E-Play Digital Inc.

Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2021

(Expressed in Canadian dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated 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 auditor.

E-Play Digital Inc.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at March 31, 2021 and December 31, 2020
(Expressed in Canadian dollars)

	Notes	March 31, 2021	December 31, 2020
		$	$
ASSETS			
Current Assets			
Cash		**1,066,185**	1,533
Amounts receivable		**1,357**	1,357
GST receivable		**46,358**	44,876
Prepaid expenses		**18,992**	-
		1,132,892	47,766
Intangible assets	4	**8,807**	9,475
		1,141,699	57,241
LIABILITIES			
Current Liabilities			
Bank indebtedness		**-**	4,618
Accounts payable and accrued liabilities	10	**157,643**	229,017
Short-term loans	5	**20,111**	20,960
		177,754	254,595
Loans payable	6	**1,275,893**	1,275,386
		1,453,647	1,529,981
SHAREHOLDERS' DEFICIENCY			
Share capital	7	**8,640,099**	7,446,393
Reserves	7	**1,154,666**	863,340
Deficit		**(10,030,146)**	(9,704,745)
Deficiency attributable to shareholders of the Company		**(235,381)**	(1,395,012)
Non-controlling interest		**(76,567)**	(77,728)
		(311,948)	(1,472,740)
		1,141,699	57,241

Nature of operations and going concerns	1
Contingency	11
Subsequent event	15

Approved and authorized for issuance by the Board of Directors on May 31, 2021:

Approved on Behalf of the Board of Directors:

/s/ Manfred G von Nostitz
Director

/s/ Trevor Doerksen
Director

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

E-Play Digital Inc.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the three months ended March 31, 2021 and 2020
(Expressed in Canadian dollars)

	Notes	2021	2020
		$	$
Revenue	14	**21,292**	25,006
Cost of sales		**-**	(887)
		21,292	24,119
Operating expenses			
Accretion	6	**507**	-
Amortization	4	**668**	668
Consulting fees	10	**25,047**	10,982
Foreign exchange loss (gain)		**(3,516)**	4,304
Interest expense		**939**	1,471
Investor relations		**2,000**	300
Office and miscellaneous		**1,999**	1,343
Management fees	10	**23,274**	15,500
Professional fees	10	**23,577**	7,500
Regulatory and transfer fees		**2,138**	5,909
Research and development	10 & 12	**(29,234)**	59,553
Sales and marketing		**6,807**	12,106
Share-based compensation	7(c) & 10	**291,326**	71,036
Travel		**-**	6,978
Total operating expenses		**(345,532)**	(197,650)
Gain on settlement of debts	7(b)	**-**	35,775
		-	35,775
Net loss and comprehensive loss		**(324,240)**	(137,756)
Net income (loss) attributable to:			
Shareholders of the Company		**(325,401)**	(135,767)
Non-controlling interest		**1,161**	(1,989)
		(324,240)	(137,756)
Basic and diluted loss per common share		**(0.00)**	(0.00)
Weighted average number of common shares outstanding – basic and diluted		**75,276,750**	67,581,105

E-Play Digital Inc.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY
For the three months ended March 31, 2021 and 2020
(Expressed in Canadian dollars)

	Share Capital					
	Number of Shares	Amount	Reserves	Accumulated Deficit	Non-controlling Interest	Total
		$	$	$	$	$
Balance, December 31, 2019	**65,809,539**	**7,136,346**	**807,112**	**(9,378,548)**	**(76,061)**	**(1,511,151)**
Shares issued to settle debts (Notes 7(b), 10 and 13)	3,577,500	143,100	-	-	-	143,100
Share-based compensation (Note 7(c))	-	-	71,036	-	-	71,036
Comprehensive loss	-	-	-	(135,767)	(1,989)	(137,756)
Balance, March 31, 2020	**69,387,039**	**7,279,446**	**878,148**	**(9,514,315)**	**(78,050)**	**(1,434,771)**
Balance, December 31, 2020	**71,966,039**	**7,446,393**	**863,340**	**(9,704,745)**	**(77,728)**	**(1,472,740)**
Shares issued for cash (Note 7(b))	11,000,000	1,100,000	-	-	-	1,100,000
Shares issued to settle debts (Notes 7(b), 10 and 13)	1,561,750	93,706	-	-	-	93,706
Share-based compensation (Note 7(c))	-	-	291,326	-	-	291,326
Comprehensive income (loss)	-	-	-	(325,401)	1,161	(324,240)
Balance, March 31, 2021	**84,527,789**	**8,640,099**	**1,154,666**	**(10,030,146)**	**(76,567)**	**(311,948)**

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

(Expressed in Canadian dollars)

