CONSOLIDATED FINANCIAL STATEMENTS

SOLVBL SOLUTIONS INC.

Years Ended December 31, 2022 and 2021
(Expressed in Canadian Dollars)

Solvbl Solutions Inc.

CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in Canadian Dollars)

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Independent Auditor's Report

To the Shareholders of Solvbl Solutions Inc.:

Opinion

We have audited the consolidated financial statements of Solvbl Solutions Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2022 and December 31, 2021, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and December 31, 2021, and its consolidated financial performance and its consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that as at December 31, 2022, the Company had an accumulated deficit and negative operating cashflows. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

MNP LLP
3-139 Northfield Drive West, Waterloo ON, N2L 5A6 Tel: (519) 725-7700 Fax: (519) 725-7708

Acquisition of Darkhorse Films Limited

Key Audit Matter Description

As described in Notes 1 and 5 to the consolidated financial statements, on October 26, 2022, the Company completed its acquisition of Darkhorse Films Limited, for a total purchase price of $3,690,490. The identifiable assets acquired and the liabilities assumed are measured at fair value as of the acquisition date. Where the net of the fair value of the assets acquired and liabilities assumed is less than the fair value of consideration transferred, the difference is accounted for as goodwill. In assessing the fair value of the acquired assets, management used various valuation techniques involving significant judgment and subjectivity.

We considered this to be a key audit matter due to the complexity of the transaction, which included valuation of the goodwill. This resulted in a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating the audit evidence related to management's estimates. As such, an increased extent of audit effort was required, which included the involvement of internal valuation specialists.

Audit Response

We responded to this matter by performing procedures in relation to the acquisition of Darkhorse Films Limited. Our audit work in relation to this included, but was not restricted to, the following:

- Analyzed the signed purchase agreements to obtain an understanding of the key terms and conditions and to identify the necessary accounting considerations.
- Tested the mathematical accuracy of management's valuation models and supporting calculations.
- Evaluated the fair value of the consideration transferred including shares to be issued.
- Evaluated the reasonableness of key assumptions in management's models, including testing of historical financial results which were used as a basis for future projections.
- Assessed the appropriateness of the disclosures relating to the assumptions used in the acquisition in the notes to the consolidated financial statements.
- With the assistance of internal valuation specialists, evaluated the reasonableness of management's model, through assessing the appropriateness of valuation models used and testing significant assumptions and inputs by:
    - Comparing to externally available industry and economic trends;
    - Evaluating budgets and forecasts for future operations; and
    - Comparing against guideline companies within the same industry.
    - Reviewing the cashflows in management's discounted cashflow analysis to test if the business enterprise valuation as of acquisition date supports the aggregate free cashflows expected to be generated by the business.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. 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. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated 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 consolidated 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.

Auditor's Responsibilities for the Audit of the Consolidated 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 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 part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 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 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 within the Company 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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 Stephanie Pottruff.

MNP LLP

Waterloo, Ontario — Chartered Professional Accountants

May 30, 2023 — Licensed Public Accountants

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Solvbl Solutions Inc.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

As at December 31, 2022 and 2021

	Notes		December 31, 2022		December 31, 2021
Assets					
Current assets:					
Cash and cash equivalents	**7**	**$**	**43,445**	$	1,278,320
Cash held in trust			**-**		402
GIC investment	**8**		**150,000**		650,000
Prepaid expenses and sundry assets			**44,103**		227,548
Tax receivables			**222,569**		95,455
			460,117		2,251,725
Non-current assets:					
Equipment	**9**		**9,069**		5,740
Total assets		**$**	**469,186**	$	2,257,465
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	**10**	**$**	**658,452**	$	115,638
Deferred revenue	**11**		**144,955**		144,955
Darkhorse acquisition - contingent consideration	**5**		**444,317**		-
			1,247,724		260,593
Long-term liabilities:					
Darkhorse acquisition - contingent consideration	**5**		**579,683**		-
Government loan	**12**		**57,143**		57,526
Total liabilities			**1,884,550**		**318,119**
Shareholders' equity (deficiency)					
Share capital	**13**		**5,180,903**		5,180,903
Obligation to issue shares for acquisition	**14**		**2,143,490**		-
Warrants reserve	**15**		**1,498,851**		1,498,851
Stock option reserve	**16**		**710,373**		545,849
Contributed surplus	**17**		**312,706**		312,706
Deficit			**(11,261,687)**		(5,598,963)
Total shareholders' equity (deficiency)			**(1,415,364)**		1,939,346
Total liabilities and equity		**$**	**469,186**	$	2,257,465

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

Going concern - Note 1

"Vikas Gupta"
Director

"Alan Rootenberg"
Director

Solvbl Solutions Inc.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

Years ended Deceember 31, 2022 and 2021

	Notes		2022		2021
Revenue		**$**	**-**	$	-
Expenses:					
Professional and consulting fees			**1,316,173**		435,038
Salaries and benefits			**464,918**		469,382
General and administrative			**236,456**		167,178
Shareholder services			**355,441**		593,043
Listing expense			-		748,374
Share-based compensation	**16**		**164,524**		130,458
Depreciation	**9**		**2,741**		14,294
Loss from operations			**(2,540,253)**		(2,557,767)
Other income (expense)					
Interest income	**8**		**6,926**		132
Loss on debt restructuring			-		(136,775)
Loss on impairment of goodwill	**5**		**(3,652,780)**		-
Government subsidy	**18**		-		315,640
Gain on fair value for contingent consideration	**5**		**523,000**		-
Interest expenses	**12**		**383**		(16,807)
			(3,122,471)		162,190
Loss before income tax expense			**(5,662,724)**		(2,395,577)
Income tax expense	**23**		-		-
Loss and comprehensive loss		**$**	**(5,662,724)**	$	(2,395,577)
Weighted average number of shares - basic and diluted	**20**		**175,058,759**		112,019,504
Loss per share - basic and diluted	**20**	**$**	**(0.03)**	$	(0.02)

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

Solvbl Solutions Inc.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHODERS' EQUITY (DEFICIENCY)

(Expressed in Canadian Dollars)

Years ended Dcember 31, 2022 and 2021

	Notes	Number of Shares	Share Capital	Obligation to issue shares for acquisition	Warrants	Stock option reserve	Contributed Surplus	Deficit	Total
Balance, January 1, 2021		**77,469,586**	**$ 2,283,847**	**$ -**	**$ -**	**$ 423,291**	**$ 304,806**	**$ (3,203,386)**	**$ (191,442)**
Common shares issued through RTO	**6**	3,366,811	505,022	-	-	-	-	-	505,022
Stock options exercised	**13,16**	100,000	10,000	-	-	(7,900)	7,900	-	10,000
Private placements		66,666,666	2,646,967	-	1,553,033	-	-	-	4,200,000
Share issuance cost		-	(473,273)	-	(280,607)	-	-	-	(753,880)
Broker warrants		-	-	-	106,087	-	-	-	106,087
Private placement debt settlement		4,930,000	208,340	-	97,460	-	-	-	305,800
Warrants issued for services		-	-	-	22,878	-	-	-	22,878
Share-based compensation	**16**	-	-	-	-	130,458	-	-	130,458
Net loss for the year		-	-	-	-	-	-	(2,395,577)	(2,395,577)
Balance, December 31, 2021		**152,533,063**	**$ 5,180,903**	**$ -**	**$ 1,498,851**	**$ 545,849**	**$ 312,706**	**$ (5,598,963)**	**$ 1,939,346**
Balance, January 1, 2022		**152,533,063**	**$ 5,180,903**	**$ -**	**$ 1,498,851**	**$ 545,849**	**$ 312,706**	**$ (5,598,963)**	**$ 1,939,346**
Obligation to issue shares for Acquisition - consideration	**5,14**	**115,384,615**	-	**1,996,890**	-	-	-	-	1,996,890
Obligation to issue shares for Acquisition - deposit	**5,14**	**7,330,000**	-	**146,600**	-	-	-	-	146,600
Share-based compensation	**16**	-	-	-	-	164,524	-	-	164,524
Net loss for the year		-	-	-	-	-	-	(5,662,724)	(5,662,724)
Balance, December 31, 2022		**275,247,678**	**$ 5,180,903**	**$ 2,143,490**	**$ 1,498,851**	**$ 710,373**	**$ 312,706**	**$ (11,261,687)**	**$ (1,415,364)**

