P2EARN INC.
(formerly Aquarius AI Inc.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2024 and 2023

(in Canadian Funds)
(Unaudited)

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited condensed consolidated interim financial statements have been prepared by management and approved by the Audit Committee.

The Company’s independent auditors have not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity’s auditors.

P2EARN INC.

Condensed Consolidated Interim Statements of Financial Position
As at March 31, 2024 and December 31, 2023
(Expressed in Canadian Dollars)
(Prepared by management)

		March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
ASSETS			
Current			
Cash		$ 18,207	$ 7,764
Accounts receivable		24,683	24,683
Due from related party		-	146,300
Digital assets		2,376	2,376
Prepaid		2,500	2,982
		47,766	184,105
Non-Current			
Deposits	Note 8	19,633	19,633
Property and equipment	Note 7	9,319	10,503
Right-of-Use assets	Note 8	10,860	27,151
		$ 87,578	$ 241,392
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	Note 8	$ 663,479	$ 669,863
Due to related party	Note 10	754,630	758,752
Lease liability	Note 8	12,769	31,529
Derivative Liability	Note 6	1,723	1,723
		1,432,601	1,461,867
Non-Current			
Derivative liability	Note 6	3,164	3,164
		1,435,765	1,465,031
Shareholders' equity (Deficiency):			
Share capital	Note 6	31,956,711	31,956,711
Accumulated other comprehensive income		(221,956)	(221,956)
Contributed Surplus		1,860,968	1,860,968
Deficit	Note 6	(34,959,938)	(34,835,390)
Deficiency Attributable to Owners of the Company		(1,364,215)	(1,239,667)
Non-controlling interest		16,028	16,028
Total Equity		(1,348,187)	(1,223,639)
		$ 87,578	$ $241,392

Approved by the Board of Directors:

Signed: "Kathrin O'Reilly" Kathrin O'Reilly, Director

Signed: "Chris Thomas" Chris Thomas, Director

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

P2EARN INC.

Condensed Consolidated Interim Statements of Comprehensive Loss
For the Three Months Ended March 31, 2024 and 2023
(Expressed in Canadian Dollars)
(Unaudited, prepared by management)

		Three Months Ended March 31, 2024	2023
Revenues		$ -	$ 77,432
Direct expenses		-	(63,027)
		-	14,405
Operating Expenses:			
Accretion and interest		633	2,397
Amortization		17,475	247,810
General and administration	Note 15	107,898	354,211
		126,006	604,418
Operating Loss		(126,006)	(590,013)
Fair value changes of derivative liability	Note 6	-	28,370
Foreign exchange loss		(1,375)	-
Gain on disposal of equipment		2,833	-
Net loss		$ (124,548)	$ (561,643)
Loss per share:			
Basic and diluted loss per share		$ (0.00)	$ (0.01)
Weighted average number of common shares outstanding		70,140,908	52,224,245

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

P2EARN INC.

Condensed Consolidated Interim Statements of Cash Flow
For the Three Months Ended March 31, 2024 and 2023
(Expressed in Canadian Dollars)
(Unaudited, prepared by management)

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Cash provided by:		
Operating activities:		
Net loss for the period	$ (124,548)	$ (561,643)
Adjustments to reconcile net loss to net cash used in operating activities:		
Accretion and Interest	633	2,397
Amortization	1,184	231,519
Decrease in ROU asset	16,291	16,291
Fair value change in digital assets	-	(24,056)
Fair value change in derivative liability	-	(28,370)
	(106,440)	(363,862)
Changes in non-cash working capital balances:		
Accounts receivable	-	6,515
Prepaid	482	(2,008)
Digital assets	-	7,221
Due to related parties	142,178	8,239
Accounts payable and accrued liabilities	(6,384)	22,739
Lease liability	(19,393)	(18,953)
Other liabilities	-	355,000
Cash provided by operating activities	10,443	14,891
Financing activity:		
Accumulated other comprehensive income	-	19
Cash provided by financing activity	-	19
Increase in cash	10,443	14,910
Cash, beginning of period	7,764	61,695
Cash, end of period	$ 18,207	$ 76,605

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

P2EARN INC.

Consolidated Statements of Changes in Equity
For the Three Months Ended March 31, 2024 and 2023
(Expressed in Canadian Dollars)
(Unaudited, prepared by management)

	Common Shares						
	Number	Amount	Reserves	Translation Reserves	Deficit	Non-Controlling Interest	Shareholder's Equity (Deficiency)
Balance, December 31, 2022	52,224,245	$ 30,514,823	$ 1,860,968	$ (221,975)	$ (27,346,602)	$ 16,028	$ 4,823,242
Cumulative translation adjustment	-	-	-	19	-	-	19
Fair value change in digital assets	-	-	(6,687)	-	-	-	(6,687)
Net loss for the period	-	-	-	-	(561,643)	-	(561,643)
Balance, March 31, 2023	52,224,245	$ 30,514,823	$ 1,854,281	$ (221,956)	$ (27,908,245)	$ 16,028	$ 4,254,931
Balance, December 31, 2023	70,140,908	$ 31,956,711	$ 1,860,968	$ (221,956)	$ (34,835,390)	$ 16,028	$ (1,223,639)
Net loss for the period	-	-	-	-	(124,548)	-	(124,548)
Balance, March 31, 2024	70,140,908	$ 31,956,711	$ 1,860,968	$ (221,956)	$ (34,959,938)	$ 16,028	$ (1,348,187)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

P2Earn Inc. (the "Company" or "P2Earn") (formerly Aquarius AI Inc.) was incorporated under the Business Corporations Act on August 17, 2011. The Company underwent a name change from Aquarius AI Inc. to P2Earn Inc. (the "Name Change"), on March 27, 2023. The Company trades on the Canadian Securities Exchange (the "CSE") under the symbol “PXE” (formerly under the symbol "AQUA"). The Company also trades on the Frankfurt Stock Exchange under the stock symbol "WH4".

