PLAYGROUND VENTURES INC.

CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

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

Jones & O'Connell LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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Independent Auditor's Report

To the Shareholders of Playground Ventures Inc.

Opinion

We have audited the consolidated financial statements of **Playground Ventures Inc.** ("the Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and December 31, 2022, and the consolidated statements of comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of **Playground Ventures Inc.** as at December 31, 2023 and December 31, 2022 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company has a cumulative deficit of $17,434,998 and expects to incur future losses in the development of its business. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<u>Evaluation of Material Uncertainty Related to Going Concern</u>

Description of the matter

We draw attention to Note 2 to the financial statements. At each reporting date, the Company assesses its ability to continue as a going concern. Whether the Company is able to continue as a going concern is a significant management judgment.

Why the matter is a key audit matter

We identified the evaluation of the Company's ability to continue as a going concern as a key audit matter. This matter represented an area of higher assessed risk of material misstatement, which required significant auditor judgment in the evaluation of the results of our procedures.

How the matter was addressed in the audit

The primary procedure we performed to address this key audit matter included the following:
We evaluated the appropriateness of the Company's key strategy to resolve the situation given the current financial position and cash flows from operations.

To the Shareholders of Playground Ventures Inc. (Continued)

Key Audit Matters (Continued)

Valuation of Investments, Intangible Assets and Goodwill
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Description of the matter

We draw attention to Note 8 and Note 9 to the financial statements. At each reporting date, the Entity must consider whether there is objective evidence of impairment in relation to each major investment, intangible asset and goodwill as a result of events that have occurred after the initial recognition of the assets (a "loss event") and whether that loss event (or events) has an impact on the estimated recoverability of the assets. The entity's assessment of whether there are any indicators of impairment and the estimated recoverable value of the assets if there are indicators is a significant management judgment.

Why the matter is a key audit matter

We identified the evaluation of evidence of impairment for the major investments, intangible assets and goodwill as a key audit matter. This matter represented an area of higher assessed risk of material misstatement, which required significant auditor judgment in the evaluation of the results of our procedures.

How the matter was addressed in the audit

The primary procedure we performed to address this key audit matter included the following:

We evaluated the appropriateness of the Entity's impairment analysis by assessing each major investment, intangible asset and goodwill for any indicators of impairment in accordance with IAS 36 and IAS 28 (where applicable). Where indicators of impairment existed, we then evaluated the Entity's calculation of the recoverability of the asset and related impairment loss calculations.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for other information. Other information comprises the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions. Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

To the Shareholders of Playground Ventures Inc. (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As a part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as a fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities with the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

To the Shareholders of Playground Ventures Inc. (Continued)

Auditor’s Responsibilities for the Audit of the Financial Statements (Continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wayne O'Connell.

Jones & O'Connell LLP

Jones & O'Connell LLP
Chartered Professional Accountants
Licensed Public Accountants

St. Catharines, Ontario
April 29, 2024

PLAYGROUND VENTURES INC.
Consolidated Statements of Financial Position
As at December 31, 2023 and December 31, 2022
(Expressed in Canadian dollars)
(Audited)

		December 31, 2023 $ (audited)	December 31, 2022 $ (audited)
ASSETS			
Current			
Cash		**125**	2,774
HST receivable		**27,155**	29,782
Prepaid expenses and other assets	**7**	**3,711**	93,659
		30,991	126,215
Long Term			
Investment in TinyRex	**8**	**-**	-
Investment in MotionPix	**8**	**-**	-
Investment in GG Hub	**8**	**-**	-
Intangible assets	**9**	**-**	-
Other investments		**10**	10
Goodwill		**-**	-
		10	10
Total Assets		**31,001**	126,225
LIABILITIES AND EQUITY			
Current			
Trade payables and accrued liabilities	**13**	**221,075**	635,714
Loan Payable	**15**	**12,384**	10,471
Due to directors and related parties	**13**	**186,720**	424,221
Total liabilities		**420,179**	1,070,406
Equity			
Share capital	**10**	**15,179,115**	14,916,957
Warrant reserve	**10**	**1,181,887**	1,181,887
Share based payment reserve	**11**	**684,818**	684,818
Deficit		**(17,434,998)**	(17,727,842)
Total shareholders' (deficit) equity		**(389,178)**	(944,181)
Total liabilities and shareholders' equity		**31,001**	126,225

Nature of operations (Note 1)
Going concern (Note 2)
Subsequent event (Note 16)
On behalf of the Board of Directors on April 29, 2024:

("signed") ("signed")
Jon Gill Chris Irwin
Director Director

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

PLAYGROUND VENTURES INC.
Consolidated Statements of Net Income (Loss) and Comprehensive Income (Loss)
As at December 31, 2023 and December 31, 2022
(*Expressed in Canadian dollars)*
(Audited)