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

Solvbl Solutions Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

Years ended December 31,	Notes	2022	2021
Cash flows from operating activities			
Net loss for the period		**$ (5,662,724)**	$ (2,395,577)
Adjustments to net loss for non-cash items:			
Share-based compensation	**16**	**164,524**	130,458
Listing expense	**6**	**-**	748,374
Preacquisition deficit - Stowe One	**6**	**-**	(243,352)
Impairment of goodwill	**5**	**3,652,780**	-
Gain on contingent consideration	**5**	**(523,000)**	-
Interest expenses -accretion	**12**	**(383)**	16,323
Loss on debt restructuring		**-**	136,775
Depreciation - right-of-use asset		**-**	11,834
Depreciation - equipment	**9**	**2,741**	2,460
		(2,366,062)	(1,592,705)
Changes in non-cash working capital:			
Decrease in prepaid expenses and sundry assets		**183,445**	169,567
Increase in tax receivables		**(127,114)**	(83,620)
(Decrease) increase in accounts payables and accrued liabilities		**542,814**	(399,880)
Increase in deferred revenue			120,000
		(1,766,917)	(1,786,638)
Cash flows from investing activity			
Purchase of computer equipment	**9**	**(6,070)**	-
Cash received in Acquisition of Darkhorse	**5**	**37,710**	-
GIC investment matured	**8**	**650,000**	-
GIC investment purchased	**8**	**(150,000)**	(650,000)
		531,640	(650,000)
Cash flows from financing activities			
Proceeds from common shares issuance	**13**	**-**	4,000,000
Proceeds from stock option exercise	**13**	**-**	10,000
Share issuance costs	**13**	**-**	(446,915)
Units issued for debt settlement	**13,19**	**-**	305,800
Warrants issued for services	**15,19**	**-**	22,000
Shareholders loans		**-**	94,500
Repayment of promissory notes		**-**	(337,256)
Repayment of shareholders loans		**-**	(158,050)
		-	3,490,079
(Decrease) / increase in cash		**(1,235,277)**	1,053,441
Cash and cash equivalents, beginning of year		**1,278,722**	225,281
Cash and cash equivalents, end of year		**$ 43,445**	$ 1,278,722
Cash and cash equivalents		**$ 43,445**	$ 1,278,320
Cash held in trust		**-**	402
		$ 43,445	$ 1,278,722

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

1. Nature of Operations

Solvbl Solutions Inc. ("Solvbl" or "the Company") - formerly Stowe One Investments Corp. ("Stowe One") was incorporated under the Business Corporations Act (British Columbia) ("BCBCA") on June 16, 2017, head and registered office was located at Suite 650, 1021 West Hastings Street, Vancouver, British Columbia, V6E 0C3. Stowe One was incorporated as a wholly-owned subsidiary of Anacott Resources Corp. ("Anacott"). Stowe One entered into an arrangement agreement dated June 26, 2017 among Anacott, Stowe One and other subsidiaries of Anacott (the "Anacott Arrangement Agreement") in connection with a plan of arrangement (the "Anacott Arrangement"), which was approved by the shareholders of Anacott on July 27, 2017. On July 28, 2017, the Court granted the Final Order approving the Arrangement in accordance with Part 9 of the BCBCA and Stowe One was spun out and became a reporting issuer in Alberta and British Columbia.

Since the completion of the Anacott Arrangement until the closing of the three cornered amalgamation pursuant to the provisions of the BCBCA, whereby 1191212 B.C. Ltd, ("1191212") a wholly-owned subsidiary of Stowe One and Agile Blockchain Corp. ("Agile") amalgamated on February 10, 2021 ("Closing"), with 1191212 B.C. Ltd ("Amalco") surviving as a wholly-owned subsidiary of the Company ("Amalgamation") , Stowe One did not carry on any active business other than the identification and evaluation of acquisition opportunities to permit Stowe One to acquire a business or assets in order to conduct commercial operations.

Prior to the Closing, Stowe One did not have any business operations or assets other than cash and did not have written or oral agreements in principle for the acquisition of an asset or business other than the Amalgamation Agreement. Immediately prior to Closing, Stowe One changed its name to "Solvbl Solutions Inc."

Agile was incorporated on March 2, 2018 in the Province of British Columbia, Canada. Agile is a software company developing software that would help different companies address their supply chain issues within their respective businesses using blockchain backed software solutions. The head office of Agile was located at 15 Toronto Street, Suite 602, Toronto, Ontario, M5C 2E3.

Business acquisition

With a purpose to expand the Solvbl suite of digital products, deploy and integrate its Blockchain product Q by SoLVBLTM flagship cybersecurity technology within new business verticals, on October 26, 2022, the Company acquired Darkhorse Films Limited ("Darkhorse") (the "Acquisition"). Darkhorse is a United Kingdom Web 3 blockchain powered film production and digital entertainment & e-commerce business. Details of the Acquisition please refer to Note 5.

Amalgamation

On December 21, 2018, Agile signed an amalgamation agreement ("Amalgamation Agreement") with 1191212. Under the terms of the Amalgamation Agreement, Agile agreed to amalgamate with 1191212 and proposed to combine the business and assets of Stowe One and Agile through the amalgamation (the "Transaction"), among other things, this resulted in the Stowe One shares having a deemed value of $0.07 per share. As of the date of the Amalgamation Agreement, Stowe One had a total of 7,214,607 shares outstanding.

In April and November 2020, Agile raised $731,205 and $9,021, respectively, by way of non-brokered private placements at a price of $0.15 per common share in the capital of Agile ("Agile Common Share").

The Transaction was completed on February 10, 2021 and immediately prior to the closing of the Transaction, Stowe One changed its name to Solvbl Solutions Inc. and consolidated its share capital based on one post-consolidation common shares for each 2.1428571 pre-consolidation common shares, total 3,366,817 post-consolidation shares was issued. (Note 6)

The Company commenced trading on the Canadian Securities Exchange (“CSE”) under the symbol SOLV at the open of business on February 23, 2021.

On July 1, 2021, the Company moved its registered head office to First Canadian Place, 100 King Street West, Suite 5700, Toronto, Ontario, M5X 1C7.

Going Concern

As of December 31, 2022, the Company had an accumulated deficit amounted to $11,261,687 (December 31, 2021: $5,598,963). As of December 31, 2022, the Company had current liabilities exceeding current assets of $787,607 (December 31, 2021: current assets exceeding current liabilities of $1,991,132). The Company has generated negative operating cashflow of $1,766,917 for the year ended December 31, 2022 (2021: $1,786,638). The ability of the Company to continue as a going concern is dependent upon generating profitable operations from its developed products, the continuing financial support of shareholders or other investors, or obtaining new financing on commercial terms acceptable to the Company. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern.

The accompanying consolidated financial statements of the Company have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. These consolidated financial statements do not include any adjustments to reflect any events since December 31, 2022 or the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from this uncertainty.

Covid – 19

In March 2020, the World Health Organization (“WHO”) classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. Many countries reacted by instituting quarantines and restrictions on travel. These actions are creating disruption in global supply chains and adversely impacting economic and market conditions and triggered a period of global economic slowdown. Generally, the business development activities of the Company have slowed due to COVID-19. Management is actively monitoring the global situation on its financial condition, liquidity, operations and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the outbreak on its result of operations, financial condition and liquidity at this time.

Since the emergence in or about December 2019 of a novel strain of coronavirus (“COVID-19”), the highly contagious virus has spread across the world. On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. Since that time in response to the outbreak, governmental authorities in Canada and internationally have implemented various measures with the aim of preventing or limiting further spread of COVID-19. These measures, which have included travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, and social distancing, have, among other things, resulted in widespread business, employment and economic disruptions. While the recent positive news of vaccine results is promising, the infection and death rates are still very worrying. The global pandemic continues to rapidly evolve, and the ultimate impact of the COVID-19 outbreak is highly uncertain.

The continued global spread of COVID-19 could have an adverse impact on the business, operations and financial results of the Company, including with respect to issues related to securing clients in Canada, US and elsewhere and may also impact our business in the supply chain sector. The Company has not yet begun selling its products but is implementing or will implement precautionary measures, which would not have otherwise been implemented prior to the COVID-19 outbreak, at its facility to ensure the safety of its personnel, and potential clients and partners, which may adversely impact the Company's productivity and its business in the supply chain sector. For example, mandatory or voluntary self-quarantines may limit the staffing at the Company's facility. In addition, it is possible that among other things, travel restrictions to the US and elsewhere due to the COVID-19 pandemic may adversely affect the Company's ability to successfully market and sell its products in Canada and elsewhere. Continued spread of COVID-19 globally could also lead to a deterioration of general economic conditions including a possible national or global recession. Due to the unpredictability and scale of the effects of COVID-19, The Company is unable to accurately estimate the impact or level of materiality of COVID-19 on its business, operations or financial results. The Company will monitor the situation in order to assess any possible adverse impact on its business, supply chain and customers on an ongoing basis and to determine which measures, if any, will be taken to mitigate such adverse impact.