	2021	2020
	$	$
Operating activities		
Loss for the period	**(324,240)**	(137,756)
Adjustments for non-cash items:		
Accretion expense	**507**	-
Amortization	**668**	668
Gain on settlement of debts	**-**	(35,775)
Share-based compensation	**291,326**	71,036
Unrealized foreign exchange loss (gain)	**(849)**	1,001
Change in non-cash working capital components:		
Amounts receivable and GST receivable	**(1,482)**	1,835
Prepaid expenses	**(18,992)**	-
Accounts payable and accrued liabilities	**22,332**	45,257
Net cash used in operating activities	**(30,730)**	(53,734)
Financing activities		
Bank indebtedness	**(4,618)**	2,446
Shares issued for cash	**1,100,000**	-
Loans received	**15,000**	-
Loans repaid	**(15,000)**	26,250
Net cash provided by financing activities	**1,095,382**	28,696
Increase (Decrease) in cash	**1,064,652**	(25,038)
Cash, beginning of the period	**1,533**	35,611
Cash, end of the period	**1,066,185**	10,573

Cash paid for interest expense	**-**	-
Cash paid for income taxes	**-**	-

Supplemental cash flow information (Note 13)

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

1. NATURE OF OPERATIONS AND GOING CONCERNS

E-Play Digital Inc. (the "Company") was incorporated under the Business Corporations Act in British Columbia on September 19, 2013 under the name Organach Beverage Acquisition Corp. On October 6, 2016, the Company changed its name to E-Play Digital Inc. and change of its business to developing and operating broadcast and live video technologies. The address of the registered office is 246 – 2464 Stewart Green SW, Calgary, Alberta, Canada T3H 3C8.

These condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. At March 31, 2021, the Company had a working capital of $955,138 (December 31, 2020 – working capital deficiency of $206,829) and had a deficit of $10,030,146 (December 31, 2020 – $9,704,745) which has been funded primarily by the issuance of equity and loans from third parties. The Company's continuing operations, as intended, and its financial success may be dependent upon the extent to which it can successfully raise the capital to carry out its business plan. If the Company is unable to fund its future plan, its business, financial condition or results of operations could be materially and adversely affected. The success of the Company depends on its ability to profitably penetrate its target market with its new products on a sustainable basis.

The Company's ability to launch its operations as intended is dependent on its ability to generate revenue and raise capital sufficient to cover its marketing and other costs. All of these factors indicate a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. These condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary should the Company be unable to continue in existence.

In March 2020, the World Health Organization declared a global pandemic related to the virus known as COVID-19. The expected impacts on global commerce are anticipated to be far reaching. To date there have been significant effects on the world's equity markets and the movement of people and goods has become restricted. Due to market uncertainty, the Company may be restricted in its ability to raise additional funding. The impact of these factors on the Company is not yet determinable; however, they may have a material impact on the Company's financial position, results of operations and cash flows in future periods.

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements are prepared in accordance with International Accounting Standards 34 – *Interim Financial Reporting* of the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretation Committee ("IFRIC"). The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual consolidated financial statements as at and for the year ended December 31, 2020.

These consolidated financial statements are presented in Canadian dollars, which is the reporting and functional currency of the Company, and its subsidiary Mobovivo Inc. ("Mobovivo" or "MV") The functional currency of the Company's wholly-owned subsidiary Emerald Oncology Limited ("Emerald") is the Euro (€). These consolidated financial statements are prepared on a historical cost basis except for certain financial instruments as described at Note 3, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION (continued)

Basis of consolidation

These condensed interim consolidated financial statements include the assets, liabilities and results of operations of all entities controlled by the Company. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the Company's the consolidated financial statements. Where control of an entity is obtained during a financial year, its results are included in the consolidated statements of comprehensive loss from the date on which control commences. Where control of an entity ceases during a financial year, its results are included for that part of the year during which control exists.

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries as follows:

Name	Incorporation / acquisition date	Ownership % 2020	2019	Jurisdiction
Mobovivo Inc.	December 20, 2016	96.70%	96.70%	Canada
Emerald Oncology Limited	September 29, 2014	100%	100%	Ireland

As at and for the three months ended March 31, 2021, Emerald Oncology Limited was inactive.

3. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates and judgments

The preparation of these condensed interim consolidated financial statements requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and reported amounts of revenue and expenses during the reporting period. Actual outcomes could differ from these judgements and estimates. The condensed interim consolidated financial statements include judgements and estimates which, by their nature, are uncertain. The impacts of such judgements and estimates are pervasive throughout the condensed interim consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of judgements and estimates that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Judgments

i) Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgement. Management monitors future cash requirements to assess the Company's ability to meet these future funding requirements. Further information regarding going concern is outlined in Note 1.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates and judgments (continued)

ii) Impairment indicators of intangible assets

The recoverability of the carrying value of the intellectual property is dependent on successful development and commercial stage to the point where revenue is possible. The carrying value of these assets is reviewed by management when events or circumstances indicate that its carrying value may not be recovered. If impairment is determined to exist, an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