	Note	December 31, 2023	31-Dec-22
		$	
Operating expenses			
Consulting and management fees		**12,990**	561,172
General and administrative		**27,048**	109,561
Sales and marketing			18,626
Professional fees		**53,887**	145,066
Equity issuance expense			284,096
		93,925	1,118,521
Other items			
Interest (expense) income		**(24,801)**	(15,420)
Loss on foreign exchange		**-**	(6)
Gain on debt settlement	**10**	**452,869**	52,334
Bad debt		**-**	(37,622)
Other income	**8**		-
Impairment of intangibles and goodwill			(4,696,485)
Impairment of investments	**8**	**(14,685)**	(923,729)
		413,383	(5,620,928)
Share of Associate	**8**	**(26,614)**	(1,032,413)
Net gain (loss) and comprehensive loss		**292,844**	(7,771,862)
Earning per share –			
Basic	**12**	**0.00**	(0.120)
Diluted	**12**	**0.00**	(0.120)
Weighted average number of common shares outstanding			
Basic	**12**	**77,987,296**	62,255,630
Diluted	**12**	**77,987,296**	62,255,630

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

PLAYGROUND VENTURES INC.
Audited Consolidated Statements of Changes in Equity
As at December 31, 2023 and December 31, 2022
(Expressed in Canadian dollars)

		Shares Issued					
	Note	**Number of Shares**	**Amount**	**Warrant Reserve**	**Share-based Payment Reserve**	**Deficit**	**Total**
			$	$	$	$	$
Balance December 31, 2021		**55,902,237**	**14,170,636**	**1,181,887**	**491,075**	**(9,955,980)**	**5,887,617**
Shares issued on acquisition of Campaign	9, 10	5,000,000	421,300	-	-	-	421,300
Option redemption	11	550,000	181,103	-	(90,353)	-	90,750
Shares issued on debt settlements	10	1,308,349	143,918	-	-	-	143,918
Option issuances	11	-	-	-	284,095	-	284,095
Net comprehensive loss for the period		-	-	-	-	(7,771,862)	(7,771,862)
Balance, December 31, 2022		**62,760,586**	**14,916,957**	**1,181,887**	**684,818**	**(17,727,842)**	**(944,181)**
Shares issued on debt settlements	10	17,477,199	262,158	-	-	-	262,158
Net comprehensive gain for the period		-	-	-	-	292,844	292,844
Balance, December 31, 2023		**80,237,785**	**15,179,115**	**1,181,887**	**684,818**	**(17,434,998)**	**(389,178)**

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

PLAYGROUND VENTURES INC.
Consolidated Statements of Cash Flows
As at December 31, 2023 and December 31, 2022
(Expressed in Canadian dollars)
(Audited)

	Note	December 31, 2023	31-Dec-22
		$	**$**
Operating activities			
Gain (Loss) for the period		**292,844**	(7,771,862)
Adjustments to reconcile net loss to cash used in operating activities:			
Equity issuance expense		**-**	284,096
Impairment of investments	**8**	**14,685**	923,729
Impairment of intangibles and goodwill			4,696,485
Share of Associate	**8**	**26,614**	1,032,413
Bad debt		**6,420**	37,622
Gain on share settlement		**(452,869)**	(52,334)
FX loss		**-**	6
Interest (income) expense		**24,801**	15,420
Changes in non-cash working capital:			
HST receivable		**2,627**	(24,527)
Accounts receivable			10,096
Prepaid expenses and other assets	**7**	**83,528**	132,590
Trade payables and accrued liabilities		**(82,786)**	600,563
Cash used in operating activities		**(84,136)**	(115,703)
Investing activities			
Addition to intangible asset - Campaign	**9**	**-**	(13,128)
Investment in MotionPix		**-**	
Investment in GG Hub	**8**	**(43,867)**	(356,896)
Proceed of Sale	**8**	**2,568**	
Cash used in financing activities		(41,299)	(370,024)
Financing activities			
Receipts on options exercised	**11**	**-**	90,750
Payemnt of debt to MotionPix			(19,300)
Advances (net of repayment) received from directors and related parties		**122,786**	362,443
Cash provided by financing activities		122,786	433,893
Change in cash during the period		**(2,649)**	(51,834)
Cash, beginning of period		**2,774**	54,608
Cash, end of period		**125**	2,774

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

1. NATURE OF OPERATIONS

Playground Ventures Inc. (the "Company") was incorporated under the British Columbia Business Corporations Act ("BCBCA") on October 30, 2014. The Company is a developer of platforms and video game publisher that publishes video games that the Company either develop internally or engage a video game developer to develop for them. Previously known as BlocPlay Entertainment Inc., the Company changed its name to Playground Ventures Inc. on April 30, 2021. The Company's registered office is located at 217 Queen Street West, Suite 401, Toronto, Ontario M5V 0R2, Canada. The Company's shares trade on the Canadian Securities Exchange under the symbol "PLAY".