2. Basis of preparation

a) Statement of Compliance:

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS").

These consolidated financial statements were approved by the Board of Directors for issue on May 30, 2023.

b) Functional and Presentation Currency:

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments, which are measured at fair value.

The functional currency of Solvbl is the Canadian Dollar, which is also the presentation currency of these consolidated financial statements. The functional currency of Darkhorse is GB Pound.

c) Principles of consolidation

Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at December 31, 2022. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

All intra-company balances, transactions, unrealized gains and losses resulting from inter-company transactions and dividends are eliminated in full.

The Consolidated financial statements of the Company include the following significant subsidiaries:

Name of Subsidiaries	Place of Domicile	Percentage Ownership
1191212 B. C. Ltd.	Canada	100%
Darkhorse Films Limited	United Kingdom	100%

The Company consolidated all of its subsidiaries on the basis that it controls these subsidiaries through its ability to govern their financial and operating policies. All intercompany transactions and balances are eliminated on consolidation.

d) Accounting estimates and judgements

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 consolidated financial statements.

On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenues, and expenses. Management uses various factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual results could differ from the estimates used under different assumptions and conditions.

The most significant judgments applying to the Company's consolidated financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty. These consolidated financial statements have been prepared based on the going concern assumption, which assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether this assumption is appropriate, management considers all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The assessment is based upon planned actions that may or may not occur for several reasons including the Company's own resources and external market conditions.
- Impairment of non-financial assets - Non-financial assets include property and equipment. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The recoverable amount is most sensitive to the discount rate and cash flow projections.
- *Purchase price allocation in business combinations* – a purchase price allocation is carried out by assigning the cost of the purchase to all assets and liabilities assumed in a business combination, whether or not recognized in the financial statements, based on their fair values as at the dte of acquisition and recognizing any remaining balance as an asset referred to as goodwill.
- *Determination of fair value of acquisition consideration and contingent consideration* – IFRS 13 Fair Value Measurement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the

measurement date. Fair value as such defined may be different from the price that may be realized between a buyer and a seller of the assets of the Company in an actual open market transaction. This difference may arise from a variety of factors that exist in the real market and do not exist in the notional marketplace contemplated by the aforementioned fair value definition. These factors may include, but are not limited to:

– The differing negotiation ability of the buyer and seller;
- The structure and consideration of the purchase price;
- Differing levels of knowledge between the buyer and the seller; and
- Differing levels of synergies and strategic advantages perceived and paid for by particular purchases.

- Provisions - Provisions are accrued for liabilities with uncertain timing or amounts, if, in the opinion of management, it is both likely that a future event will confirm that a liability had been incurred at the date of the consolidated financial statements of financial position and the amount can be estimated. In cases where it is not possible to determine whether such a liability has occurred, or to reasonably estimate the amount of loss until the performance of some future event, no accrual is made until that time. In the ordinary course of business, the Company may be party to legal proceedings which include claims for monetary damages asserted against the Company. The adequacy of provisions is regularly assessed as new information becomes available.

Significant estimates or key sources of estimation uncertainty include:

- Current and deferred income taxes - Current income taxes require significant estimation in their calculation including the consideration of allowable deductions and tax rates. In assessing the probability of realizing deferred tax assets, management makes estimates related to the expectation of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that the tax positions taken will be sustained upon examination by applicable tax authorities.
- Allowance for expected credit losses - Management determines expected credit loss by evaluating individual receivable balances and considering customers' financial condition, customer creditworthiness, current economic trends, and experience. Account receivables are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as income when received. All receivables are expected to be collected within one year of the year ended.
- Useful lives of non-financial assets - The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of property and equipment are based on internal technical evaluations and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

- Share-based payment transactions and warrants - The Company measures the cost of equity-settled transactions with employees, directors, and consultants by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions require determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield of the share option and forfeiture rate. Similar calculations are made to value warrants. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

3. Significant Accounting Policies

a) Financial Instruments

Classification

The Company classifies its financial assets and financial liabilities in the following measurement categories: i) those to be measured subsequently at fair value through profit or loss (FVTPL); ii) those to be measured subsequently at fair value through other comprehensive income (FVOCI); and iii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

Amortized cost

This category includes financial assets that are held within a business model with the objective to hold the financial assets to collect contractual cash flows that meet the solely principal and interest (“SPPI”) criterion. Financial asset classified in this category are measured at amortized cost using the effective interest method.

Fair value through profit or loss

This category includes derivative instruments as well as quoted equity instruments which the Company has not irrevocably elected, at initial recognition or transition, to classify at FVOCI. This category would also include debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Financial assets in this category are recorded at fair value with changes recognized in profit or loss.

Financial assets at fair value through other comprehensive income not held-for-trading can be irrevocably designated to have their change in fair value recognized through other comprehensive income instead of through profit or loss. This election can be made on individual instruments and is not required to be made for the entire class of instruments. Attributable transaction costs are included in the carrying value of the instruments. Financial assets at fair value through other comprehensive income are initially measured at fair value and changes therein are recognized in other comprehensive income.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss.

Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Financial assets that are held within a business model whose objective is to collect the

contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value due to credit risk are recorded in other comprehensive income.
Summary of the Company's classification and measurements of financial assets and liabilities under IFRS 9: Financial Instruments:

	Classification	**Measurement**
Cash and cash equivalents	Amortized cost	Amortized cost
Cash held in trust	Amortized cost	Amortized cost
GIC investment	FVTPL	Fair value
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Darkhorse acquisition - contingent consideration	Amortized cost	Amortized cost
Government loan	Amortized cost	Amortized cost

Impairment of financial assets

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than financial assets measured at fair value through profit or loss. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions, and forecasts of future economic conditions.

The Company applies the simplified approach for accounts receivables. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses resulting from all default events over the assets' contractual lifetime.

The Company assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts and breaches of borrowing contracts such as default events or breaches of borrowing covenants. For financial assets assessed as credit-impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses.

For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the statement of financial position as a deduction from the gross carrying amount of the financial asset.

Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof.

b) Cash and cash equivalents – Cash and cash equivalents include cash on account and demand deposits with original maturities of three months or less.

c) Business combinations - Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interest issued by the Company in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively.

- Liabilities or equity instruments related to share-based payment arrangements of the acquiree, or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date.

Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

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When the consideration transferred by the Company in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Company's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

d) Goodwill - Goodwill is initially recognised and measured as set out above. Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Company's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are evaluated for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

   On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

e) Intangible assets acquired in a business combination - Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost).

   Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

f) Derecognition of intangible assets - An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

g) Income taxes

   Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in deficiency in assets or other comprehensive loss.

   Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

   Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized, and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in loss and comprehensive loss or in equity depending on the item to which the adjustment relates.
   Deferred tax assets are recognized to the extent future recovery is probable. At the end of each reporting period, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

h) Loss per share

   Loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding. Diluted loss per share is calculated in a similar manner, except that the weighted average number of common shares outstanding is increased to include potentially issuable common shares from the assumed exercise of common share purchase option and warrants, if dilutive. The diluted loss per share calculation excludes any potential conversion of options that would increase earnings per share or decrease loss per share.

i) Equipment

Equipment is recorded at cost less accumulated amortization. The Company provides for amortization using the following methods at rates designed to amortize the cost of the equipment over their estimated useful lives. The annual amortization rates and methods are as follows:

Blockchain hardware	30%	Declining balance
Computer equipment	30%	Declining balance

The estimated residual value and useful lives of assets are reviewed by management annually at each reporting date and adjusted if necessary.

j) Provisions and contingencies

Provisions are recognized when a legal contractual or constructive obligation exists, as a result of past events, and it is probable that a future outflow of resources that can be reliably estimated will be required to settle the obligation. Where the effect is material, the provision is discounted using an appropriate current market- based pre-tax discount rate. The increase in the provision due to passage of time is recognized as interest expense. When a contingency substantiated by confirming events can be reliably measured and is likely to result in an economic outflow, a liability is recognized as the best estimate required to settle the obligation. A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events, or where the amount of a present obligation cannot be measured reliably or will likely not result in an economic outflow. Contingent assets are only disclosed when the inflow of economic benefits is probable. When the economic benefit becomes virtually certain, the asset is no longer contingent and is recognized in the consolidated financial statements.

k) Impairment of long-lived assets

At each reporting date the Company assesses whether there is any indication that an asset may be impaired. Where an indication of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Recoverable amount is the greater of fair value (less costs to sell) and value-in-use. It is determined for an individual asset, unless the asset's value-in-use cannot be estimated to be close to its fair value (less costs to sell) and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

l) Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Nonmonetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for the purpose of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income.

m) Shareholders' equity

Ordinary shares and obligation to issue shares for acquisition are classified as equity. Incremental costs directly attributable to the issue of new shares or share options are shown in equity as a deduction, net of tax, from the proceeds.

n) Share-based compensation

The Company uses the fair value method whereby the Company recognizes compensation costs for the granting of all stock options and direct awards of stock-based compensation on their fair value over the period of vesting using the Black-Scholes option pricing model. Any consideration paid by the option holders to purchase shares is credited to common shares.

