
GTA FINANCECORP INC.

Condensed Interim Consolidated Financial Statements

September 30, 2020

(Unaudited)

(Expressed in Canadian Dollars)

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

GTA FINANCECORP INC.
(Unaudited)
(Expressed in Canadian Dollars)

Table of Contents
September 30, 2020 and 2019

	Page
Condensed Interim Financial Statements	
Condensed Interim Consolidated Statements of Financial Position	2
Condensed Interim Consolidated Statements of Operations and Comprehensive Loss	3
Condensed Interim Consolidated Statements of Changes in Equity	4
Condensed Interim Consolidated Statements of Cash Flows	5
Notes to Condensed Interim Consolidated Financial Statements	6 - 11

GTA FINANCECORP INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian Dollars)

As at	September 30, 2020	March 31, 2020
Assets		
Current assets		
Cash and cash equivalents	\$ 120,870	\$ 30,919
Miscellaneous receivables	16,170	19,238
Investments (Note 4)	-	56,500
	<u>\$ 137,040</u>	<u>\$ 106,657</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 10,858	\$ 24,426
Dividend payable (Note 4)	-	183,630
	<u>10,858</u>	<u>208,056</u>
Shareholders' equity		
Share capital (Note 6)	11,056,879	10,931,879
Contributed surplus (Note 6)	160,695	94,429
Deficit	(11,091,392)	(11,127,707)
	<u>126,182</u>	<u>(101,399)</u>
	<u>\$ 137,040</u>	<u>\$ 106,657</u>

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.**CONDENSED INTERIM CONCOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

(Unaudited)

(Expressed in Canadian Dollars)

	Three Months Ended September 30		Six Months Ended September 30	
	2020	2019	2020	2019
Operating expenses				
Filing and transfer agent fees	\$ 5,076	\$ 3,193	\$ 6,565	\$ 4,390
General and administration costs	445	4,149	8,729	31,063
Professional fees	3,755	13,350	9,255	19,786
Share-based compensation	-	-	66,266	-
	9,276	20,692	90,815	54,870
Loss before other expenses	9,276	20,692	90,815	54,870
Unrealized loss (gain) on investment	5,869	64,405	(127,130)	393,318
Net loss (income) and comprehensive loss (income)	\$ 15,145	\$ 89,097	\$ (36,315)	\$ 450,188
Basic and diluted (loss) income per share	\$ (0.00)	\$ (0.07)	\$ 0.00	\$ (0.44)
Weighted average number of shares outstanding	36,958,499	1,024,937	35,155,220	1,024,937

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

GTA FINANCECORP 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, 2019	1,024,937	\$ 10,293,208	\$ 219,043	\$ (11,047,761)	\$ (535,510)
Loss and comprehensive loss	-	-	-	(450,188)	(450,188)
Balance, September 30, 2019	1,024,937	\$ 10,293,208	\$ 219,043	\$ (11,497,949)	\$ (985,698)
Stock options expired	-	-	(124,614)	124,614	-
Shares issued for cash	4,000,000	100,000	-	-	100,000
Shares issued for debt	26,933,562	538,671	-	-	538,671
Income for the period	-	-	-	245,628	245,628
Balance, March 31, 2020	31,958,499	\$ 10,931,879	\$ 94,429	\$ (11,127,707)	\$ (101,399)
Shares issued for cash	5,000,000	125,000	-	-	125,000
Share-based compensation	-	-	66,266	-	66,266
Income for the period	-	-	-	36,315	36,315
Balance, September 30, 2020	36,958,499	\$ 11,056,879	\$ 160,695	\$ (11,091,392)	\$ 126,182

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

GTA FINANCECORP INC.
CONDENSED INTERIM CONCOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Expressed in Canadian Dollars)

Six months ended September 30	2020	2019
Operating activities		
Net income (loss) and comprehensive loss for the period	\$ 36,315	\$ (361,091)
Items not affecting cash and cash equivalents		
Unrealized loss (gain) on investment	(127,130)	326,913
Share-based compensation	66,266	-
Change in non-cash working capital:		
Miscellaneous receivables	3,068	11,852
Prepaid expenses	-	3,887
Accounts payable and accrued liabilities	(13,568)	(17,648)
Net cash used in operating activities	(35,049)	(34,487)
Financing activities		
Issuance of common shares, net of issue costs	125,000	-
Net cash provided by financing activities	125,000	-
Net change in cash and cash equivalents	89,951	(36,487)
Cash and cash equivalents, beginning of period	30,919	52,723
Cash and cash equivalents, end of period	\$ 120,870	\$ 16,236

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

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.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds. Currently there is no impact on the Company.

These condensed interim financial statements were approved by the board of directors on November 27, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

The policies applied in these financial statements are based on IFRS issued and effective as of March 31, 2020.

Basis of Presentation

These unaudited condensed interim consolidated financial statements 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, 2020 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.

