

# GOODGAMER

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## Good Gamer Entertainment Inc.

### Consolidated Financial Statements

**For the year ended March 31, 2023**  
**And fifteen months ended March 31, 2022**  
*(in Canadian dollars)*

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**INDEPENDENT AUDITOR’S REPORT**

To the Shareholders and the Board of Directors of Good Gamer Entertainment Inc.

**Opinion on the Consolidated Financial Statements**

We have audited the consolidated financial statements of Good Gamer Entertainment Inc. and its subsidiaries (the “Company”), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (“IFRS”).

**Basis for Opinion**

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

**Material Uncertainty Related to Going Concern**

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred significant operating losses since inception and has an accumulated deficit of \$23,001,584 as at March 31, 2023. For the year ended March 31, 2023, the Company incurred a net loss of \$1,844,540 and comprehensive loss of \$1,836,704. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters, that in our professional judgement, were of most significance in our audit of the financial statements of the year ended March 31, 2023. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be a key audit matter to be communicated in our report. These matters were addressed in the context of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter   | How the Matter was Addressed in the Audit   |
|--|---|
| <p><b>Revenue recognition</b></p> <p>The Company’s disclosure related to revenue recognition is included in Note 3.</p> <p>For the year ended March 31, 2023, the Company recognized substantially all of its revenue of \$138,887 from three new revenue streams in Canada and the United States- NFT, and Search Monetization and PlayCash platform. NFT revenue is recognized at a point in time when the goods or services are transferred to the customer. Search Monetization and PlayCash platform revenues are recognized at a point in time when the services are transferred to the customer, based on revenue data reported on customers’ own platform end of each month. Significant judgment is involved in determining the reliability of customer’s data tracking on its platform.</p> <p>We considered this a key audit matter due to the significant judgments and assumptions made by management, who rely on customers having access to adequate controls on their own platforms and accurate data tracking to ensure revenue is recognized accurately. This in turn resulted in a high degree of auditor judgment, significant audit effort and subjectivity in performing procedures.</p> | <p>In obtaining sufficient audit evidence, we responded to this matter by performing procedures in relation to address this key audit matter. Our audit work in relation to this included, but was not restricted to, the following:</p> <ul style="list-style-type: none"> <li>• Reviewed revenue recognition memo in accordance to IFRS 15 for each revenue stream.</li> <li>• For a sample of revenue transactions throughout the year we performed detail transaction testing by agreeing the amounts recognized to source documents and tested the mathematical accuracy of the transaction.</li> <li>• Evaluated how management determined Search Monetization and PlayCash platform revenues and related receivables, which included the following: <ul style="list-style-type: none"> <li>○ Verified revenue recognized in the year through direct customer confirmations.</li> <li>○ Evaluated the reasonableness of estimated future collections by vouching subsequent collection to bank statements.</li> </ul> </li> <li>• Assessed the related disclosures in the consolidated financial statements.</li> </ul> |

## **Other Matter**

The financial statements of the Company for the year ended at March 31, 2022, were audited by another auditor who expressed an unmodified opinion on those statements on July 29, 2022.

## **Other Information**

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian securities commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also—

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ben Borgers.

B F Borgers CPA PC

July 31, 2023

Lakewood, Colorado, USA

## Good Gamer Entertainment Inc.

Consolidated Statements of Financial Position  
(Expressed in Canadian Dollars)

|  | March 31, 2023    | March 31, 2022      |
|--|-------------------|---------------------|
| <b>ASSETS</b>                                      |                   |                     |
| <b>Current assets</b>                              |                   |                     |
| Cash   | \$ 500,396        | \$ 1,582,654        |
| Accounts receivables (Note 5)                      | 43,386            | 449                 |
| GST receivable (Note 5)                            | 13,203            | 41,145              |
| Due from related parties (Note 5)                  | -                 | 3,174               |
| Prepaid expenses (Note 6)                          | 40,226            | 440,524             |
|  | <b>597,211</b>    | <b>2,067,946</b>    |
| <b>Non-Current Assets</b>                          |                   |                     |
| Equipment (Note 7)                                 | -                 | 4,685               |
| Intangible assets (Note 8)                         | -                 | 13,672              |
| <b>TOTAL ASSETS</b>                                | <b>\$ 597,211</b> | <b>\$ 2,086,303</b> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>        |                   |                     |
| <b>Current liabilities</b>                         |                   |                     |
| Accounts payable (Notes 9 and 13)                  | \$ 439,129        | \$ 333,022          |
| Accrued liabilities (Notes 9 and 13)               | 100,643           | 80,279              |
| PlayCash app provisions (Note 10)                  | 11,826            | -                   |
| Loans payable (Note 11)                            | 18,428            | 5,000               |
| Liabilities from discontinued operations (Note 18) | 377               | 594                 |
|  | <b>570,403</b>    | <b>418,895</b>      |
| <b>Equity</b>                                      |                   |                     |
| Share capital (Note 12)                            | 20,746,918        | 20,746,918          |
| Share-based payment reserve (Note 12)              | 2,278,269         | 2,082,165           |
| Accumulated other comprehensive income (loss)      | 4,951             | (2,885)             |
| Deficit  | (23,001,584)      | (21,157,044)        |
|  | <b>28,554</b>     | <b>1,669,154</b>    |
| Non-controlling interest                           | (1,746)           | (1,746)             |
| <b>Total Equity</b>                                | <b>26,808</b>     | <b>1,667,408</b>    |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>  | <b>\$ 597,211</b> | <b>\$ 2,086,303</b> |

Nature of Operations and Going Concern (Note 1)

Commitments (Note 21)

Subsequent Events (Note 22)

Approved and authorized for issue by the Board on July 28, 2023

On behalf of the Board:

“Russ McMeekin”

Director

“Howard Donaldson”

