

GOODGAMER

Good Gamer Entertainment Inc.

Interim Consolidated Financial Statements

For the period ended September 30, 2023
(with comparative AUDITED figures as at March 31, 2023)
(in Canadian dollars)

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Notice of No Auditor Review of Interim Condensed Financial Statements

The accompanying unaudited interim condensed financial statements have been prepared by the management and approved by the Audit Committee.

The Company's independent auditors have not performed a review of these interim condensed financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditors.

November 24, 2023

Good Gamer Entertainment Inc.

Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	September 30, 2023		March 31, 2023	
		(Unaudited)		(Audited)
ASSETS				
Current assets				
Cash	\$	239,329	\$	500,396
Receivables (Note 4)		32,959		56,589
Prepaid expenses (Note 5)		19,516		40,226
TOTAL ASSETS	\$	291,804	\$	597,211
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable (Notes 6 and 10)	\$	460,642	\$	439,129
Accrued liabilities (Notes 6 and 10)		70,705		100,643
PlayCash app provisions (Note 7)		13,571		11,826
Loans payable (Note 8)		30,169		18,428
GST payable		1,596		-
Liabilities from discontinued operations (Note 15)		-		377
		576,683		570,403
Equity				
Share capital (Note 9)		20,746,918		20,746,918
Share-based payment reserve (Note 9)		2,308,320		2,278,269
Accumulated other comprehensive income (loss)		449		4,951
Deficit		(23,340,566)		(23,001,584)
		(284,879)		28,554
Non-controlling interest		-		(1,746)
Total Equity		(284,879)		26,808
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$	291,804	\$	597,211

Nature of Operations and Going Concern (Note 1)

Commitments (Note 16)

Subsequent events (Note 17)

Approved and authorized for issue by the Board on November 24, 2023

On behalf of the Board:

"Russ McMeekin"

Director

"Howard Donaldson"

Director

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

Good Gamer Entertainment Inc.

Interim Consolidated Statements of Net Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

	For the 6-months ended		For the 3-months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
REVENUE				
Display advertisement, NFT and PlayCash application revenue	\$ 138,438	\$ 97,928	\$ 23,943	\$ 10,377
COST OF SALES				
User rewards costs	(1,987)	(21,795)	-	(4,482)
Search Monetization media buys and platform fees	(120,948)	-	(30,040)	-
GROSS PROFIT (LOSS)	15,503	76,133	(6,097)	5,895
EXPENSES				
Software and development expenses (Note 13)	83,703	243,012	27,530	85,340
Operating expenses (Note 13)	33,299	160,405	9,407	73,857
General & Administrative expenses (Note 13)	227,732	549,418	106,353	252,013
Marketing expenses (Note 13)	14,586	62,778	8,841	17,185
Loss before other income (expenses)	(343,817)	(939,480)	(158,228)	(422,500)
Other income (expenses) (Note 13)	4,835	(9,405)	6,889	(7,885)
Net loss for the period	(338,982)	(948,885)	(151,339)	(430,385)
Foreign exchange translation adjustment	(4,502)	9,301	(5,696)	5,036
Comprehensive loss	(343,484)	(939,584)	(157,035)	(425,349)
Allocation of net loss:				
Equity holders of the parent	(338,982)	(948,885)	(151,339)	(430,385)
Net loss	(338,982)	(948,885)	(151,339)	(430,385)
Allocation of comprehensive loss:				
Equity holders of the parent	(343,484)	(939,584)	(157,035)	(425,349)
Comprehensive loss	\$ (343,484)	\$ (939,584)	\$ (157,035)	\$ (425,349)
Basic and diluted loss per share	\$ (0.01)	\$ (0.03)	\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding				
Basic and diluted	42,567,576	37,351,284	42,567,576	37,351,284

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

Good Gamer Entertainment Inc.

Interim Consolidated Statements of Changes in Shareholders' Equity (Deficit)

(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

	Number of shares	Share capital	Share-based payment reserve	Deficit	Accumulated Other Comprehensive Income (Expense)	Non-controlling Interest	Total
Balance at March 31, 2022	42,582,756	\$20,746,918	\$ 2,082,165	\$ (21,157,044)	\$ (2,885)	\$ (1,746)	\$ 1,667,408
Canceled shares issued in error	(15,180)	-	-	-	-	-	-
Share-based compensation	-	-	187,204	-	-	-	187,204
Net loss for the period	-	-	-	(948,885)	-	-	(948,885)
Foreign currency translation gain	-	-	-	-	9,301	-	9,301
Balance at September 30, 2022	42,567,576	\$20,746,918	\$ 2,269,369	\$ (22,105,929)	\$ 6,416	\$ (1,746)	\$ 915,028
Balance at March 31, 2023	42,582,756	\$20,746,918	\$ 2,278,269	\$ (23,001,584)	\$ 4,951	\$ (1,746)	\$ 26,808
Share-based compensation	-	-	33,574	-	-	-	33,574
Expired option	-	-	(3,523)	-	-	-	(3,523)
Dissolution of Subsidiary	-	-	-	-	-	1,746	1,746
Net loss for the period	-	-	-	(338,982)	-	-	(338,982)
Foreign currency translation gain	-	-	-	-	(4,502)	-	(4,502)
Balance at September 30, 2023	42,582,756	\$20,746,918	\$2,308,320	\$ (23,340,566)	\$ 449	\$ -	\$ (284,879)

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

Good Gamer Entertainment Inc.

Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

	For the 6-months ended	
	September 30, 2023	September 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss from continuing operations	\$(338,982)	\$ (948,885)
Items not affecting cash		
Amortization	-	2,112
Share-based payments	30,051	187,204
Impairment loss	-	2,445
Foreign exchange	-	-
Change in non-cash working capital items:		
Account receivables	23,630	(15,652)
GST receivable	-	1,872
Prepaid expenses	20,710	91,835
Accounts payable	21,513	61,321
Accrued liabilities	(29,938)	(34,934)
PlayCash app provisions	1,745	2,457
GST payable	1,596	-
Net cash used in operating activities in continued operations	(269,675)	(650,225)
Net cash used in operating activities in discontinued operations	(377)	-
Net cash used in operating activities	(270,052)	(650,225)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan repayment	(7,236)	-
Loan from the Line of Credit	18,977	-
Net cash provided by financing activities	11,741	-
Effects of foreign currency exchange rate changes	(2,756)	9,319
Change in cash for the period	(261,067)	(640,906)
Cash – beginning of period	500,396	1,582,654
Cash - end of period	\$239,329	\$ 941,748

Refer to Note 12 for non-cash transactions affecting cash flows from investing and financing activities.

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

Good Gamer Entertainment Inc.

Notes to Interim Condensed Consolidated Financial Statements

As at and for the periods ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

1. NATURE OF OPERATIONS AND GOING CONCERN

Good Gamer Entertainment Inc. (formerly Credent Capital Corp.) (the “Company”, “GGE”, or “Good Gamer”) is a Canadian company incorporated under the laws of the Province of British Columbia on March 25, 2011. The Company’s shares trade on the TSX Venture Exchange (“TSX-V”) under the symbol GOOD. The corporate head office and records office of the Company is located at 700 W. Pender Street, Suite 1290, Vancouver, BC, V6C1G8.

The Company acquired Good Gamer Corp. (“GGC”) through acquisition of all issued and outstanding shares of the latter via reverse takeover transaction on October 15, 2021. Upon completion of the Transaction, GGC became a wholly owned subsidiary of the Company. Thereafter, the Company changed its name to “Good Gamer Entertainment Inc.”, consolidated the common shares of the Company (the “Shares”), on the basis of one (1) post-consolidation Share for every five (5) pre-consolidation Shares (the “Consolidation”) and changed the Company’s year end from April 30 to March 31, effective for the year ended March 31, 2022. The new ticker symbol of the Company’s shares traded in TSX-V is “GOOD” commencing on October 21, 2021.

The Company’s principal business activity changed to operating an online play-to-earn game discovery (Playcash) and entertainment platform (Tournament Management Platform); development and minting of non-fungible tokens (“NFTs”) including artwork, characters and a Play-to-Earn (“P2E”) NFT-based blockchain game and optimizing third parties advertising campaigns to drive online traffic to their own websites in Canada and the United States. The Company discontinued the TMP and NFT operations due to market conditions by September 30, 2023.

As of September 2023, the Company is gearing up to emerge as a multi-channel content and advertising technology company with the development of an AI and machine learning driven platform designed to cater to all major channels of digital advertising, including search advertising, native campaigns, and display advertising. Its wholly owned subsidiary, Boost Interactive Inc., is spearheading a new initiative, TurboContent.ai. This platform is currently in beta and revolves around the development of an AI-powered content and image generation platform that will change how businesses engage their audiences.

These consolidated financial statements (the “financial statements”) have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business.

As at September 30, 2023, the Company had cash of \$239,329 (March 31, 2023: \$500,396), working capital deficit of \$284,879 (March 31, 2023: working capital of \$26,808) and an accumulated deficit of \$23,340,556 (March 31, 2023: \$23,001,584). The ability of the Company to continue as a going concern is dependent on achieving profitable operations, positive operating cash flows and obtaining the necessary financing to develop the current products (Note 13 – Capital Management). The outcome of these matters cannot be predicted at this time. The Company will continue to review the prospects of raising additional debt and equity financing to support its operations until such time that its operations become self-sustaining, to fund its research and development activities and to ensure the realization of its assets and discharge of its liabilities. While the Company is exerting its best efforts to achieve the above plans, there is no assurance that any such activity will generate sufficient funds for future operations. These factors indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern.

Good Gamer Entertainment Inc.

Notes to Interim Condensed Consolidated Financial Statements

As at and for the periods ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

2. BASIS OF PREPARATION

2.1 Basis of consolidation

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments, which are measured at fair value. In addition, the financial statements have been prepared using the accrual basis of accounting, except for the cash flow information.

The consolidated financial statements are presented in Canadian dollars and include the accounts of the Company and its wholly-owned subsidiaries, each having a functional currency.

<u>Entity</u>	<u>Country of Incorporation</u>	<u>Parent Company</u>	<u>Effective Interest</u>
Good Gamer Corp.	Canada	GGE	100%
Perk Power Inc.	Canada	GGC	100%
Good Gamer US	USA	GGC	100%
Good Gamer India Private Ltd	India	GGC	99% (discontinued – Note 18)

All intercompany transactions and balances have been eliminated on consolidation. The Company attributes total comprehensive income (loss) of subsidiaries between the owners of the parent and the non-controlling interest based on their respective ownership interests.

