

TIIDAL GAMING GROUP CORP.
(FORMERLY GTA FINANCECORP INC.)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED JULY 31, 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 July 31, 2023 and October 31, 2022

(Expressed in Canadian Dollars – Unaudited)

	Note	July 31, 2023	October 31, 2022
ASSETS			
Current assets			
Cash		\$ 415,505	\$ 11,082
Trade and other receivables	6, 15	299,594	281,835
Prepaid expenses and deposits		29,791	30,797
Short-term investments	5	10,600,000	-
Assets classified as held for sale	21	-	1,770,200
		11,344,890	2,093,914
Equipment	8	-	2,449
Total assets		\$ 11,344,890	\$ 2,096,363
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and other liabilities	11	\$ 271,283	\$ 649,712
Liabilities classified as held for sale	21	-	478,238
		271,283	1,127,950
Government loan payable	13	38,144	35,044
Total liabilities		309,427	1,162,994
Shareholders' equity			
Share capital	14	13,572,500	12,790,672
Reserves	14	4,182,762	3,454,882
Shares to be issued	7a, 14a	-	667,880
Accumulated other comprehensive loss		22,850	(178,760)
Accumulated deficit		(6,742,649)	(15,801,305)
Total shareholders' equity		11,035,463	933,369
Total liabilities and shareholders' equity		\$ 11,344,890	\$ 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 September 27, 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 nine months ended July 31, 2023, and 2022

(Expressed in Canadian Dollars – Unaudited)

	Note	Three months ended July 31,		Nine months ended July 31,	
		2023	2022	2023	2022
Operating expenses					
General and administrative	15, 16	\$ 260,253	\$ 132,743	\$ 782,751	\$ 514,890
Advertising and promotion		-	60,058	25,282	109,130
Consulting		-	15,000	17,377	149,708
Management fees	15	75,833	53,400	143,433	133,400
Bad debt (recovery)	6	1,168	-	(725)	-
Depreciation of equipment	8, 9	(353)	1,363	362	4,027
Share-based payments	14, 15	404,287	205,607	594,821	2,082,619
Total operating expenses		741,188	468,171	1,563,301	2,993,774
Loss before other items		(741,188)	(468,171)	(1,563,301)	(2,993,774)
Other items					
Gain on settlement of debt		-	-	-	28,123
Foreign exchange gain (loss)		(104,493)	(1,645)	(105,378)	4,507
Gain on sale of Tiidal NZ	21	11,971,564	-	11,971,564	-
Loss on disposal of equipment		-	-	(2,087)	-
Interest income	5	76,429	-	77,689	1,028
Finance charges (recovery)		(1,483)	4,063	(8,263)	2,782
Listing expense	7c	-	-	-	(1,278,386)
Net income (loss) from continuing operations		\$ 11,200,829	\$ (465,753)	\$ 10,370,224	\$ (4,235,720)
Net loss from discontinued operations	21	(155,292)	(619,422)	(1,311,568)	(1,877,722)
Net income (loss)		11,045,537	(1,085,175)	9,058,656	(6,113,442)
Other comprehensive income					
Foreign currency translation adjustment		104,333	(209,569)	201,610	(246,952)
Comprehensive income (loss) for the period		\$ 11,149,870	(1,294,744)	9,260,266	(6,360,394)
Weighted average number of common shares outstanding					
		85,713,748	72,043,327	83,709,749	71,640,748
Basic and diluted earning (loss) per share		\$ 0.13	\$ (0.02)	\$ 0.11	\$ (0.09)

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 nine months ended July 31, 2023, and 2022

(Expressed in Canadian Dollars – Unaudited)

