

**TIIDAL GAMING GROUP CORP.**  
**(FORMERLY GTA FINANCECORP INC.)**  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE AND SIX MONTHS ENDED APRIL 30, 2023, AND 2022**  
**(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 April 30, 2023 and October 31, 2022

(Expressed in Canadian Dollars – Unaudited)

	Note	April 30, 2023	October 31, 2022
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 8,197	\$ 11,082
Trade and other receivables	5, 14	208,216	281,835
Prepaid expenses and deposits		828	30,797
		217,241	323,714
Assets classified as held for sale	21	1,851,037	1,770,200
Equipment	7	1,733	2,449
<b>Total assets</b>		\$ 2,070,011	\$ 2,096,363
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and other liabilities	10, 14	\$ 921,726	\$ 649,712
Lease liability	8	-	-
		921,726	649,712
Liabilities classified as held for sale	21	1,627,820	478,238
Government loan payable	12	37,070	35,044
<b>Total liabilities</b>		2,586,616	1,162,994
<b>Shareholders' equity</b>			
Share capital	13	13,037,679	12,790,672
Reserves	13	4,313,296	3,454,882
Shares to be issued	13	-	667,880
Accumulated other comprehensive loss		(81,483)	(178,760)
Accumulated deficit		(17,786,097)	(15,801,305)
<b>Total shareholders' equity</b>		(516,605)	933,369
<b>Total liabilities and shareholders' equity</b>		\$ 2,070,011	\$ 2,096,363

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

Discontinued Operations and Disposal Group held for Sale (Note 21)

Subsequent Events (Note 22)

**Approved and Authorized by the Board on June 28, 2023:**"Thomas Hearne" Director"Zachary Goldenberg" 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 and six months ended April 30, 2023, and 2022

(Expressed in Canadian Dollars – Unaudited)

	Note	Three months ended April 30,		Six months ended April 30,	
		2023	2022	2023	2022
<b>Operating expenses</b>					
General and administrative	14, 15	\$ 277,357	\$ 68,140	\$ 522,498	\$ 382,146
Advertising and promotion		3,274	51,310	25,281	49,072
Consulting		-	15,000	17,377	134,708
Management fees	14	28,800	15,000	67,600	80,000
Travel		-	244	-	-
Bad debt (recovery)		-	-	(1,893)	-
Depreciation of equipment	7, 8	354	1,317	716	2,664
Share-based payments	13, 14	40,247	253,763	190,534	1,877,012
Total operating expenses		350,032	404,774	822,113	2,525,602
<b>Loss before other items</b>		(350,032)	(404,774)	(822,113)	(2,522,602)
<b>Other items</b>					
Gain on settlement of debt	13	-	-	-	28,123
Foreign exchange gain (loss)		4,445	(1,229)	(885)	6,152
Interest income		-	-	1,260	1,028
Finance charges		(3,478)	(2)	(6,779)	(1,281)
Listing expense	6c	-	-	-	(1,278,386)
<b>Net loss from continuing operations</b>		<b>(349,064)</b>	<b>(406,005)</b>	<b>(828,517)</b>	<b>(3,769,967)</b>
<b>Net loss from discontinued operations</b>		<b>(570,642)</b>	<b>(750,069)</b>	<b>(1,156,275)</b>	<b>(1,258,300)</b>
<b>Net loss</b>		<b>(919,707)</b>	<b>(1,156,074)</b>	<b>(1,984,792)</b>	<b>(5,028,267)</b>
<b>Other comprehensive income</b>					
Foreign currency translation adjustment		(32,464)	(24,791)	97,277	(37,383)
<b>Comprehensive loss for the period</b>		<b>\$ (952,171)</b>	<b>(1,180,865)</b>	<b>(1,887,515)</b>	<b>(5,065,650)</b>
Weighted average number of common shares outstanding					
		<b>83,193,208</b>	72,043,327	<b>83,193,208</b>	71,911,380
Basic and diluted loss per share		<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.02)</b>	<b>\$ (0.07)</b>

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

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

## Condensed Consolidated Interim Statements of Cash Flows

For the six months ended April 30, 2023, and 2022

(Expressed in Canadian Dollars – Unaudited)

	2023	2022
<b>Operating activities</b>		
Net loss from continuing operations	\$ (828,517)	\$ (3,769,967)
Adjustments for non-cash items:		
Depreciation of equipment	716	3,957
Non-cash listing expense	-	1,228,025
Share-based payments	190,534	1,877,012
Accretion expense	2,026	1,280
Gain on settlement of debt	-	(28,123)
Unrealized foreign exchange	812	(6,325)
Changes in non-cash working capital items:		
Trade and other receivables	42,083	(86,924)
Prepaid expenses and deposits	29,281	(67,891)
Accounts payable and other liabilities	409,355	(593,987)
<b>Net cash used in operating activities</b>	<b>(153,710)</b>	<b>(1,442,943)</b>
<b>Net cash used in discontinued operations</b>	<b>(1,356,343)</b>	<b>(1,123,568)</b>
<b>Investing activities</b>		
Cash acquired from acquisition of GTA Financecorp	-	9,434
<b>Net cash used in investing activities</b>	<b>-</b>	<b>9,434</b>
<b>Net cash used in investing activities in discontinued operations</b>	<b>(6,960)</b>	<b>(25,882)</b>
<b>Financing activities</b>		
Cash released from escrow on completion of RTO	-	3,257,408
Repurchase of Tiidal common shares	-	(30,000)
Share issuance costs	(49,184)	(25,510)
Proceeds from share issuance	202,960	-
Proceeds from share issuance costs reimbursement	-	11,376
Proceeds from issuance of promissory notes	-	(38,000)
<b>Net cash provided by financing activities</b>	<b>153,776</b>	<b>3,175,273</b>
<b>Net cash provided by (used in) financing activities in discontinued operations</b>	<b>1,363,011</b>	<b>(31,360)</b>
Effect of foreign exchange on cash	(2,659)	-
<b>Net change in cash</b>	<b>(2,885)</b>	<b>560,954</b>
<b>Cash, beginning of period</b>	<b>11,082</b>	<b>22,923</b>
<b>Cash, end of period</b>	<b>\$ 8,197</b>	<b>\$ 583,877</b>

**Supplemental Disclosures with Respect to Cash Flows (Note 17)***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 six months ended April 30, 2023, and 2022

