontinued operations</b>		
Income (loss) from discontinued operations	-	(582,083)
Depreciation	-	14,006
Amortization on intangibles	-	50,657
Foreign exchange	-	1,302
Foreign currency translation	-	-
Changes in non-cash working capital:		
Accounts receivable	-	(61,220)
Prepaid expenses	-	6,882
Trade and other payables	-	373,219
<b>Change in net cash used in discontinued operations</b>	-	(196,260)
 <b>Cash flow used by financing activities</b>		
Lease payments	-	(13,848)
<b>Net cash used by financing activities in discontinued operations</b>	-	(13,848)

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**14. Subsequent Events**

On February 16, 2024, the Company announced that it has issued an aggregate of 800,000 common shares at a deemed price of \$0.05 per Share as full and final payment of debt in the aggregate amount of \$40,000 for certain unpaid remuneration for services performed by the Company's Chief Executive Officer and a consultant of the Company.