Estimates

i) Share-based compensation

Share-based compensation expense is measured by reference to the fair value of the stock options at the date at which they are granted. Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumption about them.

ii) Recoverability of amounts receivables

The Company assesses the collectability of receivables on an ongoing basis. A provision for the impairment of receivables involves significant management judgment and includes the review of individual receivables based on individual customer creditworthiness, current economic trends and analysis of historical bad debts.

iii) Deferred tax assets and liabilities

The measurement of deferred income tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income which in turn is dependent upon the successful operations of the Company. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred tax provisions or recoveries could be affected. Tax losses have been estimated and are subject to changes as a result of reviews from regulatory authorities.

iv) Useful life of intangible assets

The finite life intangible assets are depreciated over their useful lives. Estimated useful lives are determined based on current facts and past experience, and take into consideration the anticipated physical life of the asset, existing long-term sales agreements and contracts, current and forecasted demand, the potential for technological obsolescence, and regulations.

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

New accounting standards and interpretations issued but not yet adopted

IAS 37–Provisions ("IAS 37"), has been amended to clarify the meaning of "costs to fulfil a contract", which comprise the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. These amendments are effective for periods beginning on or after January 1, 2022, with early application permitted. The Company is currently assessing the impact of this amendment.

IAS 1 –Presentation of Financial Statements ("IAS 1"), has been amended to clarify how to classify debt and other liabilities as either current or non-current. The amendment to IAS 1 is effective for the years beginning on or after January 1, 2023, with early application permitted. The Company is currently assessing the impact of this amendment.

4. INTANGIBLE ASSETS

Cost	Licenses and marketing rights $	Other $	Goodwill $	Total $
Balance at December 31, 2019	1	12,146	-	12,147
Amortization	-	(2,672)	-	(2,672)
Balance at December 31, 2020	1	9,474	-	9,475
Amortization	-	(668)	-	(668)
Balance at March 31, 2021	1	8,806	-	8,807

During the year ended December 31, 2019, the Company acquired a list of Instagram influencers to be utilized in new and existing Mobile games for total proceeds of $13,360.

During the year ended December 31, 2016, the Company acquired all of the issued and outstanding shares of PokerVision Media Inc. and 96.70% interest in Mobovivo Inc. pursuant to a Share Purchase Agreement and Amalgamation Agreement dated September 27, 2016 (the "Acquisition"). The transaction was accounted for as a business combination under IFRS 3 – Business combination. As a result of the transaction, the Company recognized goodwill of $2,055,580.

During the year ended December 31, 2019, the Company determined that the goodwill value attributable to the Acquisition was impaired and the full balance attributed to goodwill was reduced to $Nil as the Company has begun the transition from 100% service revenue to direct consumer revenue.

5. SHORT-TERM LOANS

During the year ended December 31, 2016, the Company received $14,169 (€10,000) from a third party as a short-term loan. As at March 31, 2021, the loan was valued at $14,759 (December 31, 2020 - $15,608) due to foreign currency fluctuation. The loan is non-interest bearing, unsecured and is due on demand.

During the year ended December 31, 2020, the Company received $27,852 from a third party as a short-term loan and repaid $22,500 through the issuance of 450,000 common shares at a fair value of $0.05 per share on May 14, 2020 (Note 7). As at March 31, 2021, the loan balance was $5,352 (December 31, 2020 - $5,352). The loan is non-interest bearing, unsecured and is due on demand.

(Expressed in Canadian dollars)

6. LOANS PAYABLE

The Company has the following loans payable as at March 31, 2021 and December 31, 2020:

As at	March 31, 2021	December 31, 2020
	$	$
Canada Media Fund – Production Financing Agreement (Xtra)	**485,906**	485,906
Canada Media Fund – Sales and Marketing Loan (Previiw)	**203,808**	203,808
Canada Media Fund – Production Financing Agreement (Previiw)	**387,653**	387,653
Canada Media Fund – Sales and Marketing Loan (Xtra)	**164,846**	164,846
Canada Emergency Business Account Loan	**33,568**	33,061
Due to related parties	**112**	112
Total	**1,275,893**	1,275,386

Canada Media Fund (“CMF”) – Production Financing Agreement (Xtra)

On September 29, 2011, the Company’s subsidiary, MV, entered into a Production Financing Agreement with CMF. Total amount to be invested by CMF was $539,895 (the “Investment”), representing 75% of the production budget. Investment was made in three separate payments. Payments are made upon receipt of three progress and cost reports from MV.

During 2013, MV determined that Xtra was no longer financially feasible and therefore terminated the production progress. As a result, MV received a total of $485,906 in two separate payments.

Should MV determine to complete Xtra in the future, CMF is entitled to recoupment. Recoupment is capped at a maximum of 50% of revenues from Xtra.