Director

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

## Good Gamer Entertainment Inc.

### Consolidated Statements of Net Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

|  | For the year ended |                    | For the fifteen-month ended |                     |
|--|--------------------|--------------------|-----------------------------|---------------------|
|  | March 31, 2023     |                    | March 31, 2022              |                     |
| <b>REVENUE</b>   |                    |                    |                             |                     |
| Revenues (Note 18)   | \$                 | 138,887            | \$                          | 1,025               |
|  |                    |                    |                             | -                   |
| <b>COST OF SALES</b>   |                    |                    |                             |                     |
| User rewards costs   |                    | 38,158             |                             | -                   |
| Search Monetization media buys and platform fees                     |                    | 20,286             |                             | -                   |
| <b>GROSS INCOME</b>  |                    | <b>80,443</b>      |                             | <b>1,025</b>        |
| <b>EXPENSES</b>  |                    |                    |                             |                     |
| Software and development expenses (Note 14)                          |                    | 346,422            |                             | 1,066,118           |
| Operating expenses (Note 14)   |                    | 269,113            |                             | 496,951             |
| General & Administrative expenses (Note 14)                          |                    | 1,178,336          |                             | 2,056,712           |
| Marketing expenses (Note 14)   |                    | 95,460             |                             | 160,987             |
| <b>Loss before other income (expenses)</b>                           |                    | <b>(1,808,888)</b> |                             | <b>(3,779,743)</b>  |
| Other income (expenses) (Note 14)                                    |                    | (35,652)           |                             | (14,521,661)        |
| <b>Net loss from continuing operations</b>                           |                    | <b>(1,844,540)</b> |                             | <b>(18,301,404)</b> |
| Loss from discontinued operations (Note 18)                          |                    | -                  |                             | (143,924)           |
| <b>Net loss</b>  | \$                 | <b>(1,844,540)</b> | \$                          | <b>(18,445,328)</b> |
| Foreign exchange translation adjustment                              |                    | 7,836              |                             | (992)               |
| <b>Comprehensive loss</b>  | \$                 | <b>(1,836,704)</b> | \$                          | <b>(18,446,320)</b> |
| <b>Allocation of net loss:</b>                                       |                    |                    |                             |                     |
| Equity holders of the parent   | \$                 | (1,844,540)        | \$                          | (18,443,891)        |
| Non-controlling interest   |                    | -                  |                             | (1,437)             |
| <b>Net loss</b>  | \$                 | <b>(1,844,540)</b> | \$                          | <b>(18,445,328)</b> |
| <b>Allocation of comprehensive loss:</b>                             |                    |                    |                             |                     |
| Equity holders of the parent   | \$                 | (1,836,704)        | \$                          | (18,444,883)        |
| Non-controlling interest   |                    | -                  |                             | (1,437)             |
| <b>Comprehensive loss</b>  | \$                 | <b>(1,836,704)</b> | \$                          | <b>(18,446,320)</b> |
| <b>Basic and diluted loss per share from continuing operations</b>   | \$                 | <b>(0.04)</b>      | \$                          | <b>(0.52)</b>       |
| <b>Basic and diluted loss per share from discontinued operations</b> |                    | -                  |                             | -                   |
| <b>Weighted average number of common shares outstanding</b>          |                    |                    |                             |                     |
| Basic and diluted  |                    | 42,567,576         |                             | 35,259,022          |

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

## Good Gamer Entertainment Inc.

Consolidated Statements of Changes in Shareholders' Equity (Deficit)  
(Expressed in Canadian Dollars)

|  | Number of<br>shares | Share<br>capital     | Subscription<br>receivable | Share-based<br>payment<br>reserve | Beneficial<br>interest<br>rate<br>reserve | Deficit                | Accumulated<br>Other<br>Comprehensive<br>Income | Non-<br>controlling<br>Interest | Total               |
|--|---------------------|----------------------|----------------------------|-----------------------------------|---|------------------------|---|---------------------------------|---------------------|
| <b>Balance at December 31, 2020</b>              | <b>29,693,908</b>   | <b>\$ 4,453,198</b>  | <b>\$ (267)</b>            | <b>\$ 132,149</b>                 | <b>\$ 14,576</b>                          | <b>\$ (2,713,153)</b>  | <b>\$ (1,893)</b>                               | <b>\$ (309)</b>                 | <b>\$ 1,884,301</b> |
| Share issuance on exercise of options            | 220,179             | 2,202                | 267                        | -                                 | -   | -                      | -   | -                               | 2,469               |
| Fair value of options exercised                  | -                   | 53,003               | -                          | (53,003)                          | -   | -                      | -   | -                               | -                   |
| Settlement of debt with beneficial interest rate | -                   | -                    | -                          | -                                 | (14,576)                                  | -                      | -   | -                               | (14,576)            |
| Shares issued for debt settlement                | 500,000             | 200,000              | -                          | -                                 | -   | -                      | -   | -                               | 200,000             |
| Eliminate pre-RTO shares of Good Gamer Corp.     | (30,414,087)        | -                    | -                          | -                                 | -   | -                      | -   | -                               | -                   |
| Common Shares issued to former shareholders      | 30,414,090          | 12,165,635           | -                          | -                                 | -   | -                      | -   | -                               | 12,165,635          |
| Shares of Credent Capital Corp. on date of RTO   | 865,000             | -                    | -                          | -                                 | -   | -                      | -   | -                               | -                   |
| Private Placement                                | 10,000,000          | 4,000,000            | -                          | -                                 | -   | -                      | -   | -                               | 4,000,000           |
| Common Shares issued as finders' fees            | 1,000,000           | 400,000<br>(400,000) | -                          | -                                 | -   | -                      | -   | -                               | -                   |
| Finders' warrants                                | -                   | (66,711)             | -                          | 66,711                            | -   | -                      | -   | -                               | -                   |
| Shares issuance costs                            | -                   | (195,975)            | -                          | -                                 | -   | -                      | -   | -                               | (195,975)           |
| Shares issued on settlement of debt              | 212,000             | 84,800               | -                          | -                                 | -   | -                      | -   | -                               | 84,800              |
| Share-based compensation                         | -                   | -                    | -                          | 691,228                           | -   | -                      | -   | -                               | 691,228             |
| Share-based compensation on replacement options  | -                   | -                    | -                          | 1,272,929                         | -   | -                      | -   | -                               | 1,272,929           |
| Share issuances on exercised options             | 91,666              | 22,917               | -                          | -                                 | -   | -                      | -   | -                               | 22,917              |
| Fair value of options exercised                  | -                   | 27,849               | -                          | (27,849)                          | -   | -                      | -   | -                               | -                   |
| Net loss for the period                          | -                   | -                    | -                          | -                                 | -   | (18,443,891)           | -   | (1,437)                         | (18,445,328)        |
| Foreign currency translation loss                | -                   | -                    | -                          | -                                 | -   | -                      | (992)   | -                               | (992)               |
| <b>Balance at March 31, 2022</b>                 | <b>42,582,756</b>   | <b>\$20,746,918</b>  | <b>\$ -</b>                | <b>\$ 2,082,165</b>               | <b>\$ -</b>                               | <b>\$ (21,157,044)</b> | <b>\$ (2,885)</b>                               | <b>\$ (1,746)</b>               | <b>\$ 1,667,408</b> |
| Canceled shares issued in error                  | (15,180)            | -                    | -                          | -                                 | -   | -                      | -   | -                               | -                   |
| Share-based compensation                         | -                   | -                    | -                          | 196,104                           | -   | -                      | -   | -                               | 196,104             |
| Net loss for the period                          | -                   | -                    | -                          | -                                 | -   | (1,844,540)            | -   | -                               | (1,844,540)         |
| Foreign currency translation gain                | -                   | -                    | -                          | -                                 | -   | -                      | 7,836   | -                               | 7,836               |
| <b>Balance at March 31, 2023</b>                 | <b>42,567,576</b>   | <b>\$20,746,918</b>  | <b>\$ -</b>                | <b>\$ 2,278,269</b>               | <b>\$ -</b>                               | <b>\$ (23,001,584)</b> | <b>\$ 4,951</b>                                 | <b>\$ (1,746)</b>               | <b>\$ 26,808</b>    |