	Note	Number of Shares	Share Capital \$	Shares to be Issued \$	Reserves \$	Accumulated Other Comprehensive Income (loss) \$	Accumulated Deficit \$	Total Shareholders' Equity (Deficiency) \$
<b>Balance, October 31, 2021</b>		<b>56,368,831</b>	<b>6,078,510</b>	<b>767,878</b>	<b>2,129,832</b>	<b>71,159</b>	<b>(8,382,097)</b>	<b>665,282</b>
Shares issued for GTA RTO	13	3,279,996	1,257,466	-	3,421	-	-	1,260,887
Share issuance costs	13	346,886	(495,177)	-	12,966	-	-	(482,211)
Stock options exercised	13	191,070	30,571	-	-	-	-	30,571
Shares issued for debt settlement	13	312,136	127,945	-	-	-	-	127,945
Repurchase of Tiidal shares	13	(191,070)	(30,000)	-	-	-	-	(30,000)
Share issued on exercise of RSU	13	4,203,540	1,649,967	(99,998)	(1,549,969)	-	-	-
Shares issued for convertible debt	13	687,607	271,195	-	8,320	-	-	279,515
Shares issued for cash	13	6,844,331	2,756,918	-	838,695	-	-	3,595,613
Share-based payments	13	-	-	-	1,877,012	-	-	1,877,012
Foreign currency translation	13	-	-	-	-	(37,627)	-	(37,627)
Net loss		-	-	-	-	-	(5,028,267)	(5,028,267)
<b>Balance, April 30, 2022</b>		<b>72,043,327</b>	<b>11,647,395</b>	<b>667,880</b>	<b>3,320,277</b>	<b>33,532</b>	<b>(13,410,364)</b>	<b>2,258,720</b>
<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	13	-	-	-	190,534	-	-	190,534
Shares issued for cash	13	2,029,600	202,960	-	-	-	-	202,960
Shares issued for debt settlement	13	932,307	93,231	-	-	-	-	93,231
Share issuance costs	13	-	(49,184)	-	-	-	-	(49,184)
Reclassified shares to be issued to reserves	13	-	-	(667,880)	667,880	-	-	-
Foreign currency translation	13	-	-	-	-	97,277	-	97,277
Net loss		-	-	-	-	-	(1,984,792)	(1,984,792)
<b>Balance, April 30, 2023</b>		<b>83,193,208</b>	<b>13,037,679</b>	<b>-</b>	<b>4,313,296</b>	<b>(81,483)</b>	<b>(17,786,097)</b>	<b>(516,605)</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 Condensed Consolidated Interim Financial Statements

For the three and six months ended April 30, 2023, and 2022

(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 has been relegated from the OTCQB to OTC Pink.

On November 9, 2021, the Company completed a transaction that resulted in a reverse takeover (“GTA RTO”) of the Company by the shareholders of Tiidal Gaming Holdings Inc. (formerly Tiidal Gaming Group Inc.) (“Tiidal Inc.”). See Note 6c. The Company changed its name to “Tiidal Gaming Group Corp.” and effect a consolidation of the common shares on the basis of 11.2678 pre-consolidation common shares into one new post-consolidation common shares. Tiidal Inc., was incorporated under the Business Corporations Act of Ontario on October 22, 2018. Tiidal Inc. amalgamated with 2852773 Ontario Inc. (“GTA Subco”) prior to completion of the GTA RTO transaction on November 9, 2021.

The Company’s principal business activities were owning and operating synergistic businesses across the esports ecosystem, including its wholly-owned subsidiaries 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, 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 March 13, 2023, the Company announced its agreement to sell its Sportsflare division (Tiidal NZ) to Entain Holdings (UK) Limited. The financial results of Tiidal NZ are reflected in the assets/liabilities held for sale. The transaction was closed on June 9, 2023.

## 2. Going Concern

These condensed consolidated interim 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. Although the Company has generated revenue to date, it is currently unable to self-finance any future operations. The Company’s ability to continue as a going concern and to realize assets at their carrying value is dependent upon its ability to obtain financing and generate profits and positive cash flows from operations in order to cover its operating costs.

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

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended April 30, 2023, and 2022

(Expressed in Canadian Dollars)

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### **2. Going Concern (continued)**

The Company incurred a loss of \$1,984,792 for the six months ended April 30, 2023 (six months ended April 30, 2022 – \$5,028,267), and as of that date the Company’s accumulated deficit was \$17,786,097 (April 30, 2022 – \$15,801,305). The Company will periodically need to raise funds to continue its operations and although it has been successful in doing so in the past, there is no assurance that it will be able to continue to do so in the future. 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 at amounts different from those reflected in the accompanying condensed consolidated interim financial statements. These adjustments could be material.

On March 13, 2023, the Company announced the sale of Tiidal NZ to Entain Holdings (UK) Limited, for consideration of \$13.25 million in cash. The purchase price will be retained by the Company in a holding account for 180 days following the closing, during which 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 transaction.

### **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 June 28, 2023.

#### **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 and Tiidal NZ subsidiaries, which have the U.S. dollar and New Zealand dollar as its functional currency, respectively.

#### **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 condensed consolidated interim 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.



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

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended April 30, 2023, and 2022

(Expressed in Canadian Dollars)

### 3. Basis of Presentation (continued)

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
Tiidal Gaming US Corp.	United States	Canadian dollars	Consolidation
GTA GW Mergeco Inc.	United States	Canadian dollars	Consolidation
Tiidal Gaming NZ Limited	New Zealand	New Zealand dollars	Consolidation

### 4. Significant Accounting Policies

#### Cash and cash equivalents

The accounting policies followed by the Company are set out in Note 4 to the audited financial statements for the years ended October 31, 2022 and 2021, and have been consistently followed in the preparation of these condensed consolidated interim financials with the exception of the policies set out below:

#### *Discontinued Operations/Disposal group held for sale*

Discontinued operations are reported when a component of the Company, representing a separate major line of business or area of operations with clearly distinguishable cash flows, has been disposed of or is held for sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. In accordance with IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations" ("IFRS 5"), discontinued operations are reported as a separate element of net income or loss on the consolidated statement of operations and comprehensive loss for both the current and comparative periods. When a disposal group is classified as held for sale, assets and liabilities are aggregated and presented as separate line items, respectively, on the consolidated statement of financial position. Comparative periods are not restated on the consolidated statement of financial position. Assets held for sale are not depreciated and are measured at the lower of carrying value and fair value less costs to sell.

#### **New accounting pronouncements issued but not yet effective**

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Company may have been excluded. The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has determined that there are no new standards that are relevant to the Company.

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

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended April 30, 2023, and 2022

(Expressed in Canadian Dollars)

## 4. Significant Accounting Policies (continued)

### Critical Accounting Estimates and Judgments

The accounting estimates and judgments used by the Company are the same as those set up in Note 4 to the audited financial statements for the years ended October 31, 2022 and 2021, and have been consistently followed in the preparation of these condensed consolidated interim financial statements.

## 5. Trade and Other Receivables

Trade and other receivables consist of the following:

	April 30, 2023	October 31, 2022
Trade receivables	\$ 10,930	\$ 37,660
Expected credit losses	(7,725)	(9,619)
GST/HST receivable	205,011	251,242
Advances to an officer (Note 14)	-	2,552
	\$ 208,216	\$ 281,835

During the six months ended April 30, 2023, the Company recorded a recovery of bad debt expense of \$1,893 (April 30, 2022 - \$nil) on trade receivables and recorded a provision for expected credit losses.

