

FORM 51-102F4  
BUSINESS ACQUISITION REPORT

**Item 1 Identity of Company**

1.1 Name and Address of Company

SoLVBL Solutions Inc. (“SoLVBL” or the “Company”)

Head Office:

Suite 5700 – 100 King Street West  
Toronto, Ontario M5X 1C7

Registered and Records Office:

Suite 5700 – 100 King Street West  
Toronto, Ontario M5X 1C7

1.2 Executive Officer

The following individual is knowledgeable about the particulars described in this business acquisition report.

Kaiser Akbar, CEO

416 450-5995

**Item 2 Details of Acquisition**

2.1 Nature of Business Acquired

On October 26, 2022 the Company completed (the “Closing”) the acquisition (“Acquisition”) of Darkhorse Films Limited (“Darkhorse”). Darkhorse is a United Kingdom registered blockchain powered digital entertainment & e-commerce business.

2.2 Acquisition Date

The Acquisition was completed on October 26, 2022.

### 2.3 Consideration

The total consideration paid for the Acquisition of Darkhorse was \$10,150,000. \$150,000 of the total purchase price will be paid upon the Company raising at least \$500,000 in a private placement, and 25% of the balance of the purchase price will be settled in cash (the "Cash Balance") and 75% of the aggregate purchase price was satisfied by the issuance of an aggregate of 115,384,615 in restricted shares of SoLVBL. The Cash Balance will be payable in tranches subject to certain operational and financing milestones being met, which include the Company completing an aggregate financing of \$10 million within 24 months of the Closing.

The Cash Balance is payable as follows:

\$1 million payable to the vendors of Darkhorse provided the Company raises at least \$4 million by way of private placement financing within 12 months from the Closing, and an additional \$1.5 million is payable provided the Company raises an additional \$6 million by way of private placement financing within 24 months of Closing.

No finder's fees were payable in connection with the Acquisition of Darkhorse.

All shares issued to Darkhorse shareholders in connection with the transaction are subject to an escrow of a minimum of one (1) year and are subject to voting trust agreements typical for these types of transactions. The escrow conditions for the shares include release schedule based on the Company meeting certain financing milestones.

### 2.4 Effect on Financial Position

Following the Acquisition, Darkhorse became a wholly owned subsidiary of the Company. The Company views the Acquisition of Darkhorse as part of a strategy to diversify its business activities.

Cash payment in the amount of \$1 million is payable to the vendors of Darkhorse, if the Company raises at least \$4,000,000 in private placement financing within 12 months from the Closing, and an additional \$1.5 million is payable if the Company raises an additional \$6,000,000 by way of private placement financing within 24 months of Closing.

All expenditures of Darkhorse remain subject to the Company securing available financing.

### 2.5 Prior Valuations

To the knowledge of the Company, there has not been any valuation opinion obtained within the last twelve months by Darkhorse or the Company. A valuation of Darkhorse was not required by securities legislation or a Canadian exchange or market to support the consideration paid by the Company for the investment.

## 2.6 Parties to Transaction

The Acquisition was not a transaction with an “informed person”, associate or affiliate (as such term is defined in Section 1.1 of National Instrument 51-102 -- Continuous Disclosure Obligations), of the Company.

## 2.7 Date of Report

January 9, 2023.

### **Item 3 Financial Statements and Other Information**

The following financial statements of Darkhorse are included as part of this Business Acquisition Report:

- Unaudited financial statements of Darkhorse for the most recently completed period ended June 30, 2022.

Darkhorse Films Limited was incorporated on November 18, 2021. As the fiscal year of Darkhorse had not been completed as at the Closing date, the auditors of Darkhorse have not issued an opinion on the annual financial statements.

Chartered Accountant firm Accorti Accountants and Advisors has given its consent to the inclusion of the Special Purpose Interim Financial Statements in this Business Acquisition Report.

#### CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION:

This document contains "forward-looking statements" or "forward-looking information" (collectively referred to herein as "forward-looking statements") within the meaning of applicable securities legislation. Such forward- looking statements include, without limitation, forecasts, estimates, expectations and objectives for future operations that are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur or be achieved. This document contains forward-looking statements pertaining to, among other things, the Company's acquisition of Darkhorse, future plans for Darkhorse, and the timing and ability of the Company to complete any potential financings, if at all. Forward-looking information is based on current expectations, estimates and projections that involve a number of risks, which could cause actual results to vary and, in some instances, to differ materially from those anticipated by the Company and described in the forward-looking information contained in this press release.

Although the Company believes that the material factors, expectations and assumptions expressed in such forward- looking statements are reasonable based on information available to it on the date such statements were made, no assurances can be given as to future results, levels of activity and achievements and such

statements are not guarantees of future performance. The forward-looking information contained in this document is expressly qualified by the foregoing cautionary statements and is made as of the date of this document. Except as may be required by applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward- looking information to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

Appendix A

Unaudited Financial Statements of Darkhorse for the interim period ended June 30, 2022.

# Darkhorse Films Ltd

---

## **SPECIAL PURPOSE INTERIM FINANCIAL STATEMENTS**

June 30, 2022

(expressed in Canadian dollars)

**UNAUDITED**

## **MANAGEMENT'S RESPONSIBILITY FOR THE INTERIM FINANCIAL STATEMENTS**

The accompanying special purpose unaudited condensed interim financial statements of Darkhorse Films Ltd. (the “Company”) are the responsibility of the Board of Directors and executive management. The unaudited financial statements have been prepared for the special purpose of divestment of the company by the joint venture investees. The unaudited condensed interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. These unaudited condensed interim financial statements do not include all of the disclosures required for annual financial statements. These unaudited condensed interim financial statements follow the same significant accounting policies and methods of application as those included in the Investee Company’s most recent audited annual consolidated financial statements. Management acknowledges responsibility for the preparation and presentation of the unaudited condensed interim financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. In the opinion of management, the unaudited condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34, Interim Financial Reporting using accounting policies consistent with IFRS appropriate in the circumstances. Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the unaudited condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed interim financial statements and (ii) the unaudited condensed interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the period presented by the unaudited condensed interim financial statements. The Board of Directors is responsible for reviewing and approving the condensed interim financial statements and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee related to the Joint Venture investee company assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the internal controls over the financial reporting process, the condensed financial statements. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the condensed financial statements for issuance to the shareholders. Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Approved on behalf of the Board  
August , 2022

## **AUDITOR INVOLVEMENT**

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of management. The special purpose unaudited condensed interim financial statements as at and for the three and six months ended June 30, 2022 have not been reviewed by the Company's auditors.

# Darkhorse Films Ltd

---

## Statements of Financial Position

Presented in Canadian dollars

Unaudited

	<b>June 30, 2022</b>	<b>March 31, 2022</b>
Cash	\$ 45,156	\$ 209,143
Other current assets	-	-
Total current assets	<u>45,156</u>	<u>209,143</u>
Intangible assets - digital currency	99,637	-
Intangible assets - Trademark	<u>1,069</u>	<u>1,069</u>
Total assets	145,862	210,212
Accounts payable & accrued liabilities	<u>129,248</u>	-
Total current liabilities	129,248	-
Total liabilities	129,248	-
Common stock, no par value; 100 shares issued	156	156
Contributed surplus	1,478,830	952,670
Accumulated income (loss)	<u>(1,462,372)</u>	<u>(742,614)</u>
Total shareholder's surplus	<u>16,614</u>	<u>210,212</u>
Total liabilities & shareholder's surplus	<u><u>\$ 145,862</u></u>	<u><u>\$ 210,212</u></u>