In 2020, The Company was a marketing technology business that is currently repositioning to focus on customer acquisition and using technology to generate revenues in the online gaming, gambling and betting space. During the year ended 2022, the Company changed its business focus. P2Earn is now an industrial-scale technology infrastructure company, serving cryptocurrencies, blockchains and enterprise level technology projects such as podcast creation and distribution. The Company's focus is on growing infrastructure in a sustainable way that aligns the needs of our planet and the benefits of cutting-edge technology. The principal office of the Company is located at Suite 150, 1090 Homer Street, Vancouver, BC V6B 2W9, Canada.

On November 2, 2022, the Company completed the acquisition (the "Acquisition") of all of the issued and outstanding securities of Jellyworks Inc. ("Jellyworks") in exchange for (i) 86,522,440 common shares (each, a "Common Share") in the capital of the Company, (ii) 75,020,230 Common Share purchase warrants of the Company, and (iii) 9,500,000 stock options of the Company. The number of Common Shares issued in the connection with the Acquisition represents approximately 36% of the Common Shares that are issued and outstanding as of closing of the Acquisition.

Jellyworks is a leading Web3 technology company focused on building a Play-2-Earn gaming guild building a decentralized economy for gamers. Gaming dominates Web3, with over 70% of all active wallets being owned by gamers. Jellyworks operates by buying online gaming NFT's and then delegating those NFT's to players around the world who play skill-based games and earn tokens. The tokens are then split 50/50 between the player and Jellyworks. Bitcoin mining underpins Jellyworks operations and generates most of the company's revenues and includes recent acquisitions of the latest hyper efficient mining rigs.

On November 28, 2022 Jellyworks Inc. has entered into a marketing services agreement (the "Agreement") with Polygon Studio Labs Inc. ("POLYGON"). Under the terms of the Agreement, Jellyworks has agreed to migrate the Jellyworks Gaming Guild operational technology (the "GUILD") onto the POLYGON blockchain, with dedicated support from the POLYGON technology teams. POLYGON has also agreed to promote the GUILD on POLYGON's owned and operated social media accounts. The Agreement provides for potential promotion opportunities aimed at connecting with gaming clients and gamers who also utilize the POLYGON blockchain. In exchange for POLYGON's Services, the Company agreed to refer to the GUILD as "The Jellyworks Gaming Guild, Powered by Polygon".

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that 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 and commitments in the normal of business. For the three months ended March 31, 2024, the Company had a net loss of $124,548 (2023 - $561,643) and cash flow from operating activities of $10,443 (2023 - $14,891) and as of March 31, 2024, has an accumulated deficit of $34,959,938 (December 31, 2023 - $34,835,390).

1. NATURE OF OPERATIONS AND GOING CONCERN (continued)

The Company has negligible revenue during the three months ended March 31, 2024. Currently, based on its planned expenditures and expected cash flows, the Company will need to secure new sources of working capital to continue operations beyond an approximately twelve-month period. Management's plan is to actively secure sources of funds, including possible equity and debt financing options, while at the same time focus on exercising careful cost control to sustain operations.

The Company's ability to continue its operations and to realize its assets at their carrying values are dependent upon obtaining additional financing. Further, the Company's ability to continue as a going concern is dependent upon the successful results from its activities and its ability to attain profitable operations and generate funds therefrom and/or to raise equity capital or borrowings sufficient to meet current and future obligations, none of which is in any way certain that the Company can achieve. The Company has now started the process of repositioning its technology that may provide opportunities for monetization. These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

If the going concern basis was not appropriate for these condensed consolidated interim financial statements, significant adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the classifications used on the unaudited consolidated statements of financial positions. Such adjustments could be material which would significantly impact the financial statements and the Company's ability to operate.

2. BASIS OF PRESENTATION

a. Statement of compliance

These condensed consolidated interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed consolidated interim financial statements comply with International Accounting Standards ("IAS") 34 ("Interim Financial Reporting Standard").

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors of the Company on May 30, 2024.

b. Basis of presentation

These consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments measured at fair value. These consolidated financial statements have prepared using the accrual basis of accounting, except for cash flow information. These consolidated financial statements are presented in Canadian dollars and the Company, Goodlife Networks USA Inc, Lighthouse Digital Inc. and 495 Communications, LLC's functional currency is US dollars. Podkast Entertainment Corp.'s functional currency is in Canadian dollars. Jellyworks Inc.'s functional currency is in Canadian dollars.

(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (continued)

c. Consolidation

	Relationship	Percentage
Podkast Entertainment Corp*	Subsidiary	100%
Jellyworks Inc **	Subsidiary	100%

These consolidated financial statements include accounts of the Company and the following controlled entities:

* Effective July 15, 2021, the Company acquired approximately 87% of the issued and outstanding shares of Podkast Entertainment Corp ("Podkast") under the terms of a definitive shares purchase agreement. Subsequently the Company has increased ownership of Podkast shares to 100%. These consolidated financial statements include Podkast' s operating results from July 15, 2021 through to March 31, 2024.