## 6. Acquisitions

### a) Sportsflare NZ Asset Acquisition

On December 14, 2020, the Company entered into an Asset Purchase Agreement with a private New Zealand corporation, Sportsflare NZ, to purchase certain assets, including intellectual property relating to an esports betting platform. This acquisition was completed on December 14, 2020.

Consideration for the acquisition is up to an aggregate of 7,642,800 common shares of the Company with a fair value of \$0.39 per common share and the assumption of certain liabilities with a fair value of \$20,369. A total of 3,821,400 of the common shares are subject to certain milestone conditions "Milestone Shares" which were amended on September 24, 2021.

The Common Shares are to be issued in tranches as follows:

- 3,821,400 common shares shall be issued on the closing date of the agreement (issued);
- 1,910,700 common shares of Tiidal shall be issued to Sportsflare NZ on the successful integration of one of the market validating customers on or before December 31, 2022 ("Market Validation Milestone Shares") (unissued); and
- 1,910,700 common shares shall be issued upon Tiidal NZ achieving USD\$100,000 in monthly recurring revenue from at least ten customers or deployments of Tiidal NZ on or before December 31, 2022 (unissued).

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

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended April 30, 2023, and 2022

(Expressed in Canadian Dollars)

### 6. Acquisitions

#### a) Sportsflare NZ Asset Acquisition (continued)

Under IFRS 3, the acquisition does not constitute a business combination as there were no processes or outputs acquired and was accounted for as an asset acquisition recognized in intangible assets (Note 9).

The following table summarizes the fair value of consideration paid on the acquisition date and the net assets acquired:

<b>Consideration</b>	
Fair value of 3,821,400 common shares issued	\$ 1,500,000
Fair value of 3,821,400 contingent Market Validation Milestone Shares	667,880
Acquisition costs – legal fees	19,184
<b>Total consideration</b>	<b>\$ 2,187,064</b>
Net assets acquired	\$ 2,187,064
Fair value of liabilities assumed	20,369
<b>Total capitalized to intangible assets</b>	<b>\$ 2,207,433</b>

As at April 30, 2023, the contingent market validation milestones will not be met as Tiidal NZ was sold to Entain. As a result, the balance of \$667,880 was reclassified from shares to be issued to reserves.

#### b) Subscription Receipt Financing

An agreement entered in on July 12, 2021, between the Company, Tiidal Inc., and GTA Subco for the proposed GTA RTO (Notes 1, 6c) was subject to the completion of the following by Tiidal Inc.:

- A best-efforts private placement of up to 11,500,000 Tiidal Inc. subscription receipts at a price of \$0.50 per subscription receipt for gross proceeds of up to \$5,500,000.
- On July 13, 2021, Tiidal Inc. closed a non-brokered financing of 3,576,361 subscription receipts at a price of \$0.50 per subscription receipt for gross proceeds of \$1,788,181 and a brokered financing of 2,971,000 subscription receipts at a price of \$0.50 per subscription receipt for gross proceeds of \$1,485,500. Tiidal Inc. will split its common shares on the basis of one pre-share split Tiidal Inc. common share for 1.2738 post-share split Tiidal Inc. common share. Each subscription receipt will, upon satisfaction of the escrow release conditions, be automatically converted into one unit of the Company, with each unit being comprised of one post-share split common share and one-half of one post-share split warrant.
- Each warrant will entitle the holder to purchase one post-share split common share for a period of 24 months following the conversion date at a price of \$0.75.
- On July 13, 2021, \$3,257,408 was transferred to TSX Trust Company to be released upon the satisfaction of escrow conditions, including the GTA RTO transaction (Note 6c).

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

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended April 30, 2023, and 2022

(Expressed in Canadian Dollars)

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### 6. Acquisitions (continued)

#### b) Subscription Receipt Financing (continued)

- Tiidal Inc. issued 346,890 subscription receipts to the agents in connection with the financing and issued 457,970 compensation stock options to the agents upon satisfaction of the escrow conditions. Each compensation stock option will be exercisable for one post-share split common share or one Resulting Issuer Share (subject to any necessary adjustments), as applicable, \$0.50 for a period of 24 months following the satisfaction of the escrow release conditions.
- As at October 31, 2021, \$136,159 in finance fees and \$28,600 in HST were paid directly from the gross proceeds to agents in the private placement and \$173,445 in financing charges were paid through 346,890 subscriptions in lieu of cash. During the three months ended January 31, 2023, the Company paid \$nil (January 31, 2021 - \$14,134) in finance fees.
- Tiidal Inc. granted 457,970 compensation stock options which are exercisable within two-and-a-half years from the date of grant at an exercise price of \$0.50 per share. The options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, discount rate of 0.47%, expected volatility of 150% and an expected life of 2.5 years. The value attributed to these options was \$171,439.
- On October 7, 2021, Tiidal Inc. closed the second tranche of a non-brokered financing of 296,970 subscription receipts at a price of \$0.50 per subscription receipt for gross proceeds of \$148,485. The subscription receipts have the same terms and escrow conditions as the first tranche which closed on July 13, 2021, as noted above. \$148,485 in gross proceeds from the second tranche of the subscription financing were transferred to TSX Trust to be released upon the satisfaction of escrow release conditions. In connection with the subscription receipt financing, a finder's fee was paid through the issuance of 346,890 shares for an aggregate fair value of \$173,445 and paid an aggregate of \$321,868 in cash.
- The automatic conversion of all issued and outstanding Tiidal Inc. convertible notes into new Tiidal Inc. common shares and Tiidal Inc. warrants (on a post-Tiidal Inc. share split basis) pursuant to the terms set out on the convertible note certificates; and
- The automatic vesting of all issued and outstanding Tiidal Inc. RSUs into new Tiidal Inc. common shares pursuant to the terms set out in their respective RSU agreements.

#### c) GTA Financecorp Inc. Reverse Takeover

The GTA RTO was completed pursuant to the terms of a business combination agreement dated July 12, 2021 (the "Definitive Agreement"), among the Company, Tiidal Inc., and GTA Subco.

On November 9, 2021, the GTA RTO transaction closed in which 95.43% of the shares of the combined entity of the Company are held by the former shareholders of Tiidal Inc.

The subscription receipts and convertible notes converted into common shares and warrants of Tiidal Inc. which were then exchanged for common shares and warrants of the Company. As a result, the former shareholders of Tiidal Inc. acquired control of the Company, thereby constituting a reverse takeover of the Company. This is considered a purchase of the Company's net assets by the shareholders of Tiidal Inc.

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

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended April 30, 2023, and 2022

(Expressed in Canadian Dollars)

### 6. Acquisitions (continued)

#### c) GTA Financecorp Inc. Reverse Takeover (continued)

The GTA RTO is accounted for in accordance with guidance provided in IFRS 2 Share-Based Payments (“IFRS 2”) and IFRS 3 Business Combinations (“IFRS 3”).