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

## Good Gamer Entertainment Inc.

### Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

|  | For the year ended | For the fifteen- |
|--|--------------------|------------------|
|  | March 31, 2023     | months ended     |
|  | March 31, 2023     | March 31, 2022   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                      |                    |                  |
| Net loss from continuing operations                              | \$ (1,844,540)     | \$ (18,301,404)  |
| Items not affecting cash   |                    |                  |
| Amortization   | 3,017              | 237,728          |
| Accretion on notes payable                                       | -                  | 3,750            |
| Interest accrued on notes payable                                | -                  | 10,759           |
| Share-based payments   | 196,104            | 691,228          |
| Foreign exchange   | -                  | (14,510)         |
| Impairment loss  | 15,340             | 1,002,741        |
| Listing expense  | -                  | 13,472,873       |
| Change in non-cash working capital items:                        |                    |                  |
| Account receivables  | (42,937)           | 72,089           |
| GST receivable   | 27,942             | (1,145)          |
| Due from related parties   | 3,174              | -                |
| Prepaid expenses   | 400,298            | (27,539)         |
| Accounts payable   | 106,107            | (118,346)        |
| Accrued liabilities  | 20,364             | 36,117           |
| Playcash app provisions  | 11,826             | (13,208)         |
| Net cash used in operating activities in continued operations    | (1,103,305)        | (2,948,867)      |
| Net cash used in operating activities in discontinued operations | -                  | (143,330)        |
| Net cash used in operating activities                            | (1,103,305)        | (3,092,197)      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                      |                    |                  |
| Purchase of computer equipment                                   | -                  | (2,451)          |
| Reverse Takeover Transaction                                     | -                  | 50,491           |
| Net cash provided by investing activities                        | -                  | 48,040           |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                      |                    |                  |
| Loan repayment (Note 11)   | (5,000)            | -                |
| Loan from the Line of Credit (Note 11)                           | 18,428             | -                |
| Shares issued for cash   | -                  | 4,025,119        |
| Share issuance costs   | -                  | (195,975)        |
| Share subscriptions received in advance                          | -                  | 267              |
| Net cash provided by financing activities                        | 13,428             | 3,829,411        |
| Effects of foreign currency exchange rate changes                | 7,619              | (990)            |
| Change in cash for the period                                    | (1,082,258)        | 784,264          |
| Cash – beginning of period                                       | 1,582,654          | 798,390          |
| Cash - end of period   | \$ 500,396         | \$ 1,582,654     |
| <b>Cash paid for</b>   |                    |                  |
| Interest   | \$ -               | \$ -             |
| Taxes  | \$ -               | \$ -             |

Refer to Note 15 for non-cash transactions affecting cash flows from investing and financing activities.

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

# Good Gamer Entertainment Inc.

Notes to the Consolidated Financial Statements

As at and for the year ended March 31, 2023 and 15 months ended March 31, 2022

(Expressed in Canadian Dollars)

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## 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 764 – 1055 Dunsmuir Street, Vancouver, BC, V7X 1L3.

On October 15, 2021, the Company completed its acquisition of Good Gamer Corp. (“GGC”) based on which the Company acquired all of the issued and outstanding shares in the capital of GGC, via a reverse takeover transaction (the “Transaction”) (Note 4). Upon completion of the Transaction, GGC became a wholly owned subsidiary of the Company, the resulting issuer and the Company carried on the previous business of GGC. In connection with the Transaction, the Company changed its name to “Good Gamer Entertainment Inc.” and 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”). The Shares commenced trading on the TSX-V under the new ticker symbol “GOOD” on October 21, 2021. Upon completion of the Transaction, the Board of Directors filed a change of year end to change the Company’s year end from April 30 to March 31, effective for the year ended March 31, 2022.

The Company’s previous principal business was the identification, evaluation, and negotiation for the acquisition of assets or a business subject to a receipt of shareholders’ approval and acceptance by regulatory authorities for the purpose of obtaining a listing on the TSX-V and becoming an issuer. With the acquisition of GGC, the Company’s principal business activity changed to operating an online play-to-earn game discovery and entertainment platform in Canada and the United States.

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 March 31, 2023, the Company had cash of \$500,396 (March 31, 2022: \$1,582,654), working capital of 26,808 (March 31, 2022: \$1,649,051) and an accumulated deficit of \$23,001,584 (March 31, 2022: \$21,157,044). The Company’s solvency, its ability to meet its liabilities as they become due, and to continue its operations, is dependent on continued funding provided by investors. There is no assurance that the Company will receive such funding, or that the funding will be on terms favorable to the Company. If the Company is unable to raise additional capital in the future, the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures or cease operations. These conditions may cast significant doubt upon the Company’s ability to continue as a going concern. These consolidated financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

# Good Gamer Entertainment Inc.

Notes to the Consolidated Financial Statements

As at and for the year ended March 31, 2023 and 15 months ended March 31, 2022

(Expressed in Canadian Dollars)

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## 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 Limited | India                           | GGC                   | 99% (discontinued – Note 17) |

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 the 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

These consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”), and the interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The accounting policies set out in Note 3 have been applied consistently to all periods presented in these consolidated financial statements. The financial statements were approved and authorized for issue in accordance with a resolution from the Board of Directors on July 28, 2023.

### 2.4 Change of fiscal year end

The current 2023 consolidated financial statements are prepared for 12 months from April 01, 2022 to March 31, 2023, while the 2022 financial statements were prepared for 15 months from January 01, 2021 to March 31, 2022 following the previous change in the Company’s fiscal year end from December 31 to March 31. Accordingly, the figures stated in the statements of comprehensive loss, changes in shareholders’ equity, and cash flow and the related notes might not be comparable.

## Good Gamer Entertainment Inc.

Notes to the Consolidated Financial Statements

As at and for the year ended March 31, 2023 and 15 months ended March 31, 2022

(Expressed in Canadian Dollars)

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### 2. BASIS OF PREPARATION (continued...)

#### 2.5 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.

##### 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.

## Good Gamer Entertainment Inc.

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### 2. BASIS OF PREPARATION (continued...)

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

##### *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.

##### *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).

# Good Gamer Entertainment Inc.

Notes to the Consolidated Financial Statements

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

### 3.3 Impairment

At each financial position reporting date, the carrying amounts of the Company's long-lived 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.

### 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 to 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.

# Good Gamer Entertainment Inc.

Notes to the Consolidated Financial Statements

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

### 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.

### 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

## Good Gamer Entertainment Inc.

Notes to the Consolidated Financial Statements

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

#### 3.8 Intangible assets (continued...)

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.

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.

## Good Gamer Entertainment Inc.

Notes to the Consolidated Financial Statements

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(Expressed in Canadian Dollars)

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

#### 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 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.

# Good Gamer Entertainment Inc.

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

### 3.10 Financial instruments (continued...)

#### 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.

#### 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  |

# Good Gamer Entertainment Inc.

Notes to the Consolidated Financial Statements

As at and for the year ended March 31, 2023 and 15 months ended March 31, 2022

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

### 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.

### 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 March 31, 2023 and March 31, 2022, 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.

## Good Gamer Entertainment Inc.

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

#### 3.14 Share-based payments (continued...)

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.

### 4. REVERSE TAKEOVER TRANSACTION

On October 15, 2021, the Company completed its acquisition of Good Gamer Corp. (“GGC”) based on which the Company acquired all of the issued and outstanding shares in the capital of GGC, via a reverse takeover transaction (the “Transaction”). Upon completion of the Transaction, GGC became a wholly owned subsidiary of the Company, changed its name to “Good Gamer Entertainment Inc.”, and consolidated the common shares of the Company. The Shares commenced trading on the TSX-V under the new ticker symbol “GOOD” on October 21, 2021.