2. GOING CONCERN

The Company's ability to continue as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom, and to continue to obtain equity investment and borrowings sufficient to meet current and future obligations. The Company has a net gain for the year ended December 31, 2023, of $292,844 (2022 – (7,771,862)). The Company's cumulative deficit was $17,434,998 as of December 31, 2023 (2022 - $17,727,842). As the Company continues to develop its core offerings, it will require additional financing to meet its working capital requirements. The net working capital as of December 31, 2023 is a deficit of $389,178 (2022 – $944,191). During the year ended December 31, 2023, the Company obtained short term loans of $183,876 (2022 – 382,543) from directors and related parties and raised $0 (2022 – $90,750) through the exercise of no options (2022 – 550,000). These conditions cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with debt offerings and or private placement of common shares. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its consolidated statement of financial position. These consolidated financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Company were unable to continue its operations.

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

These consolidated financial statements were approved and authorized by the Board of Directors of the Company on April 29, 2024.

3.2 Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, 1279078 BC Ltd. ("BCCo"), 1296858 BC Ltd., 1296860 BC Ltd., 1281750 BC Ltd., and Countervail Games Ltd. ("Countervail"). Countervail has been consolidated from the date of obtaining control, being the effective date of October 1, 2021. All inter-company transactions and balances have been eliminated upon consolidation.

1281750 BC Ltd. has been consolidated from the date of obtaining control, being the effective date of January 27, 2022.

On May 27, 2022, the Company's wholly-owned subsidiaries, Stompy Bot Productions Inc. and TokenPlay Inc. ("TokenPlay"), were amalgamated with the Company. This has been accounted for following guidance of accounting for combinations under common control. The assets and liabilities of the wholly-owned subsidiaries have been recorded at book value upon amalgamation.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognized at cost. Subsequent to initial recognition, the consolidated financials statements include the Company's share of the profit or loss of the equity accounted investees, until the date on which significant influence ceases. The investment in MotionPix Game Studio Inc. ("MotionPix"), GG Hub Srl ("GG Hub") and WeatherGen Climate Partners Inc. ("WeatherGen") are accounted for using the equity method in accordance with IAS 28.

3.3 Basis of presentation

The consolidated financial statements have been prepared on the historical cost basis other than for those financial assets recorded at fair value through profit and loss ("FVPL"). In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

3.4 Use of management estimates, judgments and measurement uncertainty

The preparation of these consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenues, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. Significant estimates and judgments made by management in the preparation of these consolidated financial statements are outlined below:

Going concern
Determining whether there exists material uncertainty that casts significant doubt about the Company's ability to continue as a going concern requires management to exercise its judgment, in particular about its ability to obtain funds to continue operations (Note 2).

Calculation of share-based payments
The Black-Scholes Option Pricing Model is used to determine the fair value for the stock options and warrants and utilizes subjective assumptions such as expected price volatility and expected life of the option or warrant. Discrepancies in these input assumptions can significantly affect the fair value estimate.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenue recognition

The Company derives its revenues from two sources: (a) development fees, which is contract specific for development of technology; and (b) online game sales and platform sales. Development fee revenue is recognized when there is persuasive evidence of an agreement, the fee is measurable, the Company has performed its service in accordance with the agreement and collectability is reasonably assured.

Online game sales are sold to end customers through the Company's website and platform. These sales are recognized when the product is delivered to the customer. Testing sales are deferred against their related capitalized development costs and recognized once the game reaches commercialization.

4.2 Earnings per share

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the period. The dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

4.3 Share-based payments

The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted. In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share-based payments reserve.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

4.4 Financial assets and liabilities

Financial assets

Initial recognition and measurement
Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either FVPL or through other comprehensive
income ("FVOCI"), and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.
Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost.

Subsequent measurement – financial assets at amortized cost
After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statements of loss.

Subsequent measurement – financial assets at FVPL
Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statements of loss.

Subsequent measurement – financial assets at FVOCI
Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.
After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive income (loss). When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.
Dividends from such investments are recognized in other income in the statements of loss and when the right to receive payments is established.

Derecognition
A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Financial liabilities
Initial recognition and measurement
Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include trade and other payables, which are measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost
After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the statements of loss.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statements of loss.