For accounting purposes, the acquisition is considered to be outside the scope of IFRS 3 since Tiidal Corp., prior to the acquisition did not constitute a business. The GTA RTO is accounted for in accordance with IFRS 2 whereby Tiidal Inc. is deemed to have issued common shares and stock options in exchange for net assets of Tiidal Corp. (GTA) together with its listing status at the fair value of the consideration received by Tiidal Inc. The accounting transaction resulted in the following:

- The condensed consolidated interim financial statements of the combined entities are issued under the legal parent, Tiidal Corp., but are considered a continuation of the financial statements of the legal subsidiary, Tiidal Inc.
- Since Tiidal Inc. is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the condensed consolidated interim financial statements at their historical carrying values.

Since the share and share-based consideration allocated to the former shareholders of Tiidal Corp. on closing the GTA RTO is considered within the scope of IFRS 2, and the Company cannot identify specifically some or all of the goods or service received in return for the allocation of the common shares and stock options, the value in excess of the net identifiable assets or liabilities of Tiidal Corp. acquired on closing was expensed in the consolidated statement of net loss and comprehensive loss as listing expense.

The listing expense in the amount of \$1,278,386 is comprised of the fair value of the common shares and stock options of the Company retained by former shareholders of Tiidal Corp. (GTA), as well as other direct expenses of the GTA RTO.

A breakdown of the listing expense is as follows:

<b>Consideration</b>	<b>Number</b>	<b>Total</b>
Fair value of shares retained by former GTA Finance Corp. shareholders	3,279,996	\$ 1,257,466
Fair value of stock options assumed	247,431	3,421
Prior cash advanced from the Company and Tiidal Inc.		(99,000)
<b>Total consideration</b>		<b>\$ 1,161,887</b>
<b>Fair value of net working capital deficiency assumed:</b>		
Cash		\$ (9,434)
Accounts payable and accrued liabilities		48,263
<b>Net working capital deficiency</b>		<b>\$ 38,829</b>
Transaction costs related to GTA RTO		77,670
<b>Listing expense</b>		<b>\$ 1,278,386</b>

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**6. Acquisitions (continued)****c) GTA Financecorp Inc. Reverse Takeover (continued)**

In addition, the Company incurred \$199,386 in legal expenses for the RTO that were expensed during the year ended October 31, 2021.

In accordance with IFRS 2, the fair value of the share issuance was determined to be 0.3834 (post-split), based on the estimated fair value at the acquisition date. The fair value of 247,431 GTA stock options assumed was determined to be \$0.01 per share using the Black-Scholes option pricing model with the following assumptions: estimated volatility of 150%, risk free interest rate of 0.38% to 0.68%, expected life of 0.15 years to 3.73 years, exercise price ranging from \$0.28 to \$33.80, and share price of \$0.02.

Pursuant to the GTA RTO, the following occurred:

- The Company completed a consolidation of its common shares immediately prior to the completion of the amalgamation (as defined below), of its then issued and outstanding 36,958,499 common shares on the basis of one new Company common share for every 11.2678 existing Tiidal Corp. (GTA) common shares.
- The Company's subsidiary, GTA Subco, amalgamated with Tiidal Inc., and changed its name to Tiidal Gaming Holdings Inc.
- The Company acquired all of the issued and outstanding common shares of Tiidal Inc. from the former shareholders of Tiidal Inc. in exchange for an aggregate of 68,460,125 of the Company's common shares. The Company then changed its name from GTA Financecorp Inc. to Tiidal Gaming Group Corp.

Immediately prior to the amalgamation, Tiidal Inc.'s shares underwent a 1:1.2738 share split and all outstanding Tiidal Inc. restricted share units ("RSUs") automatically vested. Upon effect of the split, authorized capital remains unchanged. These financial statements give retroactive effect to such stock split named above and all share and per share amounts have been adjusted accordingly, unless otherwise noted.

**7. Equipment**

		<b>Computer equipment</b>		<b>Furniture and equipment</b>		<b>Total</b>
<b>Cost</b>						
Opening, October 31, 2021	\$	47,903	\$	10,105	\$	58,008
Additions		16,767		1,971		18,738
Write-off		(3,750)		(3,222)		(6,972)
Assets held for sale		(61,201)		(9,342)		(70,543)
Foreign exchange adjustment		2,913		488		3,401
<b>Ending, October 31, 2022 and April 30, 2023</b>	<b>\$</b>	<b>2,632</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>2,632</b>

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**7. Equipment (continued)**

<b>Accumulated depreciation</b>					
Opening, October 31, 2021	\$	39,569	\$	3,034	\$ 42,603
Depreciation		14,239		995	15,234
Assets held for sale		(53,625)		(4,029)	(57,654)
<b>Ending, October 31, 2022</b>		<b>183</b>		<b>-</b>	<b>183</b>
Depreciation		354		-	354
Foreign exchange		8		-	8
<b>Ending, April 30, 2023</b>	<b>\$</b>	<b>545</b>	<b>\$</b>	<b>-</b>	<b>\$ 545</b>
<b>Net book value</b>					
<b>October 31, 2022</b>	<b>\$</b>	<b>2,449</b>	<b>\$</b>	<b>-</b>	<b>\$ 2,449</b>
<b>April 30, 2023</b>	<b>\$</b>	<b>2,087</b>	<b>\$</b>	<b>-</b>	<b>\$ 2,087</b>

**8. Right-of-use assets/Lease liability**

On September 22, 2021, the Company's subsidiary Tiidal NZ, entered into a twenty-four-month lease agreement for new office space in Wellington, New Zealand commencing October 1, 2021. Under the lease, the Company is required to pay an annual rent of \$70,867 NZD plus applicable GST monthly. The lease agreement includes an extension option for an additional twenty-four months. At the commencement date of the lease, the lease liability was measured at the present value of the lease payments that were not paid at that date (including the extension option of twenty-four months). The lease payments are discounted using an interest rate of 12%, which is the Company's estimated incremental borrowing rate in Canada.

Tiidal NZ also entered into several twelve-month lease-to-own agreements for office equipment commencing during the six months ended April 30, 2023. Under these leases, the Company is required to pay an aggregate amount of \$32,111 NZD plus applicable GST.

At the commencement date of these leases, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 12%, which is the Company's estimated incremental borrowing rate.