In the event of default, the CMF has the right, but not the obligation, to reduce the Investment and, if any portion of the reduced amount has previously been advanced to MV, require immediate repayment of such amount with interest at the rate of prime plus 1% per annum as set by the Bank of Canada. As at March 31, 2021, the CMF has not made revisions to the agreement and there have been notices of default.

As at March 31, 2021 and December 31, 2020, MV has not generated revenue from Xtra. CMF has not collected or accrued any recoupment amount.

The potential events of default, as per the agreement, that trigger repayment obligations, are not identifiable based upon current circumstances, and are unforeseeable in the near future.

Canada Media Fund – Sales and Marketing Loan (Xtra)

On October 3, 2012, MV entered into another Marketing Financing Agreement with CMF. Total amount to be advanced by CMF was $206,058, representing 75% of the sales and marketing budget to Xtra. As at March 31, 2021, total advanced amount by CMF to the Company was $164,846.

During 2013, MV determined that Xtra was no longer financially feasible and therefore terminated the production progress.

Should MV determine to complete Xtra in the future, CMF is entitled to recoupment. The CMF is entitled to receive 50% of Production Revenues until recoupment of the advance in full.

6. LOANS PAYABLE (continued)

In the event of default, the CMF has the right, but not the obligation, to reduce the Investment and, if any portion of the reduced amount has previously been advanced to MV, require immediate repayment of such amount with interest at the rate of prime plus 1% per annum. As at March 31, 2021, the CMF has not made revisions to the agreement and there have been notices of default.

As at March 31, 2021 and December 31, 2020, MV has not provided any marketing revenues to the CMF. CMF has not collected or accrued any recoupment amount.

The potential events of default, as per the agreement, that trigger repayment obligations, are not identifiable based upon current circumstances, and are unforeseeable in the near future.

Canada Media Fund – Production Financing Agreement (Previiw)

On January 26, 2011, MV entered into a Production Financing agreement with CMF. Total amount to be invested by CMF was $430,725 ("Equity Investment"), representing 75% of the production budget. As at September 30, 2017, $387,653 of the Equity Investment has been disbursed to MV. MV determined that Previiw was no longer financially feasible and therefore terminated the production progress.

Should MV determine to complete Previiw in the future, CMF is entitled to recoupment. Recoupment is capped at a maximum of 50% of revenues from Previiw.

In the event of default, the CMF has the right, but not the obligation, to reduce the Investment and, if any portion of the reduced amount has previously been advanced to MV, require immediate repayment of such amount with interest at the rate of prime plus 1% per annum. As at March 31, 2021, the CMF has not made revisions to the agreement and there have been notices of default.

As at March 31, 2021 and December 31, 2020, MV has not provided production revenues to CMF. CMF has not collected or accrued any recoupment amount.

The potential events of default, as per the agreement, that trigger repayment obligations, are not identifiable based upon current circumstances, and are unforeseeable in the near future.

Canada Media Fund – Sales and Marketing Loan (Previiw)

On October 3, 2012, MV entered into a Marketing Financing Agreement with CMF ("Marketing Agreement"). Total amount to be invested by CMF was $203,808 ("Advance"), representing 75% of the sales and marketing budget to Previiw.

During 2013, MV determined that Previiw was no longer financially feasible and therefore terminated the production progress.

Should MV determine to complete Previiw in the future, CMF is entitled to recoupment. Recoupment is capped at a maximum of 50% of revenues from Previiw.

In the event of default, the CMF has the right, but not the obligation, to reduce the Investment and, if any portion of the reduced amount has previously been advanced to MV, require immediate repayment of such amount with interest at the rate of prime plus 1% per annum as set by the Bank of Canada. As at March 31, 2021, the CMF has not made revisions to the agreement and there have been notices of default.

As at March 31, 2021 and December 31, 2020, MV has not generated revenue from Previiw CMF has not collected or accrued any recoupment amount.

6. LOANS PAYABLE (continued)

The potential events of default, as per the agreement, that trigger repayment obligations, are not identifiable based upon current circumstances, and are unforeseeable in the near future.

Canada Emergency Business Account Loan

On April 20, 2020, the Company received $40,000 under the Canada Emergency Business Account ("CEBA"). The loan is non-interest bearing and no principal repayments are required up to December 31, 2022. If the principal balance of $30,000 is repaid by December 31, 2022, then the remaining $10,000 of the principal balance will be forgiven. It is uncertain whether the Company will be able to repay the $30,000 by December 31, 2022, therefore no loan forgiveness is recognized at this point. Any remaining balance after January 1, 2023 will be converted into a 3 year term loan with a fixed interest of 5% per annum, monthly interest-only payments and the outstanding balance must be repaid in full by December 31, 2025. The loan was initially measured at its fair value of $30,932 and is subsequently measured at amortized cost, using an effective interest rate of 10%. The difference of $9,068 will be accredited to the loan liability over the term of the CEBA Loan and offset to other income on the statement of loss and comprehensive loss.