	2023	2022
Operating activities		
Net income (loss) from continuing operations	\$ 10,370,224	\$ (4,235,720)
Adjustments for non-cash items:		
Depreciation of equipment	2,449	23,381
Amortization of intangible asset	812	(40,607)
Non-cash listing expense	-	1,228,025
Share-based payments	594,821	2,082,619
Accretion expense	3,100	4,823
Non-cash gain on sale of Tiidal NZ	107,460	-
Gain on settlement of debt	-	(28,123)
Unrealized foreign exchange	38,376	36,872
Changes in non-cash working capital items:		
Trade and other receivables	(46,323)	(68,147)
Prepaid expenses and deposits	310	(42,223)
Accounts payable and other liabilities	(231,341)	(453,938)
Deferred revenue	-	(6,765)
Net cash provided by (used in) operating activities	10,839,888	(1,499,803)
Net cash used in discontinued operations	(1,365,850)	(1,640,417)
Investing activities		
Purchase of short-term investments	(10,600,000)	-
Cash acquired from acquisition of GTA Financecorp	-	9,434
Acquisition of property and equipment	-	(13,382)
Net cash used in investing activities	(10,600,000)	(3,948)
Net cash used in investing activities in discontinued operations	(6,960)	(14,044)
Financing activities		
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	-
Shares issued for debt settlement	-	197,979
Proceeds from share issuance costs reimbursement	-	11,376
Proceeds from issuance of promissory notes	-	(38,000)
Net cash provided by financing activities	153,776	3,373,253
Net cash provided by (used in) financing activities in discontinued operations	1,372,229	(66,950)
Effect of foreign exchange on cash	11,340	(24,138)
Net change in cash	404,423	123,953
Cash, beginning of period	11,082	22,923
Cash, end of period	\$ 415,505	\$ 146,876

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 nine months ended July 31, 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) \$
Balance, October 31, 2021		56,368,831	6,078,510	767,878	2,129,832	71,159	(8,382,097)	665,282
Shares issued for GTA RTO	14	15,024,404	6,003,214	(99,998)	(699,533)	-	-	5,203,683
Share issuance costs	14	346,886	(495,177)	-	12,966	-	-	(482,211)
Share-based payments	14	-	-	-	2,082,619	-	-	2,082,619
Stock options exercised	14	191,070	30,277	-	-	-	-	30,277
Shares issued for debt settlement	14	112,136	30,571	-	-	-	-	30,571
Shares issued for warrants exercised	14	1,237,373	197,979	-	-	-	-	197,979
Foreign currency translation	14	-	-	-	-	(247,196)	-	(247,196)
Net loss		-	-	-	-	-	(6,113,442)	(6,113,442)
Balance, July 31, 2022		73,280,700	11,845,374	667,880	3,525,884	(176,037)	(14,495,539)	1,367,562
Balance, October 31, 2022		80,231,301	12,790,672	667,880	3,454,882	(178,760)	(15,801,305)	933,369
Share-based payments	14	-	-	-	594,821	-	-	594,821
Shares issued for cash	14	2,961,907	296,191	-	-	-	-	296,191
RSU grant to CEO	14, 15	2,500,000	200,000	-	(200,000)	-	-	-
Sportsflare Milestone shares	7a, 14	1,910,700	334,821	(334,821)	-	-	-	-
Share issuance costs	14	-	(49,184)	-	-	-	-	(49,184)
Reclassify Revenue Milestone shares	7a, 14	-	-	(333,059)	333,059	-	-	-
Foreign currency translation	14	-	-	-	-	201,610	-	201,610
Net income		-	-	-	-	-	9,058,656	9,058,656
Balance, July 31, 2023		87,603,908	13,572,500	-	4,182,762	22,850	(6,742,649)	11,035,463

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 nine months ended July 31, 2023, and 2022

(Expressed in Canadian Dollars)

1. Nature of Operations

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

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

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. The Company’s ability to continue as a going concern is dependent upon its ability to identify an appropriate business for acquisition or investment to generate profits and positive cash flows from operations in order to cover its operating costs. There is no assurance that the business will be profitable.

The Company’s accumulated deficit was \$6,742,649 at July 31, 2023 (July 31, 2022 – \$15,801,305). 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

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

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended July 31, 2023, and 2022

(Expressed in Canadian Dollars)

2. Going Concern (continued)

the normal course of business and amounts different from those reflected in the accompanying condensed consolidated interim financial statements. These adjustments could be material.

The sale of Tiidal NZ constituted the sale of substantially all of the assets and operating activities of the Company. The board of directors of the Company will assess the available options to return capital received pursuant to the sale of Tiidal NZ to its shareholders following the expiry of the 180 day holding period. Any such options will be subject to the receipt of corporate, securities and tax laws advice, and will be subject to the receipt of all required shareholder, regulatory and Canadian Securities Exchange approvals. There can be no assurances that any such options will be implemented by the Company.