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity settled share-based payment transactions and measured at the fair value of goods or services received. If the fair value of the goods or services received cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

o) Financing warrants, performance warrants

Financing warrants and performance warrants have been issued in combination with common shares as part of a financing exercise or separately. Per IAS 32 Financial Instruments: Presentation, the number of shares issued by the Company upon the exercise of the warrant is fixed, the warrants therefore meet met the "fixed-for-fixed" criteria for equity classification. Warrants classified as equity are valued using the Black-Scholes Model. When the warrants are exercised, the fair value of the warrants is transferred to share capital from the warrant reserve. If a warrant expires, the value of the warrant remains in warrant reserve.

p) Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operation results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision makers being the executive management team.

The operations of the Company represents in two operating segments under IAS 8 Operating Segments: 1) films producing and transmission services that is mainly conducted by Darkhorse Films Limited, a subsidiary that has been acquired through a business acquisition closed in

October 2022; 2) Blockchain based software development and services providing by Solvbl Solutions Inc., the parent company of the group. The accounting policies applied for internal reporting purposes of both segments are consistent with those applied in the preparation of the consolidated financial statements.

q) Revenue

The Company recognizes blockchain software revenue when a contractual exchange agreement has been entered, the software development obligations have been performed, and the customers accept the software products delivered, in an amount that reflects the consideration the Company expects to receive in exchange for the software products delivery.

The Company generates revenue through the sale of services for the Blockchain software products.

Primary products and services include:

- Supply-chain ecosystem which enables a single entity to monitor, measure and manage its inventory and supply management
- Tracking system that provides a level of security by registering tracker profiles on the ledger using a 256-bit hash.

Revenue is measured based on the gross consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or service to a customer.

The Company applies the provisions of IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15"), a single, comprehensive set of criteria for revenue recognition. IFRS 15 applies to all contracts with customers except for contracts that are within the scope of other standards. IFRS 15 prescribes a five-step framework through which revenue is recognized when control of promised goods or services is transferred to a customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Goods and services that are determined not to be distinct are combined with other promised goods or services until a distinct bundle is identified. The Company allocates the transaction price (the amount of consideration to which the Company expects to be entitled in exchange for the promised goods or services) to each performance obligation and recognizes the associated revenue when (or as) each performance obligation is satisfied. The Company's estimate of the transaction price for each contract includes all variable consideration to which the Company expects to be entitled, and that estimate is reassessed at the end of each reporting period. When two or more contracts are entered into with the same customer at or near the same time, the Company evaluates the contracts to determine whether the contracts should be accounted for as a single arrangement.

The Company recognizes blockchain software revenue when a contractual exchange agreement has been entered, the software development obligations have been performed, and the customers accept of the software products delivered, in an amount that reflects the consideration the Company expects to receive in exchange for the software products delivered.

4. Adoption of New Accounting Standards

IFRS 3 Business Combinations (Amendments)

In May 2020, the International Accounting Standards Board (IASB) issued amendments to update IFRS 3 Business Combinations without significantly changing its requirements which were incorporated into Part I of the CPA Canada Handbook – Accounting in September 2020.

The amendments are summarized below:

- To update all old references in IFRS 3 to the old Conceptual Framework to the revised Conceptual Framework for Financial Reporting.

- To add an exception to the IFRS 3 recognition requirements. For liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies if incurred separately, an acquirer would apply IAS 37 or IFRIC 21 to identify the obligations assumed in a business combination, instead of the Conceptual Framework.

- To make requirements for contingent assets more explicit by adding a statement in IFRS 3 that an acquirer should not recognize contingent assets acquired in a business combination.

An entity is required to apply these amendments to business combinations occurring in reporting periods beginning on or after January 1, 2022. The adoption of these amendments did not have a significant impact on the consolidated financial statements of the Company.

Future accounting standards:

IAS 1 Presentation of Financial Statements (Amendments)

In January 2020, the International Accounting Standards Board (IASB) issued amendments to IAS 1 which were incorporated into Part I of the CPA Canada Handbook – Accounting in April 2020. The amendments clarify the requirements for classifying liabilities as either current or non-current by:

- Specifying that the conditions which exist at the end of the reporting period determine if a right to defer settlement of a liability exists;

- Clarifying that settlement of a liability refers to the transfer to the counterparty of cash, equity instruments, other assets or services;

- Clarifying that classification is unaffected by management's expectation about events after the balance sheet date; and

- Clarifying the classification requirements for debt an entity may settle by converting it into equity.

Since the amendments only clarify existing requirements, they are not expected to have a significant impact on an entity's financial statements. However, the clarifications may result in reclassification of some liabilities from current to non-current or vice-versa, which could impact an entity's loan covenants. Because of this impact, the IASB has provided a longer effective date to allow entities to prepare for these amendments.

In October 2022, the effective date of the amendments was deferred to annual periods beginning on or after January 1, 2024. Early application is permitted. An entity that applies these amendments early is also required to apply the October 2022 amendments at the same time, and vice versa. The

Company does not anticipate the adoption of the amendments will have a significant impact on its consolidated financial statements.

IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements (Amendments)

In February 2021, the International Accounting Standards Board (IASB) issued amendments to IAS 1 Presentation of Financial Statements which were incorporated into Part I of the CPA Canada Handbook – Accounting and IFRS Practice Statement 2 Making Materiality Judgements in June 2021.

The amendments help entities provide accounting policy disclosures that are more useful to primary users of financial statements by:

- Replacing the requirement to disclose “significant” accounting policies under IAS 1 with a requirement to disclose “material” accounting policies. Under this, an accounting policy would be material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that primary users of general-purpose financial statements make on the basis of those financial statements.

- Providing guidance in IFRS Practice Statement 2 to explain and demonstrate the application of the four-step materiality process to accounting policy disclosures.

The amendments, which should be applied prospectively, are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. Once the entity applies the amendments to IAS 1, it is also permitted to apply the amendments to IFRS Practice Statement 2.

IAS 1 Presentation of Financial Statements (Amendments)

In October 2022, the International Accounting Standards Board (IASB) issued amendments to IAS 1 which were incorporated into Part I of the CPA Canada Handbook – Accounting in December 2022. The amendments require an entity to disclose, in specified circumstances, information in the notes that enables financial statement users to understand the risk that non-current liabilities with covenants could become repayable within 12 months after the reporting period. As part of the amendments, a provision was added to clarify that only covenants that an entity must comply with on or before the reporting date would affect a liability’s classification as current or non-current, even if compliance with the covenant is only assessed after the entity’s reporting date. Covenants which an entity must comply with after the reporting date would not affect classification of a liability as current or non-current at the reporting date.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted. An entity that applies these amendments early is also required to apply the January 2020 amendments at the same time, and vice versa. The Company does not anticipate the adoption of the amendments will have a significant impact on its consolidated financial statements.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)

In February 2021, the International Accounting Standards Board (IASB) issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which were incorporated into Part I of the CPA Canada Handbook – Accounting in June 2021.

The amendments introduce a new definition of ‘accounting estimates’ to replace the definition of ‘change in accounting estimates’ and also include clarifications intended to help entities distinguish changes in accounting policies from changes in accounting estimates.

The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The Company does not anticipate the adoption of the amendments will have a significant impact on its consolidated financial statements.

5. Business acquisition

On October 26, 2022, the Company completed (the “Closing Date”) the acquisition (“Acquisition) of Darkhorse Films Limited ("Darkhorse"). Darkhorse is a United Kingdom Web3 blockchain powered film production and digital entertainment & e-commerce business.

Pursuant to the terms of a Share Purchase Agreement (“SPA”) dated and executed on September 29, 2022, and a valuation report issued by qualified professionals that determine the fair value of the Acquisition purchase price, the Company has acquired all the issued and outstanding shares of Darkhorse, in an arm's-length transaction. On Closing Date, the vendors of Darkhorse have been entitled of 115,384,615 SoLVBL common shares at market price of $0.02 per share subject to a four-month hold-period, with a fair value of $1,996,890 after valuation discount. The valuation was calculated using the Finnerty model with inputs of volatility of 105.0%, 0.33 year expiration and stock price of $0.02. An increase in the volatility of 20% would result in a decrease in the fair value of $60,000 and a decrease in the volatility of 20% would result in an increase in the fair value of $50,000. Darkhorse will continue to operate under the existing Darkhorse Films brand and ensure the quality and continuity of service that it has delivered to date.