During the three months ended March 31, 2021, $507 (2020 - $Nil) of interest expense related to the CEBA loan was recognized and included in accretion expense in the consolidated statements of loss and comprehensive loss.

Due to related parties

During the three months ended March 31, 2021, the Company received and repaid $15,000 from Holo3D Technologies Inc., a company owned by the CEO of the Company. The loans are non-interest bearing, unsecured, and payable at the discretion of the Company.

7. SHARE CAPITAL

(a) Authorized: unlimited common shares without par value.

(b) Issued and Outstanding:

During the year ended December 31, 2020:

On February 13, 2020, the Company issued 3,000,000 common shares at $0.04 to settle accounts payable balance of $150,000 to a consultant of the Company. The Company recorded a gain on settlement in the amount of $30,000 (Note 13).

On February 25, 2020, the Company issued 157,500 common shares at $0.04 to settle accounts payable balance of $7,875 to a consultant of the Company. The Company recorded a gain on settlement in the amount of $1,575 (Note 13).

On February 25, 2020, the Company issued 420,000 common shares at $0.04 to settle certain accounts payable balance of $21,000 with related parties. The Company recorded a gain on settlement in the amount of $4,200 (Notes 10 and 13).

On May 6, 2020, the Company issued 231,000 common shares at $0.04 to settle accounts payable balance of $11,550 to a consultant of the Company. The Company recorded a gain on settlement in the amount of $2,310 (Note 13).

7. SHARE CAPITAL (continued)

On May 6, 2020, the Company issued 998,000 common shares at $0.04 to settle certain accounts payable balance of $49,900 with related parties. The Company recorded a gain on settlement in the amount of $9,980 (Notes 10 and 13).

On May 14, 2020, the Company issued 1,350,000 common shares to settle a $22,500 loan payable (Note 5) and $45,000 in accounts payable owed to a consultant of the Company (Note 13). As per the settlement agreement, the Company agreed to exercise 1,350,000 stock options that were previously issued to the consultant in order to settle the debt. The stock options had an exercise price of $0.05. The Company reclassified $50,287 from reserves to share capital on the transaction.

During the three months ended March 31, 2021:

On February 11, 2021, the Company issued 393,625 common shares at $0.06 to settle accounts payable balance of $23,618 to a consultant of the Company (Note 13).

On February 11, 2021, the Company issued 1,168,125 common shares at $0.06 to settle certain accounts payable balance of $70,088 with related parties (Notes 10 and 13).

On March 5, 2021, the Company completed the first tranche of a non-brokered private placement for 5,750,000 units at $0.10 per unit for gross proceeds $575,000. Each unit consist of one common share and one share purchase warrant. Each warrant can be exercised to purchase one additional common share at $0.20 per share on or before March 5, 2022.

On March 17, 2021, the Company completed the second tranche of a non-brokered private placement for 5,250,000 units at $0.10 per unit for gross proceeds $525,000. Each unit consist of one common share and one share purchase warrant. Each warrant can be exercised to purchase one additional common share at $0.20 per share on or before March 17, 2022.

(c) Stock Options:

The Company has adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Pursuant to the Option Plan, the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. The stock option plan limits the number of incentive stock options which may be granted to any one individual to not more than 5% of the total issued shares of the Company in any 12-month period. The number of incentive stock options granted to any one consultant or a person employed to provide investor relations activities in any 12-month period must not exceed 2% of the total issued shares of the Company. Options granted under the Option Plan can have a maximum exercise term of 5 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

7. SHARE CAPITAL (continued)

(c) Stock Options (continued)

On November 14, 2017, the Company granted incentive stock options, exercisable to purchase up to an aggregate of 707,267 common shares of the Company to certain directors, officers, and/or consultants of the Company. A total of 431,201 options vest over 3 years and a total of 276,066 options vest over 2 years. The options are exercisable at a price of $0.19 per common share for a five year term. The weighted average fair value of stock option was determined using the Black-Scholes option pricing model using the following assumptions: expected life of stock option of 5 years, volatility of 100%, forfeiture rate of 0%, annual rate of dividends of 0% and a risk free rate of 1.68%. Total fair value was calculated to be $100,425 of which $24,251 was recorded as share-based compensation for the year ended December 31, 2019 and $5,934 was recorded as share-based compensation for the year ended December 31, 2020 based on the vesting provisions.