** Effective November 2, 2022, the Company acquired of all of the issued and outstanding securities of Jellyworks Inc. ("Jellyworks") in exchange for (i) 86,522,440 common shares (each, a "Common Share") in the capital of the Company, (ii) 75,020,230 Common Share purchase warrants of the Company, and (iii) 9,500,000 stock options of the Company. The number of Common Shares issued in the connection with the acquisition represents approximately 36% of the Common Shares that are issued and outstanding as at December 31, 2022.

All intercompany balances and transactions are eliminated on consolidation. Control is based on whether an investor has power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of returns.

d. Use of estimates and judgments

The preparation of these consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Significant areas requiring the use of management estimates include:

i. Share-based compensation
Share-based compensation is valued using the Black-Scholes Option Pricing Model at the date of grant and expensed in profit or loss over the vesting period of each award. The Black-Scholes Option Pricing Model ("Black–Scholes") utilizes subjective assumptions such as expected price volatility and expected life of the option. Share-based compensation expense also utilizes subjective assumption on forfeiture rate. Changes in these input assumptions can significantly affect the fair value estimate.

2. BASIS OF PRESENTATION (continued)

d. Use of estimates and judgments (continued)

ii. Fair value of assets acquired in a business combination
The determination of fair value of assets acquired requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of the assets acquired require judgment and include estimates of future cash flows.

iii. Intangible Assets – useful lives
The Company records intangible assets purchased in a business combination at their fair value. Determining fair value requires management to use estimates that could be material. Following initial recognition, the Company carries the value of intangible assets at cost less accumulated amortization and any accumulated impairment losses. Amortization is recorded on a straight-line basis based upon management's estimate of the useful life and residual value. The estimates are reviewed at least annually and are updated if expectations change as a result of technical obsolescence or legal and other limits to use. A change in the useful life or residual value will impact the reported carrying value of the intangible assets resulting in a change in related amortization expense.

Significant areas requiring the use of judgments include:

(i) The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for new business plan and working capital requirements.

(ii) The determination of the functional currency for the Company and each of its subsidiaries was based on management's judgment of the underlying transactions, events and conditions relevant to each entity.

(iii) Deferred income tax assets and liabilities result from timing differences between the financial reporting and tax bases of assets and liabilities. Loss carry-forwards also comprise a portion of the temporary differences and result in a deferred income tax asset. Deferred income tax assets are only recognized to the extent that management considers it probable that a deferred income tax asset will be realized. The assessment for the recognition of a deferred tax asset requires significant judgement. The factors used to assess the likelihood of realization are the Company's forecast of future taxable income and available tax planning strategies that could be implemented to realize the deferred tax assets. The Company has and continues to use tax planning strategies to realize deferred tax assets in order to avoid the potential loss of benefits. Unknown future events and circumstances, such as changes in tax rates and laws, may materially affect the assumptions and estimates made from one period to the next. Any significant change in events, tax laws, and tax rates beyond the control of the Company may materially affect the consolidated financial statements.

(iv) Application of IFRS 16. The Company applies judgment in determining whether the contract contains an identified asset, whether the Company has the right to control the asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative, that can create economic incentive to exercise renewal options.

2. BASIS OF PRESENTATION (continued)

d. Use of estimates and judgments (continued)

(v) Contingencies are subject to measurement uncertainty as the financial impact will only be confirmed by the outcome of a future event. The assessment of contingencies involves a significant amount of judgement, including assessing whether a present obligation exists, assessing factors that may mitigate or reduce the obligation, and determining a reliable estimate of the amount of cash outflow required to settle the obligation. The Company is required to both determine whether loss is probable and whether the loss can be reasonably estimated. The uncertainty involved with the time and amount at which a contingency may be settled may have a material impact on the consolidated financial statements of future periods to the extent that the amount provided for differs from the actual outcome.

(vi) Determination of control in business acquisitions. The determination of the acquirer in business acquisitions is subject to judgment and requires the Company to determine which party obtains control of the combining entities. Management applies judgment in determining control by assessing the following three factors: whether the Company has power; whether the Company has exposure or rights to variable returns; and whether the Company has the ability to use its power to affect the amount of its returns. In exercising this judgment, management reviewed the representation on the Board of Directors and key management personnel, the party that initiated the transaction, and each of the entities' activities.

(vii) Intangible Assets – impairment. The application of the Company's accounting policy for intangible assets expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available.

(viii) The assessment of whether an acquisition constitutes a business is also subject to judgment and requires the Company to review whether the acquired entity contains all three elements of a business, including inputs, processes and the ability to create output.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Company to the periods presented.

a. Income taxes

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Income taxes (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the reporting date.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

c. Share issue costs

The Company accounts for share issue costs by deferring the costs until the shares are issued, at which time the costs are charged to share capital as share issue costs. If the share offering does not proceed, the costs are expensed.

d. Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded in reserves.

e. Compound financial instruments

Compound financial instruments are instruments that contain both a liability component and an equity component. The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying value.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Share-based compensation

Share-based compensation to employees is measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based compensation to non-employees is measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using the Black-Scholes option pricing model, which incorporates all market vesting conditions. For employee share options, the number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

g. Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the income or loss for the period by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted earnings per share assumes that the deemed proceeds received from the exercise of share options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the period. Stock options and share purchase warrants are typically dilutive when the Company has net income for the year and the average market price of the common shares during the year exceeds the exercise price of the stock option and/or share purchase warrant.