(Unaudited)

(Expressed in Canadian Dollars)

Six months ended September 30, 2020 and 2019

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 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 September 30, 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:

	September 30, 2020	March 31, 2020
Cash and cash equivalents	\$ 120,870	\$ 30,919

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 business of mining and exploration involves a high degree of risk and there can be no assurance that exploration programs will result in profitable mining operations. The Company has significant cash to meet its requirements for administrative overhead, to conduct due diligence on mineral property acquisition targets, and to conduct exploration of its mineral properties and mineral properties that may be acquired.

(Unaudited)

(Expressed in Canadian Dollars)

Six months ended September 30, 2020 and 2019

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

The Company does not 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.

(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 and term deposits with banks. 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 September 30, 2020. 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 June 30, 2020, 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

	September 30, 2020	September 30, 2019
Investment in CBLT Inc. ("CBLT")	\$ <u>-</u>	\$ <u>125,876</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 was paid on or about July 19, 2019 and 21,000,000 warrants of CBLT was paid on July 14, 2020.

GTA FINANCECORP INC.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

Six months ended September 30, 2020 and 2019

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. SHARE CAPITAL

Authorized

Unlimited number of common shares

Issued

	Number of Shares	Share Capital	Contributed Surplus
Balance March 31, 2019	1,024,937	\$ 10,293,208	\$ 219,043
Balance June 30, 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	-	-	(124,614)
Balance March 31, 2020	31,958,499	\$ 10,931,879	\$ 94,429
Shares issued for cash	5,000,000	125,000	-
Share-based compensation	-	-	66,266
Balance September 30, 2020	36,958,499	\$ 11,056,879	\$ 160,695

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 shares. All common shares, options, warrants, and basic and diluted loss per share amounts have been restated to give retrospective effect to the share consolidation.

On June 5, 2020, the Company issued 5,000,000 common shares at \$0.025 per share for gross proceeds of \$125,000.

7. WARRANTS

There were no common share purchase warrants outstanding on September 30, 2020 and September 30, 2019.

8. 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.

GTA FINANCECORP INC.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
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Six months ended September 30, 2020 and 2019

8. SHARE-BASED PAYMENTS – continued

A summary of the status of the stock option plan and changes for the period ended September 30, 2020 are presented below:

Grant date	Expiry date	Exercise Price	During the period				Closing Balance	Vested and Exercisable
			Opening Balance	Granted	Exercised	Expired		
June 15, 2016	June 15, 2021	\$3.00	8,500	-	-	-	8,500	8,500
November 9, 2016	November 9, 2021	\$3.00	6,000	-	-	-	6,000	6,000
August 22, 2017	August 22, 2022	\$2.50	16,000	-	-	-	16,000	16,000
April 18, 2018	April 18, 2023	\$2.50	16,000	-	-	-	16,000	16,000
June 8, 2020	June 8, 2025	\$0.025	-	2,750,000	-	-	2,750,000	2,750,000
			46,500	2,750,000	-	-	2,796,500	2,796,500
Weighted average exercise price			\$2.60	\$0.025	\$0.00	\$0.00	\$0.07	\$0.07

The weighted average remaining contractual life of options outstanding at September 30, 2020 was 4.64 years.

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

Total expenses arising from the share-based payment transactions recognized during the six months ended September 30, 2020 as part of share-based compensation expense was \$66,266 (2019: \$nil).

As at September 30, 2020 there was no amount (2019: \$nil) of total unrecognized compensation cost related to unvested share-based compensation.

9. 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).

During the three months ended September 30, 2020 and 2019, the Company had the following transactions in the normal course of operations with related parties:

	2020	2019
Management fees (i)	\$ -	\$ 15,000
Office rent, supplies and admin. expense (ii)	\$ -	\$ 500
Share-based compensation (iii)	\$ -	\$ -

9. RELATED PARTY TRANSACTIONS – CONTINUED

- (i) The Company paid \$nil (2019 - \$7,500) in management fees to the President of the Company and \$nil (2019 - \$7,500) to the CFO of the Company.
- (ii) The Company paid \$nil (2019 - \$500) for rent, supplies and administrative expenses to private companies controlled by directors and officers of the Company.

Accounts payable and accrued liabilities include \$90 (2019 - \$5,770) due to related parties. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

10. 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 would apply to list its shares on the Canadian Securities Exchange. As part of the transaction, it was 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. was subject to due diligence, and some parts of the transaction may have been subject to regulatory approval and shareholder approval and the transaction was initially scheduled to close on or before January 31, 2020.

Pursuant to the proposed transaction, the Company incorporated a subsidiary company GTA GW Mergeco, Inc.

On March 16, 2020, the Company and GameWorks, Inc. mutually agreed to terminate the definitive agreement to effect a reverse merger and GameWorks, Inc. agreed to reimburse the Company for costs incurred in connection with the proposed transaction totalling \$19,238, of which \$3,068 has been received, as disclosed in the statements of financial position.