4.5 Foreign currency transactions

Functional and presentation currency
The functional currency of the Company and its subsidiaries is the Canadian dollar. The financial statements are presented in Canadian dollars which is the group's presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

4.6 Intangible assets

Intangible assets acquired from third parties are measured initially at their fair value and either classified as indefinite life or finite life depending on their characteristics. Internally generated intangible assets, such as development costs, are capitalized only when the product is technically and commercially feasible, the costs of generating the asset can be reliably measured, and there is an adequate plan to complete the project. Revenues associated with testing products under development is recorded as a reduction of development costs. Intangible assets with indefinite lives are tested for impairment as least annually and intangible assets with finite lives are reviewed for indicators of impairment at least annually.

4.7 Goodwill

Goodwill represents the excess for the price paid for the acquisition of an entity over the fair value of the net identifiable tangible and intangible assets and liabilities acquired. Goodwill is allocated to the CGU or CGUs to which it relates. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the group at which management monitors goodwill. The Company allocates goodwill to one or more CGUs for the purpose of impairment testing.

The determination of these CGUs is based on management's judgment in regard to several factors such as shared infrastructure, similarity in service offering, and exposure to market risk and materiality. The Company has determined one CGU, Countervail, and has allocated goodwill at the segment level as a result of the synergies created.

Goodwill is not subject to amortization and is tested annually for impairment or more frequently if events or changes in circumstances indicate that the carrying amount of goodwill might be impaired. In order to determine if the value of goodwill has been impaired, the CGU to which goodwill has been allocated must be valued using present value techniques. When applying this valuation technique, the Company relies on a number of factors, including historical results, business plans, forecasts and market data. Changes in the conditions for these judgments and estimates can significantly affect the assessed value of goodwill.

Impairment is determined for goodwill by assessing if the carrying value of CGU, including goodwill, exceeds its recoverable amount determined as the greater of the estimated fair value less costs of disposal and the value in use. Impairment losses recognized in respect of the CGUs are first allocated to the carrying value of goodwill and any excess is allocated to the carrying amount of assets in the CGUs.

Any goodwill impairment is recorded in the consolidated statements of operations and comprehensive loss in the period in which the impairment is identified. Impairment losses on goodwill are not subsequently reversed.

5. CAPITAL MANAGEMENT

The Company manages its common shares and accumulated deficit as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk, as there are no external restrictions on it.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets in order at adjust the amount of cash on its balance sheet.

In order to facilitate the management of its capital requirements, the Company may prepare expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

The Company is not subject to any restrictions in the management of its capital. There were no changes in the Company's approach to capital management during the year.

6. FAIR VALUE AND FINANCIAL RISK FACTORS

Fair value of financial instruments

The Company has designated its cash as FVTPL which are measured at fair value. Fair value of cash is determined based on transaction value and is categorized as a Level one measurement.

- Level One includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level Two includes inputs that are observable other than quoted prices included in Level One.
- Level Three includes inputs that are not based on observable market data.

Cash is measured using Level One inputs.

As at December 31, 2022 and 2021, both the carrying and fair value amounts of the Company's cash, accounts receivable, other current assets, trade and accrued liabilities, due to TinyRex and due to directors and related parties approximately equivalent due to their short term nature.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, accounts receivable and other current assets. Cash consists of cash on hand deposited with reputable financial institutions which is closely monitored by management and cash held in trust with the lawyers. Management believes credit risk with respect to financial instruments included in cash is minimal. The nature of the Company's diverse customer base ensures that there is no concentration of credit risk.

The Company's policy over credit risk is to minimize exposure to counterparties with perceived higher risk of default by dealing only with counterparties meeting the credit standards set out by management, which includes, but not limited to, extending credit based upon a counterparty's financial conditions and requested pre-authorized payments. The Company's maximum exposure to credit risk as at December 31, 2022 and 2021 is the carrying value of accounts receivable and other current assets.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations. The Company manages its liquidity risk by forecasting it operations and anticipating its operating and investing activities. All amounts in trade payables, payable to TinyRex and due to directors and related parties are due within one year.

Market risk

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

Interest rate risk

Interest rate risk consists of a) the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, and b) to the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities. The Company is not exposed to interest rate price risk.

Foreign currency risk

The Company is exposed to foreign currency risk due to the timing of their accounts payable balances. This risk is mitigated by timely payment of creditors and monitoring of foreign exchange fluctuations by management. The Company is not exposed to significant foreign currency risk based on its current operations.