Shares held in escrow are excluded from the determination of basic income (loss) per share if the release from escrow is other than time based.

h. Revenue recognition

The Company reviewed its revenue streams and major contracts with customers using the IFRS 15 five step model as follows:

- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price, which is the total consideration provided by the customer;
- allocate the transaction price among the performance obligations in the contract based on their relative fair values; and
- recognize revenue when the relevant criteria are met for each performance obligation.

The Company currently generates revenue by providing broadcasting services. Revenue is recognized over time using the output method when the performance obligation is fulfilled. The performance obligation is satisfied over time delivered based on contract terms. The Company recognizes revenue when collection is reasonably assured.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Property and equipment

Property and equipment is comprised of office furniture and computer equipment. Equipment is amortized on a straight-line basis over five years. Equipment is measured at cost less accumulated amortization and accumulated impairment loss.

j. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. A change in the expected useful life of the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the Cash Generating Unit ("CGU") level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The Company amortizes intangible assets with finite lives on a straight-line basis over their estimated useful lives as follows:

Intellectual property – 5 years
Customer relationships – 5 to 10 years
Trademarks – 5 years

k. Goodwill

The Company measures goodwill as the fair value of the consideration transferred less the net recognized amount (generally fair value) of the identifiable assets acquired and the liabilities assumed, all measured as of the acquisition date. Since goodwill results from the application of the acquisition method of accounting for a business combination, it requires judgment in the determination of the fair value of assets and liabilities. Goodwill is allocated to the Company's CGUs or group of CGUs that are expected to benefit from the synergies of the business combination. Goodwill is not amortized, but is tested for impairment at least annually. An impairment loss in respect of goodwill is not reversed. On the disposal or termination of a previously acquired business, any remaining balance of associated goodwill is included in the determination of the gain or loss on disposal. The Company performs the annual goodwill impairment test on December 31 each year.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

l. Financial instruments

The following table shows the classification of financial instruments:

	Classification
Cash	Fair value – P&L
Accounts receivable	Amortized cost
Deposits	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loan payable	Amortized cost
Lease liability	Amortized cost
Other liabilities	Amortized cost
Derivative liability	Fair value – P&L

Financial assets

iv. Recognition and measurement of financial assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

v. Classification of financial assets

The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss.

Financial assets measured at amortized cost

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost.

- The Company's business model for such financial assets, is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

Financial assets measured at fair value through other comprehensive income ("FVTOCI")

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

l. Financial instruments (continued)

Financial assets measured at fair value through profit or loss ("FVTPL")

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

vi. Derecognition of financial assets

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in the consolidated statement of loss and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

(i) Recognition and measurement of financial liabilities

The Company recognizes financial liabilities when it becomes a party to the contractual provisions of the instruments.

(ii) Classification of financial liabilities

The Company classifies financial liabilities at initial recognition as financial liabilities: measured at amortized cost or measured at fair value through profit or loss.

Financial liabilities measured at amortized cost
A financial liability at amortized cost is initially measured at fair value less transaction cost directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost based on the effective interest rate method.

Financial liabilities measured at fair value through profit or loss
A financial liability measured at fair value through profit or loss is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

(iii) Derecognition of financial liabilities

The Company derecognizes a financial liability when the financial liability is discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of income (loss).

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

l. Financial instruments (continued)

Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position only when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.
Fair value hierarchy

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 - 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); and
Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Impairment of financial assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets.

m. Foreign currency translation

The functional currency of the Company and its subsidiaries other than Podkast is the United States dollar, and accounts denominated in currencies other than the United States dollar have been translated as follows:

- Monetary assets and liabilities at the exchange rate at the consolidated statement of financial position date;
- Non-monetary assets and liabilities at the historical exchange rates, unless such items are carried at fair value, in which case they are translated at the date when the fair value was determined;
- Shareholders' equity items at historical exchange rates; and
- Revenue and expense items at the rate of exchange in effect on the transaction date.

The Company's presentation currency is the Canadian dollar. For presentation purposes, all amounts are translated from the United States dollar functional currency to the Canadian dollar presentation currency for each year. Statement of financial position accounts, with the exception of equity, are translated using the exchange rate at the end of each reporting period, transactions on the statement of comprehensive income (loss) are recorded at the average rate of exchange during the period, and equity accounts are translated using historical actual exchange rates.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Foreign currency translation (continued)

Exchange gains and losses arising from translation to the Company's presentation currency are recorded as translation adjustment, which is included in translation reserve in the statement of shareholders' equity (deficiency).

n. Derivative liability

The Company classifies equity instruments that do not meet the definition of equity as derivative liabilities which are fair valued each reporting period subsequent to the initial issuance unless the range of reasonable fair value measurements is significant and the probabilities of the various estimates cannot be reasonably assessed. The Company uses the Black-Scholes option pricing model to fair value these instruments. All changes in the fair value are recorded in the consolidated statements of comprehensive income (loss).

o. Impairment

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that an asset's carrying amount may be less than its recoverable amount. Management uses its judgment to estimate these inputs and any changes to these inputs could have a material impact on the impairment calculation. For impairment testing, non-financial assets that do not generate independent cash flows are grouped together into CGU, which represent the levels at which largely independent cash flows are generated. An impairment loss is recognized in earnings to the extent that the carrying value of an asset, CGU or group of CGU's exceeds its estimated recoverable amount. The recoverable amount of an asset, CGU or group of CGU's is the greater of its value in use and its fair value less cost to sell. Value in use is calculated as the present value of the estimated future cash flows discounted at appropriate pre-tax discount rates. An impairment loss relating to a specific asset reduces the carrying value of the asset. An impairment loss relating to a group of CGU's is allocated on a pro-rata basis to reduce the carrying value of the assets in the units comprising the group. A previously recognized impairment loss related to non-financial assets is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss related to non-financial assets is reversed if there is a subsequent increase in the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying value does not exceed the carrying value that would have been determined, net of depreciation or amortization, if no loss had been recognized.

p. Leases

At inception, the Company assesses whether a contract contains an embedded lease. A contract contains a lease when the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Company, as lessee, is required to recognize a right-of-use asset ("ROU asset"), representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments.