In connection with the completion of the Transaction, the Company consolidated its common shares on a 5:1 basis, from 4,250,000 pre-consolidation shares to 850,000 post-consolidation shares (“post-consolidated shares”) outstanding immediately prior to completion of the Transaction. In exchange for all of the outstanding securities of GGC, the Company issued 30,429,090 post-consolidated common shares and 4,190,000 post consolidated stock options exercisable at \$0.25 per post-consolidation share of the Company, to the shareholders of GGC pursuant to the share exchange between the Company and the shareholders of GGC.

The Transaction constituted a reverse take-over of Credent Capital Corp. (former name of GGE), as the shareholders of GGC obtained control of a company that did not meet the definition of a business combination pursuant to IFRS 3 – Business Combinations. As such, the reverse take-over has been accounted for as a share-based transaction under IFRS 2 – Share-based Payment. Since GGC is the deemed acquirer for accounting purposes, these consolidated financial statements present the historical information and results of GGC.

Concurrent with the Transaction, the Company also completed a private placement resulting in the issuance of 10,000,000 subscription receipts (the “Subscription Receipts”) of the Company at \$0.40 per Subscription Receipt for gross proceeds of \$4,000,000 (the “Offering”). On completion of the Transaction, the Subscription Receipts were automatically converted into 10,000,000 common shares, and 5,000,000 common share purchase warrants of the Company. In conjunction with the Offering, the Company issued 1,000,000 common shares and 459,937 warrants (valued at \$66,711) to finders. Each warrant entitles the holder to acquire one common share of the Company at a price of \$1.00 per share for a period of 12 months from their date of issue.

## Good Gamer Entertainment Inc.

Notes to the Consolidated Financial Statements

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### 4. REVERSE TAKEOVER TRANSACTION (continued...)

The assets acquired and liabilities assumed at their fair value on the acquisition date are as follows:

| <b>Category</b>   | <b>Amount</b>        |
|---|----------------------|
| Cash  | \$ 57,263            |
| Sales tax receivable  | 726                  |
| Accounts payable  | (7,498)              |
| Payable to related parties  | (84,800)             |
| <b>Net assets (liabilities) acquired</b>  | <b>(34,309)</b>      |
| Fair value of 30,429,090 shares issued at \$0.40 per share to the shareholders of Good Gamer Corp.                              | 12,165,635           |
| Fair value of 4,190,000 stock options issued, exercisable at \$0.25 each to the shareholders, employees, and contractors of GGC | 1,272,929            |
| <b>Total consideration</b>  | <b>\$ 13,472,873</b> |
| <b>Listing expense</b>  | <b>\$ 13,472,873</b> |

### 5. RECEIVABLES

As at March 31, 2023 and March 31, 2022, the Company has the following receivables:

|                                 | <b>March 31, 2023</b> | <b>March 31, 2022</b> |
|---------------------------------|-----------------------|-----------------------|
| Accounts receivable             | \$ 43,386             | \$ 449                |
| GST receivable                  | 13,203                | 41,145                |
| Receivable from related parties | -                     | 3,174                 |
|                                 | <b>\$ 56,589</b>      | <b>\$ 44,768</b>      |

### 6. PREPAID EXPENSES

As at March 31, 2023 and March 31, 2022, the prepaid expenses are composed of the following:

|                        | <b>March 31, 2023</b> | <b>March 31, 2022</b> |
|------------------------|-----------------------|-----------------------|
| Marketing              | \$ 2,771              | \$ 291,064            |
| Insurance              | -                     | 72,917                |
| Software subscriptions | 8,634                 | 45,816                |
| Professional fees      | 16,564                | 30,727                |
| User rewards           | 12,257                | -                     |
|                        | <b>\$ 40,226</b>      | <b>\$ 440,524</b>     |

## Good Gamer Entertainment Inc.

Notes to the Consolidated Financial Statements

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(Expressed in Canadian Dollars)

### 7. EQUIPMENT

|                                 | <b>Computer<br/>equipment</b> |
|---------------------------------|-------------------------------|
| <b>Cost</b>                     |                               |
| <b>December 31, 2020</b>        | \$ 4,325                      |
| Additions                       | 7,210                         |
| Impairment                      | (4,759)                       |
| <b>March 31, 2022</b>           | \$ 6,776                      |
| Additions                       | -                             |
| Impairment                      | (6,776)                       |
| <b>March 31, 2023</b>           | \$ -                          |
| <b>Accumulated Depreciation</b> |                               |
| <b>December 31, 2020</b>        | \$ 600                        |
| Depreciation                    | 1,491                         |
| Impairment                      | -                             |
| <b>March 31, 2022</b>           | \$ 2,091                      |
| Depreciation                    | 1,494                         |
| Impairment                      | (3,585)                       |
| <b>March 31, 2023</b>           | \$ -                          |
| <b>Net Book Value</b>           |                               |
| <b>March 31, 2022</b>           | \$ 4,685                      |
| <b>March 31, 2023</b>           | \$ -                          |

During the 15-month ended March 31, 2022, due to the discontinuance of operations of the Company in India, the Company determined that the recoverable amount of a computer equipment was less than its carrying value as at March 31, 2022. The fair value of the equipment was determined as \$Nil due to the absence of a viable market for it. Hence, an impairment loss of \$4,759 equal to the carrying value was recorded in the consolidated statement of loss and comprehensive loss for the 15-month ended March 31, 2022.

During the year ended March 31, 2023 there were no additions to the computer equipment. The Company determined that the computer equipment that was shipped to overseas contractors could not be recovered and used to generate future economic benefits, therefore, an impairment loss of \$3,191 equal to the carrying value was recognized in the consolidated statement of loss and comprehensive loss for the year ended March 31, 2023.

## Good Gamer Entertainment Inc.

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### 8. INTANGIBLE ASSETS

|                                 | Domain names | Games      | Applications and internet technology | Total        |
|---------------------------------|--------------|------------|--------------------------------------|--------------|
| <b>Cost</b>                     |              |            |                                      |              |
| <b>December 31, 2020</b>        | \$ 14,808    | \$ 122,492 | \$ 1,485,520                         | \$ 1,622,820 |
| Additions                       | 3,667        | 1,184      | 52,932                               | 57,783       |
| Impairment                      | -            | (561)      | (1,538,452)                          | (1,539,013)  |
| <b>March 31, 2022</b>           | \$ 18,475    | \$ 123,115 | \$ -                                 | \$ 141,590   |
| Additions                       | -            | -          | -                                    | -            |
| Impairment                      | (18,475)     | (123,115)  | -                                    | (141,590)    |
| <b>March 31, 2023</b>           | \$ -         | \$ -       | \$ -                                 | \$ -         |
| <b>Accumulated Amortization</b> |              |            |                                      |              |
| <b>December 31, 2020</b>        | \$ 3,052     | \$ 116,953 | \$ 285,543                           | \$ 405,548   |
| Amortization                    | 2,166        | 5,794      | 228,242                              | 236,202      |
| Impairment                      | -            | (47)       | (513,785)                            | (513,832)    |
| <b>March 31, 2022</b>           | \$ 5,218     | \$ 122,700 | \$ -                                 | \$ 127,918   |
| Amortization                    | 1,290        | 233        | -                                    | 1,523        |
| Impairment                      | (6,508)      | (122,933)  | -                                    | (129,441)    |
| <b>March 31, 2023</b>           | \$ -         | \$ -       | \$ -                                 | \$ -         |
| <b>Net Book Value</b>           |              |            |                                      |              |
| <b>March 31, 2022</b>           | \$ 13,257    | \$ 415     | \$ -                                 | \$ 13,672    |
| <b>March 31, 2023</b>           | \$ -         | \$ -       | \$ -                                 | \$ -         |

During the 15-month ended March 31, 2022, the Company determined that the internally-developed intangible assets and purchased social media pages in Good Gamer Corp. has a fair value of \$Nil and will not generate future economic benefits for the Company. Thus, an impairment loss of \$1,024,667 equal to the carrying value was recognized in consolidated statement of loss and comprehensive loss for the 15-month ended March 31, 2022.