Other price risk

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

7. PREPAID EXPENSES AND OTHER ASSETS

(Expressed in Canadian dollars)

	December 31, 2023	**December 31, 2022**
Prepaid management fees	**$nil**	**84,542**
Other current assets	**$3,711**	**9,117**
Total prepaid expenses and other assets	**$3,711**	**93,659**

On December 1, 2020, the Company entered into an agreement with a company whose director is also a director of the Company whereby the Company was charged with the following: $110,000 as a signing bonus, 150,000 options to purchase common shares and options equal to 10% of the outstanding and approved Company options plan. In 2021, the Company issued 500,000 options which have been capitalized as a prepaid and amortized over the life of the contract. The term of the agreement was originally for two years. On March 25, 2021, the Company amended to a three-year agreement. The Company recognized the amount as a prepaid and will amortize over the new term of the agreement. During the year ended December 31, 2023, the Company amortized $84,542 (2022 - $92,231) on the consolidated statement of comprehensive loss.

During the year ended December 31, 2023, the Company wrote off $6,420 (2022 – 37,622) of uncollectible receivables on the consolidated statement of comprehensive loss.

8. INVESTMENTS

On May 7, 2021, the Company signed an agreement to invest $350,000 into TinyRex Games Inc. (“TinyRex”). TinyRex is a Vancouver based mobile games studio. The founders plan to develop and release three idle genre mobile games which will leverage their recent partnership with East Side Games Inc. The investment gives the Company the right to certain shares in the capital of TinyRex. Due to failure of the game launching, for the period ending December 31, 2023, the Company wrote off $nil (December 31, 2022 - $117,333) owing to TinyRex and recorded an impairment loss of $nil (for the year ended December 31, 2022 - $232,667) in the consolidated statements of comprehensive loss. The Company cannot exercise any rights to purchase shares until such time as this amount is paid.

On June 9, 2021, The Company completed a joint venture with Ludare Games Group Inc. (“Ludare Games”) by acquiring a 40% interest in MotionPix. MotionPix is a Vancouver based company that has the exclusive rights to a mobile game project licensed with a major movie franchise. As consideration for the acquisition, the Company issued 1,670,000 common shares in the capital of the Company to Ludare Games and an investment in the amount of $300,000 into the project. The investment in MotionPix is valued based on the acquisition value of the common shares of $700,000 and the $300,000 investment to be made into the project for a total of $1,000,000. As the shares were being held in escrow and released at certain dates, the shares were discounted and valued at $690,173. For the year ended December 31, 2023, the Company recorded their 40% share of the loss of MotionPix of nil (December 31 2022 - $961,001). Due to lack of commercial success of the game, for the year ended December 31, 2023, an impairment loss of nil (December 31 2022 - $36,986) was recorded in the consolidated statements of comprehensive loss.

The Company has made payments of €544,727 (December 31, 2022 - €515,000) to GG Hub and as a result, the Company had acquired a 35% interest in GG Hub as at August 4, 2023. (December 31, 2022 -35%). On August 4, 2023, the Company sold its 35% interest in GG Hub for consideration of €1,750 which has been recorded in other income on the consolidated statements of comprehensive gain. The Company has recorded an impairment of $14,685 and recoded its loss of share of income as $26,614.

(Expressed in Canadian dollars)

	Total assets	**Total liabilities**	**Total revenue**	**Total profit/ (loss)**	**Share ownership**	**Share of Associate**
MotionPix	$0	$10,244	-	$nil	40%	$nil
WeatherGen	$0	$0	-	$nil	40%	$nil
	0	**10,244**	**-**	**$nil**		**$nil**

9. INTANGIBLE ASSETS

	Modern Miner	**Gaming IP**	**Campaign**	**Total**
	$			**$**
Cost				
As at December 31, 2019	-		-	-
Addition	1,123,552	-	-	1,123,552
As at December 31, 2020	1,123,552		-	1,123,552
Addition	-	3,130,000	-	3,130,000
As at December 31, 2021	**1,123,552**	**3,130,000**	**-**	**4,253,552**
Addition (adjustment)	**-**	**(315,000)**	**434,378**	**119,378**
Impairment	**(1,123,552)**	**(2,815,000)**	**(434,378)**	**(4,372,930)**
As at December 31, 2022	**-**	**-**	**-**	**-**
Addition	**-**	**-**		**-**
As at December 31, 2023	**-**	**-**	**-**	**-**

Development costs are capitalized based on the criteria in IAS 38 – Intangible Assets. Once commercialization of the game is reached, these costs and corresponding revenue will be systematically recognized in the statement of comprehensive loss over the expected life of the game, estimated at four years.