2.2 Basis of presentation

The financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value, as outlined in Note 17. In addition, the financial statements have been prepared using the accrual basis for accounting, except for cash flow information. The financial statements are presented in Canadian dollars, except where otherwise indicated.

2.3 Statement of compliance

The financial statements of the Company have been prepared in accordance with International Accounting Standards (“IAS”) 34 ‘Interim Financial Reporting’ using accounting policies consistent with IFRS issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The financial statements follow the same accounting policies and methods of application as the Company’s most recent audited annual consolidated financial statements. These condensed interim financial statements do not contain all of the information required for full annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the Company’s March 31, 2023 audited annual consolidated financial statements. The interim financial statements were approved and authorized for issue in accordance with a resolution from the Board of Directors on November 24, 2023.

2.4 Significant accounting judgments, estimates and assumptions

The preparation of the Company’s financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Good Gamer Entertainment Inc.

Notes to Interim Condensed Consolidated Financial Statements

As at and for the periods ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

2. BASIS OF PREPARATION (continued...)

2.5 Significant accounting judgments, estimates and assumptions (continued...)

Critical judgements

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company, as previously discussed in Note 1, as well as the determination of functional currency for each entity within the Company. The functional currency for the parent company and Perk Power Inc. has been determined to be the Canadian dollar, the functional currency of Good Gamer India Private Limited is the Rupee, while Good Gamer Corp. (US) is the US Dollar.

Key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of assets and liabilities at the date of the financial statements, and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

Significant estimates made by management affecting the financial statements include:

Deferred tax assets and liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income, which in turn is dependent upon a successful operation. To the extent that the management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities; and deferred income tax provisions or recoveries could be affected.

Useful life of intangible assets

Finite lived intangible assets consist of domain name and game assets. The useful life used to amortize domain names and game assets relates to the future performance of the assets, and management's judgment of the period over which economic benefit will be derived from these assets. The useful life is determined by management and is regularly reviewed for appropriateness. The amortization of the Company's intangible assets begins when the assets are available for use. The useful life is determined based on management's experience and anticipation of future events which may impact their life, such as changes in technology.

Impairment of assets

The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

Good Gamer Entertainment Inc.

Notes to Interim Condensed Consolidated Financial Statements

As at and for the periods ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

2. BASIS OF PREPARATION (continued...)

2.5 Significant accounting judgments, estimates and assumptions (continued...)

Share-based compensation

Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility, and dividend yield, and making assumptions about them.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash

Cash consists of cash held at major financial institutions and is subject to insignificant risk of changes in value.

3.2 Foreign exchange

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency for the parent company and Perk Power Inc. has been determined to be the Canadian dollar, the functional currency of Good Gamer India Private Limited is the Rupee, and Good Gamer Corp. (US) is the US dollar.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate. Exchange gains and losses arising from translation are included in other comprehensive income (loss).

3.3 Impairment

At each financial position reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use, which is the present value of future cash flows expected to be derived from the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

For the purposes of impairment testing, long-lived assets are allocated to cash-generating units to which the operating activity relates. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but the increased or updated carrying amount should not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Good Gamer Entertainment Inc.

Notes to Interim Condensed Consolidated Financial Statements

As at and for the periods ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)

3.4 Revenue recognition

The Company's accounting policy for revenue recognition follows IFRS 15 under a five-step model to determine the amount and timing of revenues to be recognized: 1. Identifying the contract with a customer; 2. Identifying the performance obligations within the contract; 3. Determining the transaction price; 4. Allocating the transaction price to the performance obligations; and 5. Recognizing revenue when performance obligation(s) are satisfied. Revenue is recognized when the amount of revenue can be measured reliably, the economic benefits associated with the revenue will flow into the Company, the stage of completion can be measured reliably, and the costs incurred for the transaction can be measured reliably.

The Company generates revenue from selling display advertisements on websites. The Company enters into contracts that generally include one type of distinct product. The Company recognizes revenue at a point in time when the advertisement is displayed by the customer.

The Company, through its subsidiary, Good Gamer Corp. (CA), generates revenues from digital development contract with the third party for multiple blockchain applications: "Chosen Ones" non-fungible tokens ("NFTs"), artwork, characters and a Play-to-Earn ("P2E") NFT-based blockchain game. The Company builds concept arts to create NFTs including a non-exclusive license to the Company's character generator, NFT minting engine, gallery and smart contract generator. The Company recognizes revenues when these performance obligations are completed subject to the third-party completion of the NFT artwork, minting and selling it as covered by signed terms of agreement.

The Company, through its subsidiary, Good Gamer Corp. (US), also generates revenues from third parties for the offer walls, video advertising and display advertising running through the PlayCash app. The Company recognizes monthly revenues from each third-party partner based on the data reported on their own platform. These are covered by terms of use agreement agreed to upon sign up with each third-party partner.

The Company, through its subsidiary, Boost Interactive Inc., generates revenues from assisting a third-party company in optimizing and driving traffic to their own websites. Monthly revenues are recognized based on actual customer traffic as reported on their own platform. These terms are covered by a signed agreement.

3.5 Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net income (loss) applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings (loss) per common share is computed by dividing the net income (loss) applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

Good Gamer Entertainment Inc.