Pursuant to the SPA, $150,000 of the total purchase price will be paid upon the Company raising at least $500,000 in a private placement, and $2,500,000 of the balance of the purchase price will be settled in cash (“Cash Balance”) and the remainder in restricted shares of SoLVBL. The Cash Balance will be payable in tranches and only once certain operational and financing milestones have been met, which include the Company completing an aggregate financing of $10,000,000 within 24 months of the closing of the Acquisition, as follows: $1,000,000 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 Date, and an additional $1,500,000 is payable if the Company raises an additional $6,000,000 of private placement financing within 24 months of Closing Date.

A valuation has been performed by an independent valuator after the Closing Date, pursuant the valuation report dated May 26, 2023, the total fair value of consideration as of Closing Date was $3,690,490. The Company and the vendors of Darkhorse have agreed further that the cash deposit of $150,000 payable as of the Closing Date would be settled in shares on May 31, 2023. Discounting it using the Risk Free Rate of 3.87% gives a fair value of $146,600 as of Closing Date, represented total 7,330,000 Solvbl common shares to be issued at the market price of $0.02 per share as of October 26, 2022. The discounted fair value of the contingent $2,500,000 cash consideration was determined as $1,547,000 as at the Closing Date (October 26, 2022), using a weighted average cost of capital ("WACC") rate of 12.95% and a probability of closing the financings of 75%. An increase or decrease in the estimate of the probability of closing the financings of 5% would result in a change of approximately $100,000.

No finder's fees are payable in connection with this acquisition of Darkhorse. All shares issued to Darkhorse shareholders in connection with the transaction are subject to an escrow of a minimum of four (4) months and are subject to voting trust agreements typical for these types of transactions. The escrow conditions for the shares will include their release based on the Company meeting certain financing milestones. The post transaction consolidated financial statements of the Company and its subsidiaries include the assets and liabilities of Darkhorse which, on December 31, 2022 comprise total assets of $19,178, total liabilities of $457,548 and an accumulated shareholders deficiency of $438,370.

(Expressed in Canadian Dollars)

The following table summarized the consideration payable, the fair value of the identifiable assets acquired on the date of acquisition:

	October 26, 2022
Cash deposit to be settled on issuance of Solvbl common shares	**$ 146,600**
Consideration by issuance of Solvbl common shares	1,996,890
Contingent cash consideration	1,547,000
Total consideration settled	**3,690,490**
Total identifiable net assets at fair value	37,710
Impairment loss arising on Acquisition	**$ 3,652,780**

The Company recorded an impairment loss on the acquisition based on the fair value of total identifiable net assets acquired. The Company prepared a discounted cashflow analysis which did not support the valuation of the consideration paid in excess of the net assets acquired. Accordingly, the consideration paid in excess of net assets acquired of $3,653,780 has been recorded as an impairment loss.

On December 31, 2022, the Company revised the fair value of the contingent cash consideration, based on a weighted average cost of capital ("WACC") rate of 13.45% and a probability of closing the financings of 50%, to $1,024,000. An increase in the estimate of the probability of closing the financings of 5% would result in an increase to the fair value of approximately $176,000. A decrease in the estimate of the probability of closing the financings of 5% would result in a decrease to the fair value of approximately $44,000. The change in the fair value of the contingent cash consideration of $523,000 was included in the Company’s consolidated statements of loss and comprehensive loss for the year ended December 31, 2022.

From the date of the Acquisition (October 26, 2022) to December 31, 2022, Darkhorse contributed $Nil to consolidated revenue and $476,080 to consolidated loss.

Had the acquisition occurred on January 1, 2022, the Company estimates that it would have contributed the following revenue and net loss to the consolidated financial statements for the year ended December 31, 2022:

	12 months ended December 31, 2022
Revenue	$ 349,473
Net loss	$ 2,473,410

6. Qualified transaction

On February 10, 2021, Agile and Stowe One completed their previously announced Amalgamation which resulted in the reverse take-over of Stowe One by Agile (the "Transaction"). As a result of the Transaction, Stowe One now carries on the business of Agile. The Company also publicly filed a non-offering final prospectus dated February 10, 2021 (the "Prospectus") in connection with the listing of its common shares (the "Common Shares") on the Canadian Securities Exchange ("CSE"). The Company received approval from the CSE to list its Common Shares on the CSE. Trading in the Common Shares commenced under the ticker symbol "SOLV" on or about February 23, 2021, following the issuance by the CSE of its final bulletin in respect of the listing.

(Expressed in Canadian Dollars)

Immediately prior to the completion of the Transaction, Stowe One: (a) filed articles of amendment to change its name from "Stowe One Investment Corp." to "Solvbl Solutions Inc."; and (b) consolidated its share capital based on one post-consolidation Common Share for each 2.1428571 pre-consolidation Common Shares, with total 3,366,817 post-consolidation shares issued. Under the terms of an amalgamation agreement between Stowe One (now Solvbl), Agile and 1191212 BC Ltd., a wholly owned subsidiary of Stowe One ("Subco"), dated effective December 21, 2018, as amended and restated effective August 14, 2020, the Transaction was completed by way of a three-cornered amalgamation under the laws of British Columbia whereby Subco merged with and into Agile to form an amalgamated entity, named "1191212 BC Ltd.". On closing of the Transaction, the amalgamated "1191212 BC Ltd." became a wholly owned subsidiary of SoLVBL and the shareholders of Agile were issued one Common Share in exchange for every one Agile common share held immediately prior to the completion of the Transaction. In addition, each outstanding option to purchase Agile common shares was exchanged for the equivalent number of options to purchase common shares of Solvbl on the same terms and conditions as the original security.

Following the completion of the Transaction, SoLVBL has 80,836,397 Common Shares issued and outstanding, approximately 4.2% of which are held by the prior shareholders of Stowe One Investments Corp. and approximately 95.8% of which are held by the former shareholders of Agile.

In connection with the completion of the Transaction, all directors and officers of Stowe One resigned and were replaced by nominees of Agile, as follows: (a) Raymond Pomroy - Chief Executive Officer and Corporate Secretary; (b) Khurram Qureshi - Chief Financial Officer; (c) Vikas Gupta - Director; (d) Musabbir Chowdhury- Director; (e) Brenda Brown - Director; and (f) Alan Rootenberg - Director.

The fair value of the consideration issued at the closing of the Transaction is as follows:

Deemed fair value of the issued shares of the Company		3,366,817
Price per share		0.15
Cost of acquisition		**505,022**
Fair value of Stowe One net deficit:		
Cash	164	
Accounts Receivable	5,568	
Accounts Payable and Accrued Liabilities	(14,084)	
Amount due to Agile	(235,000)	
		243,352
Listing expense		**748,374**

The purchase price is recorded as an increase in share capital after day-one write off as a listing expense in the profit and loss.

7. Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash in bank	$ 26,195	$ 128,320
Redeemable/variable rate GIC	17,250	1,150,000
	$ 43,445	**$ 1,278,320**

(Expressed in Canadian Dollars)

8. GIC investment

	December 31, 2022	December 31, 2021
One year locked GIC	**$ 150,000**	**$ 650,000**

As of December 31, 2022, the Company held $150,000 one-year locked GIC investment with annual interest rate of 2.3% maturing on March 18, 2023.

As of December 31, 2021, the Company held $650,000 one-year locked GIC investment with annual interest rate of 1.5% maturing on September 13, 2022.

$6,926 and $132 interest income has been earned in the year ended December 31, 2022 and 2021, respectively.

