

**GameOn Entertainment Technologies Inc.**

**Consolidated Financial Statements  
Three months ended March 31, 2022 and 2021**

Expressed in Canadian Dollars

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The condensed consolidated interim unaudited financial statements of GameOn Entertainment Technologies Inc. are the responsibility of the Company's management. The condensed consolidated interim unaudited financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available.

Management has developed and maintains a system of internal controls to ensure that the Company's assets are safeguarded, transactions are authorized and properly recorded, and financial information is reliable.

GameOn Entertainment Technologies Inc.  
Condensed consolidated interim statements of financial position  
(Expressed in Canadian dollars)

	Note		As at March 31, 2022		As at December 31, 2021
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	3	\$	590,740	\$	1,610,215
Prepays	4		2,621,431		137,934
Accounts receivable			5,818		2,583
Government sales tax receivable			53,564		43,637
			3,271,553		1,794,369
<b>Non-current assets</b>					
Advances			500		500
Intangible assets	5		1,441,000		941,000
Goodwill			3,432,783		3,432,783
<b>TOTAL ASSETS</b>		<b>\$</b>	<b>8,145,836</b>	<b>\$</b>	<b>6,168,652</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable	6	\$	255,978	\$	110,775
Accrued liabilities	6		64,713		157,492
Income tax payable			21,404		21,404
Obligation to issue convertible debentures			95,000		95,000
Convertible debentures	7		2,218,548		-
			2,655,643		384,671
<b>Non-current liabilities</b>					
CEBA loan	8		42,653		40,693
<b>TOTAL LIABILITIES</b>			<b>2,698,296</b>		<b>425,364</b>
<b>SHAREHOLDERS' EQUITY</b>					
Share capital	9		11,376,287		11,076,287
Reserve	9		4,946,585		4,775,691
Equity portion of convertible debentures			427,778		427,778
Deficit			(11,303,110)		(10,536,468)
<b>TOTAL SHAREHOLDERS' EQUITY</b>			<b>5,447,540</b>		<b>5,743,288</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$</b>	<b>8,145,836</b>	<b>\$</b>	<b>6,168,652</b>

Nature of operations and going concern – Note 1  
Subsequent events – Note 12

See accompanying notes to the condensed consolidated interim financial statements

GameOn Entertainment Technologies Inc.  
Condensed consolidated interim statements of loss and comprehensive loss  
(Expressed in Canadian dollars)

	Note	Three months ended March 31,	
		2022	2021
<b>Revenue</b>		\$ 207,151	\$ 2,791
<b>Expenses</b>			
Amortization		-	139,523
Foreign exchange gain		7,397	(5,601)
General and administration		111,001	41,779
Interest and accretion	7,8	102,508	112,583
Investor relations		108,682	-
Management fees		-	152
Professional and consulting fees	6	426,663	284,658
Sales and marketing		99,653	77,816
Share-based compensation	9	170,894	932,504
Transfer agent and regulatory fees		8,953	9,237
Wages		361,642	188,116
<b>Total expenses</b>		<b>(1,397,393)</b>	<b>(1,780,767)</b>
<b>Other Items</b>			
Gain on derivative liability		-	2,286
Gain on settlement of debt	7	423,600	281,880
Impairment of related party receivable		-	(10,819)
		423,600	273,347
<b>Net loss and comprehensive loss for the period</b>		<b>\$ (766,642)</b>	<b>\$ (1,504,629)</b>
<b>Loss per share - basic and diluted</b>		<b>\$ (0.01)</b>	<b>\$ (0.03)</b>
<b>Weighted average number of common shares outstanding for the period - basic and diluted</b>		<b>64,132,556</b>	<b>44,247,216</b>

See accompanying notes to the condensed consolidated interim financial statements

GameOn Entertainment Technologies Inc.  
Condensed consolidated interim statements of changes in shareholders' equity  
(Expressed in Canadian dollars)

