
GTA FINANCECORP INC.
(formerly GTA RSOURCES AND MINING INC.)

Condensed Interim Consolidated Financial Statements

December 31, 2019

(Unaudited)

(Expressed in Canadian Dollars)

These condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

GTA FINANCECORP INC.
(formerly GTA RESOURCES AND MINING INC.)
(Unaudited)
(Expressed in Canadian Dollars)

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December 31, 2019 and 2018

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GTA FINANCECORP INC. (formerly GTA RSOURCES AND MINING INC.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited)

(Expressed in Canadian Dollars)

As at	December 31, 2019	March 31, 2019
Assets		
Current assets		
Cash and cash equivalents	\$ 47,453	\$ 52,723
Miscellaneous receivables	66,269	18,230
Prepaid expenses	4,645	3,974
Investments (Note 4)	125,867	1,151,185
	\$ 244,234	\$ 1,226,112
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 42,249	\$ 185,437
Dividend payable (Note 4)	521,185	1,151,185
Loan payable (Note 6)	-	425,000
	563,434	1,761,622
Shareholders' equity		
Share capital (Note 7)	10,931,879	10,293,208
Contributed surplus (Note 7)	148,306	219,043
Deficit	(11,399,385)	(11,047,761)
	(319,200)	(535,510)
	\$ 244,234	\$ 1,226,112

Subsequent events (Note 11)

Approved by the Board of Directors

"Peter Clausi"

Director

"Brian Crawford"

Director

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

GTA FINANCECORP INC. (formerly GTA RSOURCES AND MINING INC.)
CONDENSED INTERIM CONCOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Unaudited)
(Expressed in Canadian Dollars)

	Three Months Ended		Nine Months Ended	
	December 31		December 31	
	2019	2018	2019	2018
Operating expenses				
Filing and transfer agent fees	\$ 3,384	\$ 9,861	\$ 8,056	\$ 15,362
General and administration costs	13,322	15,427	44,387	94,167
Professional fees	12,145	30,792	40,070	44,130
Share-based compensation	-	-	-	45,631
	28,851	56,080	92,513	199,290
Loss before other income (expenses)	(28,851)	(56,080)	(92,512)	(199,290)
Fee revenue	65,470	-	65,470	-
Unrealized loss on investment	-	-	(395,318)	-
Income (loss) before income taxes	36,619	(56,080)	(422,361)	(199,290)
Deferred tax benefit	-	25,819	-	34,647
Net income (loss) and comprehensive loss	\$ 36,619	\$ (30,261)	\$ (422,361)	\$ (164,643)
Basic and diluted loss per share	\$ 0.00	\$ (0.02)	\$ (0.04)	\$ (0.13)
Weighted average number of shares outstanding	26,693,097	1,024,937	9,612,103	1,024,937

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

GTA FINANCECORP INC. (formerly GTA ROURCES AND MINING INC.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited)

(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Total
Balance, March 31, 2018	1,024,937	\$ 10,293,208	\$ 218,959	\$ (5,290,409)	\$ 5,221,758
Share-based compensation	-	-	45,631	-	45,631
Options expired	-	-	(38,709)	38,709	-
Broker warrants expired	-	-	(1,778)	1,778	-
Loss and comprehensive loss	-	-	-	(164,643)	(164,643)
Balance, December 31, 2018	1,024,937	\$ 10,293,208	\$ 224,103	\$ (5,414,565)	\$ 5,102,746
Broker warrants expired	-	-	(5,060)	5,060	-
Dividend declared	-	-	-	(1,151,185)	(1,151,185)
Loss for the period	-	-	-	(4,487,071)	(4,487,071)
Balance, March 31, 2019	1,024,937	\$ 10,293,208	\$ 219,043	\$ (11,047,761)	\$ (535,510)
Shares issued for cash	4,000,000	100,000	-	-	100,000
Shares issued for debt	26,933,562	538,671	-	-	538,671
Options expired	-	-	(70,737)	70,737	-
Loss for the period	-	-	-	(422,361)	(422,361)
Balance, December 31, 2019	31,958,499	\$ 10,931,879	\$ 148,306	\$ (11,399,385)	\$ (319,200)

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

GTA FINANCECORP INC. (formerly GTA RESOURCES AND MINING INC.).
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Expressed in Canadian Dollars)