During the year ended March 31, 2023, the Company determined that the domain name acquired by subsidiary Perk Power Inc. has a fair value of \$Nil and will not generate future economic benefits for the Company, therefore, an impairment loss of \$2,444 equal to the carrying value was recognized in the consolidated statement of loss and comprehensive loss for the year ended March 31, 2023.

During the year ended March 31, 2023, the Company determined that the domain names acquired by subsidiary Good Gamer Corp. (CA) have fair values of \$Nil and will not generate future economic benefits for the Company, therefore, an impairment loss of \$9,523 equal to the carrying value of those domain names was recognized in the consolidated statement of loss and comprehensive loss for the year ended March 31, 2023.

During the year ended March 31, 2023, due to a change in the Company's strategic plans and a shift into a new gaming platform, the Company determined that the recoverable amount of one of the games was less than its carrying values as at March 31, 2023. The fair value of the game was determined as \$Nil due to the absence of a viable market for it. Hence, an impairment loss of \$181 equal to the carrying value was recognized in the consolidated statement of loss and comprehensive loss for the year ended March 31, 2023 (March 31, 2022 - \$514).

## Good Gamer Entertainment Inc.

Notes to the Consolidated Financial Statements

As at and for the year ended March 31, 2023 and 15 months ended March 31, 2022

(Expressed in Canadian Dollars)

### 9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at March 31, 2023 and March 31, 2022, the Company has the following accounts payable balances:

|                          | March 31, 2023 |         | March 31, 2022 |         |
|--------------------------|----------------|---------|----------------|---------|
| Software and development | \$             | 300,025 | \$             | 257,088 |
| Operating                |                | 3,779   |                | 3,509   |
| General & Administrative |                | 96,628  |                | 35,159  |
| Marketing                |                | 38,697  |                | 37,266  |
|                          | \$             | 439,129 | \$             | 333,022 |

As at March 31, 2023 and March 31, 2022, the Company has the following accrued liabilities balances:

|                          | March 31, 2023 |         | March 31, 2022 |        |
|--------------------------|----------------|---------|----------------|--------|
| Software and development | \$             | -       | \$             | 15,892 |
| General & Administrative |                | 100,643 |                | 64,387 |
|                          | \$             | 100,643 | \$             | 80,279 |

### 10. 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. The liability refers to the remaining balance on the customers' account in the PlayCash app.

### 11. LOANS PAYABLE

As at March 31, 2023 and March 31, 2022, the Company has the following loans payable balances:

|              | March 31, 2023 |        | March 31, 2022 |       |
|--------------|----------------|--------|----------------|-------|
| Loan Payable | \$             | 18,428 | \$             | 5,000 |
|              | \$             | 18,428 | \$             | 5,000 |

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 March 31, 2023, the Company has an outstanding loan payable of \$18,428 with an interest of 2% accrued monthly paid subsequently by the Company. 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 balance as at March 31, 2022 was a loan payable of \$5,000 to a shareholder, non-interest bearing, paid subsequently during the fiscal year 2023.

## Good Gamer Entertainment Inc.

Notes to the Consolidated Financial Statements

As at and for the year ended March 31, 2023 and 15 months ended March 31, 2022

(Expressed in Canadian Dollars)

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### 12. CAPITAL STOCK

#### Share Capital

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

As at March 31, 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 year ended March 31, 2023, the Company had the following share capital transactions:

- The Company canceled 15,180 common shares from a discrepancy error from the Company's change in transfer agents.

During the 15-month ended March 31, 2022, the Company had the following share capital transactions:

#### Share capital transactions prior to the Transaction (Note 4):

- 220,179 stock options were exercised for total proceeds of \$2,469. The fair value of the options amounting to \$53,003 was transferred from share-based payment reserve into share capital.
- Company issued 500,000 units with a fair value of \$200,000 to settle debt of \$200,000 payable to a consultant. Each unit is comprised of one common share and one share purchase warrant of the Company. Each share purchase warrant is exercisable into one common share of the Company at \$0.40 per share and expires on September 1, 2023. The fair value of the warrants was determined to be \$Nil, using the residual value method.

#### Share capital transactions concurrent with, and subsequent to the Transaction (Note 4):

- The Company consolidated its common shares on a 5:1 basis, from 4,250,000 pre-consolidation shares to 850,000 post-consolidation shares ("post-consolidated shares") outstanding immediately prior to completion of the Transaction, which was approved on October 15, 2021.
- Pursuant to the terms of the Transaction, 30,429,090 reporting issuer shares were issued to the previous shareholders of Good Gamer Corp.
- 10,000,000 common shares and 5,000,000 common share purchase warrants were issued upon the conversion of Subscription Receipts upon closing of the Transaction. The common share purchase warrants were valued at \$Nil, using the residual value method. In conjunction with this offering, 1,000,000 shares and 459,937 warrants (valued at \$66,711 using the Black-Scholes Option Pricing Model with the following assumptions: exercise price of \$0.40, volatility - 100%, discount rate - 1.23%, expected life - 0.82 years, and dividend rate - 0%) were issued as finders' fees. Additional share issuance costs of \$195,975 were also incurred.
- The Company issued 212,000 shares, valued at \$84,800 to settle \$84,800 of indebtedness owed to a related party.
- 91,666 stock options were exercised for total proceeds of \$22,917. The fair value of the options amounting to \$27,848 was transferred from share-based payment reserve into share capital.

#### 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 March 31, 2023,

## Good Gamer Entertainment Inc.

Notes to the Consolidated Financial Statements

As at and for the year ended March 31, 2023 and 15 months ended March 31, 2022

(Expressed in Canadian Dollars)

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### 12. CAPITAL STOCK (continued...)

#### Share Capital (continued...)

there are a total of 4,185,219 (March 31, 2022 – 3,697,719) 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 year ended March 31, 2023, 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.

On January 1, 2021, the Company granted 300,000 stock options to a consultant. Each option is exercisable at \$0.25 per share within a period of one year from the date of grant. The options vest evenly every quarterly every three months starting on March 31, 2021.

On October 15, 2021, pursuant to the Transaction, the Company cancelled 3,990,000 options exercisable at \$0.25 (Note 4). Also, the Company granted 4,190,000 stock options to directors, officers, employees, and consultants. Each option is exercisable at \$0.25 per share within a period of four years from the date of grant. 2,800,000 options vest evenly every quarter and 1,590,000 options vest one eighth every three months starting October 15, 2022 (Note 4).