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



# Darkhorse Films Ltd

## Statements of Loss and Comprehensive Loss

Presented in Canadian Dollars Unaudited	For the Three Months Ended June 30, 2022	For the Three Months Ended March 31, 2022	For the Six Months Ended June 30, 2022
Revenue	\$ 7,302	\$ 342,171	\$ 349,473
Cost of sales	<u>20,224</u>	<u>66,877</u>	<u>87,101</u>
Gross profit	(12,922)	275,294	262,372
Software	387,744	387,744	775,489
Marketing	29,652	248,479	278,131
Technical fees	-	9,047	9,047
General and transaction fees	62,174	161,455	223,629
Salary and wages	<u>211,183</u>	<u>211,183</u>	<u>422,367</u>
Operating Loss	(703,676)	(742,614)	(1,446,290)
Other income (expense)	-	-	-
Total other income (expense)	-	-	-
Loss before provision for income taxes	(703,676)	(742,614)	(1,446,290)
Provision for income taxes	<u>-</u>	<u>-</u>	<u>-</u>
Net Loss	<u>\$ (703,676)</u>	<u>\$ (742,614)</u>	<u>\$ (1,446,290)</u>
Gain (Loss) on foreign exchange of currency	(16,082)	-	(16,082)
Comprehensive Loss	<u>(719,758)</u>	<u>(742,614)</u>	<u>(1,462,372)</u>

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

# Darkhorse Films Ltd

## Statement of Changes in Shareholders Equity

Presented in Canadian Dollars

Unaudited

	Common Stock		Contributed	Accumulated	Accumulated Other	Comprehensive Income (loss)	Total Equity
	Shares	Amount	Surplus	Deficit			
Balance, December 31, 2022	100	\$ 156	-	-	-	\$	156
Contribution from shareholders	-	-	\$ 952,670	-	-	\$	952,670
Loss for the three months March 31, 2022	-	-	-	\$ (742,614)	-	\$	(742,614)
Balance, March 31, 2022	<u>100</u>	<u>\$ 156</u>	<u>\$ 952,670</u>	<u>\$ (742,614)</u>	<u>\$ -</u>	<u>\$</u>	<u>210,212</u>
Balance, March 31, 2022	100	\$ 156	\$ 952,670	\$ (742,614)	-	\$	210,212
Contribution from shareholders	-	-	\$ 526,160	-	-	\$	526,160
Loss for the three months ended June 30, 2022	-	-	-	\$ (703,676)	\$ (16,082)	\$	(719,758)
Balance, June 30, 2022	<u>100</u>	<u>\$ 156</u>	<u>\$ 1,478,830</u>	<u>\$ (1,446,290)</u>	<u>\$ (16,082)</u>	<u>\$</u>	<u>16,614</u>

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

# Darkhorse Films Ltd

---

## Statement of Cash Flows

Presented in Canadian Dollars  
Unaudited

For the Six  
Months Ended  
June 30, 2022

### OPERATING ACTIVITIES

Net loss for the year	\$ (1,446,290)
Adjustments not affecting cash	
Shareholder contributions	1,398,736
Changes in non-cash working capital items:	
Accounts payable	129,248
Net cash flow from operating activities	<u>81,694</u>

### FINANCING ACTIVITIES

Net cash flow from financing activities	<u>-</u>
---	----------

### INVESTING ACTIVITIES

Purchase of intangible assets	(20,456)
Net cash flow from investing activities	<u>\$ (20,456)</u>
<b>Change in cash</b>	61,238
Effect of exchange rate changes on cash	<u>\$ (16,082)</u>
Cash at beginning of year	<u>\$ -</u>
<b>Cash at end of year</b>	<u><u>\$ 45,156</u></u>

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

**DARKHORSE FILMS LTD**  
**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

## 1. Nature of Operations

Darkhorse Films Ltd (the "Company") is a private company and was incorporated under the laws of the United Kingdom under company number 13753439 on November 18, 2021.

The Company was incorporated under a joint venture arrangement between Darkhorse Technologies Ltd, a reporting issuer in Quebec Canada, Empire Picture Ltd a private company incorporated in the United Kingdom and Terry Pettit. The joint venture agreement signed on November 5, 2021 forms the basis of the company.

Pursuant to the terms of the joint venture agreement, the Company memorialized the terms and conditions of their relationship with the business and to commit to together leveraging the growing demand of digital assets in the social media, music, visual and art content industry specifically as it relates to the Empire Pictures film assets in the United Kingdom and across the world. The venture is to create a marketplace for the sale and resale of the Empire Pictures film assets and related content through digital assets to consumers via cryptocurrency and fiat payment channels. The venture commercializes through tokenomics the Empire Pictures film assets and create digital intellectual property for the benefit of the Company.