	Note	Share Capital		Reserve			Subscription Receipts	Equity portion of convertible debentures	Deficit	Total
		Number of shares	Amount	Contributed Surplus	Warrants	Total Reserve				
Balance at January 1, 2021		43,483,298	\$ 4,587,636	\$ 5,179	\$ 670,693	\$ 675,872	\$ -	\$ 199,703	\$ (1,465,819)	\$ 3,997,392
Shares issued for settlement of debt		916,702	229,175	-	-	-	-	-	-	229,175
Subscription receipts for private placement		-	-	-	-	-	5,776,938	-	-	5,776,938
Share-based payments	9	-	-	-	932,504	932,504	-	-	-	932,504
Net and comprehensive loss for the period		-	-	-	-	-	-	-	(1,076,851)	(1,076,851)
<b>Balance at March 31, 2021</b>		<b>44,400,000</b>	<b>\$ 4,816,811</b>	<b>\$ 5,179</b>	<b>\$ 1,603,197</b>	<b>\$ 1,608,376</b>	<b>\$ 5,776,938</b>	<b>\$ 199,703</b>	<b>\$ (2,542,670)</b>	<b>\$ 9,859,158</b>
Balance at January 1, 2022		63,192,385	\$ 11,076,287	\$ 2,861,470	\$ 1,914,221	\$ 4,775,691	\$ -	\$ 427,778	\$ (10,536,468)	5,743,288
Shares issued on acquisition	5,9	1,538,461	300,000	-	-	-	-	-	-	300,000
Share-based payments	9	-	-	170,894	-	170,894	-	-	-	170,894
Net and comprehensive loss for the period		-	-	-	-	-	-	-	(766,642)	(766,642)
<b>Balance at March 31, 2022</b>		<b>64,730,846</b>	<b>11,376,287</b>	<b>3,032,364</b>	<b>1,914,221</b>	<b>4,946,585</b>	<b>-</b>	<b>427,778</b>	<b>(11,303,110)</b>	<b>\$ 5,447,540</b>

See accompanying notes to the condensed consolidated interim financial statements

GameOn Entertainment Technologies Inc.  
Condensed consolidated interim statements of cash flows  
(Expressed in Canadian dollars)

	Three months ended March 31,	
	2022	2021
<b>Operating activities</b>		
Net loss for the period	\$ (766,642)	\$ (1,504,629)
Adjustments for non-cash items:		
Amortization	-	139,523
Foreign exchange gain	7,397	(5,601)
Interest and accretion	102,508	112,583
Share-based compensation	170,894	932,504
Gain on conversion of related party debt	-	-
Gain on derivative liability	-	(2,286)
Gain on settlement of debt	(423,600)	(281,880)
Impairment of related party receivable	-	10,819
Changes in non-cash working capital items:		
Accounts receivable	(3,235)	-
Prepays	59,903	(10,071)
Government sales tax recoverable	(9,927)	(2,346)
Accounts payable	137,806	(20,072)
Accrued liabilities	(92,779)	10,839
Other payables	-	(237,655)
<b>Net cash flows used in operating activities</b>	<b>(817,675)</b>	<b>(858,272)</b>
<b>Investing activities</b>		
Proceeds from loan receivable	-	1,697,912
Purchase of bulk media	(2,543,400)	-
Acquisition of Intellectual Property	(200,000)	-
<b>Net cash flows provided by investing activities</b>	<b>(2,743,400)</b>	<b>1,697,912</b>
<b>Financing activities</b>		
Proceeds from convertible debenture	2,541,600	-
Proceeds from related parties	-	16,319
Proceeds from share issuances, net	-	5,776,938
<b>Net cash flows from financing activities</b>	<b>2,541,600</b>	<b>5,793,257</b>
Increase in cash	(1,019,475)	6,632,897
Cash, beginning	1,610,215	135,476
<b>Cash, ending</b>	<b>\$ 590,740</b>	<b>\$ 6,768,373</b>
<b>Supplemental non-cash activities:</b>		
Issuance of shares on acquisition of Intellectual Property	5,9	-
Issuance of shares to settle loan payable	-	229,175
	<b>\$ 300,000</b>	<b>\$ 229,175</b>

See accompanying notes to the condensed consolidated interim financial statements

**1. Nature of Operations and Going Concern**

GameOn Entertainment Technologies Inc. (“GameOn Entertainment” or “GameOn” or the “Company”) was incorporated under the Business Corporation Act (British Columbia) on January 13, 2010. The Company was formerly incorporated as “V2 Games Inc.” and changed names to “GameOn Entertainment Technologies Inc.” on January 13, 2021. The Company is an NFT game technology company. The condensed consolidated financial statements comprise the financial statements of the Company and its wholly owned subsidiary V2 Games USA Inc. (“V2 Games USA”).

The Company’s registered office and principal address is at Suite 401, 750 West Pender Street, Vancouver, British Columbia, V6C 2T7.

Prior to December 1, 2020, Victory Square Technologies Inc. (“VST”) held 100% of the issued and outstanding shares of the Company. On June 1, 2021, the Company’s common shares commenced trading on the Canadian Securities Exchange (“CSE”) under the symbol GET. As at March 31, 2022, VST holds 21.86% of the issued and outstanding shares of the Company (December 31, 2021 – 22.39%).