9. Equipment

	Blockchain Hardware	Computer Equipment	Total
Cost			
Balance, January 1, 2021	$ 3,989	$ 16,710	$ 20,699
Additions	-	-	-
Balance, December 31, 2021	**3,989**	**16,710**	**20,699**
Additions	-	6,070	6,070
Balance, December 31, 2022	**$ 3,989**	**$ 22,780**	**$ 26,769**
Accumulated depreciation			
Balance, January 1, 2021	($ 1,521)	($ 10,978)	($ 12,499)
Additions	(740)	(1,720)	(2,460)
Balance, December 31, 2021	**(2,261)**	**(12,698)**	**(14,959)**
Additions	(463)	(2,278)	(2,741)
Balance, December 31, 2022	**($ 2,724)**	**($ 14,976)**	**($ 17,700)**
Net book value, January 1, 2022	**$ 1,728**	**$ 4,012**	**$ 5,740**
Net book value, December 31, 2022	**$ 1,265**	**$ 7,804**	**$ 9,069**

10. Accounts Payable and Accrued Liabilities

	December 31, 2022	December 31, 2021
Accounts payable	$ 113,015	$ 28,779
Accrued liabilities	501,854	82,990
Payroll deductions payable	43,583	3,869
	$ 658,452	**$ 115,638**

(Expressed in Canadian Dollars)

11. Deferred Revenue

		Deferred revenue
Balance, January 1, 2021	**$**	**24,955**
Licensing fee		120,000
Balance, December 31, 2021 and 2022	**$**	**144,955**

12. Government loans

On April 16, 2020, the Company received a loan of $40,000 through the Canadian Emergency Business Account Program ("CEBA Loan"), which provides financial relief for Canadian small businesses during the COVID-19 pandemic. On December 21, 2020, the Company received further $20,000 as extension of this loan. The CEBA Loan has an initial term date on December 31, 2022 (the "Initial Term Date") and may be extended to December 31, 2025. The CEBA Loan is non-revolving, with an interest rate of 0% per annum up to January 20, 2022. The outstanding balance was converted to a term loan on January 21, 2022, remaining interest free until December 31, 2023, and with no minimum payment schedule during this time. Repaying $40,000 of the CEBA loan on or before December 31, 2023, will result in loan forgiveness of $20,000 out of the total $60,000 loan.

An interest rate of 5% per annum will be applied to any outstanding balance as of January 1, 2024, and the remaining balance is required to be paid in full no later than December 31, 2025.

The balance of the loans as of December 31, 2022 and December 31, 2021 was $57,143 and $57,526, respectively.

The Company recognized an accretion expense of $2,474 (2021: $2,371) and a $2,857 gain on discount of the government loan (2021: $nil). Both amounts are reflected in interest expenses in the consolidated statements of loss and comprehensive loss.

13. Share Capital

Authorized
Unlimited common shares

	Note	Number of Shares		Amount
Balance as at January 1, 2021		**77,469,586**	**$**	**2,283,847**
Common shares acquired through RTO	a)	3,366,811		505,022
Stock options exercised	b)	100,000		10,000
Private placement on July 23, 2021	c)	50,000,000		1,899,900
Financial advisory service	d)	3,333,333		126,667
Debt settlement	e)	4,930,000		208,340
Private placement on July 30, 2021	f)	13,333,333		620,400
Share issuance cost incurred in 2021	g)			(473,273)
Balance as at December 31, 2021 and 2022		**152,533,063**	**$**	**5,180,903**

a) On February 10, 2021, the Company closed a three-cornered amalgamation transaction and issued 3,366,817 common shares. (Note 6)

b) On February 26, 2021, 100,000 stock options were exercised with an exercise price of $0.10 per share, 100,000 common shares of the Company were issued with proceeds of $10,000 received.

c) On July 23, 2021, the Company closed a brokered private placement of units of the Company (the "Units") led by Research Capital Corporation as sole agent and sole bookrunner (the "Agent"), pursuant to which the Company issued 50,000,000 Units at a price of $0.06 per Unit for aggregate gross proceeds of $3,000,000. Each Unit is comprised of one common share of the Company (a "Common Share") and one Common Share purchase warrant (a "Warrant"). Each Warrant is exercisable to acquire one Common Share (a "Warrant Share") at a price of $0.12 per Warrant Share for a period of 24 months from the date of issuance. The fair value of the Common Shares and the Warrants was estimated to be $1,899,900 and $1,100,100 specifically, with reference to the Black-Scholes option pricing model with the following assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 116%; (iii) risk-free rate of 0.45%; (iv) unit price of $0.12; (v) forfeiture rate of 0; (vi) expected life of two years.

d) In connection with the private placement, the Agent received an aggregate cash fee equal to $229,329 and an aggregate of 3,822,154 non-transferable compensation warrants (the "Broker Warrants"), equal to 8% of the total number of Units sold by the Agent. Each Broker Warrants entitles the holder to purchase one Unit of the Company at an exercise price of $0.06, equal to the offering price, for a period of 24 months following the closing of the private placement. The fair value of the Broker Warrants was estimated to be $84,087, with reference to the Black-Scholes option pricing model with the following assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 116%; (iii) risk-free rate of 0.45%; (iv) unit price of $0.06; (v) forfeiture rate of 0; (vi) expected life of two years.

In addition, the Company has paid the Agent financial advisory fee satisfied by the issuance of 3,333,333, Common Shares and 3,333,333 warrants on July 23, 2021. Each Warrant is exercisable to acquire one Common Share at a price of $0.12 per share for a period of 24 months from the date of issuance. The fair value of the Common Shares and the Warrants was estimated to be $126,667 and $73,333 specifically, with reference to the Black-Scholes option pricing model with the following assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 116%; (iii) risk-free rate of 0.45%; (iv) unit price of $0.12; (v) forfeiture rate of 0; (vi) expected life of two years. The non-cash $200,000 corporate finance fee was recorded as share issuance cost of this private placement financing.

e) On July 27, 2021, the Company settled aggregate indebtedness of $265,800 under debt settlement agreements with six creditors by issuing an aggregate of 4,430,000 units of the Company ("Debt Units"), at a price of $0.06 per Unit. Each Unit is comprised of one Common Share and one Warrant. Each Warrant is exercisable for a period of 24 months from the date of issuance at an exercise price of $0.12 per Common Share. The fair value of the Common Shares and the Warrants was estimated to be $168,340 and $97,460 specifically, with reference to the Black-Scholes option pricing model with the following assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 116%; (iii) risk-free rate of 0.45%; (iv) unit price of $0.12; (v) forfeiture rate of 0; (vi) expected life of two years.

The Company also settled indebtedness of $40,000 under a settlement agreement with one creditor by issuing 500,000 Common Shares at a price of $0.08 per Common Share.

f) On July 30, 2021, the Company closed a second private placement of units of the Company (the "Units"), pursuant to which the Company issued 13,333,333 Units at a price of $0.075 per Unit aggregate gross proceeds of $1,000,000 led by the Agent. Each Unit is comprised of one common share of the Company (a "Common Share") and one Common Share purchase warrant (a "Warrant"). Each Warrant is exercisable to acquire one Common Share (a "Warrant Share") at a price of $0.12 per Warrant Share for a period of 24 months from the date of issuance. The fair value of the Common Shares and the Warrants was estimated to be $620,400 and $379,600 specifically, with reference to the Black-Scholes option pricing model with the following assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 116%; (iii) risk-free rate of 0.45%; (iv) unit price of $0.12; (v) forfeiture rate of 0; (vi) expected life of two years.

(Expressed in Canadian Dollars)

In connection with the private placement, the Agent received an aggregate cash fee of $61,280 and an aggregate of 817,067 non-transferable compensation warrants (the “Broker Warrants”). Each Broker Warrants entitles the holder to purchase one Unit of the Company at an exercise price of $0.075, equal to the offering price, for a period of 24 months following the closing of the private placement. The fair value of the Broker Warrants was estimated to be $22,879, with reference to the Black-Scholes option pricing model with the following assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 116%; (iii) risk-free rate of 0.45%; (iv) unit price of $0.06; (v) forfeiture rate of 0; (vi) expected life of two years.

Apart from the direct cash compensation and Broker Warrants, the Company incurred $158,228 share issuance cost that paid directly from the private placement proceeds.