On November 24, 2021, the Company granted 1,057,000 stock options to directors, officers, employees, and consultants. Each option is exercisable at \$0.57 per share within a period of four years from the date of grant. 677,500 options vest evenly every quarter and 280,000 options vest one eighth every three months starting November 24, 2022.

On December 15, 2021, the Company granted 100,000 stock options to an employee. Each option is exercisable at \$0.55 per share within a period of four years from the date of grant. The options vest one twelfth every three months starting December 15, 2022.

On March 3, 2022, the Company granted 100,000 stock options to employees. Each option is exercisable at \$0.50 per share within a period of four years from the date of grant. The options vest one twelfth every three months starting March 3, 2023.

## Good Gamer Entertainment Inc.

Notes to the Consolidated Financial Statements

As at and for the year ended March 31, 2023 and 15 months ended March 31, 2022

(Expressed in Canadian Dollars)

### 12. CAPITAL STOCK (continued...)

#### Stock Options (continued...)

A summary of changes in the Company's stock options outstanding as at March 31, 2023 and March 31, 2022 is as follows:

|                                   | Number of<br>options | Weighted<br>average exercise<br>price |
|-----------------------------------|----------------------|---------------------------------------|
| <b>Balance, December 31, 2020</b> | <b>4,110,179</b>     | \$ 0.24                               |
| Granted                           | 5,747,500            | \$ 0.32                               |
| Exercised                         | (311,845)            | \$ 0.08                               |
| Expired                           | (200,000)            | \$ 0.25                               |
| Forfeited                         | (558,334)            | \$ 0.21                               |
| Canceled                          | (3,990,000)          | \$ 0.25                               |
| <b>Balance, March 31, 2022</b>    | <b>4,797,500</b>     | \$ 0.33                               |
| Issued                            | 400,000              | \$ 0.10                               |
| Expired                           | (3,750)              | 0.57                                  |
| Forfeited                         | (883,750)            | \$ 0.55                               |
| <b>Balance, March 31, 2023</b>    | <b>4,310,000</b>     | \$ 0.26                               |

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

| Expiry Date       | Exercise Price | Remaining Life<br>(Years) | Number of Options<br>Issued and<br>Outstanding | Number of Options<br>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                                      | 2,715,500                        |

Details of options outstanding as at March 31, 2022 are as follows:

| Expiry Date       | Exercise Price | Remaining Life<br>(Years) | Number of Options<br>Issued and<br>Outstanding | Number of Options<br>Exercisable |
|-------------------|----------------|---------------------------|--|----------------------------------|
| October 15, 2025  | \$ 0.25        | 3.55                      | 3,640,000                                      | -                                |
| November 23, 2025 | \$ 0.57        | 3.65                      | 677,500  | -                                |
| November 24, 2025 | \$ 0.57        | 3.65                      | 280,000  | -                                |
| December 16, 2023 | \$ 0.55        | 3.71                      | 100,000  | -                                |
| March 5, 2026     | \$ 0.50        | 3.93                      | 100,000  | -                                |
|                   | \$ 0.33        | 3.58                      | 4,797,500                                      | -                                |

## Good Gamer Entertainment Inc.

Notes to the Consolidated Financial Statements

As at and for the year ended March 31, 2023 and 15 months ended March 31, 2022

(Expressed in Canadian Dollars)

### 12. CAPITAL STOCK (continued...)

#### Stock Options (continued...)

There were 400,000 options granted during the year ended March 31, 2023. The weighted average fair value of options granted during the year ended March 31, 2023 was \$33,755 (March 31, 2022 - \$690,858), using the Black-Scholes option pricing model with the following assumptions:

|                                | March 31, 2023 | March 31, 2022 |
|--------------------------------|----------------|----------------|
| Volatility rate                | 100%           | 100%           |
| Risk-free rate                 | 2.94%          | 0.91-1.04%     |
| Forfeiture rate                | 0%             | 0%             |
| Exercise price                 | \$0.10         | \$0.50-\$0.57  |
| Dividend yield rate            | 0%             | 0%             |
| Weighted average expected life | 5 years        | 4 years        |

The Company recognized share-based payment of \$196,104 (March 31, 2022 - \$686,565) during the year ended March 31, 2023.

#### Warrants

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.

During the 15 months ended March 31, 2022, 500,000 warrants exercisable at \$0.40 per share and 6,632,664 warrants exercisable at \$1.00 per share were cancelled and reissued pursuant to the Transaction.

A summary of changes in the Company's warrants during the years ended March 31, 2023 and March 31, 2022 is as follows:

|                                   | Number of warrants | Weighted average exercise price |
|-----------------------------------|--------------------|---------------------------------|
| <b>Balance, December 31, 2019</b> | -                  | -                               |
| Issued                            | -                  | -                               |
| <b>Balance, December 31, 2020</b> | <b>6,632,664</b>   | 1.00                            |
| Issued                            | 14,092,601         | 0.90                            |
| Canceled                          | (7,132,664)        | 0.93                            |
| <b>Balance, March 31, 2022</b>    | <b>13,592,601</b>  | 0.94                            |
| Issued                            | -                  | 0.00                            |
| Expired                           | (7,092,601)        | 0.96                            |
| <b>Balance, March 31, 2023</b>    | <b>6,500,000</b>   | 0.86                            |

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                      |

## Good Gamer Entertainment Inc.

Notes to the Consolidated Financial Statements

As at and for the year ended March 31, 2023 and 15 months ended March 31, 2022

(Expressed in Canadian Dollars)

### 12. CAPITAL STOCK (continued...) Warrants (continued...)

Details of warrants outstanding as at March 31, 2022 are as follows:

| Expiry Date        | Exercise Price | Contractual Life (Years) | Number of Warrants Outstanding | Number of Warrants Exercisable |
|--------------------|----------------|--------------------------|--------------------------------|--------------------------------|
| May 24, 2022       | \$1.00         | 0.15                     | 1,580,000                      | 1,580,000                      |
| September 11, 2022 | \$1.00         | 0.45                     | 150,000                        | 150,000                        |
| September 29, 2022 | \$1.00         | 0.50                     | 4,902,664                      | 4,902,664                      |
| October 1, 2022    | \$0.40         | 0.50                     | 459,937                        | 459,937                        |
| October 1, 2023    | \$1.00         | 1.50                     | 5,000,000                      | 5,000,000                      |
| June 1, 2023       | \$0.40         | 1.17                     | 500,000                        | 500,000                        |
| October 15, 2023   | \$0.40         | 1.54                     | 1,000,000                      | 1,000,000                      |
|                    | \$0.94         | 1.47                     | 13,592,601                     | 13,592,601                     |