## 2. Financial Condition and Going Concern

While these special purpose unaudited condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business, adverse conditions could cast doubt upon the validity of this assumption. At June 30, 2022 the Company had a working capital surplus in the amount of \$16,614, and although has incurred losses since inception, these losses have been financed by one of its investee companies, Darkhorse Technologies Ltd on a non-recourse basis and such financing has been accounted for as a contributed surplus. In order to meet its corporate and administrative expenses for the coming year the Company will be required to raise funds through unsecured loans, further contributed surplus or through additional financing. Although the Company has been successful in raising funds in prior years there is no certainty that the Company will be successful in the future.

## 3. Significant accounting policies

### (a) Statement of compliance

The special purpose unaudited condensed interim financial statements were prepared in accordance with IAS 34 Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). These special purpose unaudited condensed interim financial statements do not include all disclosures normally provided in annual financial statements.

### (b) Basis of Preparation

These special purpose unaudited condensed interim financial statements have been prepared on a historical cost basis using the accrual basis of accounting except for cash flow information. The special purpose of the report is to account for the operating business as a standalone enterprise from its investee businesses.

### (c) Presentation Currency

Although the Company operates predominately in Great Briton Pounds and United States Dollars, under the special purpose of the report the presentation currency is in Canadian Dollars.

### (d) Significant Accounting Judgments and Estimates

The preparation of special purpose unaudited condensed interim financial statements requires management to make estimates,

## Darkhorse Films Ltd

judgments and assumptions that affect the amounts reported in the unaudited condensed interim financial statements and notes. By their nature, these estimates, judgments, and assumptions are subject to measurement uncertainty and the effect on the unaudited condensed interim financial statements of changes in such estimates in future periods could be material. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The more significant areas are as follows:

### Critical accounting judgments

The following accounting policies involve judgments or assessments made by management:

- The determination of categories of financial assets and financial liabilities;
- The determination of a cash-generating unit for assessing and testing impairment.

### (e) Cash and Cash Equivalents

Cash and cash equivalents consist of cash, demand deposits and high-interest savings vehicles.

### (f) Impairment of Non-Financial Assets

The Company's tangible and intangible assets are reviewed for an indication of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated. Long-lived tangible and assets that are not amortized are subject to an annual impairment assessment. The Company reviews the value of its digital currency at each reporting period by comparing historical price to market price. Any decrease in value is recorded as an impairment. Any increase in value is not recorded, except to the extent the book value of a particular cryptocurrency holding is negative. In this case, a gain on disposition of intangible assets is recorded in order to bring the value of the cryptocurrency to zero.

## 4. Other current assets

The Company holds deposits with Crypto currency exchanges to provide liquidity for the sale and purchase of certain crypto currency assets it receives and pays for in the general operation of its business.

	<u>June 30, 2022</u>	<u>March 31, 2022</u>
Amount on deposit with Coinstore exchange	\$ 9,693.61	\$ 0
Amount on deposit with FMFW exchange	\$ 9,693.61	\$ 0
Deposits	<u>\$ 19,387.22</u>	<u>\$ 0</u>

## 5. Intangible Assets – Digital Currency

We receive payment for our services partly in the form of digital currency, we deposited certain funds in crypto currency and were allocated 25,000,000 Filmcoin Tokens as part of an operating agreement, which are maintained in digital wallets. These digital transactions are recorded in CAD at the closing price of the digital currency on the date of each transaction. At period end, the value of each digital currency is then compared to the closing price in effect on the last day of the period. Any decrease in value is then recorded as an impairment to the value of the intangible asset. The amounts of digital currencies are summarized in the table below:

	<u>June 30, 2022</u>	<u>March 31, 2022</u>
Filmcoin utility token	\$ 80,250	\$ -
USDT crypto currency	<u>\$ 19,387</u>	<u>\$ -</u>

The Company reviews the value of its digital currency at each reporting period by comparing historical price to market price. Any decrease in value is recorded as an impairment. No impairment has been recorded in the period.