On December 16, 2020, the Company acquired all issued and outstanding common shares of 1279078 BC Ltd. through a non-arm's length share purchase agreement dated December 16, 2020 (the "Transaction"). As consideration for the Transaction, the Company issued an aggregate of 5,000,000 common shares in the capital of the Company (the "Consideration Shares") and issued an aggregate of 5,000,000 common share purchase warrants (the "Warrants"). Each Warrant shall entitle the holder thereof to acquire one common share in the capital of the Company (each a, "Common Share") at a price of $0.15 per Common Share for a period of five years from the date of issuance. The Consideration Shares were valued at $625,000 and the Warrants were valued at $498,552 and both recorded as an increase in intangible assets.

(Expressed in Canadian dollars)

1279078 BC Ltd. is a private company formed under the laws of British Columbia, that creates, develops and publishes software related to mobile games and applications. 1279078 BC Ltd. was developing Modern Miner, a mobile game application. Due to lack of resources, for the year ended December 31, 2023, an impairment loss of $nil (2022 – 1,123,552) was recorded in the consolidated statements of comprehensive loss.

On October 1, 2021, the Company acquired all issued and outstanding common shares of Countervail through a share purchase agreement dated September 30, 2021 (the "Transaction"). As consideration for the Transaction, the Company issued 16,000,000 common shares in the capital of the Company (the "Consideration Shares") to the sellers under escrow agreement. The Consideration Shares were valued at $1,856,002.

Countervail is a mobile game developer with a focus on generating an innovative user experience through a never seen before patent pending technology that integrates live video content with digital game play.

In accordance with the measurement period permitted under IFRS 3 - Business Combinations, the fair value of the assets acquired and liabilities assumed have been determined on a provisional basis on the assumptions noted. The Company has determined the fair values of assets and liabilities acquired and identifying any other intangible assets that exist at the date of acquisition. The Consideration Shares were valued at their fair value, CAD$0.19 per share, as of the closing date. As the shares are held in escrow and released on certain dates, the share value was discounted accordingly. As a result, the enterprise value was determined to be $3,201,291 on the date of acquisition. Goodwill is attributable to the customer list, expected synergies, and other intangible assets that the Company has identified.

	Total
Shares issued at closing	$1,856,002
Total debt assumed	1,349,653
Cash and cash equivalents acquired	(4,364)
Enterprise value	**$3,201,291**

Allocation of purchase price	**Total**
Cash	$4,364
Current assets	41,161
Liabilities assumed	(293,425)
Gaming IP	3,130,000
Goodwill	323,555
Total allocation of purchase price	**$3,201,291**

For the year ended December 31, 2023, Countervail contributed $nil (2022 - $118,788) to the Company's comprehensive loss. Due to lack of resources and commercial success, for the year ended December 31, 2023, an impairment loss of $nil (December 31, 2022- $2,815,000) on intangible assets and $nil on goodwill (December 2022- $323,555) was recorded in the consolidated statements of comprehensive loss.

(Expressed in Canadian dollars)

On January 27, 2022, the Company acquired all issued and outstanding common shares of 1281750 B.C. Ltd for the acquisition of the "Campaign" game development project. As consideration for the transaction, the Company issued 5,000,000 common shares in the capital of the Company to the sellers under escrow agreement and paid $13,128 cash. The consideration shares were valued at $421,300. Due to lack of resources, for the year ended December 31, 2023, an impairment loss of $nil (2022 – 434,378) was recorded in the consolidated statements of comprehensive loss.

10. SHARE CAPITAL

Authorized: An unlimited number of common shares.

a) Issued and outstanding:

	Number of Shares	Amount ($)
Balance, December 31, 2021	**55,902,237**	**14,170,636**
Shares issued on acquisition of Campaign (Note 9)	5,000,000	421,300
Option redemption (Note 11)	550,000	181,103
Shares issued for debt	1,308,349	143,918
Balance, December 31, 2022	**62,760,586**	**14,916,957**
Shares issued for debt	17,477,199	262,158
Balance, December 31, 2023	**80,237,785**	**15,179,115**

Debt Settlements

On February 1, 2022, the Company issued an aggregate of 1,308,349 shares at a price of $0.15 per common share to settle an aggregate of $196,252 of indebtedness with arm's length creditors. A gain on settlement of $52,334 has been recorded in the consolidated statements of comprehensive loss.

On February 16, 2023, the Company settled an aggregate of $262,158 of indebtedness to companies whose directors are also directors of the Company through the issuance of 17,477,199 common shares in the capital of the Company at a price of $0.05 per common share. A gain on settlement of $452,869 has been recorded in the consolidated statements of comprehensive loss.

(Expressed in Canadian dollars)

b) Warrants:

The following table reflects the continuity of warrants for the periods presented:

	Number of Warrants	Weighted Average Exercise Price
		$
Balance December 31, 2021	**11,019,215**	**$ 0.305**
Warrants expiration	(2,469,107)	$0.700
December 31, 2022	**8,550,108**	**$ 0.191**
Warrants expiration	(290,450)	$0.700
December 31, 2023	**8,259,658**	**$ 0.173**

During the year ended December 31, 2023, 290,450 (2,469,107 for the year ended December 31, 2022) warrants with an exercise price of $0.70 (2022 - $0.70) expired.