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 September 27, 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 nine months ended July 31, 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:

Name of subsidiary	Jurisdiction Incorporated	Functional Currency	Accounting Method
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 NZ Limited	New Zealand	New Zealand dollars	Consolidation until June 8, 2023

4. Significant Accounting Policies

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 nine months ended July 31, 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. Short-term Investments

On June 13, 2023, the Company transferred a total of \$10,600,000 into guaranteed investment certificates (“GICs”) bearing interest at an annualized rate of 5.30%. The GICs mature on December 10, 2023. For the nine-month period ended July 31, 2023, the Company recorded interest receivable of \$75,420 (see Note 6) (July 31, 2022 – \$nil).

6. Trade and Other Receivables

Trade and other receivables consist of the following:

		July 31, 2023		October 31, 2022
Trade receivables	\$	7,725	\$	37,660
Other receivables		20,766		-
Expected credit losses		(7,725)		(9,619)
GST/HST receivable		203,408		251,242
Interest receivable (Note 5)		75,420		-
Advances to an officer (Note 15)		-		2,552
	\$	299,594	\$	281,835

During the nine months ended July 31, 2023, the Company recorded a recovery of bad debt expense of \$725 (July 31, 2022 - \$nil) on trade receivables and recorded a provision for expected credit losses.

7. 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.

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

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended July 31, 2023, and 2022

(Expressed in Canadian Dollars)

7. Acquisitions

a) Sportsflare NZ Asset Acquisition (continued)

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”) and was subsequently extended and issued on June 9, 2023 (See Note 14a); 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 (“Monthly Revenue Milestone”) (not met, expired).

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 10).

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

Consideration	
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
Total consideration	\$ 2,187,064
Net assets acquired	\$ 2,187,064
Fair value of liabilities assumed	20,369
Total capitalized to intangible assets	\$ 2,207,433

As a result of the Monthly Revenue Milestone not being met, \$333,059 was reclassified from shares to be issued to reserves. On June 9, 2023, \$334,821 was reclassified from shares to be issued to share capital as the 1,910,700 Market Validation Milestone Shares were issued on June 9, 2023 (Note 14a).

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, 7c) 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.

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

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended July 31, 2023, and 2022

(Expressed in Canadian Dollars)

7. Acquisitions (continued)

b) Subscription Receipt Financing (continued)

- 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 7c).
- 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.

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

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended July 31, 2023, and 2022

(Expressed in Canadian Dollars)

7. Acquisitions (continued)

c) GTA Financecorp Inc. Reverse Takeover (continued)

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. 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.

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

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended July 31, 2023, and 2022

(Expressed in Canadian Dollars)

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

A breakdown of the listing expense is as follows:

Consideration	Number	Total
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)
Total consideration		\$ 1,161,887
Fair value of net working capital deficiency assumed:		
Cash		\$ (9,434)
Accounts payable and accrued liabilities		48,263
Net working capital deficiency		\$ 38,829
Transaction costs related to GTA RTO		77,670
Listing expense		\$ 1,278,386

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.

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

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended July 31, 2023, and 2022

(Expressed in Canadian Dollars)

8. Equipment

		Computer equipment		Furniture and equipment		Total
Cost						
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
Ending, October 31, 2022	\$	2,632	\$	-	\$	2,632
Write-off		(2,632)		-		(2,632)
Ending, July 31, 2023	\$	-	\$	-	\$	-
Accumulated depreciation						
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)
Ending, October 31, 2022		183		-		183
Depreciation		354		-		354
Foreign exchange		8		-		8
Write-off		(545)		-		(545)
Ending, July 31, 2023	\$	-	\$	-	\$	-
Net book value						
October 31, 2022	\$	2,449	\$	-	\$	2,449
July 31, 2023	\$	-	\$	-	\$	-

9. 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 nine months ended July 31, 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. The right-of-use asset and lease liability were derecognized upon the loss of control of Tiidal NZ when sold to Entain on June 9, 2023.