<b>Right-of-use asset</b>		<b>Office Space</b>		<b>Office Equipment</b>		<b>Total</b>
Opening, October 31, 2021	\$	223,986	\$	-	\$	223,986
Additions		-		29,994		29,994
Depreciation		(40,822)		(3,487)		(44,309)
Foreign exchange adjustment		(24,173)		(3,887)		(28,060)
Disposition and adjustments		(29,498)		-		(29,498)
Asset held for sale		(129,493)		(22,620)		(152,113)
<b>Ending, October 31, 2022 and April 30, 2023</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>

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**8. Right-of-use assets/Lease liability (continued)**

<b>Lease liability</b>	<b>Office Space</b>		<b>Office Equipment</b>		<b>Total</b>
Opening, October 31, 2021	\$	228,752	\$	-	\$ 228,752
Additions		-		29,994	29,994
Accretion		17,339		1,755	19,094
Payments		(62,280)		(24,891)	(87,171)
Foreign exchange adjustment		(16,780)		(1,181)	(17,961)
Adjustment		(29,498)		-	(29,498)
Liabilities associated with assets held for sale		(137,533)		(5,677)	(143,210)
<b>Ending, October 31, 2022 and April 30, 2023</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$ -</b>
<b>Current</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$ -</b>
<b>Non-current</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$ -</b>

**9. Intangible Assets**

<b>Cost</b>	<b>Sportsflare intellectual property and related assets</b>		<b>Total</b>
Ending balance October 31, 2021	\$	2,207,433	\$ 2,207,433
Foreign exchange adjustment		(241,099)	(241,099)
Asset held for sale		(1,966,334)	(88,636)
<b>Ending balance October 31, 2022 and April 30, 2023</b>	<b>\$</b>	<b>-</b>	<b>\$ -</b>
<b>Accumulated amortization</b>			
Ending balance October 31, 2021	\$	190,238	\$ 190,238
Amortization		202,874	202,874
Asset held for sale		(393,112)	(393,112)
<b>Ending balance October 31, 2022 and April 30, 2023</b>	<b>\$</b>	<b>-</b>	<b>\$ -</b>
<b>Net book value October 31, 2022</b>	<b>\$</b>	<b>-</b>	<b>\$ -</b>
<b>Net book value April 30, 2023</b>	<b>\$</b>	<b>-</b>	<b>\$ -</b>

**10. Accounts Payable and Other Liabilities**

	<b>April 30, 2023</b>		<b>October 31, 2022</b>	
Accounts payable (Note 14)	\$	508,810	\$	178,906
Accrued liabilities		372,029		251,213
Payroll liabilities		30,709		208,915
GST/HST payable		10,178		10,178
	<b>\$</b>	<b>921,726</b>	<b>\$</b>	<b>649,212</b>



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### 11. Convertible Notes

On March 31, 2021, the Company closed an unsecured convertible notes financing for gross proceeds of \$280,250. The convertible notes bear interest at 7% per annum and are automatically converted into securities of Tiidal Inc. upon the completion of an equity financing in connection to a reverse takeover transaction or initial public offering and the completion of any release conditions connected to such financing. The notes will be converted into the same securities sold and issued with said equity financing at a conversion price equal to 85% of the price per the equity financing. The convertible notes mature one year from the date of issuance. The price of the equity financing was fixed at \$0.50 per unit prior to the closing of the convertible notes, and as result, there was no derivative liability associated with the convertible notes.

On November 9, 2021, the GTA RTO transaction was completed, resulting in the automatic conversion of the convertible notes into 687,607 shares and 343,800 warrants of Tiidal Inc.

A continuity of the Company's convertible notes is as follows:

	<b>Total</b>
Balance, October 31, 2020	\$ -
Issued during the year	280,250
Conversion feature	(31,542)
Accretion	18,026
<b>Balance, October 31, 2021</b>	<b>\$ 266,734</b>
Accretion	796
Conversion	(267,530)
<b>Balance, October 31, 2022 and April 30, 2023</b>	<b>\$ -</b>

### 12. 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. The CEBA loan terms included if the Government of Canada is repaid by December 31, 2022, 25%, being \$10,000 of the CEBA loan will be forgiven. If the CEBA loan balance is not paid prior to December 31, 2022, the remaining balance would be converted to a three-year term loan at 5% annual interest, paid monthly. The full balance must be repaid no later than December 31, 2025.

In January 2021, Tiidal Inc. received an additional \$20,000 interest free CEBA loan from the Government of Canada. The CEBA loan terms included if the Government of Canada is repaid by December 31, 2022, 50%, being \$10,000, will be forgiven.

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### **12. Government Loan Payable (continued)**

If the balance is not paid prior to December 31, 2022, the remaining balance will be converted to a three-year term loan at 5% annual interest, paid monthly. The full balance must be repaid no later than December 31, 2025.

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 April 30, 2023, the Company has an outstanding CEBA loan balance of \$37,070 (October 31, 2022 - \$35,044) and recognized \$nil (2022 - \$Nil) in income from government assistance.

### **13. Share Capital**

#### **Authorized**

The Company is authorized to issue an unlimited number of common shares.

On April 30, 2023, the Company had 83,193,208 shares outstanding.

#### **Stock Split**

In connection with the GTA RTO, Tiidal Inc. consolidated its shares on the basis of 1.2738 new Tiidal Inc. shares for every old Tiidal Inc. share, subject to adjustment in accordance with the terms of the Definitive Agreement (Note 1). All references to shares and per share amounts have been retrospectively restated to reflect the stock split, unless otherwise indicated.

#### **a) Issued**

The Company issued common shares as described below for the six months ended April 30, 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.

For the six months ended April 30, 2023, the Company incurred \$49,184 in share issuance costs for the subscription receipt financing and conversion to common shares and warrants.

The Company issued common shares as described below for the six months ended April 30, 2022:

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### 13. Share Capital (continued)

#### a) Issued (continued)

On November 9, 2021, upon completion of the GTA RTO, the Company had the following transactions:

- The Company converted subscription receipts (see Note 6c) that were previously issued for gross proceeds of \$3,422,166 into units consisting of an aggregate of 6,844,331 common shares and 3,422,165 share purchase warrants. Subscription receipts with a fair value of \$309,604 that were previously issued for financing charges in lieu of cash were converted into units which consisted of an aggregate of 346,890 common shares and 173,444 share purchase warrants. Each unit consists of one common share and one-half of a share purchase warrant. Each full warrant allows the holder to purchase an additional common share at an exercise price of \$0.75 and expires on November 9, 2023.
- The Company recorded \$2,756,918 to share capital and \$838,694 to reserves.
- The Company incurred \$136,158 in financing charges paid directly from the gross proceeds.
- The Company issued 687,607 common shares and 343,800 share purchase warrants with an exercise price of \$0.75 expiring on November 9, 2023 upon the conversion of outstanding convertible notes with a fair value of \$270,961 into units consisting of one common share and one-half of a share purchase warrant. Each full warrant allows the holder to purchase an additional common share at an exercise price of \$0.75 and expires on November 9, 2023.
- The Company paid \$30,000 to a shareholder dissenting to the GTA RTO transaction to cancel 191,070 common shares held by the dissenting shareholder.
- The Company issued an aggregate of 4,203,540 common shares pursuant to the RSUs issued and vested upon completion of the GTA RTO. These common shares have an aggregate fair value of \$4,203,540.
- The Company issued 200,000 common shares to settle \$100,000 in accounts payable. The estimated fair value of the common shares issued was \$97,668. The gain on settlement of \$2,332 was recognized in the statement of net loss and comprehensive loss.