Nine months ended December 31	2019	2018
Operating activities		
Net loss and comprehensive loss for the period	\$ (422,361)	\$ (164,643)
Items not affecting cash and cash equivalents		
Deferred income tax	-	(34,647)
Unrealized loss on investment	395,318	
Share-based payments	-	45,631
Change in non-cash working capital:		
Miscellaneous receivables	(48,039)	(25,567)
Prepaid expenses	(671)	(18,821)
Accounts payable and accrued liabilities	(29,517)	196,143
Net cash used in operating activities	(105,270)	(1,904)
Financing activities		
Issuance of common shares, net of issue costs	100,000	-
Proceeds from loan payable		425,000
Net cash provided by financing activities	100,000	425,000
Investing activities		
Investment in and expenditure on exploration and evaluation assets	-	(203,666)
Net cash provided by (used) in investing activities	-	(203,666)
Net change in cash and cash equivalents	(5,270)	219,430
Cash and cash equivalents, beginning of period	52,723	72,189
Cash and cash equivalents, end of period	\$ 47,453	\$ 291,619

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

GTA FINANCECORP INC. (formerly GTA RESOURCES AND MINING INC.).
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(Expressed in Canadian Dollars)

Nine months ended December 31, 2019 and 2018

1. NATURE OF OPERATIONS

GTA Financecorp Inc. (formerly GTA Resources and Mining Inc.) (“GTA” or the “Company”) was incorporated pursuant to the provisions of the Business Corporations Act (Ontario) on August 9, 2006. The address of the Company’s registered office is 855 Brant Street, Burlington, Ontario L7R 2J6. 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.

The Company was primarily engaged in the acquisition and exploration of mineral properties. On March 12, 2019, all of the Company’s exploration and evaluation properties were sold (see Note 5).

The Company needs equity capital and financing for its working capital. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Company. These material uncertainties cast significant doubt upon the Company’s ability to continue as a going concern. These financial statements have been prepared on a going concern basis that assumes the Company will be able to continue to realize its assets and discharge its liabilities and commitments in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. These financial statements do not reflect adjustments or classifications which might be necessary if the Company was not able to continue as a going concern.

These condensed interim financial statements were approved by the board of directors on February 13, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards Board (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”).

The policies applied in these financial statements are based on IFRS issued and effective as of March 31, 2019.

Basis of Presentation

The condensed interim consolidated financial statements of the Company include the accounts of its wholly owned subsidiary GTA GW Mergerco, Inc. and have been prepared on the basis of accounting policies consistent with those applied in the Company’s March 31, 2019 annual financial statements.

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

3. RISK MANAGEMENT, CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support future business opportunities. The Company defines its capital as shareholders’ equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of

GTA FINANCECORP INC. (formerly GTA ROURCES AND MINING INC.).
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(Expressed in Canadian Dollars)

Nine months ended December 31, 2019 and 2018

3. RISK MANAGEMENT, CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS – continued

the Company's management to manage its capital to be able to sustain the future development of the Company's business.

The Company currently has no source of revenues, and therefore is dependent upon external financings to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. 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 during the period ended December 31, 2019. The Company is not subject to externally imposed capital requirements.

The Company classified its cash and cash equivalents and sundry receivables as loans and receivables; and accounts payable and accrued liabilities as other financial liabilities. The carrying values of cash, accounts receivable, accounts payable and accrued liabilities, approximate their fair values due to the expected maturity of these financial instruments. The fair value of amounts due to related parties has not been disclosed as their fair values cannot be reliably measured since the parties are not at arm's length.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

Concentration of credit risk exists with respect to the Company's cash as all amounts are held at a single major Canadian financial institution.

The Company's concentration of credit risk and maximum exposure is as follows:

	December 31, 2019	March 31, 2019
Cash and cash equivalents	\$ 47,453	\$ 52,723

The credit risk associated with cash is minimized by ensuring it is placed with a major Canadian financial institution with a strong investment-grade rating issued by a primary ratings agency.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they fall due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows required for operations and anticipated investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

The Company does not currently generate cash flows from operations to fund its activities and therefore relies principally upon the issuance of securities for financing. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. The Company intends to continue relying upon the issuance of securities to finance its future activities but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company.