The Company may elect to not apply IFRS 16 to leases with a term of less than 12 months or to low value assets, which is made on an asset-by-asset basis.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

p. Leases (continued)

The Company recognizes a ROU asset and a lease liability at the commencement of the lease. The ROU asset is initially measured based on the present value of lease payments, plus initial direct cost, less any incentives received. It is subsequently measured at cost less accumulated amortization, impairment losses and adjusted for certain remeasurements of the lease liability. The ROU asset is amortized from the commencement date over the shorter of the lease term or the useful life of the underlying as set. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. The incremental borrowing rate is the rate which the operation would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

4. FINANCIAL INSTRUMENTS

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash is classified at fair value through profit and loss (“FVTPL”); accounts receivable and deposits are classified at amortized cost; and accounts payable and accrued liabilities, loan payable, lease liability and other liabilities are classified at amortized cost. The carrying values of these instruments, approximate their fair values due to their short term to maturity. Contingent consideration and derivative liability are classified at FVTPL using level 3 of the fair value hierarchy.

The Company has exposure to the following risks from its use of financial instruments:

a. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Cash is placed with a major Canadian financial institution and the Company’s concentration of credit risk for cash and maximum exposure thereto is $18,207 (December 31, 2023 - $7,764).

b. Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company’s approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation. At March 31, 2024, the Company has $18,207 (December

(Expressed in Canadian Dollars)

4. FINANCIAL INSTRUMENTS (continued)

b. Liquidity risk (continued)

31, 2023 - $7,764) of cash to settle current liabilities with the following due dates: accounts payable and accrued liabilities of $663,479 (December 31, 2023 - $669,863) are due within three to six months and lease liability of $12,769 (December 31, 2023 - $31,259) are due within twelve months.

The Company manages its liquidity risk by raising additional funds through equity or debt financing to fund its current liabilities and operations.

c. Market risk

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

i. Interest rate risk

The Company is not exposed to significant interest rate risks.

ii. Foreign currency risk

Foreign currency risk is the risk that the fair value of the Company's assets and liabilities will fluctuate due to changes in foreign exchange rates.

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in its functional currency. The Company also exposed to foreign currency risk that options and warrants that have exercise price which is different from its functional currency. The Company does not manage currency risk through hedging or other currency management tools.

	March 31, 2024	**December 31, 2023**
	CAD$	CAD$
Cash	18,207	7,764
Accounts receivable	24,683	170,983
Accounts payable and accrued liabilities	(663,479)	(669,863)
Due to a related party	(900,930)	(758,752)
Lease liability	(12,769)	(31,529)
	(1,534,288)	(1,281,397)

A 10% change in the US dollar against the Canadian dollar at March 31,2024 would result in a change of approximately $1,821 (December 31, 2023 - $776) in comprehensive income (loss).

iii. Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to other price risk.

5. CAPITAL MANAGEMENT

The Company's primary source of funds comes from equity financing. The Company is not subject to any externally imposed capital requirements. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as shareholders' deficiency. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid. The Company did not change its approach to capital management during the three months ended March 31, 2024 and year ended December 31, 2023.

6. SHARE CAPITAL

a. Authorized

Unlimited number of common shares without par value.

b. Issued

On the effective date of March 27, 2023 (the "Effective Date"), the Company underwent a 4:1 consolidation of the issued and outstanding common shares in the capital of the Company. The following share information reflects this adjustment.

During the three months ended March 31, 2024

There have been no share issues to March 31, 2024.

During the year ended December 31, 2023

In April 2023, the Company completed a private placement for 5,349,997 shares at $0.075 per share for gross proceeds of $401,250.

In April 2023, the Company completed a private placement for 4,500,000 shares at $0.09 per share in exchange for services valued at $405,000.

In May 2023, the Company completed a private placement for 7,466,667 shares at $0.075 per share for gross proceeds of $560,000.

In September 2023, the Company completed a private placement for 600,000 shares at $0.20 per share for gross proceeds of $120,000.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, December 31, 2021	13,171,874	$ 1.00
Issued	18,755,057	0.20
Exercised	(112,500)	1.12
Return to treasury	(6,250)	0.60
Outstanding, December 31, 2022	31,808,181	0.52
Expired	(14,604,212)	0.80
Outstanding, March 31, 2024 and December 31, 2023	17,203,969	$ 0.30

On November 2, 2022, the Company granted 10,000,000 replacement warrants to holders of Jellyworks warrants in connection with the acquisition. These replacement warrants are exercisable at $0.05 per share until July 29, 2023. The fair value of these warrants was determined using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	3.93%
Expected term (in years)	0.66
Estimated dividend yield	0.00%
Weighted-average estimated volatility	131.17%

On November 2, 2022, the Company granted 63,808,030 replacement warrants to holders of Jellyworks warrants in connection with the acquisition. These replacement warrants are exercisable at $0.05 per share until July 5, 202. The fair value of these warrants was determined using the Black- Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	3.93%
Expected term (in years)	1.66
Estimated dividend yield	0.00%
Weighted-average estimated volatility	131.17%