### 13. 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:

|   | For the year ended<br>March 31, 2023 | For fifteen-month<br>ended<br>March 31, 2022 |
|---|--------------------------------------|--|
| <b>Transactions with related parties:</b>                       |                                      |  |
| Management fees were paid or accrued to:                        |                                      |  |
| CEO   | \$ 122,500                           | \$ 105,000                                   |
| CFO   | 61,500                               | 60,000                                       |
| Directors' fees   | 35,439                               | 34,120                                       |
| Professional fees were paid or accrued to:                      |                                      |  |
| Former CTO  | -                                    | 20,311                                       |
| CFO   | 26,007                               | 25,127                                       |
| Former Director   | -                                    | 9,936  |
| Corporate Secretary   | 37,400                               | 38,375                                       |
| Salaries:   |                                      |  |
| Former COO  | -                                    | 95,674                                       |
| Former CTO  | -                                    | 45,869                                       |
| Share-based payments:   |                                      |  |
| CEO   | -                                    | 233,758                                      |
| Former COO  | -                                    | 70,715                                       |
| Former CTO  | -                                    | 40,696                                       |
| Former Investor Relations Officer                               | 4,342                                | -  |
| CFO   | 41,600                               | 15,893                                       |
| Former VP of Operations- India                                  | -                                    | 7,192  |
| Corporate Secretary   | 27,733                               | 10,595                                       |
| Directors   | 101,897                              | 139,020                                      |
| Interest expense on notes payable (Companies controlled by CEO) | -                                    | 7,649  |
| Accretion (Companies controlled by CEO)                         | -                                    | 3,750  |
| Development costs (Companies controlled by CEO)                 | -                                    | 23,338                                       |
| Advertising (Companies controlled by CEO)                       | 4,731                                | 10,359                                       |
| Search monetization media buys (Companies controlled by CEO)    | 18,428                               | -  |
|   | \$ 481,577                           | \$ 997,377                                   |

## Good Gamer Entertainment Inc.

Notes to the Consolidated Financial Statements

As at and for the year ended March 31, 2023 and 15 months ended March 31, 2022

(Expressed in Canadian Dollars)

### 13. RELATED PARTY TRANSACTIONS (continued...)

|  | March 31, 2023  | March 31, 2022  |
|--|-----------------|-----------------|
| <b>Balances with related parties:</b>                          |                 |                 |
| <b>Due from related parties:</b>                               |                 |                 |
| Former COO   | \$ -            | \$3,174         |
| <b>Accounts payable to companies with common directors:</b>    |                 |                 |
| CEO  | 6,245           | 19,321          |
| CFO  | -               | 15,750          |
| Corporate Secretary  | 5,500           | -               |
| VP of Operations India   | 692             | 625             |
| <b>Accrued liabilities to companies with common directors:</b> |                 |                 |
| CEO  | 30,000          | -               |
| CFO  | 2,883           | 7,500           |
| <b>Loans payable to companies with common directors:</b>       |                 |                 |
| CEO  | 18,428          | -               |
|  | <b>\$63,748</b> | <b>\$46,370</b> |

### 14. BREAKDOWN OF EXPENSES AND OTHER INCOME

Following is a breakdown of software and development expenses for the years ended March 31, 2023 and 2022:

|  | For the year ended | For the fifteen-month ended |
|--|--------------------|-----------------------------|
|  | March 31, 2023     | March 31, 2022              |
| <b>SOFTWARE AND DEVELOPMENT EXPENSES</b>       |                    |                             |
| Amortization (Notes 7 and 8)                   | \$ 1,523           | \$ 233,682                  |
| Professional fees                              | 233,816            | 595,544                     |
| Salaries and wages                             | 100,660            | 232,229                     |
| Share-based payments                           | 10,423             | 4,663                       |
| <b>Total software and development expenses</b> | <b>\$ 346,422</b>  | <b>\$ 1,066,118</b>         |

## Good Gamer Entertainment Inc.

Notes to the Consolidated Financial Statements

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(Expressed in Canadian Dollars)

### 14. BREAKDOWN OF EXPENSES AND OTHER INCOME (continued...)

Following is a breakdown of operating expenses for the years ended March 31, 2023 and 2022:

|                                 | For the year ended | For the fifteen-  |
|---------------------------------|--------------------|-------------------|
|                                 | March 31, 2023     | month ended       |
| OPERATING EXPENSES              |                    | March 31, 2022    |
| Amortization (Notes 7 and 8)    | \$ 1,494           | \$ 1,455          |
| Interest and bank charges       | 12,026             | 22,745            |
| Professional fees               | 4,397              | -                 |
| SaaS, Internet, & Domains       | 251,196            | 472,751           |
| <b>Total operating expenses</b> | <b>\$ 269,113</b>  | <b>\$ 496,951</b> |

Following is a breakdown of general and administrative expenses for the years ended March 31, 2023 and 2022:

|  | For the year ended  | For the fifteen-    |
|--|---------------------|---------------------|
|  | March 31, 2023      | month ended         |
| GENERAL & ADMINISTRATIVE EXPENSES                  |                     | March 31, 2022      |
| Office and miscellaneous                           | \$ 163,603          | \$ 81,663           |
| Management fees (Note 13)                          | 237,457             | 199,028             |
| Professional fees (Note 13)                        | 479,676             | 803,627             |
| Salaries and wages (Note 13)                       | 88,270              | 236,429             |
| Share-based payments (Note 13)                     | 185,681             | 686,565             |
| Transfer agent and filing fees                     | 23,649              | 49,400              |
| <b>Total general &amp; administrative expenses</b> | <b>\$ 1,178,336</b> | <b>\$ 2,056,712</b> |

Following is a breakdown of marketing expenses for the years ended March 31, 2023 and 2022:

|                                 | For the year     | For the fifteen-  |
|---------------------------------|------------------|-------------------|
|                                 | ended            | month ended       |
| MARKETING EXPENSES              | March 31, 2023   | March 31, 2022    |
| Product Marketing               | \$ 46,522        | \$ 160,987        |
| Corporate Marketing             | 48,938           | -                 |
| <b>Total marketing expenses</b> | <b>\$ 95,460</b> | <b>\$ 160,987</b> |

## Good Gamer Entertainment Inc.

Notes to the Consolidated Financial Statements

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(Expressed in Canadian Dollars)

### 14. BREAKDOWN OF EXPENSES AND OTHER INCOME (continued...)

Following is a breakdown of other income (expenses) for the years ended March 31, 2023 and 2022:

| OTHER INCOME (EXPENSES)              | For the year ended | For the fifteen-              |
|--------------------------------------|--------------------|-------------------------------|
|                                      | March 31, 2023     | month ended<br>March 31, 2022 |
| Interest income                      | \$ 15,501          | \$ 12,007                     |
| Penalties and Interest               | (102)              | (721)                         |
| Gain on foreign exchange             | (22,955)           | 1,517                         |
| Impairment loss                      | (15,340)           | (1,002,752)                   |
| Bad debt expense                     | (12,756)           | (46,970)                      |
| Loss on debt settlement              | -                  | (11,869)                      |
| Listing expense (Note 4)             | -                  | (13,472,873)                  |
| <b>Total other income (expenses)</b> | <b>\$ (35,652)</b> | <b>\$ (14,521,661)</b>        |

### 15. NON-CASH TRANSACTIONS AFFECTING THE STATEMENT OF CASH FLOWS

During the year ended March 31, 2023, the Company had the following non-cash transactions affecting the cash flows from investing and financing activities:

- Debt settlement agreement \$Nil (March 31, 2022 - \$84,800)
- Share-based compensation in loss and comprehensive loss \$196,104 (March 31, 2022 - \$691,228)
- Issued finders' warrants in connection with the private placement and finders' shares in connection with the RTO \$Nil (March 31, 2022 - \$66,711)
- Acquired GGC and subsidiaries in exchange for Company shares \$Nil (March 31, 2022 - \$12,165,635 for 30,414,090 shares)

### 16. 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.

## Good Gamer Entertainment Inc.

Notes to the Consolidated Financial Statements

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### 17. 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.