All securities issued are subject to a hold period of four months and one day from the date of issuance in accordance with applicable securities legislation.

g) Share issuance costs incurred in connection with the closing of the private placements on July 23, 2021, and July 30, 2021 are $753,880 in total, out of which $446,915 paid in cash and $306,965 settled in issuance of Solvbl securities.
Fair value of share issuance cost incurred in the fiscal year ending December 31, 2021 allocated to common shares and warrant as follows:

		Bifurcation between	
		Common shares	**Warrants**
Cash paid directly from proceeds	$ 428,632	$ 270,404	$ 158,228
Cash paid separately for the financing	18,283	11,343	6,940
Fair value of broker units issuance	106,965	67,446	39,519
Agent advisory fee units issuance	200,000	124,080	75,920
Total share issuance costs	**$ 753,880**	**$ 473,273**	**$ 280,607**

14. Obligation to issue shares for acquisition

	Note	**Number of Shares**	**Amount**
Balance as at January 1, 2022		-	$ -
Shares to be issued as consideration of acquisition	**5**	115,384,615	1,996,890
Shares to be issued to settle Acquisition cash deposit	**5**	7,330,000	146,600
Balance as at December 31, 2022		**122,714,615**	**$ 2,143,490**

(Expressed in Canadian Dollars)

15. Warrants Reserve

	Note	Number of Warrants		Amount
Balance as at January 1, 2021		**-**	**$**	**-**
Private placement on July 23, 2021	13 c)	50,000,000		1,100,100
Broker warrants on July 23, 2021	13 d)	3,822,154		84,087
Financial advisory service	13 d)	3,333,333		73,333
Debt settlement	13 e)	4,430,000		97,460
Private placement on July 30, 2021	13 f)	13,333,333		379,600
Broker warrants on July 30, 2021	13 f)	817,067		22,878
Shareholder services	a) & b)	1,000,000		22,000
Share issuance cost	13 g)			(280,607)
Balance as at December 31, 2021 and 2022		**76,735,887**	**$**	**1,498,851**

The weighted average exercise price of the issued warrants is $0.12 and the remaining life of the warrants is 0.58 years.

a) The Company entered into a one (1) year marketing agreement with LDJ Consulting Inc. ("LDJ"), a Toronto, Ontario-based marketing consulting company beginning in July 2021 and ending in July 2022, pursuant which, on July 27, 2021 the Company issued 500,000 common share purchase warrants ("Warrants") to LDJ at an exercise price of $0.12 per Common Share exercisable for a period of 24 months from the date of issuance. The fair value of the Warrants was estimated to be $11,000, with reference to the Black-Scholes option pricing model with the following assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 116%; (iii) risk-free rate of 0.45%; (iv) unit price of $0.12; (v) forfeiture rate of 0; (vi) expected life of two years.

b) The Company also entered into a one-year consulting agreement with an arm's length individual for business development services and agreed to issue 500,000 Warrants on July 27, 2027, at an exercise price of $0.12 per Common Share exercisable for a period of 24 months from the date of issuance. The fair value of the Warrants was estimated to be $11,000, with reference to the Black-Scholes option pricing model with the following assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 116%; (iii) risk-free rate of 0.45%; (iv) unit price of $0.12; (v) forfeiture rate of 0; (vi) expected life of two years.

16. Stock Option Reserve

Stock option reserve:

The Company has an incentive stock options plan (the “Stock Option Plan”) under which the directors of the Company were authorized to grant options up to 10% of the issued and outstanding Common Shares from time to time, to the Company’s employees, directors, officers, and persons providing ongoing services to the Company.

The Stock Option Plan allows for the option price at the time each option is granted to be not less than the closing marketed price of the Company’s common shares on the day immediately preceding the day upon which the option is granted, less a maximum discount allowable under CSE policies. Options granted under the Stock Option Plan may be exercisable for a period up to ten years. Vesting is determined at the discretion of the Board of Directors and in accordance with the policies of the CSE.

(Expressed in Canadian Dollars)

As of December 31, 2022, the Company had outstanding stock options as follows:

Grant Date	Options Outstanding	Options Vested	Options Unvested	Exercise Price	Fair Value (per option)	Expiration Date	Total Value
20-Oct-18	650,000	650,000	-	$0.10	$0.0789	20-Oct-26	$ 51,285
1-Sep-19	625,000	625,000	-	$0.10	$0.0764	1-Sep-26	47,750
3-Sep-19	1,175,000	1,175,000	-	$0.10	$0.0766	3-Sep-26	90,005
25-Sep-19	1,540,000	1,540,000	-	$0.10	$0.0765	25-Sep-26	117,810
30-Sep-19	850,000	850,000	-	$0.10	$0.0767	30-Sep-26	65,195
4-May-20	746,666	746,666	-	$0.15	$0.1334	4-May-27	99,605
29-Nov-21	4,650,000	4,650,000	-	$0.075	$0.0518	29-Nov-26	240,870
	10,236,666	**10,236,666**	**-**				**$ 712,520**

On February 26, 2021, 100,000 stock options were exercised at an exercise price of $0.10 per share, 100,000 common shares of the Company were issued with proceeds of $10,000 received.

On August 9, 2021, the Company approved in its annual general and special shareholders meeting that to extend the expiry period of total 5,511,666 granted and outstanding stock options for further five years after initial expiry date. The fair value of the extension was estimated to be $61,570, with reference to the Black-Scholes option pricing model with the following assumptions: (i) expected dividend yield of 0%; (ii) expected volatility of 120%; (iii) risk-free rate of 0.41% - 2.47%; (iv) unit price of $0.10-$0.15; (v) forfeiture rate of 0; (vi) expected life of five years.

On November 29, 2021, the Company granted 4,925,000 stock options to its key management, staff, and consultants at an exercise price of $0.075 per share and with an expiry period of five years from the date of the options were granted. The stock options vest pursuant to the agreement between the stock option holders and the Company.

The summary of stock options granted up to December 31, 2022 is presented below:

	Number of options
Outstanding, unvested, January 1, 2021	**346,666**
Granted	4,925,000
Vested	(459,166)
Exercised	(100,000)
Forfeited	(287,500)
Outstanding, unvested, December 31, 2021	**4,425,000**
Forfeited	(500,000)
Vested	(3,925,000)
Outstanding, unvested, December 31, 2022	**-**

	Options Outstanding		Options Exercisable	
Range of Exercise Prices	Options Outstanding	Weighted Average Remaining Contractual Life	Options Exercisable	Weighted Average Exercise Price
$0.075 - $0.15	**10,236,666**	**3.75**	**10,236,666**	**$0.09**

(Expressed in Canadian Dollars)

No stock options were granted in the year ended December 31, 2022 (2021: 4,925,000 stock options granted). Total fair value expense for stock options recognized in the year ended December 31, 2022 were $164,524 (2021: $130,458).

On February 12, 2022, 75,000 fully vested stock options granted to a former employee of the Company on December 31, 2019 were forfeited after three months grace period. Recognized vested fair value of $5,753 of the forfeited stock options has been reversed in the year ended December 31, 2022.

On July 15, 2022, 425,000 fully vested stock options granted to a former employee of the Company on September 1 and 30, 2019 and November 29, 2021 were forfeited after three months grace period. Recognized vested fair value of $19,926 of the forfeited stock options has been reversed in the year ended December 31, 2022.

17. Contributed Surplus

	Note		Balance
Balance, January 1, 2021		**$**	**304,806**
Stock option exercised			7,900
Balance, December 31, 2021 and 2022		**$**	**312,706**

18. Government Subsidy

	Year ended December 31,			
		2022		2021
Investment tax credit	$	-	$	119,267
Ontarial provicial and territorial credit		-		29,866
Canadian emergency wage subsidy		-		166,507
	$	**-**	**$**	**315,640**

19. Related Party Transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

For the year ended December 31, 2022 and 2021, the Company incurred $333,326 and $309,895 in service fees and salaries to its key management and directors, respectively.

In the year ended December 31, 2022, the Company incurred $307,896 of service fees with two related parties as critical shareholders whose shareholding exceeded 10%. of the Company's total issued and outstanding common shares, (2021: $Nil).

As of December 31, 2022 and December 31, 2021, the amount due to related parties' balances were $317,133 and $8,300, respectively. The amounts due to related parties are recorded at the exchange amounts as agreed upon by the related parties under contracts signed with them, non-interest bearing, unsecured and with no fixed repayment terms. The balances are included in the accounts payable and accrued liabilities on the consolidated statements of financial position.

(Expressed in Canadian Dollars)

In the year ended December 31, 2022 and 2021, the Company recorded an amount of $146,484 and $25,386, respectively being the fair value of vested stock options granted to related parties.

On June 27, 2021, as part of a debt settlement, the CEO of the Company has agreed to convert all indebtedness due to him by the Company up to date. In exchange for settling $30,000 in debt by receiving 500,000 Debt Units (Note 16-h)). The CFO of the Company has agreed to convert part of existing indebtedness due to him by the Company. In exchange for settling $75,000 in debt by receiving 1,250,000 Debt Units. A director of the Company has agreed to convert all existing indebtedness due to him by the Company. In exchange for settling $60,000 in debt by receiving 1,000,000 Debt Units.

Nil and 3,825,000 stock options were granted to key management and directors in the year ended December 31, 2022 and 2021, respectively.

20. Basic and diluted loss per share

	Years ended December 31,			
		2022		2021
Basic and diluted loss per share	**$**	**0.03**	$	0.02

The calculation of basic and diluted loss per shares for the years ended December 31, 2022 and 2021 was based on the loss attributable to common shareholders of $5,662,724 (2021: $2,395,577) and the weighted average number of basic and diluted common shares outstanding of 175,058,759 (2021: 112,019,504).