These condensed consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at March 31, 2022, the Company had working capital of \$615,910 (December 31, 2021 – \$1,409,698), an accumulated deficit of \$11,303,110 (December 31, 2021 – \$10,536,468) and had not generated significant revenues from operations. The continued operations of the Company are dependent upon its ability to generate future cash flows from revenues in the next fiscal year and/or obtain additional financing. Management is of the opinion that sufficient funding and working capital will be obtained from external financing to meet the Company’s liabilities and commitments as they become due; however, they may not be at terms that are favourable to the Company. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern. These condensed consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern, and such adjustments could be material.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The pandemic has not had a material impact on the operations of the Company, but Management continues to monitor the situation; however, it could have a potential impact of increasing the difficulty to raise funding, finding target investments to acquire or on its ability to obtain profitable operations.

GameOn Entertainment Technologies Inc.  
Notes to the condensed consolidated interim financial statements  
For the three months ended March 31, 2021 and 2020  
(Expressed in Canadian dollars)

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**2. Significant Accounting Policies**

These condensed consolidated interim unaudited financial statements were authorized for issue on May 20, 2022, by the directors of the Company.

a) Statement of Compliance

These condensed consolidated interim unaudited financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The accounting policies and methods of computation applied by the Company in these condensed consolidated interim unaudited financial statements are the same as those applied in the Company’s annual financial statements as at and for the year ended December 31, 2021.

The condensed consolidated interim unaudited financial statements do not include all of the information and note disclosures required for full annual financial statements and should be read in conjunction with the Company’s annual financial statements as at and for the year ended December 31, 2021.

b) Principles of Consolidation

The condensed consolidated interim unaudited financial statements comprise the financial statements of the Company and its wholly-owned subsidiary V2 Games USA.

Intercompany transactions, balances, income and expenses, and gains or losses on transactions are eliminated on consolidation.

c) Basis of Preparation

The condensed consolidated interim unaudited financial statements have been prepared on a historical cost basis, except for certain assets measured at fair value, and are presented in Canadian dollars. Under IFRS, the Canadian dollar is the functional currency of the Company and V2 Games USA.

Certain comparative figures have been restated to conform to the current period’s presentation.

**3. Cash**

As at March 31, 2022, the cash balance of \$590,740 (December 31, 2021 - \$1,610,215) was comprised entirely in cash.

**4. Prepaids**

Prepaids consist of the following:

	<b>March 31, 2022</b>	<b>December 31, 2021</b>
Marketing fees	\$ 2,585,936	\$ 74,126
Consulting	18,785	24,400
Insurance	9,563	28,688
Transfer agent	7,147	10,721
<b>Total prepaids</b>	<b>\$ 2,621,431</b>	<b>\$ 137,934</b>

Included in prepaid marketing fees is the advance of \$2,543,400 (USD \$2,000,000) to BCCL Worldwide Inc (“BWI”) in connection with the convertible debenture issuance (Note 7). BWI is a California company engaged in the business of purchasing bulk media and selling it onwards on a retail basis to other companies.



## 5. Acquisition

On February 4, 2022, pursuant to an asset purchase agreement (the "APA"), the Company completed its acquisition of certain assets of real-time fantasy technology, FanClash, from London-based Inplay Labs for aggregate consideration of \$500,000 (the "Upfront Purchase Price"). The Upfront Purchase Price is payable as follows: (i) \$200,000 in cash with on the date of closing of the Transaction (the "Closing Date"), and (ii) 1,538,461 common shares of the Company ("GameOn Shares") with an aggregate value of \$300,000 at a deemed price per GameOn Share equal to \$0.195, which such shares is subject to securities law mandated hold period lasting until June 5, 2022 and contractual escrow with tranching release over a period of 24 months.

In addition to the Purchase Price, subject to applicable laws and approval of the CSE, GameOn has agreed to pay the Vendor up to \$500,000, subject to and upon the achievement of certain performance milestones, payable through the issuance of that number of GameOn Shares being equal to a fraction, the numerator of which is \$50,000 dollars, and the denominator of which is the greater of (i) the trading volume weighted average trading price of the GameOn Shares as quoted on the CSE, calculated by dividing the total value by the total volume of GameOn Shares traded for the period ending 10 CSE trading days prior to the date of the satisfaction of the performance milestone and (ii) the lowest price permissible under the rules and policies of the CSE.