The following table reflects the warrants issued and outstanding as of December 31, 2023:

Issue date	Number of warrants outstanding	Grant date fair value ($)	Exercise price ($)	Expiry date
December 16, 2020	4,500,000	448,697	0.15	December 16, 2025
March 7, 2021	3,759,658	278,656	0.20	March 7, 2024

The relative fair value method was utilized to allocate the value of the warrants issued during the quarter. The fair value of the warrants issued was estimated using the Black Scholes Option Pricing Mode.

c) Reserves

The warrant reserve records items recognized as share-based payments for warrants until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital.

The share-based payment reserve records items recognized as share-based payment expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

(Expressed in Canadian dollars)

11. STOCK OPTIONS

The Company has a stock option plan (the "Plan") under which the Company may grant options to directors, officers, employees and consultants. The number of shares to be reserved and set aside for issue under this plan is determined from time to time by the Board. The continuity of outstanding stock options outstanding is as follows:

	Number of Options	Weighted Average Exercise Price
		$
Balance, December 31, 2021	**2,550,000**	**$ 0.193**
Option issuances	2,675,000	$0.150
Option redemption	(550,000)	$0.165
Balance, December 31, 2022	**4,675,000**	**$0.172**
Balance, December 31, 2023	**4,675,000**	**$0.172**

During the year ended December 31, 2022, 550,000 options were exercised at $0.165 for proceeds of $90,750.

The fair value of the options issued was estimated using the Black Scholes Option Pricing Model with the following assumptions:

	February 1, 2022
Expected life	5 years
Expected volatility	236.4%
Risk-free interest rate	1.79%
Dividend yield	Nil
Underlying share price	$0.110
Exercise price	$0.150
Value	$264,300
Fair value per option	$0.109

	March 10, 2022
Expected life	5 years
Expected volatility	237.3%
Risk-free interest rate	2.42%
Dividend yield	Nil
Underlying share price	$0.080
Exercise price	$0.150
Value	$19,795
Fair value per option	$0.0792

(Expressed in Canadian dollars)

The following table provides additional information about outstanding stock options at December 31, 2023:

Issuance Date	**Number of Outstanding Options**	**Weighted Average Remaining Life (Years)**	**Weighted Average Exercise Price**	**Number of Options Exercisable**	**Weighted Average Exercise Price – Exercisable Options**
January 8, 2021	1,300,000	2.02	$ 0.165	1,300,000	$ 0.165
February 4, 2021	100,000	2.10	0.200	100,000	0.200
March 7, 2021	600,000	2.18	0.280	600,000	0.280
February 1, 2022	2,425,000	3.09	0.150	2,425,000	0.150
March 10, 2022	250,000	3.19	0.150	250,000	0.150
December 31, 2023	**4,675,000**	**2.66**	**$0.172**	**4,675,000**	**$0.172**

12. EARNINGS PER SHARE

The weighted average number of shares includes common shares. The effect of adjustments to the weighted average number of common shares would be anti-dilutive when the Company incurs losses.

The calculation of basic and diluted (loss) per share for the period ended was based on the information in the table below.

	December 31, 2023	December 31, 2022
Basic weighted average number of shares outstanding – beginning and ending balance	77,987,296	62,255,630
Dilutive weighted average number of shares outstanding	77,987,296	62,255,630
Net gain (loss)	$ 292,844	$(7,771,862)
Weighted average basic gain (loss) per share	$0.00	$(0.12)
Weighted average diluted gain (loss) per share	$0.00	$(0.12)

(Expressed in Canadian dollars)

13. RELATED PARTIES AND KEY MANAGEMENT

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly. Compensation awarded to former and current key management includes the following:

	2023	2022
	$	$
Short-term employee benefits	(80,560)	452,500
Total compensation to key management	**(80,560)**	**452,500**

Included in accounts payable and accrued liabilities as at December 31, 2023 are amounts of $93,096 (December 31, 2022 - $493,735) due to directors, officers and former directors of the Company and companies with common directors. The amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

Per an agreement, the Company has an amount of $nil (December 31, 2022 – $84,542) in prepaid expenses to a company whose director is also a director of the Company. In addition, under this agreement, the Company is committed to a monthly consulting fee of $15,000 per month until December 1, 2023. In addition, the Company has a $2,500 monthly administrative fee until December 1, 2023 and had a $2,500 monthly social media that ended on March 31, 2022 with this Company.