GTA FINANCECORP INC. (formerly GTA ROURCES AND MINING INC.).
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(Expressed in Canadian Dollars)

Nine months ended December 31, 2019 and 2018

3. RISK MANAGEMENT, CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS – continued

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

i. Interest rate risk

The Company's cash and cash equivalents consist primarily of cash held in bank accounts. Due to the short-term nature of this financial instrument, fluctuations in market rates do not have a significant impact on estimated fair value as of December 31, 2019. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity. Accordingly, the Company is not subject to interest rate risk.

ii. Foreign currency risk

During the period ended December 31, 2019, the Company was not exposed to material foreign currency risk.

iii. Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk, foreign currency risk or commodity price risk. The Company has no financial instruments exposed to other price risk.

4. INVESTMENTS

	2019	2018
Investment in CBLT Inc. ("CBLT")	\$ <u>125,867</u>	\$ <u>-</u>

As consideration for the sale of all of the exploration and evaluation assets on March 12, 2019, the Company received 21,000,000 units of CBLT with each unit consisting of one common share and one common share purchase warrant exercisable at \$0.08 per share for period of twenty-four months from the date of issue.

On March 18, 2019 a dividend was declared payable to the Company's shareholders in the form of the 21,000,000 units of CBLT with a Record Date of March 18, 2019 and a payment date of July 19, 2019. The payment of the dividend is comprised of two parts, 21,000,000 common shares of CBLT were paid on July 19, 2019 and 21,000,000 warrants of CBLT will be paid at a later date.

The warrants of CBLT were revalued at September 30, 2019 using the Black-Scholes option pricing model incorporating the following assumptions: expected dividend yield of 0%, expected volatility of 167%, risk free rate or 1.57%, expected life of 1.45 years, and a share price of \$0.015 resulting in a value of \$125,867. The shares of CBLT were halt traded as at December 31, 2019.

CBLT is a reporting issuer whose shares are listed on the TSX Venture Exchange (TSX.V: CBLT).

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(Unaudited)

(Expressed in Canadian Dollars)

Nine months ended December 31, 2019 and 2018

5. EXPLORATION AND EVALUATION ASSETS

During the year ended March 31, 2019, the Company sold all of its exploration and evaluation assets for aggregate consideration of \$1,151,185 comprised of 21,000,000 units of CBLT with each unit consisting of one common share and one common share purchase warrant exercisable at \$0.08 for a period of 24-months after the date of issue. As a result, there was an aggregate loss on the sale recorded in the amount of \$4,334,995.

6. LOAN PAYABLE

	2019	2018
Loan payable	\$ <u>-</u>	\$ <u>425,000</u>

The loan was secured by a general security agreement and bears at 10% per annum payable at the maturity date October 26, 2019. During the period the loan plus accrued interest was converted to equity.

7. SHARE CAPITAL

Authorized

Unlimited number of common shares

Issued

	Number of Shares	Share Capital	Contributed Surplus
Balance March 31, 2018	1,024,937	\$ 10,293,208	\$ 218,959
Broker warrants expired			(1,778)
Stock options expired			(38,709)
Share based compensation	-	-	45,631
Balance December 31, 2018	1,024,937	\$ 10,293,208	\$ 224,103
Broker warrants expired	-	-	(5,060)
Balance March 31, 2019	1,024,937	\$ 10,293,208	\$ 219,043
Shares issued for cash	4,000,000	100,000	
Shares issued for debt	26,933,562	538,671	
Stock options expired			(70,737)
Balance December 31, 2019	31,958,499	\$ 10,931,879	\$ 148,306

On January 7, 2019, the Company completed a share consolidation on the basis of one (1) post consolidation common share for every fifty (50) pre-consolidation common share. All common shares, options, warrants, and basic and diluted loss per share amounts have been restated to give retrospective effect to the share consolidation.

During October 2019, the Company issued 4,000,000 common shares at \$0.025 per share for cash proceeds of \$100,000.

During October 2019, the Company issued 26,933,562 at \$0.02 per share in exchange for debt of \$538,671.