## 6. Related Party Transactions

During the three months ended March 31, 2022, and 2021, the Company entered into the following transactions with related parties (key management):

	March 31, 2022	March 31, 2021
Professional and consulting fees	\$ 63,812	\$ 34,476
Executive and director compensation	\$ 92,898	\$ 178,957
Share-based compensation to related parties	\$ 101,498	\$ 572,890

### Related Party Balances

As at March 31, 2022, the Company has \$74,558 (December 31, 2021 - \$84,685) due to related parties included in accounts payables and accrued liabilities. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

## 7. Convertible Debenture

On January 4, 2022, the Company closed on the issuance of a \$2,541,600 (USD \$2,000,000) non-interest bearing, unsecured convertible note to BWI. The note matures on the twelve-month anniversary of the closing date, convertible into common shares of the Company based on dividing the Canadian dollar converted principal amount by the lower of several amounts as contemplated in the agreement and permissible pursuant to the policies of the CSE. In connection with the offering, the Company proposes to enter a subscription agreement with BWI wherein the Company will grant additional purchase rights for additional common shares at specified intervals starting in the third quarter of 2023. Further in connection with the offering, the Company agreed to use the entire proceeds for marketing related expenditures with BWI as per the terms of an Advertising Agreement closed in concurrence with the convertible note agreement (Note 4). The note was recognized at fair value using the Company's incremental borrowing rate of 20%. The difference between this discounted value of \$2,118,000 (USD \$1,666,667) and the proceeds received of \$2,541,600 (USD \$2,000,000) was recognized as a gain on convertible note of \$423,600 (USD \$333,333).

For the three months ended March 31, 2022, the Company recognized accretion on the BWI loan of \$100,548 (March 31, 2021 - \$Nil) for an ending balance of \$2,218,548.

## 8. CEBA Loan

The Canadian Emergency Business Account (CEBA) loan originally launched on April 9, 2020 and is intended to support businesses during the COVID-19 pandemic. The value of the government loan received at below market rate of interest is treated as a government grant. The loan was recognized at fair value using the Company's incremental borrowing rate of 20%. The difference between this discounted value of \$21,074 and the proceeds received of \$40,000 was recognized as a gain on CEBA loans of \$18,926.

On December 4, 2020, the CEBA program was expanded, and the Company received an additional \$20,000 in funds on December 31, 2020. This amount was discounted to a present value of \$11,193 and an additional \$8,807 gain was recognized.

The full value of the grant has been spent in the course of business operations and accordingly the gain has been recognized in other income.

For the three months ended March 31, 2022, the Company recognized accretion on the CEBA loan of \$1,960 (March 31, 2021 - \$1,620) for an ending balance of \$42,653 (December 31, 2021 - \$40,693).

## 9. Share Capital

### Authorized Share Capital

Unlimited common shares without par value.

### Issued Share Capital

As at March 31, 2022 there were 64,730,846 common shares outstanding (December 31, 2021 – 63,192,385).

#### *Shares issued during the three months ended March 31, 2022*

On February 4, 2022, as part of the consideration for the acquisition of the intellectual property for Inplay Labs, the Company issued 1,538,461 common shares.

### Reserve

#### *Contributed surplus*

The contributed surplus reserve records items recognized as share-based payments expense.

#### *Warrants*

The warrant reserve records the fair value of warrants issued as part of financing transactions and for services.

### Stock Options

On January 13, 2022, the Company granted 54,627 stock options to an employee exercisable at \$0.22 for two years.

Each stock option issuance has vesting terms that vary with each individual optionee, with a portion of the options granted vesting immediately at grant date, in some issuances, and the balance vesting in equal tranches quarterly or another periodic interval.

As of March 31, 2022, 4,762,405 of the 7,551,193 granted stock options have vested (December 31, 2021 – 4,951,812). Total share-based compensation recorded for the three months ended March 31, 2022, in relation to the vested stock options was \$134,164 (March 31, 2021 - \$932,504).

Also on January 13, 2022, the Company granted 937,363 restricted share units ("RSU") to three employees (Note 12). The RSUs vest at 25% after 12 months and 25% every three months thereafter. The fair value of the RSUs are valued at the fair market value of the Company's share price on the grant date, with the share-based compensation recorded over the vesting term. Total share-based compensation recorded for the three months ended March 31, 2022, in relation to the RSUs was \$4,067 (March 31, 2021 - \$Nil).