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

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended July 31, 2023, and 2022

(Expressed in Canadian Dollars)

9. Right-of-use assets/Lease liability

Right-of-use asset			Office Equipment		Total
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)
Ending, October 31, 2022 and July 31, 2023	\$	-	\$	-	\$ -

Lease liability			Office Equipment		Total
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)
Ending, October 31, 2022 and July 31, 2023	\$	-	\$	-	\$ -

Current	\$	-	\$	-	\$ -
Non-current	\$	-	\$	-	\$ -

10. Intangible Assets

			Sportsflare intellectual property and related assets		Total
Cost					
Ending balance October 31, 2021	\$		2,207,433	\$	2,207,433
Foreign exchange adjustment			(241,099)		(241,099)
Reclassified to asset held for sale			(1,966,334)		(1,966,334)
Ending balance October 31, 2022 and July 31, 2023	\$		-	\$	-
Accumulated amortization					
Ending balance October 31, 2021	\$		190,238	\$	190,238
Amortization			202,874		202,874
Reclassified to asset held for sale			(393,112)		(393,112)
Ending balance October 31, 2022 and July 31, 2023	\$		-	\$	-
Net book value October 31, 2022	\$		-	\$	-
Net book value July 31, 2023	\$		-	\$	-

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

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended July 31, 2023, and 2022

(Expressed in Canadian Dollars)

11. Accounts Payable and Other Liabilities

	July 31, 2023		October 31, 2022	
Accounts payable (Note 15)	\$	106,460	\$	178,906
Accrued liabilities		164,823		251,713
Payroll liabilities		-		208,915
GST/HST payable		-		10,178
	\$	271,283	\$	649,712

12. 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:

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

13. 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.

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

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended July 31, 2023, and 2022

(Expressed in Canadian Dollars)

13. Government Loan Payable (continued)

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.

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 July 31, 2023, the Company has an outstanding CEBA loan balance of \$38,144 (October 31, 2022 - \$35,044) and recognized \$nil (2022 - \$Nil) in income from government assistance.

14. Share Capital

Authorized

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

On July 31, 2023, the Company had 87,603,908 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 7c). 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 nine months ended July 31, 2023:

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

On June 9, 2023, the Company issued 1,910,700 common shares to the vendors of the assets of Sportsflare pursuant to the satisfaction of the Market Validation Milestone (see Note 7a) per the asset purchase agreement dated December 14, 2020, as amended September 24, 2021. \$334,821 was reclassified from shares to be issued to share capital.

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

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended July 31, 2023, and 2022

(Expressed in Canadian Dollars)

14. Share Capital (continued)

a) Issued (continued)

On June 9, 2023, the Company, in conjunction with the closing of the sale of Tiidal NZ, granted 2,500,000 restricted share units to the Company's CEO, which immediately vested into 2,500,000 common shares of the Company. \$200,000 was recorded in share-based payments and in share capital.

For the nine months ended July 31, 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 nine months ended July 31, 2022:

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

- The Company converted subscription receipts (see Note 7b) 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.

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

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended July 31, 2023, and 2022

(Expressed in Canadian Dollars)

14. Share Capital (continued)

a) Issued (continued)

- 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.

On June 1, 2022, the Company issued an aggregate of 500,000 common shares of the Company from the exercise of warrants of the Company with an exercise price of \$0.16 per warrant. \$51,750 was received in cash and \$28,250 was paid through the settlement of accounts payable.

On June 7, the Company issued an aggregate of 125,000 common shares from the exercise of warrants of the Company with an exercise price of \$0.16 per warrant for gross proceeds of \$20,000.

On July 7, 2022, the Company issued an aggregate of 612,373 common shares from the exercise of warrants of the Company with an exercise price of \$0.16 per warrant. \$64,080 was received in cash and \$33,900 was paid through the settlement of accounts payable.

For the nine months ended July 31, 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.

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.

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

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended July 31, 2023, and 2022

(Expressed in Canadian Dollars)

14. Share Capital (continued)

b) Stock options (continued)

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 nine months ended July 31, 2023, the following activity occurred:

- On February 5, 2023, 125,000 options granted that had been granted to employees of Lazarus were cancelled.
- On June 9, 2023, 1,522,500 unvested revenue milestone options granted to employees of Tiidal NZ were forfeited in accordance with the sale of Tiidal NZ to Entain that closed.