21. Operating Segments

The Company has evaluated its various business activities and has identified two reportable segments: 1) films producing and transmission services that is mainly conducted by Darkhorse Films Limited, a subsidiary that has been acquired through a business acquisition closed in October 2022; 2) Blockchain based software development and services providing by Solvbl Solutions Inc., the parent company of the group. IFRS requires that the measure of profit or loss disclosed for each operating segment is the measure that is provided regularly to the chief operating decision maker for the purpose of performance assessment and resource allocation. For the Company, this measurement is profit before income tax.

(Expressed in Canadian Dollars)

The following shows profit before income tax by segment for the years ended December 31, 2022 and 2021:

In Cdn$	Year ended December 31, 2022				Year ended December 31, 2021			
	Solvbl	**Darkhorse**	**Non-allocated**	**Total**	Solvbl	Darkhorse	Non-allocated	Total
Revenue	**$ -**	**$ -**	**$ -**	**$ -**	$ -	$ -	$ -	$ -
Expenses:								
Professional and consulting fees	**865,105**	**451,068**	**-**	**1,316,173**	435,038	-	-	435,038
Salaries and benefits	**464,918**	**-**	**-**	**464,918**	469,382	-	-	469,382
General and administrative	**211,445**	**25,011**	**-**	**236,456**	167,178	-	-	167,178
Shareholder services	**355,441**	**-**	**-**	**355,441**	593,043	-	-	593,043
Listing expense	**-**	**-**	**-**	**-**	748,374	-	-	748,374
Share-based compensation	**164,524**	**-**	**-**	**164,524**	130,458	-	-	130,458
Depreciation	**2,741**		**-**	**2,741**	14,294	-	-	14,294
Loss from operations	**(2,064,174)**	**(476,079)**	**-**	**(2,540,253)**	(2,557,767)	-	-	(2,557,767)
Other income (expense)								
Interest income	**6,926**	**-**	**-**	**6,926**	132	-	-	132
Loss on debt restructuring	**-**	**-**	**-**	**-**	(136,775)	-	-	(136,775)
Loss on impairment of goodwill	**-**	**-**	**(3,652,780)**	**(3,652,780)**	-	-	-	-
Government subsidy	**-**	**-**	**-**	**-**	315,640	-	-	315,640
Gain on fair value assessment	**523,000**	**-**	**-**	**523,000**	-	-	-	-
Interest expenses	**383**	**-**	**-**	**383**	(16,807)	-	-	(16,807)
	530,309	**-**	**(3,652,780)**	**(3,122,471)**	162,190	-	-	162,190
Loss before income tax expense	**$ (1,533,865)**	**$ (476,079)**	**$ (3,652,780)**	**$ (5,662,724)**	**$ (2,395,577)**	**$ -**	**$ -**	**$ (2,395,577)**

The following shows total assets by segment as of December 31, 2022 and 2021:

In Cdn$	Year ended December 31, 2022				Year ended December 31, 2021			
	Solvbl	**Darkhorse**	**Non-allocated**	**Total**	Solvbl	Darkhorse	Non-allocated	Total
Cash and cash equivalents	**$ 24,267**	**$ 19,178**	**$ -**	**$ 43,445**	$ 1,278,320	$ -	$ -	$ 1,278,320
Cash held in trust	**-**	**-**	**-**	**-**	402	-	-	402
GIC investment	**150,000**	**-**	**-**	**150,000**	650,000	-	-	650,000
Prepaids and sundry assets	**44,103**	**-**	**-**	**44,103**	227,548	-	-	227,548
Other taxes receivable	**222,569**	**-**	**-**	**222,569**	95,455	-	-	95,455
Property, plant and equipment	**9,069**	**-**	**-**	**9,069**	5,740	-	-	5,740
Total assets	**$ 450,008**	**$ 19,178**	**$ -**	**$ 469,186**	**$ 2,257,465**	**$ -**	**$ -**	**$ 2,257,465**

22. Financial Instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of these consolidated financial statements in assessing the extent of risk related to financial instruments.

(a) Fair value

Financial instruments included in the consolidated statement of the financial position as of December 31, 2022 consist of cash and cash equivalents, cash held in trust, GIC investment, accounts payable and accrued liabilities, Darkhorse acquisition – contingent consideration and government loan with December 31, 2022 carrying amounts which approximates their respective fair values.

(b) 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. Market risk comprises the following types of risk: credit risk, foreign exchange risk, liquidity risk and cash flow risk.

(Expressed in Canadian Dollars)

(c) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to the liquidity of its various cash and receivable balances.

(d) Foreign exchange risk

The Company is not exposed to any significant foreign exchange risk. The Company did not have any hedges, or any other transactions related to foreign currency clearance at the time that these consolidated financial statements were issued. In the opinion of management, the foreign exchange risk exposure to the Company is low.

(e) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company actively manages its liquidity risk through cash and equity management strategies. Such strategies include continuously monitoring forecasted and actual cash flows from operating, financing, and investing activities.

The Company's cash flow is generated from debt financing or equity private placements.

The Company monitors cash on a regular basis and reviews expenses to ensure costs and commitments are being paid in a timely manner. Management has worked with and negotiated with vendors to ensure payment arrangements are satisfactory to all parties and that monthly cash commitments are managed within the Company's operating cash flow capabilities.

As of December 31, 2022, the Company had a cash and cash equivalents balance of $43,445. The following table summaries the gross amount and maturity periods of the Company's contractual obligations of financial instruments as of December 31, 2022:

	Within 1 year	**1-3 years**	**Total**
Accounts payable and accrued liabilities	$ 658,452	-	$ 658,452
Government loan	-	57,143	57,143
Darkhorse acquisition - contingent consideration	$ 1,000,000	1,500,000	2,500,000
	$ 1,658,452	**$ 1,557,143**	**$ 3,215,595**

(f) Cash flow interest risk

Cash flow interest risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount, such as a debt instrument held with a floating interest rate. In the opinion of management, the cash flow risk exposure to the Company is low.

(Expressed in Canadian Dollars)

23. Income Taxes

Income tax expense varies from the amount that would be computed by applying the basic federal and provincial tax rates to income (loss) from operations before income taxes, shown as follows:

	December 31, 2022	December 31, 2021
Net income (loss) before recovery of income taxes	**$ (5,662,724)**	$ (2,395,577)
Effective tax rate	**26.50%**	26.50%
Effected income tax (recovery)	**(1,500,622)**	(634,828)
Tax effects of:		
Permanent differences	**882,689**	239,733
Effect of temporary differences and losses not recognized	**582,227**	395,095
Impact of foreign tax rate	**35,706**	-
Income tax (recovery) expense	**$ -**	**$ -**

Deferred income taxes reflect the impact of loss carry forwards and of temporary differences between amounts of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws. The following deferred tax assets and liabilities have been recognized for accounting purposes:

	Dec 31, 2022	Dec 31, 2021
Deferred tax asset	-	-
Deferred tax liability	-	-
Net deferred tax liability	**$ -**	**$ -**

The tax effects of temporary differences and loss carry forwards that give rise to significant portions of the deferred tax asset, which have not been recognized, are approximately as follows:

	December 31, 2022	December 31, 2021
Fixed Assets	**$ 293,363**	$ 290,622
Deferred Financing Fees	**-**	95,800
Share Issue Costs	**421,661**	557,483
Non-Capital Losses	**6,317,651**	3,697,273
Others	**17,143**	17,526
Total	**$ 7,049,818**	$ 4,658,704

The Company has the following non-capital losses available to reduce future years' federal and provincial taxable income, which expire as follows:

Indefinite	476,080
	$ 476,080

(Expressed in Canadian Dollars)

2038 and prior		1,273,905
2039		858,290
2040		185,819
2041		1,441,654
2042		2,081,902
	$	**5,841,570**

24. Capital Management

The Company includes equity, comprised of common shares, warrant reserve, stock option reserve, contributed surplus and deficit, in the definition of capital. The Company's objectives when managing capital are as follows:

(i) To safeguard the Company's assets and ensure the Company's ability to continue as a going concern; and

(ii) To raise sufficient capital to achieve the ongoing business objectives including funding of future growth opportunities and meeting its general and administrative expenditures.

The Company manages its capital structure and adjusts it, based on general economic conditions, the Company's short-term working capital requirements, and its planned capital requirements and strategic growth initiatives.

The Company's principal source of capital is from the issuance of common shares or special warrants. To achieve its objectives, the Company expects to spend its working capital, when applicable, and raise additional funds as required.

The Company does not have any externally imposed capital requirements.