Notes to Interim Condensed Consolidated Financial Statements

As at and for the periods ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)

3.6 Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a private placement to be the more easily measurable component; and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

3.7 Equipment

Equipment is carried at cost less accumulated depreciation, and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, and an initial estimate of the costs of dismantling, removing the item and restoring the site on which it is located. Depreciation is provided at rates calculated to write off the cost of equipment, less its estimated residual value, using the rates and methods below:

<u>Equipment</u>	<u>Useful life</u>	<u>Measurement</u>
Computer equipment	36 months	Straight line

3.8 Intangible assets

Intangible assets are carried at cost less accumulated amortization, and any accumulated impairment losses. Development costs incurred prior to the establishment of technical feasibility and commercial viability of a software and prior to a decision to sell it to the market are charged to operations.

Intangible assets in the consolidated statements of financial position consist of domains and games acquired from third party vendors. Intangible assets that will be acquired in a business combination will be recognized separately from goodwill and will initially be recognized at their fair value at the acquisition date (which is regarded as their cost). An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Accordingly, the Company does not amortize these intangible assets, but reviews them for impairment, annually or more frequently if events or changes in circumstances indicate that the assets might be impaired.

Development costs for internally generated intangible assets are capitalized when all of the following conditions are met:

- technical feasibility can be demonstrated;
- management has the intention to complete the intangible asset and use it;
- management can demonstrate the ability to use the intangible asset;
- it is probable that the intangible asset will generate future economic benefits;
- the Company can demonstrate the availability of adequate technical, financial and other resources to complete the development and to use the intangible asset; and
- costs attributable to the asset can be measured reliably.

Good Gamer Entertainment Inc.

Notes to Interim Condensed Consolidated Financial Statements

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(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)

3.8 Intangible assets (continued...)

The amount initially recognized for internally generated intangible assets is the sum of the expenditures incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognized, development expenditures are charged to the consolidated statements of loss and comprehensive loss in the period in which they are incurred.

Intangible assets with finite useful lives are carried at cost less accumulated amortization and any accumulated impairment losses. Amortization for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Amortization commences when the intangible assets are available for use. The following useful lives are applied:

<u>Intangible asset</u>	<u>Useful life</u>	<u>Amortization method</u>
Domain names	10 years	Straight line
Games	2 years	Straight line

3.9 Income taxes

Income tax on profit or loss for the year comprises of current and deferred tax. Current tax is the expected tax paid or payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax paid or payable in respect of previous years.

Deferred tax is recorded by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. The effect on deferred tax assets and liabilities of a change in income tax rates is recognized in the period that includes the date of the enactment or substantive enactment of the change. Deferred tax assets and liabilities are presented separately except where there is a right of set-off within fiscal jurisdictions.

3.10 Financial instruments

Financial assets and financial liabilities are recognized on the consolidated statements of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI"), or at an amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be

Good Gamer Entertainment Inc.

Notes to Interim Condensed Consolidated Financial Statements

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(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)

3.10 Financial instruments (continued...)

measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income is calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Loans with below market interest rates

In the case of a loan from investors to the Company that pays interest at less than the market rate, the difference between the loan amount and the fair value (discount or premium) is recorded as part of the contributed surplus account.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses.

The Company shall recognize in the consolidated statement of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)

3.10 Financial instruments (continued...)

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes financial liabilities when its contractual obligations are discharged, canceled, or expired. The Company also derecognizes a financial liability when the terms of the liability are modified, such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

The Company's financial assets and liabilities are recorded and measured as follows:

<u>Asset or Liability</u>	<u>Category</u>
Cash	FVTPL
Accounts receivable	Amortized cost
Due from related party	Amortized cost
Accounts payable	Amortized cost
Funds held in trust for users	Amortized cost
Loans payable and due to shareholder	Amortized cost

3.11 Impairment of financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of the asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in a separate line item. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)

3.12 Leases

On January 1, 2019, the Company adopted IFRS 16 – Leases (“IFRS 16”). This new standard replaces IAS 17 “Leases” and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15. As at September 30, 2023 and March 31, 2023, the Company had no leases.

3.13 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

3.14 Share-based payments

The stock option plan allows Company directors, officers, employees, and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in shareholders’ equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from share-based payment reserve to share capital.

In situations where equity instruments are issued to non-employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted.

All equity-settled share-based payments are reflected in share-based payment reserves, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

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4. RECEIVABLES

As at September 30, 2023 and March 31, 2023, the Company has the following receivables:

	September 30, 2023		March 31, 2023	
Accounts receivable	\$	32,959	\$	43,386
GST receivable		-		13,203
	\$	32,959	\$	56,589

Accounts receivable are composed of trade receivables in the normal course of business with credit terms of 60-90 days. No allowance for bad debts have been recognized in for the period ended September 30, 2023 (March 31, 2023 - \$12,756).

5. PREPAID EXPENSES

As at September 30, 2023 and March 31, 2023, the prepaid expenses are composed of the following:

	September 30, 2023		March 31, 2023	
Marketing	\$	-	\$	2,771
Professional fees		-		16,564
Software subscriptions		612		8,634
Transfer agent and filing fees		6,470		-
User rewards		12,434		12,257
	\$	19,516	\$	40,226

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at September 30, 2023 and March 31, 2023, the Company has the following accounts payable balances:

	September 30, 2023		March 31, 2023	
Software and development	\$	312,594	\$	300,025
Operating		6,962		3,779
General & Administrative		102,032		96,628
Marketing		39,054		38,697
	\$	460,642	\$	439,129

As at September 30, 2023 and March 31, 2023, the Company has the following accrued liabilities balances:

	September 30, 2023		March 31, 2023	
General & Administrative	\$	70,705		100,643
	\$	70,705	\$	100,643

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7. PLAYCASH APP PROVISIONS

This account consists of the value of the PlayCash app coins awarded to the users for completion of certain objectives in the games. These can be converted into gift cards. As at September 30, 2023, the liability of \$13,571 (March 31, 2023 - \$11,826) refers to the remaining balance on the customers' account in the PlayCash app.