For the nine months ended July 31, 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:
 - 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.

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

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended July 31, 2023, and 2022

(Expressed in Canadian Dollars)

14. Share Capital (continued)

b) Stock options (continued)

The estimate made for determining the vesting schedule of these stock options is based on the July 31, 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.

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

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended July 31, 2023, and 2022

(Expressed in Canadian Dollars)

14. Share Capital (continued)

b) Stock options (continued)

For the nine months ended July 31, 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)
Outstanding, July 31, 2022	12,330,897	\$0.30
Outstanding, October 31, 2022	13,824,477	\$0.30
Expired	(1,419)	(\$28.17)
Forfeited	(1,647,500)	(\$0.48)
Outstanding, July 31, 2023	12,175,558	\$0.24

At July 31, 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	955,350
1,462,500	\$0.30	November 17, 2026	1,462,500
2,900,000	\$0.30	January 4, 2027	2,900,000
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
1,470,000	\$0.10	December 31, 2023	1,470,000
100,000	\$0.10	October 1, 2026	100,000
12,175,558			12,175,558

As at July 31, 2023, the weighted average life of stock options outstanding was 3.62 years (October 31, 2022 – 4.62 years).

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

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended July 31, 2023, and 2022

(Expressed in Canadian Dollars)

14. 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 nine months ended July 31, 2023, \$594,825 (nine months ended July 31, 2022 - \$824,952) was recorded as share-based payments for stock options and \$nil (nine months ended July 31, 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 7c) and related subscription receipt financing (Note 7b).

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:

	July 31, 2023	October 31, 2022
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 nine months ended July 31, 2023 and 2022, the stock option activity is as follows:

	Number	Weighted Average Exercise Price
Outstanding, October 31, 2020 and 2021	3,598,483	\$0.16
Granted	3,939,409	\$0.75
Exercised	(1,237,373)	\$0.16
Outstanding, July 31, 2022	6,300,519	\$0.53
Outstanding, October 31, 2022	13,314,120	\$0.33
Granted	2,961,907	\$0.15
Expired	(2,361,110)	\$0.16
Cancelled	(50,000)	\$0.15
Outstanding, July 31, 2023	13,864,917	\$0.32

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

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended July 31, 2023, and 2022

(Expressed in Canadian Dollars)

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

At July 31, 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:

Number Outstanding	Exercise Price	Expiry Date	Number Exercisable
3,939,409	\$0.75	November 9, 2023	3,939,409
5,597,051	\$0.15	September 20, 2025	5,597,051
1,366,550	\$0.15	October 12, 2025	1,366,550
2,961,907	\$0.15	November 30, 2025	2,961,907
13,864,917			13,864,917

As at July 31, 2023, the weighted average life of warrants outstanding was 1.66 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 nine months ended July 31, 2023, \$nil (nine months ended July 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 7c. As at July 31, 2023, there were no RSUs issued and outstanding (July 31, 2022 – nil).

On June 9, 2023, the Company, in conjunction with the closing of the sale of Tiidal NZ, granted 2,500,000 restricted share units to the Company’s CEO, which immediately vested into 2,500,000 common shares of the Company. See Note 14a and Note 15.

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

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended July 31, 2023, and 2022

(Expressed in Canadian Dollars)

15. 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 nine months ended July 31, 2023, and 2022, the Company incurred charges with officers and directors recorded at their exchange amounts as agreed upon by transacting parties as follows:

	Nine months ended July 31, 2023	Nine months ended July 31, 2022
Management and director fees and salaries	\$ 143,433	\$ 133,400
Salaries included in general and administrative expenses in the Statements of Net Income (Loss) and Comprehensive Income (Loss)	374,593	467,650
Share-based payments	404,052	1,133,845
	\$ 922,078	\$ 1,734,895

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

For the nine months ended July 31, 2023, and 2022, key management personnel were not paid any post-employment benefits, termination benefits or any other long-term benefits.

As at July 31, 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 July 31, 2023, included in accounts payable and other liabilities is \$6,188 (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.