On November 2, 2022, the Company granted 10,000,000 replacement warrants to holders of Jellyworks warrants in connection with the acquisition. These replacement warrants are exercisable at $0.05 per share until October 4, 2024. The fair value of these warrants was determined using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	3.93%
Expected term (in years)	1.92
Estimated dividend yield	0.00%
Weighted-average estimated volatility	131.17%

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

Warrants (continued)

Some of the Company's warrants with a $CAD exercise price have been recognized as a derivative liability given the functional currency of the Company is US$ and therefore do not meet the "fixed- for-fixed" criteria. The following is a summary of the Company's warrant derivative liabilities as at March 31, 2024 and December 31,2023:

Balance, December 31, 2021	$	2,441,848
Replacement warrants issued for Jellyworks acquisition		1,613,000
Replacement options issued for Jellyworks acquisition		219,196
Change in fair value of derivative liability		(3,800,256)
Balance, December 31,2022		473,788
Change in fair value of derivative liability		(468,901)
Balance, March 31, 2024 and December 31, 2023	$	4,887

The fair value of the derivative liabilities as at March 31, 2024 was determined using the following assumptions:

Risk-free interest rate	3.17% to 3.67.%
Expected term (in years)	0.51 – 2.01
Estimated dividend yield	0.00%
Weighted-average estimated volatility	168.36%

Stock Options

Options transactions and the number of options outstanding are summarized as follows:

	Number of Options		Weighted Average Exercise Price
Outstanding, December 31, 2022	2,421,625	$	0.40
Expired	(46,625)	$	9.31
Outstanding, March 31, 2024 and December 31, 2023	2,375,000	$	0.20

When the Company issues stock options, it records a share-based compensation in the year or period which the options are granted and/or vested. The expense is estimated using the following assumptions. Due to the lack of historical pricing information for the Company, the expected volatility is based on an average of historical prices of a comparable group of companies within the same industry. The risk-free interest rate is based on yield curves on Canadian government zero coupon bonds with a remaining term equal to the expected life of the stock options. The Company used historical data to estimate option exercise, forfeiture and employee termination within the valuation model. The Company has not paid and does not anticipate paying dividends on its common shares. Based on the best estimate, management applied the estimated forfeiture rate of 0%.

(Expressed in Canadian Dollars)

7. PROPERTY, EQUIPMENT, AND INTANGIBLE ASSETS

Property, equipment, and intangible assets consist of the following:

On November 5, 2021, the Company paid a deposit of $1,207,881 for equipment. The equipment was received by the Company subsequent to the year ended December 31, 2021.

	Digital mining equipment	Office equipment and furniture	NFT's	Total
Cost of Assets				
Balance, January 1, 2024	$ -	$ 81,401	$ -	$ 81,401
Additions during the period	-	-	-	-
Balance, March 31, 2024	$ -	$ 81,401	$ -	$ 81,401
Accumulated Amortization				
Balance, January 1, 2024	$ -	$ 70,898	$ -	$ 70,898
Additions during the period	-	1,184	-	1,184
Balance March 31, 2024	-	72,082	-	72,082
Carrying Value				
Balance March 31, 2024	$ -	$ 9,319	$ -	$ 9,319

`	Digital mining equipment	Office equipment and furniture	NFT's	Total
Cost of Assets				
Balance, January 1, 2023	$ 1,629,900	$ 81,401	$ 23,905	$ 1,735,206
Additions during the year	-	-	-	-
Disposition during the year	(1,629,900)	-	(23,905)	(1,653,805)
Balance December 31, 2023	$ -	$ 81,401	$ -	81,401
Accumulated Amortization				
Balance, January 1, 2023	$ 390,668	$ 42,029	$ -	$ 432,697
Additions during the year	587,996	28,869	-	616,865
Dispositions during the year	(978,664)	-	-	(978,664)
Balance December 31, 2023	-	70,898	-	70,898
Carrying Value				
Balance December 31, 2023	$ -	$ 10,503	$ -	$ 10,503

(Expressed in Canadian Dollars)

8. RIGHT-OF-USE ASSET AND LEASE LIABILITY

On March 22, 2021, the Company signed a lease agreement for its premises in Vancouver, British Columbia. The continuity of the ROU asset and lease liability for the three ended March 31, 2024 expiring May 31, 2024 is as follows:

Right-of-use asset		
Balance December 31, 2022	$	92,312
Amortization		(65,161)
Balance December 31, 2023	$	27,151
Amortization		(16,291)
Balance March 31, 2024	$	10,860

Lease liability		
Balance December 31, 2022	$	101,353
Lease payments		(18,952)
Lease interest		2,397
Balance December 31, 2023	$	31,529
Lease payments		(19,393)
Lease interest		633
Balance March 31, 2024	$	12,769
Current portion	$	12,769
Long-term portion	$	-

9. SEGMENTED INFORMATION

At periodend the Company currently operates in one reportable operating segment being the Bitcoin Mining operation segment.

During 2022 the Company had earnings from 2 segments, 32% was from broadcasting services and 68% of the earning were from the Bitcoin Mining operation segment.

The Company's 32% earnings from broadcasting services was Canadian sources revenue and the 68% of the earnings from the Bitcoin Mining operation segment were from various countries, and not dependent on any individual country for customers.

10. RELATED PARTY TRANSACTIONS

At March 31, 2024, related party receivable included in accounts receivable is $Nil (December 31, 2023 - $Nil) and included in due from related parties is $Nil (December 31, 2023 - $146,300). These amounts are due from companies related through common officers and directors.