8. LOANS PAYABLE

As at September 30, 2023 and March 31, 2023, the Company has the following loans payable balances:

	September 30, 2023		March 31, 2023	
Loans Payable	\$	30,169	\$	18,428
	\$	30,169	\$	18,428

On March 1, 2023, the Company entered into a Line of Credit (LOC) Agreement with a company indirectly controlled by the CEO (Note 13) to facilitate financing of media and ad spending for a maximum credit facility of US\$500,000.

As at September 30, 2023, the Company has an outstanding loan payable of \$30,169 (March 31, 2023 - \$18,428) with an interest of 2% accrued monthly. Per agreed terms, the principal balance shall be due and payable on a rolling net 60 payment term basis. The Company will be in default if no payment is made 90 days after demand. The loan was subsequently paid after the period end.

9. CAPITAL STOCK

Share Capital

The Company is authorized to issue an unlimited number of common shares with no par value.

As at September 30, 2023 there were 13,024,324 common shares held in escrow. The common shares held in escrow are scheduled for release in accordance with the escrow agreement as follows: 10% on October 19, 2021, 15% on April 19, 2022, 15% on October 19, 2022, 15% on April 19, 2023, 15% on October 19, 2023, 15% on April 19, 2024 and 15% on October 19, 2024.

During the period ended September 30, 2023, there are no share capital transactions.

During the year ended March 31, 2023, the Company canceled 15,180 common shares from a discrepancy error from the Company's change in transfer agents.

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9. CAPITAL STOCK (continued...)

Stock Options

The Company maintains a stock option plan (“SOP”) under which directors, officers, employees and consultants of the Company (the “Grantees”) and its affiliates are eligible to receive stock options. Pursuant to the SOP, the Board of Directors may in its discretion grant to eligible Grantees, the option to purchase common shares at the fixed price over a defined future period. The options vest at the discretion of the Board of Directors. As of September 30, 2023, there are a total of 4,215,219 (March 31, 2023 – 4,185,219) remaining stock options available for granting under the SOP.

The SOP is intended to enhance the Company’s ability to attract and retain highly qualified officers, directors, key employees and consultants, and to motivate such persons to serve the Company and to expend maximum effort to improve the business results and earnings of the Company, by providing to such persons an opportunity to acquire or increase a direct proprietary interest in the operations and future success of the Company. Each Option shall expire not later than 10 years from the day on which the Option is granted.

During the period ended September 30, 2023, the Company had the following stock options transactions:

- Share-based payment of \$30,051 was recognized during the period ended September 30, 2023 (2022 – 187,204).

During the year ended March 31, 2023, the Company had the following stock options transactions:

- 30,000 options exercisable at \$0.25 per share, 100,000 options exercisable at \$0.50 per share, 100,000 options exercisable at \$0.55 per share, and 653,750 options exercisable at \$0.57 per share were forfeited, and 3,750 options exercisable at \$0.57 per share expired unexercised.
- On August 15, 2022, the Company granted 400,000 stock options to a consultant. The options are exercisable at \$0.10 per share within a period of five years from the date of grant. The options vest evenly quarterly for three years starting August 15, 2023. In accordance with IFRS 2 Share-based Payment, the value of options is expensed over the vesting period.

A summary of changes in the Company’s stock options outstanding as at September 30, 2023 and March 31, 2023 is as follows:

	Number of options	Weighted average exercise price
Balance, March 31, 2022	4,797,500	\$ 0.33
Issued	400,000	\$ 0.10
Expired	(3,750)	\$ 0.57
Forfeited	(883,750)	\$ 0.55
Balance, March 31, 2023	4,310,000	\$ 0.26
Forfeited	(30,000)	\$ 0.25
Balance, September 30, 2023	4,280,000	\$ 0.26

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9. CAPITAL STOCK (continued...)

Stock Options (continued...)

Details of options outstanding as at September 30, 2023 are as follows:

Expiry Date	Exercise Price	Remaining Life (Years)	Number of Options	
			Issued and Outstanding	Number of Options Exercisable
October 15, 2025	\$ 0.25	2.04	3,580,000	2,940,000
November 24, 2025	\$ 0.57	2.15	300,000	175,000
August 14, 2027	\$ 0.10	3.88	400,000	33,333
	\$ 0.26	2.22	4,280,000	3,148,333

Details of options outstanding as at March 31, 2023 are as follows:

Expiry Date	Exercise Price	Remaining Life (Years)	Number of Options	
			Issued and Outstanding	Number of Options Exercisable
October 15, 2025	\$ 0.25	2.55	3,610,000	2,627,500
November 23, 2025	\$ 0.57	2.65	50,000	25,000
November 24, 2025	\$ 0.57	2.65	250,000	62,500
August 14, 2027	\$ 0.10	4.38	400,000	-
	\$ 0.26	2.72	4,310,000	2,715,000

There were no additional options granted during the period ended September 30, 2023 (March 31, 2023 - 400,000 with fair value of \$33,755). The Company uses the Black-Scholes option pricing model with the following assumptions:

	September 30, 2023	March 31, 2023
Volatility rate	-	100%
Risk-free rate	-	2.94%
Forfeiture rate	-	0%
Exercise price	-	\$0.10
Dividend yield rate	-	0%
Weighted average expected life	-	5 years

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9. CAPITAL STOCK (continued...)