On January 7, 2022, an aggregate of 191,070 stock options of the Company with an exercise price of \$0.16 per warrant were exercised in exchange for the settlement of \$30,571 in accounts payable.

On January 31, 2022, the Company issued 112,136 common shares with a fair value of \$30,277 to settle \$56,068 in debt. The Company recognized a gain of \$25,791 on the debt settlement.

For the six months ended April 30, 2022, the Company incurred \$495,177 in share issuance costs consisting of legal, financing, and other fees for the subscription receipt financing and conversion to common shares and warrants.

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### 13. Share Capital (continued)

#### 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 six months ended April 30, 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.

For the six months ended April 30, 2022, the following activity occurred:

- On November 9, 2021, the Company granted an aggregate of 955,350 stock options to certain officers and employees of the Company. The stock options can be exercised at \$0.39 per stock option and expire November 9, 2026. These stock options vest evenly over the next 24 months. At closing of the GTA RTO on November 9, 2021, the Company had an aggregate of 247,431 stock options outstanding. 532 out of these stock options expired on November 9, 2021. The remaining stock options have an expiry date ranging from August 30, 2022 to June 8, 2025.
- On November 17, 2021, the Company granted an aggregate of 1,500,000 stock options to certain officers and employees of the Company. The stock options can be exercised at \$0.50 per stock option and expire on November 17, 2026. The vesting terms of these stock options are as follows:

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### 13. Share Capital (continued)

#### b) Stock options (continued)

- Ten percent (10%) of the stock options shall vest upon the Company generating an aggregate of \$1,000,000 in total revenue between November 1, 2021, and the expiry date (the “Earning Period”);
- Fifteen percent (15%) of the stock options shall vest upon the Company generating an aggregate of \$2,500,000 in total revenue during the Earning Period.
- Twenty-five percent (25%) of the stock options shall vest upon the Company generating an aggregate of \$5,000,000 in total revenue during the Earning Period; and
- Fifty percent (50%) of the stock options shall vest upon the Company generating an aggregate of \$10,000,000 in total revenue during the Earning period.

The estimate made for determining the vesting schedule of these stock options is based on the April 30, 2022, total revenue extrapolated for one full year and a 15% growth rate per year.

- On January 4, 2022, the Company granted an aggregate of 4,400,000 stock options to certain officers, directors, employees, and consultants of the Company. The stock options can be exercised at \$0.30 per stock option.
  - 1,500,000 of the total stock options expire on November 17, 2026. One-third of the stock options shall vest on November 17, 2022, and the remaining stock options shall vest in twenty-four monthly instalments thereafter.
  - 1,500,000 of the total stock options expire on January 4, 2027. One-half of the stock options shall vest on January 4, 2022 (“Grant Date”). The remaining half of the stock options shall vest equally on the first, second, and third anniversary of the Grant Date.
  - 1,400,000 stock options expire on January 4, 2027. The stock options shall vest in 25 equal monthly instalments beginning on January 4, 2022.
  - 277,000 of total stock options vest in twelve monthly installments.
  - 1,223,000 of total stock options vest one-third on November 17, 2022, and the remaining stock options shall vest in twenty-four monthly instalments thereafter.
- On March 1, 2022, the Company granted an aggregate of 185,000 stock options to certain employees of the Company. The stock options can be exercised at \$0.30 per stock option and expire on March 1, 2027. 125,000 options vest evenly over three years from the grant date and 60,000 options vest as follows:
  - Ten percent (10%) of the stock options shall vest upon the Company generating an aggregate of \$1,000,000 in total revenue between November 1, 2021 and the expiry date (“earning period”)
  - Fifteen percent (15%) of the stock options shall vest upon the Company generating an aggregate of \$2,500,000 in total revenue during the earning period
  - Twenty-five percent (25%) of the stock options shall vest upon the Company generating \$5,000,000 in total revenue during the earning period and
  - Fifty percent (50%) of the stock options shall vest upon the Company generating an aggregate of \$10,000,000 in total revenue during the earning period.

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### 13. Share Capital (continued)

#### b) Stock options (continued)

For the six months ended April 30, 2023, and 2022, the stock option activity is as follows:

	Number	Weighted Average Exercise Price
Outstanding, October 31, 2021	5,234,720	\$0.19
Granted	7,287,779	\$0.37
Exercised	(191,070)	(\$0.16)
Expired	(532)	(\$33.80)
<b>Outstanding, April 30, 2022</b>	<b>12,330,897</b>	<b>\$0.30</b>
<b>Outstanding, October 31, 2022</b>	<b>13,824,477</b>	<b>\$0.30</b>
Expired	(1,419)	(\$28.17)
Cancelled	(125,000)	(\$0.30)
<b>Outstanding, April 30, 2023</b>	<b>13,698,058</b>	<b>\$0.26</b>

At April 30, 2023, the following stock options were outstanding and exercisable, entitling the holders thereof the right to purchase one common share for each stock option held as follows:

Number Outstanding	Exercise Price	Expiry Date	Number Exercisable
457,971	\$0.50	November 9, 2023	457,971
127,380	\$0.39	May 29, 2025	127,380
244,057	\$0.28	June 8, 2025	244,057
127,380	\$0.39	July 2, 2025	127,380
955,350	\$0.39	November 9, 2026	676,706
1,462,500	\$0.50	November 17, 2026	-
1,462,500	\$0.30	November 17, 2026	690,627
2,900,000	\$0.30	January 4, 2027	1,896,000
60,000	\$0.30	March 1, 2027	-
127,380	\$0.16	January 8, 2029	127,380
127,380	\$0.16	January 24, 2029	127,380
2,356,530	\$0.16	February 1, 2029	2,356,530
31,845	\$0.16	March 21, 2029	31,845
159,225	\$0.16	March 29, 2029	159,225
764,280	\$0.16	April 1, 2029	764,280
764,280	\$0.16	April 2, 2029	764,280
1,570,000	\$0.10	October 1, 2026	392,500
<b>13,698,058</b>			<b>8,943,541</b>

As at April 30, 2023, the weighted average life of stock options outstanding was 4.13 years (October 31, 2022 – 4.62 years).

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**13. Share Capital (continued)****b) Stock options (continued)**

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 six months ended April 30, 2023, \$190,534 (six months ended April 30, 2022 - \$619,345) was recorded as share-based payments for stock options and \$nil (six months ended April 30, 2022 - \$12,966) was recorded as deferred financing charges relating to compensation options, which was reclassified to share issuance costs on November 9, 2021 upon the completion of the GTA RTO (Note 6c) and related subscription receipt financing (Note 6b).