At March 31, 2024, related party payables included in accounts payable and accrued liabilities is $Nil (December 31, 2023 - $Nil) and included in due to related parties is $754,630 (December 31, 2023 - $758,752). These amounts are due to officers, directors, and companies related through common officers and directors.

(Expressed in Canadian Dollars)

10. RELATED PARTY TRANSACTIONS (continued)

The amounts due to related parties are without stated terms or repayment or interest and are unsecured.

These transactions are in the normal course of business and have been valued in these consolidated financial statements at the fair value of the consideration paid.

Key management compensation

The Company's key management consist of executive officers and directors:

The compensation recorded to key management personnel during the years ended December 31, 2023 and 2022 were as follows:

	Three months ended March 31,	
	2024	**2023**
Management, director, and consulting fees	$ 129,012	$ 189,000

11. NON-CONTROLLING INTEREST

As at March 31, 2024, the Company has a 100% interest in Podkast. The summarized financial information of Podkast as at December 31, 2021 is as follows: current asset of $41,906, current liabilities of $552,661. During 2021 post acquisition Podkast generated revenues of $157,204 and a net loss of $64,531 with $2,138 attributed to non-controlling interests.

12. ACQUISITION OF PODKAST

On July 15, 2021, the Company entered into a share purchase agreement (the "Share Purchase agreement") with Podkast and certain shareholders of Podkast (the "Vendors"), pursuant to which, and subject to the terms and conditions of the Share Purchase Agreement, the Company acquired approximately 87% of the issued and outstanding common shares of Podkast. Subsequently the Company has increased ownership of Podkast shares to 100%. As the Company previously controlled Podkast, the transaction resulted in a change of the Company's stake and was accounted for as an equity transaction.

Podkast is a private company, which is in the business of providing audio and video subscription platform technology to clients and offering additional services such as customer acquisition, advertising and non-fungible token ("NFT") creation to allow their clients to sell audio, video and music content to fans.

As at December 31, 2022, the Company has issued 34,160,638 common shares, to the shareholders of Podkast as consideration, representing 100% of the issued and outstanding Podkast shares.

(Expressed in Canadian Dollars)

12. ACQUISITION OF PODKAST (continued)

The Company has determined that this transaction is a business combination as the assets acquired and liabilities assumed constitutes a business. The transaction was accounted for using the acquisition method of accounting whereby the assets acquired and liabilities assumed were recorded at their estimated fair values at the acquisition date.

The following table summarizes the estimated amounts of assets acquired and liabilities assumed at the date of acquisition.

Fair value of net assets acquired	**$**
Cash	934
Deposit and receivables	178,646
Property, equipment, and plant	61,356
Contract	112,000
Tradenames & trademarks	1,162,000
Accounts payable and accrued liabilities	(111,875)
Liability to related parties	(315,946)
Derivative liability	(209,434)
Total net assets acquired	877,681
Non-controlling interest	(108,923)
Goodwill	2,419,453
	3,188,211

Fair value of consideration paid	**$**
29,951,548 common shares	3,144,912
Fair value of replacement warrants	43,299
	3,188,211

As part of the consideration paid, the Company issued 3,457,374 replacement warrants with a weighted average exercise price of $0.24 and a weighted average term of 1.42 years. The replacement warrants issued on acquisition date have an estimated fair value of $43,299, calculated using the Black-Scholes option pricing model assuming a share price of $0.105, average risk-free interest rate of 0.81%, dividend rate of 0%, and volatility of 71%. The warrants are presented as a derivative liability as they do not meet the “fixed-for-fixed” criteria.

The resulting goodwill represents the established growth potential and synergies between Podkast and the Company. As at December 31, 2021, management determined the carrying value of intangible assets and goodwill resulting from the acquisition of Podkast exceeded their estimated fair value. In measuring the recoverable value of goodwill, the Company used a discounted cash flow model but determined it could not reliably estimate future revenue streams. The Company compared the indicated fair value using level 3 assumptions to the carrying value of goodwill, and as a result of the analysis, an impairment charge of $2,419,453 was recorded to write down goodwill and $1,090,483 was recorded to write down intangibles for the year ended December 31, 2021.

(Expressed in Canadian Dollars)

13. ACQUISITION OF JELLYWORKS INC

On November 2, 2022, the Company entered into a share purchase agreement (the "Share Purchase agreement") with Jellyworks Inc. and certain shareholders of Jellyworks (the "Vendors"), pursuant to which, and subject to the terms and conditions of the Share Purchase Agreement, the Company acquired approximately 100% of the issued and outstanding common shares of Jellyworks.

Jellyworks is a leading Web3 technology company focused on building a Play-2-Earn gaming guild building a decentralized economy for gamers. Gaming dominates Web3, with over 70% of all active wallets being owned by gamers. Jellyworks operates by buying online gaming NFT's and then delegating those NFT's to players around the world who play skill-based games and earn tokens. The tokens are then split 50/50 between the player and Jellyworks. Bitcoin mining underpins Jellyworks operations and generates most of the company's revenues and includes recent acquisitions of the latest hyper efficient mining rigs.

On November 2, 2022, the Company issued 86,522,440 common shares, 75,020,230 Common share purchase warrants and 9,500,000 stock options of the Company to the shareholders of Jellyworks as consideration, representing 100% of the issued and outstanding Jellyworks shares.