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

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended July 31, 2023, and 2022

(Expressed in Canadian Dollars)

16. General and Administrative Expenses

General and administrative expenses consisted of the following:

	For the three months ended July 31, 2023	For the three months ended July 31, 2022	For the nine months ended July 31, 2023	For the nine months ended July 31, 2022
Office and miscellaneous	\$ 8,264	\$ 33,554	\$ 43,878	\$ 101,694
Salaries and benefits	155,260	90,427	291,173	262,654
Professional fees	90,401	20,755	403,233	141,835
Insurance and bank	6,328	(11,993)	44,467	8,707
	\$ 260,253	\$ 132,743	\$ 782,751	\$ 514,890

17. Income (Loss) Per Share

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

	For the three months ended July 31, 2023	For the three months ended July 31, 2022	For the nine months ended July 31, 2023	For the nine months ended July 31, 2022
Weighted average number of shares – basic:				
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	5,482,447	15,674,496	3,478,448	15,271,917
	85,713,748	72,043,327	83,709,749	71,640,748
Net income (loss)	\$ 11,045,537	\$ (1,085,175)	\$ 9,058,656	\$ (6,113,442)
Net income (loss) per share – basic and diluted	\$ 0.13	\$ (0.02)	\$ 0.11	\$ (0.09)

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 were no dilutive stock options or share purchase warrants during the nine months ended July 31, 2023.

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

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended July 31, 2023, and 2022

(Expressed in Canadian Dollars)

18. Supplemental Disclosures with Respect to Cash Flows

	Nine months ended July 31, 2023	Nine months ended July 31, 2022
Cash paid for interest	\$ -	\$ -
Fair value of shares issued for debt	-	25,990
Fair value of shares issued for convertible notes	-	-
Fair value of shares issued for acquisition of IP	-	1,500,000
Fair value of shares to be issued for Sportsflare NZ	-	667,880

19. Segmented Reporting

Segmented information by operating segment is as follows for the nine months ended July 31, 2023, and 2022:

2023	Digital Entertainment	Betting Solutions	Total
Revenues	\$ -	\$ 120,543	\$ 120,543
Comprehensive income (loss)	(11,248)	(1,300,320)	(1,311,568)
Non-current Assets	-	-	-
Total Assets	-	-	-
Total Liabilities	-	-	-

2022	Digital Entertainment	Betting Solutions	Total
Revenues	\$ 288,713	\$ 44,675	\$ 333,388
Comprehensive income (loss)	(546,005)	(1,331,717)	(1,877,722)
Non-current Assets	-	1,793,228	1,793,228
Total Assets	50,073	1,957,316	2,007,389
Total Liabilities	(36,148)	(463,185)	(499,333)

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 July 31, 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).

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

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended July 31, 2023, and 2022

(Expressed in Canadian Dollars)

19. Segmented Reporting (continued)

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 nine months ended July 31, 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
- 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, short-term investments, accounts payable and other liabilities, approximate their carrying values due to the relatively short-term nature of these financial instruments.

Cash, and 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 July 31, 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 not collectable. As of July 31, 2023, \$7,725 in trade receivables remained outstanding and fully provided for (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 July 31, 2023, the Company had recorded an expected credit loss of \$7,725 (October 31, 2022 - \$9,619).

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

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended July 31, 2023, and 2022

(Expressed in Canadian Dollars)

20. Financial Instruments and Risk Management (continued)

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:

	July 31, 2023		October 31, 2022	
Accounts payable and other liabilities	\$	271,283	\$	649,712
	\$	271,283	\$	649,712

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

As of July 31, 2023, the Company does not have any significant exposure as at July 31, 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 Esports"). As a result, Lazarus Esports was classified as discontinued operations in accordance with International Financial Reporting Standards relating to non-current assets held for sale and discontinued operations ("IFRS 5") for the nine months ended July 31, 2023, and 2022.