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.

The fair value of the stock options granted was determined using the Black-Scholes option pricing model with the assumptions:

	<b>April 30, 2023</b>	<b>October 31, 2022</b>
Share price	\$0.085 – \$0.25	\$0.085 - \$0.25
Exercise price	\$0.10 - \$0.50	\$0.10 - \$0.50
Expected volatility	150%	150%
Expected weighted average stock option life	4.00 – 5.00 years	4.00 – 5.00 years
Expected dividend yield	-	-
Expected forfeiture rate	-	-
Risk-free interest rate	1.26% - 3.39%	1.26% - 3.39%

**c) Warrants**

For the six months ended April 30, 2023 and 2022, the stock option activity is as follows:

	<b>Number</b>	<b>Weighted Average Exercise Price</b>
Outstanding, October 31, 2020 and 2021	3,598,483	\$0.16
Granted	3,939,409	\$0.75
<b>Outstanding, April 30, 2022</b>	<b>7,537,892</b>	<b>\$0.47</b>
<b>Outstanding, October 31, 2022</b>	<b>13,314,120</b>	<b>\$0.33</b>
Granted	2,961,907	\$0.15
Expired	(2,361,110)	\$0.16
<b>Outstanding, April 30, 2023</b>	<b>13,914,917</b>	<b>\$0.32</b>

At April 30, 2023, the following warrants were outstanding and exercisable, entitling the holders thereof the right to purchase one common share for each warrant held as follows:

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**13. Share Capital (continued)****c) Warrants (continued)**

<b>Number Outstanding</b>	<b>Exercise Price</b>	<b>Expiry Date</b>	<b>Number Exercisable</b>
3,939,409	\$0.75	November 9, 2023	3,939,409
5,647,051	\$0.15	September 20, 2025	5,647,051
1,366,550	\$0.15	October 12, 2025	1,366,550
2,961,907	\$0.15	November 30, 2025	2,961,907
<b>13,914,917</b>			<b>13,914,917</b>

As at April 30, 2023, the weighted average life of warrants outstanding was 1.91 years (October 31, 2022 – 0.82 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 six months ended April 30, 2023, \$nil (six months ended April 31, 2022 – \$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.

**d) Restricted Share Units (“RSU”)**

On November 9, 2021, the remaining 764,280 RSUs vested of the original 1,273,000 RSUs granted on November 23, 2020. The Company issued an additional 3,184,500 RSUs with a fair value of \$1,249,975. An aggregate of 4,203,540 of all RSUs were exercised upon the completion of the GTA RTO. See Note 6c. As at April 30, 2023, there were no RSUs issued and outstanding (April 30, 2022 – nil).

**14. 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 six months ended April 30, 2023, and 2022, the Company incurred charges with officers and directors recorded at their exchange amounts as agreed upon by transacting parties as follows:



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**14. Related Party Transactions (continued)****a) Key management compensation (continued)**

	<b>Six months ended April 30, 2023</b>		<b>Six months ended April 30, 2022</b>	
Management and director fees	\$	202,916	\$	163,237
Salaries included in general and administrative expenses in the Statements of Net Loss and Comprehensive Loss		67,600		250,424
Share-based payments		107,297		1,030,179
	<b>\$</b>	<b>377,813</b>	<b>\$</b>	<b>1,443,840</b>

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

For the six months ended April 30, 2023, and 2022, key management personnel were not paid any post-employment benefits, termination benefits or any other long-term benefits.

**b) Related party balances**

As at April 30, 2023, included in trade and other receivables is \$nil (October 31, 2022 - \$2,552) owing to the Company from an officer of the Company.

As at April 30, 2023, included in accounts payable and other liabilities is \$146,325 (October 31, 2022 – \$92,718) in amounts payable to directors and officers of the Company. The amount is unsecured, non-interest bearing and due on demand.

**15. General and Administrative Expenses**

General and administrative expenses consisted of the following:

	<b>For the three months ended April 30, 2023</b>		<b>For the three months ended April 30, 2022</b>		<b>For the six months ended April 30, 2023</b>		<b>For the six months ended April 30, 2022</b>	
Office and miscellaneous	\$	31,371	\$	5,620	\$	35,614	\$	68,139
Salaries and benefits		68,073		41,976		135,913		172,227
Professional fees		157,810		14,030		312,832		121,080
Insurance and bank		20,103		6,514		38,139		20,700
	<b>\$</b>	<b>277,357</b>	<b>\$</b>	<b>68,140</b>	<b>\$</b>	<b>522,498</b>	<b>\$</b>	<b>382,146</b>

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### 16. Loss Per Share

The calculation of basic and diluted loss per share was based on the following data:

	For the three months ended April 30, 2023	For the three months ended April 30, 2022	For the six months ended April 30, 2023	For the six months ended April 30, 2022
<b>Weighted average number of shares – basic:</b>				
Issued common shares as at beginning of the period	80,231,301	56,368,831	80,231,301	56,368,831
Effect of common shares during the period	2,961,907	15,674,496	2,961,907	15,542,549
	83,193,208	72,043,327	83,193,208	71,911,380
<b>Net loss</b>	<b>\$919,707</b>	<b>\$1,156,074</b>	<b>\$1,984,792</b>	<b>\$5,028,267</b>
<b>Net loss per share – basic and diluted</b>	<b>\$0.01</b>	<b>\$0.01</b>	<b>\$0.02</b>	<b>\$0.07</b>

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive. There are no shares held in escrow as of April 30, 2023, and October 31, 2022.

### 17. Supplemental Disclosures with Respect to Cash Flows

	Six months ended April 30, 2023	Six months ended April 30, 2022
Cash paid for interest	\$ -	\$ 8,717
Fair value of shares issued for debt	-	128,239
Fair value of shares issued for convertible notes	-	271,195
Fair value of shares issued for acquisition of IP	-	-

### 18. Segmented Reporting

Segmented information by operating segment is as follows for the six months ended April 30, 2023, and 2022:

2023	Digital Entertainment	Betting Solutions	Total
Revenues	\$ -	\$ 115,122	\$ 115,122
Comprehensive Loss	(714,638)	(1,172,521)	(1,887,159)
Non-current Assets	(1,740,971)	1,742,704	1,733
Total Assets	250,645	1,819,366	2,070,011
Total Liabilities	958,796	1,627,820	2,586,616

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### 18. Segmented Reporting (continued)

2022	Digital Entertainment	Betting Solutions	Total
Revenues	\$ -	\$ -	\$ -
Comprehensive Loss	(4,182,109)	(883,541)	5,065,650
Non-current Assets	(2,058,112)	2,102,096	43,984
Total Assets	(1,518,887)	2,307,355	788,468
Total Liabilities	(60,830)	448,967	388,137

### 19. Capital Management

The Company considers its capital structure to consist of shareholders' equity, promissory notes payable, 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 April 30, 2023.