Warrants

During the period ended September 30, 2023, 500,000 warrants exercisable at \$0.40 per share expired unexercised.

During the year ended March 31, 2023, 459,937 warrants exercisable at \$0.40 per share and 6,632,664 warrants exercisable at \$1.00 per share expired unexercised.

A summary of changes in the Company's warrants during the period ended September 30, 2023 and year ended March 31, 2023 is as follows:

	Number of warrants	Weighted average exercise price
Balance, March 31, 2022	13,592,601	0.94
Expired	(7,092,601)	0.96
Balance, March 31, 2023	6,500,000	0.86
Expired	(500,000)	0.4
Balance, September 30, 2023	6,000,000	0.86

Details of warrants outstanding as at September 30, 2023 are as follows:

Expiry Date	Exercise Price	Contractual Life (Years)	Number of Warrants Outstanding	Number of Warrants Exercisable
October 1, 2023	\$1.00	0.00	5,000,000	5,000,000
October 15, 2023	\$0.40	0.04	1,000,000	1,000,000
	\$0.90	0.01	6,000,000	6,000,000

Details of warrants outstanding as at March 31, 2023 are as follows:

Expiry Date	Exercise Price	Contractual Life (Years)	Number of Warrants Outstanding	Number of Warrants Exercisable
October 1, 2023	\$1.00	0.50	5,000,000	5,000,000
June 1, 2023	\$0.40	0.17	500,000	500,000
October 15, 2023	\$0.40	0.54	1,000,000	1,000,000
	\$0.86	0.41	6,500,000	6,500,000

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10. RELATED PARTY TRANSACTIONS

Key management personnel include those people who have authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key Management personnel include the Company's executive officers and Board of Director members. Related party transactions impacting the financial statements are summarized below and include transactions with the following individuals or entities:

Transactions with related parties:	For 6 months ended		For 3 months ended	
	September 30, 2022	September 30, 2022	September 30, 2022	September 30, 2022
Management fees were accrued or (paid) to:				
CEO	\$ 52,500	\$60,000	\$ 21,000	\$35,000
CFO	31,500	30,000	16,500	15,000
Directors fees	13,680	15,000	6,930	7,500
Professional fees were accrued or (paid) to:				
CEO	3,000	-	1,500	-
CFO	13,462	10,324	10,054	225
Corporate Secretary	17,850	18,500	8,850	9,000
Share-based compensations were accrued or (paid) to:				
CEO	193	-	193	-
CFO	4,439	22,901	(1,982)	11,513
VP of Operations India	64	-	64	-
Corporate Secretary	2,959	15,267	(1,322)	7,675
Directors	643	132,446	(906)	66,585
Other expenses accrued or (paid) to companies controlled by CEO	32,826	4,731	(29,203)	-
	\$ 173,116	\$309,169	\$31,678	\$152,498

The other expenses due to the companies controlled by the CEO pertain to the following:

	For 6 months ended		For 3 months ended	
	September 30, 2022	September 30, 2022	September 30, 2022	September 30, 2022
Advertising	\$ 340	\$ 4,731	\$ -	\$ -
Lease	6,300	-	4,800	-
Search monetization media buys	26,186	-	(34,003)	-
	\$ 32,826	\$ 4,731	\$(29,203)	\$ -

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10. RELATED PARTY TRANSACTIONS (continued...)

Balances with related parties:	September 30, 2023	March 31, 2023
Accounts payable to companies with common directors:		
CEO	\$ 4,000	\$ 6,245
Corporate Secretary	5,250	5,500
VP of Operations India	-	692
Accrued liabilities to companies with common directors:		
CEO	30,000	30,000
CFO	4,863	2,883
Loans payable to companies with common directors:		
CEO	30,169	18,428
	\$ 74,282	\$ 63,748

11. BREAKDOWN OF EXPENSES AND OTHER INCOME

Following is a breakdown of software and development expenses for the periods ended September 30, 2023 and 2022:

SOFTWARE AND DEVELOPMENT EXPENSES	For the 6-months ended		For the 3-months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Amortization (Notes 7 and 8)	\$ -	\$ 1,083	\$ -	\$ 541
Professional fees	38,534	171,488	1,507	53,417
Salaries and wages	26,070	68,338	11,084	29,279
Share-based payments	19,099	2,103	14,939	2,103
Total software and development expenses	\$ 83,703	\$ 243,012	\$ 27,530	\$ 85,340

Following is a breakdown of operating expenses for the periods ended September 30, 2023 and 2022:

OPERATING EXPENSES	For the 6-months ended		For the 3-months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Amortization (Notes 7 and 8)	\$ -	\$ 1,029	\$ -	\$ 499
Interest and bank charges (Note 10)	5,006	5,309	1,715	2,110
Professional fees	1,451	2,023	396	1,163
SaaS, Internet, & Domains	26,842	152,044	7,296	70,085
Total operating expenses	\$ 33,299	\$ 160,405	\$ 9,407	\$ 73,857

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11. BREAKDOWN OF EXPENSES AND OTHER INCOME (continued...)