On November 7, 2018, the Company granted incentive stock options, exercisable to purchase up to an aggregate of 1,211,823 common shares of the Company to certain directors, officers, and/or consultants of the Company. A total of 431,201 options vest over 3 years, a total of 280,622 options vest over 2 years, and a total of 500,000 options vest over one year. The options are exercisable at a price of $0.15 per common share for a four year term. The weighted average fair value of stock option was determined using the Black-Scholes option pricing model using the following assumptions: expected life of stock option of 4 years, volatility of 100%, forfeiture rate of 0%, annual rate of dividends of 0% and a risk free rate of 2.42%. Total fair value was calculated to be $126,842 of which $37,904 was recorded as share-based compensation for the year ended December 31, 2018, $67,616 was recorded as share-based compensation for the year ended December 31, 2019, $17,046 was recorded as share-based compensation for the year ended December 31, 2020 and $1,254 was recorded as share-based compensation for the three months ended March 31, 2021 based on the vesting provisions.

On February 15, 2019, the Company granted incentive stock options, exercisable to purchase up to an aggregate of 500,000 common shares of the Company to a consultant of the Company. A total of 250,000 options vest immediately and a total of 250,000 options vest over one year. The options are exercisable at a price of $0.15 per common share for a four year term. The weighted average fair value of stock option was determined using the Black-Scholes option pricing model using the following assumptions: expected life of stock option of 4 years, volatility of 100%, forfeiture rate of 0%, annual rate of dividends of 0% and a risk free rate of 1.79%. Total fair value was calculated to be $17,950 of which $16,778 was recorded as share-based compensation for the year ended December 31, 2019 and $1,172 was recorded as share-based compensation for the year ended December 31, 2020 based on the vesting provisions.

On August 13, 2020, the Company granted incentive stock options, exercisable to purchase up to an aggregate of 1,000,000 common shares of the Company to a consultant of the Company. The options vested 100% on grant date. The options are exercisable at a price of $0.05 per common share for a two year term. The weighted average fair value of stock option was determined using the Black-Scholes option pricing model using the following assumptions: expected life of stock option of 2 years, volatility of 152.50%, forfeiture rate of 0%, annual rate of dividends of 0% and a risk free rate of 0.29%. Total fair value was calculated to be $19,310 and recorded as share-based compensation for the year ended December 31, 2020.

7. SHARE CAPITAL (continued)

(c) Stock Options (continued)

On March 25, 2020, the Company granted incentive stock options, exercisable to purchase up to an aggregate of 1,500,000 common shares of the Company to two consultants of the Company. The options vested 100% on grant date. The options are exercisable at a price of $0.05 per common share for a three year term. The weighted average fair value of stock option was determined using the Black-Scholes option pricing model using the following assumptions: expected life of stock option of 3 years, volatility of 160.33%, forfeiture rate of 0%, annual rate of dividends of 0% and a risk free rate of 0.70%. Total fair value was calculated to be $55,875 and recorded as share-based compensation for the year ended December 31, 2020.

On March 25, 2020, the Company granted incentive stock options, exercisable to purchase up to an aggregate of 200,000 common shares of the Company to a consultant of the Company. The options vested 100% on grant date. The options are exercisable at a price of $0.10 per common share for a 3.4 year term. The weighted average fair value of stock option was determined using the Black-Scholes option pricing model using the following assumptions: expected life of stock option of 3.4 years, volatility of 169.94%, forfeiture rate of 0%, annual rate of dividends of 0% and a risk free rate of 0.70%. Total fair value was calculated to be $7,178 and recorded as share-based compensation for the year ended December 31, 2020.

On August 13, 2020, the Company granted incentive stock options, exercisable to purchase up to an aggregate of 1,000,000 common shares of the Company to a consultant of the Company. The options vested 100% on grant date. The options are exercisable at a price of $0.05 per common share for a two year term. The weighted average fair value of stock option was determined using the Black-Scholes option pricing model using the following assumptions: expected life of stock option of 2 years, volatility of 152.50%, forfeiture rate of 0%, annual rate of dividends of 0% and a risk free rate of 0.29%. Total fair value was calculated to be $19,310 and recorded as share-based compensation for the year ended December 31, 2020.

On March 19, 2021, the Company granted incentive stock options, exercisable to purchase up to an aggregate of 725,000 common shares of the Company to certain consultants of the Company. The options vested 100% on grant date. The options are exercisable at a price of $0.24 per common share for a three year term. The weighted average fair value of stock option was determined using the Black-Scholes option pricing model using the following assumptions: expected life of stock option of 3 years, volatility of 172.37%, forfeiture rate of 0%, annual rate of dividends of 0% and a risk free rate of 0.52%. Total fair value was calculated to be $150,604 and recorded as share-based compensation for the three months ended March 31, 2021.

On March 24, 2021, the Company granted incentive stock options, exercisable to purchase up to an aggregate of 850,000 common shares of the Company to certain consultants of the Company. The options vested 100% on grant date. The options are exercisable at a price of $0.23 per common share for a two year term. The weighted average fair value of stock option was determined using the Black-Scholes option pricing model using the following assumptions: expected life of stock option of 2 years, volatility of 185.75%, forfeiture rate of 0%, annual rate of dividends of 0% and a risk free rate of 0.25%. Total fair value was calculated to be $139,468 and recorded as share-based compensation for the three months ended March 31, 2021.

(Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)

(c) Stock Options (continued)

As at March 31, 2021, the following options remain outstanding:

	Three months ended March 31, 2021		Year ended December 31, 2020	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Opening	**6,369,090**	**$0.11**	5,819,090	$0.13
Issued	**1,575,000**	**0.23**	2,700,000	0.05
Exercised	**-**	**-**	(1,350,000)	0.05
Expired / cancelled	**-**	**-**	(800,000)	0.10
Ending	**7,944,090**	**$0.14**	6,369,090	$0.11
Weighted average remaining life of stock options outstanding	**2.01 years**		2.16 years	

Number of options	**Number of options exercisable**	**Exercise price**	**Expiry date**
707,267	707,267	$0.19	November 14, 2022
1,211,823	1,068,089	$0.15	November 7, 2022
500,000	500,000	$0.15	February 14, 2023
500,000	500,000	$0.10	April 17, 2023
2,100,000	2,100,000	$0.10	August 12, 2023
150,000	150,000	$0.05	March 25, 2023
200,000	200,000	$0.10	August 12, 2023
1,000,000	1,000,000	$0.05	August 13, 2022
725,000	725,000	$0.24	March 19, 2024
850,000	850,000	$0.23	March 23, 2023
7,944,090	7,800,356	$0.14	

(Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)

(d) Warrants:

	Three months ended March 31, 2021		Year ended December 31, 2020	
	Number of warrants	**Weighted average exercise price**	Number of warrants	Weighted average exercise price
Opening	**8,670,113**	**$0.17**	10,670,113	$0.16
Issued	**11,000,000**	**0.20**	-	-
Expired	**-**	**-**	(2,000,000)	0.12
Ending	**19,670,113**	**$0.19**	8,670,113	$0.17
Weighted average remaining life of warrants outstanding	**0.69 years**		0.61 years	

As at March 31, 2021, the following warrants remain outstanding:

Number of warrants	**Exercise price**	**Expiry date**
3,045,113	$0.20	December 20, 2021
5,625,000	$0.15	May 31, 2021
5,750,000	$0.20	March 5, 2022
5,250,000	$0.20	March 17, 2022
19,670,113		

8. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the operation of the Company. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through equity or debt financing. The Company is not subject to any capital requirements imposed by a regulator.

(Expressed in Canadian dollars)

9. FINANCIAL INSTRUMENTS

Classification of financial instruments

As at March 31, 2021	Financial assets – FVTPL	Financial assets – amortized cost	Financial liabilities – amortized cost
	$	$	$
Cash	1,066,185	-	-
Amounts receivable	-	1,357	-
Accounts payable and accrued liabilities	-	-	157,643
Short-term loans	-	-	20,111
Loans payable	-	-	1,275,893

As at December 31, 2020	Financial assets – FVTPL	Financial assets – amortized cost	Financial liabilities – amortized cost
	$	$	$
Cash	1,533	-	-
Amounts receivable	-	44,876	-
Bank indebtedness	-	-	4,618
Accounts payable and accrued liabilities	-	-	229,017
Short-term loans	-	-	20,960
Loans payable	-	-	1,275,386

The fair value of the Company’s financial assets and liabilities approximates the carrying amount because of their nature and relatively short maturity dates or durations.

The Company’s financial instruments are exposed to certain financial risks, which include the following:

Credit risk

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company’s exposure to credit risk is on its cash and accounts receivable. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. Collectability for accounts receivable is assessed on an ongoing basis and a provision for impairment recorded as necessary.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company intends to ensure that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company’s holdings of cash. As at March 31, 2021, the Company had cash of $1,066,185 (December 31, 2020 - $1,533) to settle the total current liabilities of $177,754 (December 31, 2020 - $254,595). As the Company does not have positive operating cash flows, the Company has relied primarily on equity financings and loans to meet its capital requirements and current financial obligations (Note 1).

9. FINANCIAL INSTRUMENTS (continued)

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

At March 31, 2021, the Company had nominal amounts of accounts payable and short-term loans denominated in Euro. A 10% change in the currency exchange rates between the Canadian dollars relative to the Euro would have an immaterial effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations.

The Company is exposed to currency risk through the following monetary assets and liabilities denominated in foreign currencies.

		March 31, 2021		December 31, 2020
Cash	**USD$**	**602**	**USD$**	1,403
Accounts payable	**USD$**	**(15,000)**	**USD$**	-
Accounts payable	**EUR$**	**(30,070)**	**EUR$**	(30,070)
Short-term loans	**EUR$**	**(10,000)**	**EUR$**	(10,000)

Based on the above net exposure and assuming that all other variables remain constant a 10% change in the value of the foreign currencies against the Canadian dollar would result in an increase or decrease of $7,725 (2020 - $6,144) in the statement of loss and comprehensive loss.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk because it does not have any interest bearing debt.