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. 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 six months ended April 30, 2023.

### 20. 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

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

- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

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

Cash, and restricted cash are recorded at fair value using level 2 inputs. Cash includes demand deposits with financial institutions and cash equivalents consist of short-term, highly liquid investments purchased with original maturities of three months or less. As at April 30, 2023 and 2022, the Company did not have any cash equivalents.

#### 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 is 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 believes that the trade receivables balance is fully collectable. As of April 30, 2023, \$10,930 in trade receivables remained outstanding (October 31, 2022 - \$37,660). 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 April 30, 2023, the Company had recorded an expected credit loss of \$7,725 (October 31, 2022 - \$9,619).

#### 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.

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

	<b>April 30, 2023</b>		<b>October 31, 2022</b>	
Accounts payable and other liabilities	\$	921,726	\$	649,712
	\$	<b>921,726</b>	\$	<b>649,712</b>

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

#### 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 accrued 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 respectively, in net income (loss).

#### Interest rate risk

The Company does not have any significant exposure as at April 30, 2023 and October 31, 2022 to interest rate risk through its financial instruments.

### 21. Discontinued Operations and Disposal Group held for Sale

On December 1, 2022, the Company discontinued the operations and disposed of the remaining assets of Lazarus Esports Inc. ("Lazarus"). As a result, Lazarus 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") for the six months ended April 30, 2023, and 2022.

Consolidated statements of operations and comprehensive income (loss) from discontinued operations of Lazarus for the six months ended April 30, 2023, and 2022 are comprised of the following:

	April 30, 2023	April 30, 2022
	\$	\$
<b>Total revenue</b>	-	186,179
Cost of goods sold	-	138,214
<b>Gross Profit</b>	-	47,965
<b>Expenses</b>		
Advertising	207	45,034
General and administration	4,134	263,930
Player fees	-	143,985
Player management	738	8,185
Interest/accretion	1,766	-
Exchange gain/loss	(18)	(1,686)
Total expenses	6,828	459,448
<b>Net loss from discontinued operations</b>	<b>(6,828)</b>	<b>(411,483)</b>

Cash flows from discontinued operations of Lazarus for the six months ended April 30, 2023, and 2022 are comprised of the following:

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**21. Discontinued Operations and Disposal Group held for Sale (continued)**

	April 30, 2023	April 30, 2022
	\$	\$
<b>Cash flow provided by discontinued operations</b>		
Income (loss) from discontinued operations	(6,828)	(411,483)
Changes in non-cash working capital:		
Accounts receivable	50,201	(89,500)
Prepaid expenses	682	(1,522)
Trade and other payables	(44,114)	25,255
Total cash used by discontinued operations	(59)	(477,250)
<b>Change in net cash from discontinued operations</b>	<b>(59)</b>	<b>(477,250)</b>

On March 13, 2023, the Company announced that it and its wholly owned subsidiary, Tiidal Gaming Holdings Inc. have entered into a share sale and purchase agreement with Entain Holdings (UK) Limited (“Entain”), pursuant to which Tiidal Holdings will sell all of the shares of the Company’s operating subsidiary, Tiidal Gaming NZ Limited (“Sportsflare”), to Entain. Tiidal Holdings has agreed to sell all of the issued and outstanding shares of Sportsflare to Entain for consideration of \$13,250,000 in cash.

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 six months ended April 30, 2023, and 2022.

Consolidated statements of operations and comprehensive income (loss) from discontinued operations for the six months ended April 30, 2023, and 2022 are comprised of the following:

	April 30, 2023	April 30, 2022
	\$	\$
<b>Total revenue</b>	<b>115,122</b>	28,815
Cost of goods sold	-	-
<b>Gross Profit</b>	<b>115,122</b>	28,815
<b>Expenses</b>		
Advertising	4,354	13,652
General and administration	1,085,494	696,464
Amortization	50,656	98,536
Depreciation	14,687	30,282
Travel	18,027	15,846
Consulting	-	3,572
Finance charges	87,332	1,253
Exchange gain/loss	4,019	(16,027)
Total expenses	1,264,569	875,632
<b>Net loss from discontinued operations</b>	<b>(1,149,447)</b>	<b>(846,817)</b>

Cash flows from discontinued operations for the six months ended April 30, 2023, and 2022 are comprised of the following:

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**21. Discontinued Operations and Disposal Group held for Sale (continued)**

	April 30, 2023	April 30, 2022
	\$	\$
<b>Cash flow provided by discontinued operations</b>		
Income (loss) from discontinued operations	(1,149,447)	(846,817)
Depreciation	13,811	29,803
Amortization on intangibles	50,656	100,122
Accretion expense	79,708	13,513
Foreign exchange	730	(500)
Changes in non-cash working capital:		
Accounts receivable	(36,686)	(13,352)
Prepaid expenses	6,873	(7,264)
Trade and other payables	(321,929)	78,177
<b>Change in net cash used in discontinued operations</b>	<b>(1,356,284)</b>	<b>(646,318)</b>
<b>Cash flow used in investing activities from discontinued operations</b>	<b>(6,960)</b>	<b>(6,960)</b>
Lease payments – lease liability	(34,422)	(42,332)
Lease payments – interest	8,399	(13,513)
Cash from intercompany transactions	1,026	-
Proceeds from loan payable	1,388,008	-
<b>Net cash provided by financing activities in discontinued operations</b>	<b>1,363,011</b>	<b>(55,845)</b>
Change in cash	(233)	(709,123)
Impact of currency translation on cash	14,544	25,719
Change in cash (post-foreign exchange)	14,311	(683,404)
<b>Cash and cash equivalents, beginning of period</b>	<b>5,141</b>	<b>2,413</b>
<b>Cash and cash equivalents, end of period</b>	<b>19,452</b>	<b>(680,991)</b>

**22. Subsequent Events**

On June 9, 2023, the Company announced the completion of the sale of its wholly-owned subsidiary, Tiidal Gaming NZ Limited to Entain Holdings (UK) Limited (“Entain”), for gross proceeds of C\$13,250,000. Pursuant to the Transaction, 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 Transaction. In connection with closing of the Transaction, the Company granted 2,500,000 restricted share units to the Company’s CEO pursuant to the terms of his employment agreement dated effective January 3, 2022 which were immediately vested into 2,500,000 common shares of the Company in accordance with his employment agreement and issued 1,910,700 common shares to Sportsflare personnel in satisfaction of the earn out entitlements achieved pursuant to the asset purchase agreement dated December 14, 2020, as amended September 24, 2021 (collectively, the “Share Issuances”). All securities issued pursuant to the Share Issuances are subject to a statutory four month plus a day hold period from their date of issuance. Following the Share Issuances, the Company has 87,603,908 common shares issued and outstanding. In addition, in connection with the closing of the Transaction, all stock options held by the Company’s CEO vested pursuant to the terms of his employment agreement.