Following is a breakdown of general and administrative expenses for the periods ended September 30, 2023 and 2022:

GENERAL & ADMINISTRATIVE EXPENSES	For the 6-months ended		For the 3-months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Office and miscellaneous	\$ 35,420	\$ 122,054	\$ 14,436	\$ 63,385
Management fees (Note 13)	97,680	112,166	44,430	60,836
Professional fees (Note 13)	61,162	72,811	37,160	18,660
Salaries and wages (Note 13)	15,568	50,786	7,296	17,854
Share-based payments (Note 13)	14,475	185,101	2,224	90,442
Transfer agent and filing fees	3,427	6,500	807	836
Total general & administrative expenses	\$ 227,732	\$ 549,418	\$ 106,353	\$ 252,013

Following is a breakdown of marketing expenses for the periods ended September 30, 2023 and 2022:

MARKETING EXPENSES	For the 6-months ended		For the 3-months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Product Marketing	\$ 14,586	\$ 18,474	\$ 8,841	\$ 13,254
Corporate Marketing	-	44,304	-	3,931
Total marketing expenses	\$ 14,586	\$ 62,778	\$ 8,841	\$ 17,185

Following is a breakdown of other income (expenses) for the periods ended September 30, 2023 and 2022:

OTHER INCOME (EXPENSES)	For the 6-months ended		For the 3-months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Interest income	\$ -	\$ 7,070	\$ -	\$ 4,642
Penalties and Interest	-	-	1,947	-
Gain on foreign exchange	4,834	(14,030)	4,941	(10,082)
Impairment loss	-	(2,445)	-	(2,445)
Total other income (expenses)	\$ 4,834	\$ (9,405)	\$ 6,888	\$ (7,885)

12. NON-CASH TRANSACTIONS AFFECTING THE STATEMENT OF CASH FLOWS

During the period ended September 30, 2023, the Company had a share-based compensation in loss and comprehensive loss of \$30,051 (March 31, 2023 - \$196,104) affecting the operating activities.

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13. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its components of equity.

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.

In order to maximize ongoing capital management efforts, the Company does not pay out dividends. Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company.

The Company currently is not subject to externally imposed capital requirements. There have been no changes in the Company's management of capital during the year.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair values

The Company's financial instruments are cash, receivables, accounts payable, loans payable, PlayCash app provisions, and due from related parties. The fair value of the Company's receivables, accounts payable, PlayCash app provisions, and the loans payable amount approximate carrying value, due to their short terms to maturity. The Company's cash is measured at fair value under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

The Company determines the fair value of financial instruments according to the following hierarchy:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

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14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued...)

The following table represents assets and liabilities that are measured and recognized at fair value as of September 30, 2023, and March 31, 2023 on a recurring basis:

	Level 1	Level 2	Level 3
	\$	\$	\$
September 30, 2023			
Cash	239,329	-	-
Accounts receivable	-	32,959	-
Accounts payable	-	(460,642)	-
Playcash app provisions	-	(13,571)	-
Loans Payable	-	(30,169)	-
GST payable	-	(1,596)	-
Total	239,329	(473,019)	-
March 31, 2023			
Cash	500,396	-	-
Accounts receivable	-	43,386	-
GST receivable	-	13,203	-
Due from related parties	-	-	-
Accounts payable	-	(439,129)	-
Playcash app provisions	-	(11,826)	-
Loans Payable	-	(18,428)	-
Total	500,396	(412,794)	-

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, and market risk.

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.

Financial instruments that potentially subject the Company to credit risk consist of cash and amounts due from related parties. The Company deposits cash with high credit quality financial institutions as determined by rating agencies. As a result, the Company is not subject to significant credit risk on its cash. The credit risk associated with the receivables is limited to its value of \$32,959.

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 manages liquidity risk through its capital management as outlined in Note 16. The Company will need to raise additional capital in order to meet its obligations as they come due when necessary.

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14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued...)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a change in interest rates is minimal, as the Company does not have any variable interest rate investments or financial liabilities.

(b) Price risk

The Company is not exposed to price risk, as it has no investments in publicly traded securities as at September 30, 2023.

(c) Currency risk

The Company is exposed to currency risk on its financial instruments denominated in US dollars and Indian Rupees. As at September 30, 2023, the Company has net financial liabilities of approximately \$42,579 (March 31, 2023 –\$28,000) denominated in US dollars, net financial liabilities of approximately \$37,400 (March 31, 2023 - \$36,000) denominated in Euros, net financial liabilities of approximately \$95,800 (March 31, 2023 - \$63,400) denominated in British Pounds, and net financial liabilities of approximately \$6,830 (March 31, 2023 - \$6,500) denominated in Indian Rupees. A 10% change in the exchange rate of the U.S dollar, Euro, British Pound, and Indian Rupee over the Canadian dollar would result in a change in foreign exchange of approximately \$18,261 to net and comprehensive loss.

15. SEGMENTED INFORMATION

The Company's operations were in a single reporting operating segment until its incorporation of Good Gamer India ("GGI") and Good Gamer US ("GGUS"). With the addition of GGI and GGUS, the Company then had three (3) principal reporting segments: Canada, India and US. Operations of GGI were later discontinued in October 2021. The reportable segments were determined based on the geographical location of the expenditures and income. Reportable segments are defined as components of an enterprise about which discrete financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. During the 15-month ended March 31, 2022, it was determined that aside from geographical location, a division of revenues and costs based on the cash-generating units (CGUs), which essentially reflects the nature of services provided and goods sold better represents the information for strategic reporting purposes of the Company. As such, moving forward, the Company will have the following reportable segments: display advertisements, non-fungible tokens (NFTs), search monetization, chrome extensions, corporate and development, tournament management platform (TMP), PlayCash and Fantasy app.