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**9. Share Capital (Continued)**

The following weighted average assumptions were used in calculating the fair value of stock options granted during the year using the Black-Scholes Option Pricing Model:

	Expected Volatility	Risk-free Interest Rate	Expected Dividend Yield	Expected Life (in years)
Issued January 13, 2022	183.59%	1.16%	0%	2

The options outstanding and exercisable at March 31, 2022 are as follows:

Exercise Price	Number of Shares Issuable	Exercisable	Expiry Date
\$0.25	3,556,000	2,025,000	February 10, 2023
\$0.25	1,777,680	1,277,360	March 15, 2023
\$0.35	369,645	283,733	March 15, 2023
\$0.41	584,361	351,220	June 28, 2023
\$0.31	100,425	40,425	July 19, 2023
\$0.29	120,637	120,637	August 5, 2023
\$0.34	156,751	85,763	September 7, 2023
\$0.32	124,379	124,379	October 14, 2023
\$0.27	591,581	371,675	November 5, 2023
\$0.28	115,107	68,556	December 9, 2023
\$0.22	54,627	13,657	January 13, 2024
<b>\$0.28</b>	<b>7,551,193</b>	<b>4,762,405</b>	

Stock options continuity for the year was as follows:

	Number of units	Weighted average exercise price
Balance, January 1, 2022	7,652,385	0.28
Granted	54,627	0.22
Expired	(155,819)	0.34
<b>Balance, March 31, 2022</b>	<b>7,551,193</b>	<b>0.27</b>

**Warrants**

The warrants outstanding at March 31, 2022 are as follows:

Warrant	Exercise Price	Number of Shares Issuable upon Exercise	Expiry Date
Consultant Warrants	\$0.25	960,000	May 30, 2023
Broker Warrants	\$0.52	375,103	May 26, 2023
Subscription Receipts Warrants	\$0.52	8,252,776	May 26, 2023
CEO Bonus Warrants	\$0.04	600,000	June 1, 2023
	<b>\$0.47</b>	<b>10,187,879</b>	

Warrant continuity for the year was as follows:

	Consultant Warrants	Broker Warrants	Subscription Receipts Warrants	CEO Bonus Warrants	Total
Balance, January 1, 2022	960,000	375,103	8,252,776	600,000	10,187,879
Granted	-	-	-	-	-
<b>Balance, March 31, 2022</b>	<b>960,000</b>	<b>375,103</b>	<b>8,252,776</b>	<b>600,000</b>	<b>10,187,879</b>

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## 9. Share Capital (Continued)

The total share-based compensation for the three months ended March 31, 2022, was as follows:

	March 31, 2022		March 31, 2021	
Stock-based compensation for options vested	\$	134,164	\$	932,504
Performance shares issued or to be issued to CEO		32,663		-
Restricted share units		4,067		-
<b>Stock-based compensation</b>	<b>\$</b>	<b>170,894</b>	<b>\$</b>	<b>932,504</b>

## 10. Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

### a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The cash is deposited in a bank account in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a bank that is a high credit quality financial institution as determined by rating agencies. Credit risk on cash is assessed as low.

The Company's receivables consist of trade receivables, due from related parties, government sales tax receivable, advance, and loan receivable. Based on the evaluation of receivables at March 31, 2022, the Company believes that its receivables are collectable.

### b) Interest rate risk

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

### c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's main source of funding has been the issuance of loans, convertible debentures, and loans from related parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

### d) Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The Company is exposed to moderate foreign exchange risk.

### Fair value

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies. However, considerable judgment is required to develop certain of these estimates. Accordingly, these estimated values are not necessarily indicative of the amounts the Company could realize in

#### **10. Financial Risk Management (Continued)**

a current market exchange. The estimated fair value amounts can be materially affected by the use of different assumptions or methodologies. The methods and assumptions used to estimate the fair value of each class of financial instruments are discussed below.

The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash is measured using Level 1 inputs. Investments in private companies and derivative liability are measured using level 3 inputs.

The Company's financial instruments consist of cash, accounts receivable, advances, convertible debentures, accounts payable, and CEBA loan. The carrying value of financial instruments approximates the fair value as at March 31, 2022 and December 31, 2021.

#### **11. Capital Management**

The Company manages its cash and common shares as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account. The Company will require capital resources to carry its plans and operations through its current operating year. The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year.

#### **12. Subsequent Events**

- a) On April 7, 2022, the Company granted 1,248,861 stock options to employees, a consultant, and a director exercisable at \$0.16 for two years.
- b) On April 26, 2022, the Company cancelled an aggregate of 3,801,900 common share stock options at the consent of the optionees.
- c) Subsequent to March 31, 2022, the Company cancelled 454,545 RSUs on an employee resignation.