Per an agreement, the Company is committed to a monthly consulting fee of $15,000 per month until December 1, 2023 to a company whose director is also a director of the Company.

On February 23, 2022, March 30, 2022, April 4, 2022, November 11, 2022, January 27, 2023, and February 16, 2023, the Company entered into loan agreements with a company whose director is also a director of the Company for $145,000, $140,000, $3,000, $21,043, 22,368 and 15,000 respectively at 5% interest per annum, with a maturity date of May 31, 2023. This debt and accrued interest were settled on February 16, 2023 for the issuance of 7,203,500 common shares at a price of $0.05 per common share.

On February 1, 2022, the Company settled an aggregate of $196,252 of indebtedness to companies whose directors are also directors of the Company through the issuance of 1,308,349 common shares in the capital of the Company at a price of $0.15 per common share.

On August 23, 2022 the Company entered into a loan agreement with a director of the Company for $67,500, at 8% per annum, with a maturity date of December 31, 2022.

During the year ended December 31, 2022, a director of the Company exercised 550,000 options at $0.165 for issuance of 550,000 common shares.

For the year ended December 31, 2023, companies whose directors are also a director of the Company issued a credit note for $140,560 (2022 - $nil) for directors services that was recorded in the consolidated statements of comprehensive loss.

On February 16, 2023, the Company settled an aggregate of $715,028 of indebtedness to companies whose directors are also directors of the Company through the issuance of 17,477,199 common shares in the capital of the Company at a price of $0.05 per common share. The Company recognized a gain of $452,869 on this debt settlement.

(Expressed in Canadian dollars)

On February 16, 2023, the Company issued a secured promissory grid note (the "Bridge Notes") to certain lenders (the "Lenders") of the Company for available proceeds to the Company of up to $100,000. The Bridge Notes mature on April 17, 2023 (the "Term"), and are secured against all of the assets of the Company. The Company may draw on the available proceeds of the Bridge Notes from time to time during the Term, and the amounts outstanding under the Bridge Notes bear interest of 8% per annum payable with any outstanding principal at the end of the Term, and the interest increases to 15% per annum upon an event of default.

14. INCOME TAX

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	2023	2022
	$	**$**
Net Income (loss)	**292,844**	(7,771,862)
Statutory tax rate	**26.5%**	26.5%
Expected income tax expense (recovery)	**77,604**	(2,059,543)
Permanent differences	**115,960**	1,534,276
Temporary differences not recognized	**(193,564)**	525,267
Income tax recovery	**$-**	$-

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences because it is not probable that future taxable profit will be available against which the Company can utilize these benefits:

	2023	2022
	$	**$**
Non-capital losses	**11,061,525**	**10,617,654**
Capital losses	**792,573**	**-**
Share issuance costs	**49,745**	**77,043**
Temporary Differences	**$11,903,843**	**$10,694,697**

The Canadian non-capital losses carried forward will expire between 2035 and 2043. Share issue and financing costs will be fully amortized in 2025.

15. LOAN PAYABLE

On August 23, 2022, the Company issued a secured promissory grid note (the "Bridge Note") to certain a lender (the "Lender") of the Company for available proceeds to the Company of up to $50,000. The Bridge Note matured on December 31, 2022 (the "Term"), and are secured against all of the assets of the Company. The Company may draw on the available proceeds of the Bridge Notes from time to time during the Term, and the amounts outstanding under the Bridge Notes that is now in default bears the interest increases of 15%.

16. SUBSEQUENT EVENTS

On April 11, 2024, the Company issued a secured promissory grid note (the "Bridge Notes") to certain lenders (the "Lenders") of the Company for available proceeds to the Company of up to $100,000. The Bridge Notes mature on April 30, 2024 (the "Term"), and are secured against all of the assets of the Company. The Company may draw on the available proceeds of the Bridge Notes from time to time during the Term, and the amounts outstanding under the Bridge Notes bear interest of 8% per annum payable with any outstanding principal at the end of the Term, and the interest increases to 15% per annum upon an event of default.

During the month of April 2024, a company whose director is also a director of the Company issued a credit note for $24,290 (2022 - $140,560) for director services that was recorded in the consolidated statements of comprehensive loss.

On April 15, 2024, the Company settled an aggregate of $210,205.24 of indebtedness to certain creditors of the Company through the issuance of 4,204,104 common shares in the capital of the Company (the "Common Shares") at a price of $0.05 per Common Share (the "Debt Settlement"). Of this total aggregate indebtedness, $160,205 was settled with related parties through the issuance of 3,204,104 common shares. The Common Shares issued pursuant to the debt settlement are subject to a four-month hold period.