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(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

15. SEGMENTED INFORMATION (continued...)

For the year ended September 30, 2023, the Company's financial results are as follows:

	Canada			USA	Total
	Search Monetization	Chrome Extensions	Corporate and development	PlayCash	
Revenues	\$ 131,676	\$ -	\$ -	\$ 6,762	138,438
Cost of sales	(120,948)	-	-	(1,987)	(122,935)
Gross Profit (Loss)	10,728	-	-	4,775	15,503
Software and development expenses	-	(25,147)	(51,196)	(7,360)	(83,703)
Operating expenses	-	-	(31,848)	(1,451)	(33,299)
General & Administrative expenses	-	-	(227,732)	-	(227,732)
Marketing expenses	-	-	(14,586)	-	(14,586)
Other income and expenses	-	-	4,835	-	4,835
Net loss	10,728	(25,147)	(320,527)	(4,036)	(338,982)

As at September 30, 2023, the Company's assets are as follows:

	Canada	USA	Total
	Corporate and development	PlayCash	
Prepaid expenses	19,516	-	19,516

For the year ended March 31, 2023, the Company's financial results are as follows:

	Canada					USA		Total
	Display Ads	NFT	Search Monetization	Chrome Extensions	Corporate and development	TMP	PlayCash	
Revenues	\$ 31	\$70,105	\$ 24,261	\$ -	\$ -	\$ -	\$ 44,490	\$ 138,887
Cost of sales	-	-	(20,286)	-	-	-	(38,158)	(58,444)
Gross Profit (Loss)	31	70,105	3,975	-	-	-	6,332	80,443
Software and development expenses	-	(43,833)	-	(43,703)	(21,567)	(6,179)	(231,140)	(346,422)
Operating expenses	-	-	-	-	(235,437)	-	(33,676)	(269,113)
General & Administrative expenses	-	-	-	-	(1,170,396)	-	(7,940)	(1,178,336)
Marketing expenses	-	(16,328)	(9,485)	-	(48,938)	-	(20,709)	(95,460)
Other income and expenses	-	(12,756)	-	-	(22,896)	-	-	(35,652)
Net loss	31	(2,812)	(5,510)	(43,703)	(1,499,234)	(6,179)	(287,133)	(1,844,540)

Good Gamer Entertainment Inc.

Notes to Interim Condensed Consolidated Financial Statements

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15. SEGMENTED INFORMATION (continued...)

As at March 31, 2023, the Company's assets are as follows:

	Canada	USA	
	Corporate and development	PlayCash	Total
Prepaid expenses	\$ 27,969	\$ 12,257	\$ 40,226

The Company has recognized revenues from three major customers for the period ended September 30, 2023.

Revenue	Customer	\$	%
PlayCash	Fyber	\$2,960	2%
PlayCash	Ironsource	3,802	3%
Search monetization	Alot Inc.	131,676	95%
		138,438	

Discontinued Operations

A discontinued operation is a component of the Company that either has been abandoned, disposed of, or is classified as held for sale, and: (i) represents a separate major line of business or geographical area of operation; (ii) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operation; or (iii) is a subsidiary acquired exclusively with a view to resell.

On October 1, 2021, the Company considered its GGI operations to have met the definition of discontinued operations and as such, assets, liabilities and results of operations that can be distinguished operationally and for financial reporting purposes from the rest of the Company have been terminated and reported separately in the financial statements. As at September 30, 2023, the liabilities from discontinued operations recognized in the consolidated statements of financial position relate to funds held in trust amounting to \$Nil (March 31, 2023 - \$377).

16. COMMITMENTS

On February 16, 2021, the Company entered into a license agreement with an arm's length party for the use of affiliate system software for the purpose of affiliate management and statistical recording and reporting. The contractual obligation is for 24 months ending March 31, 2023 and contract commitment is \$63,780 (GBP £37,200). On December 7, 2022, a judgment was made for the Company to pay GBP 56,774.43 including court's costs recorded as accounts payable plus daily interest of 0.035% totaling GBP 3,180 to date recorded as accrued interest in connection with the license agreement.

The Company has certain commitments related to key management with combined compensation for \$15,000 per month with no specific expiry of terms (Note 13).

On March 9, 2023, the Company's subsidiary Boost Interactive entered into a joint venture agreement with a third party for the purpose of accessing and maximizing the usage of their AI powered marketing platform for 24 months unless the Company can provide a notice of termination for at least 30 days but not more than 60 days. The agreement provides for a gross revenue share of 70% for the Company and 30% for the third party. As of the period ended September 30, 2023, the Company paid a total of \$11,246 (US\$8,374) recorded as search monetization cost of goods sold.

Good Gamer Entertainment Inc.

Notes to Interim Condensed Consolidated Financial Statements

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17. SUBSEQUENT EVENTS

On October 1, 2023 5,000,000 warrants exercisable at \$1.00 expired unexercised.

On October 15, 2023 1,000,000 warrants exercisable at \$0.40 expired unexercised.