The Company has determined that this transaction is a business combination as the assets acquired and liabilities assumed constitutes a business. The transaction was accounted for using the acquisition method of accounting whereby the assets acquired and liabilities assumed were recorded at their estimated fair values at the acquisition date. The following table summarizes the estimated amounts of assets acquired and liabilities assumed at the date of acquisition.

Fair value of net assets acquired	**$**
Cash	109,871
Deposit and receivables	5,973
Digital assets	7,075
Property, plant and equipment	390,441
Tradenames & trademarks	23,905
Accounts payable and accrued liabilities	(27,303)
Total net assets acquired	509,962
Goodwill	4,829,217
	5,339,179
Fair value of consideration paid	**$**
86,522,440 common shares, and issuance costs	3,506,983
Fair value of replacement options	219,196
Fair value of replacement warrants	1,613,000
	5,339,179

As part of the consideration paid, the Company issued 9,500,000 replacement options with a weighted average exercise price of $0.05 and a weighted average term of 2.26 years. The replacement warrants issued on acquisition date have an estimated fair value of $219,196, calculated using the Black-Scholes option pricing model assuming a share price of $0.04, average risk-free interest rate of 3.93%, dividend rate of 0%, and volatility of 131%. The warrants are presented as a derivative liability as they do not meet the "fixed-for-fixed" criteria.

As part of the consideration paid, the Company issued 75,020,230 replacement warrants with a weighted average exercise price of $0.05 and a weighted average term of 1.44 years. The replacement warrants issued on acquisition date have an estimated fair value of $1,613,000,

(Expressed in Canadian Dollars)

13. ACQUISITION OF JELLYWORKS INC (continued)

calculated using the Black-Scholes option pricing model assuming a share price of $0.04, average risk-free interest rate of 3.93%, dividend rate of 0%, and volatility of 131%. The warrants are presented as a derivative liability as they do not meet the “fixed-for-fixed” criteria.

The resulting goodwill represents the established growth potential and synergies between Jellyworks and the Company.

14. LOSS PER SHARE

The calculation of basic and diluted earnings (loss) per share for the relevant periods is based on the following:

		Three months ended March 31,		
		2024		**2023**
Net earnings (loss for the period	$	(124,548)	$	(561,643)
Non-controlling interest		-		-
Basic and diluted weighted average number of common shares outstanding		70,140,908		52,224,245
Basic and diluted loss per share	$	(0.00)	$	(0.01)

15. GENERAL AND ADMINISTRATIVE EXPENSES

		Three months ended March 31,		
		2024		**2023**
Office, software and general	$	9,768	$	22,048
Accounting, legal and audit		(9,500)		48,274
Consulting		27,000		121,670
Management fees		102,012		189,000
Insurance		482		475
Office Lease		(21,864)		(27,256)
Total	$	107,898	$	354,211

16. CONTIGENCIES

Since the beginning of 2022, the cryptocurrency markets have grown increasingly unstable, paralleling declines in global stock markets and escalating inflation. Bitcoin's value plummeted in late 2022 and remained significantly lower than expected throughout much of 2023, severely limiting the company's ability to invest further in Bitcoin mining operations. Although Bitcoin's price later surged to new all-time highs, this recovery coincided with rising mining difficulties and costs, which have diminished the returns on mining efforts. Furthermore, increasing power costs have offset many of the gains from the price increase. In April 2024, a Bitcoin Halving event occurred, which reduced the Bitcoin issuance for a given amount of mining effort by half, effectively halving the compensation to Bitcoin miners. This significant change has led to the termination of the Company's Bitcoin mining operations.

16. CONTIGENCIES (continued)

The Play-2-Earn (Jellyworks) Gaming Guild P2Earn Discord channel has around 46,000 members and the Company is no longer prioritizing further expansion until such time that that platform development is nearer completion. Platform development has been hindered by a lack of capital which the Company continues to seek to address.

Company believes it does not have any obligations under the agreement and believes that it will be proved correct in due course. Legal counsel for the Company has responded on behalf of the Company and we await further correspondence.

Advisir Ventures Ltd. ("Advisir") v. Aquarius AI Inc., BCSC Action No. S233805 Market One sued Aquarius AI Inc. ("Aquarius AI") for damages in the amount of $126,000 together with interest and costs. Advisir alleges that Aquarius AI (the previous name of P2Earn Inc. prior to a corporate name change on March 23, 2023) breached a subscription agreement it held with Advisir whereby Advisir subscribed to purchase 600,000 shares of Aquarius AI for the total price of $120,000 and Aquarius AI failed to deliver the shares as subscribed to.

Aquarius AI responded to the lawsuit denying that it had breached the subscription agreement as it had issued the shares. Documents have not been exchanged in the litigation and no other steps have been taken. This matter remains unresolved. Market One Media Group ("Market One") v. Good Life Networks Inc., BCSC Action No. S1911877, Vancouver Registry. By way of a written Media Services Contract dated May5, 2018 (the "Agreement"), under its previous name of Good Life Networks Inc., P2Earn Inc. engaged Market One to provide consulting media services which included broadcast television, online and social media campaigns. In early March, 2019, the parties agreed to terminate the Agreement (the "Termination Agreement"). The Termination Agreement included a term that Aquarius would make a settlement payment to Market One in respect of Market One's outstanding accounts. The settlement payment was comprised of a $5,000 cash payment, with the remaining amount to be satisfied through the issuance of shares in P2Earn Inc. to Market One. Market One accepted the cash payment but failed to accept the share allotment, in breach of the Termination Agreement. This litigation has been in abeyance since at least 2021.