10. RELATED PARTY TRANSACTIONS

The key management personnel compensation for the three months ended March 31, 2021 and 2020 are as follows:

	2021	2020
	$	$
Revenue earned from a company controlled by CEO	**20,000**	-
Professional fees paid / accrued to CFO	**7,500**	7,500
Management fees paid / accrued to CEO	**23,274**	15,500
Consulting fees paid / accrued to CEO	**1,429**	2,857
Research and development paid / accrued to CEO	**1,429**	2,857
Share-based compensation	**-**	2,107
Total	**33,632**	30,821

10. RELATED PARTY TRANSACTIONS (continued)

(a) Included in accounts payable and accrued liabilities as at March 31, 2021 is $8,275 (December 31, 2020 - $47,214) due to companies controlled by the CEO and CFO. Amounts are unsecured, non-interest bearing and due on demand. During the year ended March 31, 2021, the Company issued 1,168,125 (2020 – 420,000) common shares with a fair value of $70,088 (2020 - $16,800) to settle certain accounts payable with the officers of the Company in the amount of $70,088 (2020 - $21,000) (Note 7(b)).

(b) Included in loans payable as at March 31, 2021 is $112 (December 31, 2020 - $112) due to the CEO (Note 6).

11. CONTINGENCY

In October 2017, the Company received an Originating Application and Affidavits filed to the Court of Queen's Bench of Alberta for the dissent procedure related to the acquisition of MV by the Company. The Applicants are seeking fair value payments for the common shares in the capital of MV and the costs of the proceedings. The claim total $19,154 plus 5% interest from September 14, 2018, plus fees and disbursements in the amount of $625. During the year ended December 31, 2019, the Company partially settled this claim for $8,125.

12. GOVERNMENT GRANTS

CanExport Program

On April 9, 2019, the Company applied for financial assistance under the CanExport Program of the Department of Global Affairs and the National Research Council Canada (NRC). The program is designed to provide direct financial assistance to small and medium-sized enterprises seeking to develop new export opportunities and markets, especially in high-growth emerging markets. The total federal funding was $27,000 and the total duration of the program was from April 1, 2019 to November 30, 2019. During the year ended December 31, 2019, the Company used the proceeds of $27,000 to promote the BigShot project in new internal markets. Other government grants totaled $2,042.

Canada Emergency Wage Subsidy

The Company applied for and received the Canada Emergency Wage Subsidy ("CEWS"), which provides up to 75% of employee's wages. During the year ended December 31, 2020, the Company received $136,295 in eleven distinct claiming periods. During the three months ended March 31, 2021, the Company received $49,762 related to the CEWS.

Industrial Research Assistance Program

On April 3, 2020, the Company entered into a Contribution Agreement with the Industrial Research Assistance Program ("IRAP") run by the NRC. The NRC has agreed to contribute up to a maximum of $170,000 for cost incurred in the "Augmented Reality Capture And Visualization Engine" project, of which $74,219 was received during the year ended December 31, 2020 and $44,953 was received during the three months ended March 31, 2021. The duration of the agreement is 1 year. The government grant was credited against research and development during the three months ended March 31, 2021 and year ended December 31, 2020.

(Expressed in Canadian dollars)

13. SUPPLEMENTAL CASH FLOW INFORMATION

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows.

During the year ended December 31, 2020, the following non-cash transactions occurred:

The Company issued 4,806,500 common shares with a fair value of $192,260 to settle debt of $240,325 recorded in accounts payable and accrued liabilities.

The Company issued 1,350,000 common shares upon the exercise of options at $0.05 per share to settle loans payable of $22,500 and accounts payable of $45,000. A classification of $50,287 was recorded from reserves to share capital (Note 7).

During the three months ended March 31, 2021, the following non-cash transactions occurred:

The Company issued 1,561,750 common shares with a fair value of $93,706 to settle debt of $240,325 recorded in accounts payable and accrued liabilities.

14. SEGMENTED REPORTING

Revenues from external customers are derived from customers located in Canada and the United States as follows:

During the three months ended March 31,	**2021**	2020
	$	$
United States	**-**	24,713
Canada	**21,276**	276
Other	**16**	17
	21,292	25,006

During the three months ended March 31, 2021, approximately 99% (2020 – 99%) of the Company's revenue was generated from three (2020 - two) customers.

15. SUBSEQUENT EVENT

Subsequent to the three months ended March 31, 2021, the Company entered into a letter of intent ("LOI") to purchase 100% of the equity of Holo3D Technologies Inc, a company owned by the CEO of the Company. As consideration, the Company plans to issue 12,000,000 common shares. The parties have 90 days to enter into a definitive agreement, otherwise the LOI will terminate with no further effect.