# Darkhorse Films Ltd

---

## 6. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following:

	<u>June 30, 2022</u>	<u>March 31, 2022</u>
Trade accounts payable	\$ 129,248.10	\$ 0

## 7. Related Party Transactions

### *Director Fees*

The Company does not currently separately remunerate its Directors as both Directors are also Public officers of the Company.

### *Public officer remuneration*

Effective January 1, 2022, the Company began to accrue remuneration fees for the Chief Executive Officer and the Chief Operating Officer and the Business Development Manager in the amount of GBP15,000 per month each. These amounts although not paid to the Officers was accounted for in salary and wage expense and Contributed Surplus.

### *Operating costs*

During the period Darkhorse Technologies paid for and accrued certain operating expenses of the Company in the amount of \$1,398,736. These costs included software fees, marketing fees, content fees, travel costs, blockchain fees, social media costs, design costs, salary and wages and general administrative costs. These costs although not paid by the Company were accounted for as expenses and Contributed Surplus. These costs paid or accrued by Darkhorse Technologies Ltd are not repayable by the Company.

## 8. Contributed Surplus

During the period the Company received contributions from related parties, namely Darkhorse Technologies Ltd. These contributions are not repayable and as such these have been recorded as contributed surplus in these Special Purpose Condensed Interim Financial Statements and are not repayable by the Company.

## 9. Stockholders' Equity

### Common stock

The Company has authorized an unlimited number of shares of common stock with no par value.

Pursuant to the terms of the joint venture agreement, the Company issued shares on incorporation to its investees in accordance with the allocations in Clause 4.1 of the joint venture agreement.

### Warrants

The Company just not have any Warrants issued.

### Options

The Company does not have any options issued.

# Darkhorse Films Ltd

---

## 10. Income Tax

Deferred income taxes result from the temporary differences primarily attributable to amortization of intangible assets and debt discount and an accumulation of net operating loss carryforwards for income tax purposes with a valuation allowance against the carryforwards for book purposes.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. Due to planned significant changes in the Company's ownership, the Company's future use of its existing net operating losses may be limited.

## 11. Financial Risk Management

### Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Company to credit risk consist of cash. The Company's cash is held through a large United Kingdom Financial Institution. The Company has no significant concentration of credit risk arising from operations. Management believes the risk of loss to be remote.

### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations associated with financial liabilities in full. The primary source of liquidity is net operating income, which is used to finance working capital and capital expenditure requirements, and to meet the Company's financial obligations associated with financial liabilities.

Additional sources of liquidity are debt and equity financing, which is used to fund additional operating and other expenses and retire debt obligations at their maturity. The Company's approach to managing liquidity risk is to ensure that it will have sufficient cash to meet liabilities when due. All of the Company's financial liabilities have contractual maturities of less than one year and are subject to normal trade terms. The Company's ability to continue operations and fund its business is dependent on management's ability to secure additional financing. It is anticipated that the Company will continue to rely on equity and debt financing to meet its ongoing working capital requirements. The Company has a working capital deficiency at year end.

### 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 does not presently have any interest bearing debt and therefore in management's opinion, is not exposed to any significant interest rate risk.

### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and is comprised of currency risk, interest rate risk, and other price risk. The Company currently does not have any financial instruments that would be impacted by changes in market prices.

### Fair value of financial instruments

The Company values instruments carried at fair value using quoted market prices, where available. Quoted market prices represent a Level 1 valuation. When quoted market prices are not available, the Company maximizes the use of observable inputs within valuation models. When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3. Level 3 fair values are based on a number of valuation techniques other than observable market data. There are no level 3 values currently recorded on the balance sheet of the Company.

## Darkhorse Films Ltd

---

	<u>Level</u>	<u>2022</u>
Fair value through profit and loss	Level 1	\$ 45,156
Cash		
Financial assets measured at amortized cost		
Crypto currency	Level 1	\$ 19,387
Tokens	Level 1	\$ 80,250
Financial liabilities measured at amortized cost		
Accounts payable and accrued liabilities	Level 1	\$ 129,248

### 12. Subsequent Events

On July 28, 2022 the investees of the joint venture company signed a non-binding agreement to divest their interest in the Company. The transaction is subject to due diligence and acceptance by both parties as to the terms of a definitive agreement.