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

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended July 31, 2023, and 2022

(Expressed in Canadian Dollars)

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

Consolidated statements of operations and comprehensive income (loss) from discontinued operations of Lazarus Esports for the nine months ended July 31, 2023, and 2022 are comprised of the following:

Lazarus Esports	July 31, 2023	July 31, 2022
	\$	\$
Total revenue	-	288,713
Cost of goods sold	-	197,341
Gross Profit	-	91,372
Expenses		
Advertising	207	39,476
General and administration	8,552	382,056
Player fees	-	193,672
Player management	738	20,185
Interest/accretion	1,766	-
Exchange gain/loss	(15)	1,988
Total expenses	11,248	637,377
Net loss from discontinued operations	(11,248)	(546,005)

Cash flows from discontinued operations of Lazarus for the nine months ended July 31, 2023, and 2022 are comprised of the following:

Lazarus Esports	July 31, 2023	July 31, 2022
	\$	\$
Cash flow provided by discontinued operations		
Income (loss) from discontinued operations	(11,248)	(546,005)
Changes in non-cash working capital:		
Accounts receivable	66,457	(90,641)
Prepaid expenses	682	(1,102)
Trade and other payables	(56,689)	22,321
Total cash used by discontinued operations	(798)	(615,427)
Change in net cash used in discontinued operations	(798)	(615,427)

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

The Company classified the operations as held for sale in accordance with International Financial Reporting Standards relating to non-current assets held for sale and discontinued operations (“IFRS 5”) for the nine months ended July 31, 2023, and 2022.

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

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended July 31, 2023, and 2022

(Expressed in Canadian Dollars)

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

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

Tiidal NZ	July 31, 2023	July 31, 2022
	\$	\$
Total revenue	120,543	44,675
Cost of goods sold	-	-
Gross Profit	120,543	44,675
Expenses		
Advertising	7,703	28,714
General and administration	1,281,884	1,103,009
Amortization	50,656	144,976
Depreciation	14,687	39,959
Travel	17,984	35,168
Consulting	-	4,180
Finance charges	42,122	19,119
Exchange gain/loss	5,827	1,267
Total expenses	1,420,863	1,376,392
Net loss from discontinued operations	(1,300,320)	(1,331,717)

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

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended July 31, 2023, and 2022

(Expressed in Canadian Dollars)

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

Cash flows from discontinued operations for the nine months ended July 31, 2023, and 2022 are comprised of the following:

Tiidal NZ	July 31, 2023	July 31, 2022
	\$	\$
Cash flow provided by discontinued operations		
Loss from discontinued operations	(1,300,320)	(1,331,717)
Depreciation	13,760	20,605
Amortization on intangibles	50,470	187,387
Accretion expense	32,479	15,632
Foreign exchange	(6,680)	(20,087)
Cash for deferred revenue	6,094	-
Changes in non-cash working capital:		
Accounts receivable	(8,513)	(32,305)
Prepaid expenses	6,857	(13,904)
Trade and other payables	(159,199)	149,399
Change in net cash used in discontinued operations	(1,365,052)	(1,024,990)
Cash flow used in investing activities		
Acquisition of property and equipment	(6,960)	(14,044)
Cash flow used in investing activities from discontinued operations	(6,960)	(14,044)
Cash flow provided by financing activities		
Lease payments – lease liability	(34,340)	(51,314)
Lease payments – interest	8,379	(15,636)
Proceeds from loan payable	1,398,190	-
Net cash provided by financing activities in discontinued operations	1,372,229	(66,950)

A reconciliation of the gain on the sale of Tiidal NZ to Entain is as follows:

Gross proceeds	\$ 13,250,000
Working capital adjustments	(1,002,518)
Foreign exchange loss	(60,357)
Net proceeds received	\$ 12,187,125
Less: net carrying value of Tiidal NZ assets held for sale as at June 8, 2023	(215,561)
Gain on sale of Tiidal NZ	\$ 11,971,564

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

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended July 31, 2023, and 2022

(Expressed in Canadian Dollars)

22. Subsequent Events

On September 7, 2023, 1,462,500 stock options with an exercise price of \$0.30 held by former officers, employees, consultants of Tiidal NZ expired 90 days after the sale of Tiidal NZ (which was completed on June 9, 2023) pursuant to the Company's stock option plan. 1,470,000 stock options held by former officers, employees, and consultants of Tiidal NZ with an exercise price of \$0.10 that would have expired on September 7, 2023, were extended to December 31, 2023.