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8. WARRANTS

The following common share purchase warrants entitle the holders thereof the right to purchase one common share for each common share purchase warrant. Warrant transactions are summarized as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance December 31, 2017	187,720	\$	3.00
Warrants expired	(150,660)	\$	3.00
Balance December 31, 2018	37,060	\$	3.00
Warrants expired	(37,060)	\$	3.00
Balance, December 31, 2019	-	\$	0.00

9. SHARE-BASED PAYMENTS

The Company has a formal stock option plan in accordance with the policies of the TSX Venture Exchange (the "Exchange") under which it is authorized to grant options to directors, officers, employees and consultants to purchase common shares of the Company. The stock option plan is a rolling plan and the maximum number of authorized but unissued shares available to be granted shall not exceed 10% of its issued and outstanding common shares. Each stock option granted is for a term not exceeding five years unless otherwise specified. Outstanding options vest immediately at date of grant. Options granted to investor relations personnel vest in accordance with Exchange regulations.

A summary of the status of the stock option plan and changes for the period ended December 31, 2019 are presented below:

Grant date	Expiry date	Exercise Price	During the period				Closing Balance	Vested and Exercisable
			Opening Balance	Granted	Exercised	Expired		
November 12, 2014	November 12, 2019	\$3.50	21,200	-	-	21,200	-	-
June 15, 2016	June 15, 2021	\$3.00	18,000	-	-	-	18,000	18,000
November 9, 2016	November 9, 2021	\$3.00	6,000	-	-	-	6,000	6,000
August 22, 2017	August 22, 2022	\$2.50	24,000	-	-	-	24,000	24,000
April 18, 2018	April 18, 2023	\$2.50	24,500	-	-	-	24,500	24,500
			93,700	-	-	21,200	72,500	72,500
		Weighted average exercise price	\$2.85	\$0.00	\$0.00	\$3.50	\$2.85	\$2.67

The weighted average remaining contractual life of options outstanding at December 31, 2019 was 2.51 years.

The Company applies the fair value method in accounting for its stock options using the Black-Scholes option pricing model.

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Nine months ended December 31, 2019 and 2018

9. SHARE-BASED PAYMENTS – continued

Total expenses arising from the share-based payment transactions recognized during the three months ended December 31, 2019 as part of share-based compensation expense was \$nil (2018: \$nil).

As at December 31, 2019 there was no amount (2018: \$nil) of total unrecognized compensation cost related to unvested share-based compensation.

Total expenses arising from the share-based payment transactions that were capitalized during the period as part of exploration and evaluation asset acquisition costs were \$nil (2018: \$nil).

10. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors and officers, close family members and enterprises that are controlled by these individuals as well as certain consultants performing similar functions.

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

The Company had the following transactions in the normal course of operations with related parties:

	December 31, 2019	December 31, 2018
Management fees (i)	\$ 20,000	\$ 87,000
Mineral property-exploration expenditures (i)	\$ -	\$ 45,000
Office rent, supplies and admin. expense (ii)	\$ 500	-
Share-based compensation	\$ -	\$ 26,075

(i) The Company paid \$10,000 (2018 - \$37,500) in management fees to the President of the Company; \$10,000 (2018 - \$37,500) to the CFO of the Company; \$nil to the Chairman of the Company (2018-\$12,000) and \$nil (2018 - \$45,000) in mineral property exploration consulting costs to the VP of Exploration.

(ii) The Company paid \$500 (2018 - \$nil) for rent, supplies and administrative expenses to private companies controlled by directors and officers of the Company.

Accounts payable and accrued liabilities include \$300 (2018 - \$65,790) due to related parties. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

GTA FINANCECORP INC. (formerly GTA RSOURCES AND MINING INC.).
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(Expressed in Canadian Dollars)

Nine months ended December 31, 2019 and 2018

11. TRANSACTION

On October 21, 2019, the Company announced that it had entered into a definitive agreement with GameWorks, Inc., a US corporation, to effect a reverse merger transaction with the intention that the resulting issuer will apply to list its shares on the Canadian Securities Exchange. As part of the transaction, it is anticipated that the Company will complete a share consolidation, change its name to GameWorks, Ltd., and complete a financing of not less than \$USD 7.5 million. The transaction with GameWorks, Inc. is subject to due diligence, and some parts of the transaction may be subject to regulatory approval and shareholder approval and the transaction was initially scheduled to close on or before January 31, 2020.

12. SUBSEQUENT EVENT

On February 4, 2020, the Company and GameWorks, Inc. executed an extension to the definitive agreement to February 29, 2020.