The following table represents assets and liabilities that are measured and recognized at fair value as of March 31, 2023, and March 31, 2022 on a recurring basis:

|                          | Level 1             | Level 2             | Level 3     |
|--------------------------|---------------------|---------------------|-------------|
|                          | \$                  | \$                  | \$          |
| <b>March 31, 2023</b>    |                     |                     |             |
| 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)            | -           |
| <b>Total</b>             | <b>\$ 500,396</b>   | <b>\$ (412,794)</b> | <b>\$ -</b> |
| <b>March 31, 2022</b>    |                     |                     |             |
| Cash                     | 1,582,654           | -                   | -           |
| Accounts receivable      | -                   | 449                 | -           |
| GST receivable           | -                   | 41,145              | -           |
| Due from related parties | -                   | 3,174               | -           |
| Accounts payable         | -                   | (333,022)           | -           |
| Playcash app provisions  | -                   | -                   | -           |
| Loan due to shareholder  | -                   | (5,000)             | -           |
| <b>Total</b>             | <b>\$ 1,582,654</b> | <b>\$ (293,254)</b> | <b>\$ -</b> |

## Good Gamer Entertainment Inc.

Notes to the Consolidated Financial Statements

As at and for the year ended March 31, 2023 and 15 months ended March 31, 2022

(Expressed in Canadian Dollars)

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### 17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued...)

#### Fair values (continued...)

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 \$56,589.

#### 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.

#### 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 March 31, 2023.

#### (c) Currency risk

The Company is exposed to currency risk on its financial instruments denominated in US dollars and Indian Rupees. As at March 31, 2023, the Company has net financial assets of approximately \$28,000 (March 31, 2022 - \$51,000) denominated in US dollars, net financial liabilities of approximately \$36,000 (March 31, 2022 - \$27,200) denominated in Euros, net financial liabilities of approximately \$63,400 (March 31, 2022 - \$51,200) denominated in British Pounds, and net financial liabilities of approximately \$6,500 (March 31, 2022 - \$7,400) 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 \$8,000 to net and comprehensive loss.

## Good Gamer Entertainment Inc.

Notes to the Consolidated Financial Statements

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(Expressed in Canadian Dollars)

### 18. 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.

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

|                                   | Canada       |                  |                     |                    |                           | USA               |                    | India       | Total                |
|-----------------------------------|--------------|------------------|---------------------|--------------------|---------------------------|-------------------|--------------------|-------------|----------------------|
|                                   | Display Ads  | NFT              | Search Monetization | Chrome Extensions  | Corporate and development | TMP               | PlayCash           | Fantasy App |                      |
| 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)             |
|                                   | 31           | (2,812)          | (5,510)             | (43,703)           | (1,499,234)               | (6,179)           | (287,133)          | -           | (1,844,540)          |
| Loss from discontinued operations | -            | -                | -                   | -                  | -                         | -                 | -                  | -           | -                    |
| <b>Net loss</b>                   | <b>\$ 31</b> | <b>\$(2,812)</b> | <b>\$ (5,510)</b>   | <b>\$ (43,703)</b> | <b>\$(1,291,995)</b>      | <b>\$ (6,179)</b> | <b>\$(287,133)</b> | <b>\$ -</b> | <b>\$(1,844,540)</b> |

## Good Gamer Entertainment Inc.

Notes to the Consolidated Financial Statements

As at and for the year ended March 31, 2023 and 15 months ended March 31, 2022

(Expressed in Canadian Dollars)

### 18. SEGMENTED INFORMATION (continued...)

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

|                   | Canada      |      |                     |                   |                           | USA  |           | India       | Total     |
|-------------------|-------------|------|---------------------|-------------------|---------------------------|------|-----------|-------------|-----------|
|                   | Display Ads | NFT  | Search Monetization | Chrome Extensions | Corporate and development | TMP  | PlayCash  | Fantasy App |           |
| Prepaid expenses  | \$ -        | \$ - | \$ -                | \$ -              | \$ 27,969                 | \$ - | \$ 12,257 | \$ -        | \$ 40,226 |
| Equipment         | -           | -    | -                   | -                 | -                         | -    | -         | -           | -         |
| Intangible assets | -           | -    | -                   | -                 | -                         | -    | -         | -           | -         |

For the 15 months ended March 31, 2022, the Company's financial results are as follows:

|                                   | Canada           |                    |                     |                   |                           | USA                |             | India              | Total                 |
|-----------------------------------|------------------|--------------------|---------------------|-------------------|---------------------------|--------------------|-------------|--------------------|-----------------------|
|                                   | Display Ads      | NFT                | Search Monetization | Chrome Extensions | Corporate and development | TMP                | PlayCash    | Fantasy App        |                       |
| Revenues                          | \$ 1,025         | \$-                | \$-                 | \$-               | \$-                       | \$-                | \$-         | \$-                | \$ 1,025              |
| Cost of sales                     | -                | -                  | -                   | -                 | -                         | -                  | -           | -                  | -                     |
| Gross Profit (Loss)               | 1,025            | -                  | -                   | -                 | -                         | -                  | -           | -                  | 1,025                 |
| Software and development expenses | (6,058)          | (215,179)          | -                   | -                 | (653,846)                 | (191,035)          | -           | -                  | (1,066,118)           |
| Operating expenses                | -                | -                  | -                   | -                 | (496,951)                 | -                  | -           | -                  | (496,951)             |
| General & Administrative expenses | -                | -                  | -                   | -                 | (2,056,712)               | -                  | -           | -                  | (2,056,712)           |
| Marketing expenses                | -                | (75,621)           | -                   | -                 | (85,366)                  | -                  | -           | -                  | (160,987)             |
| Other income and expenses         | -                | -                  | -                   | -                 | (14,521,661)              | -                  | -           | -                  | (14,521,661)          |
|                                   | (5,033)          | (290,800)          | -                   | -                 | (17,814,536)              | (191,035)          | -           | -                  | (18,301,404)          |
| Loss from discontinued operations | -                | -                  | -                   | -                 | -                         | -                  | -           | (143,924)          | (143,924)             |
| <b>Net loss</b>                   | <b>\$(5,033)</b> | <b>\$(290,800)</b> | <b>\$ -</b>         | <b>\$ -</b>       | <b>\$(17,814,536)</b>     | <b>\$(191,035)</b> | <b>\$ -</b> | <b>\$(143,924)</b> | <b>\$(18,445,328)</b> |

As at March 31, 2022, the Company's assets are as follows:

|                   | Canada      |      |                     |                   |                           | USA  |          | India       | Total      |
|-------------------|-------------|------|---------------------|-------------------|---------------------------|------|----------|-------------|------------|
|                   | Display Ads | NFT  | Search Monetization | Chrome Extensions | Corporate and development | TMP  | PlayCash | Fantasy App |            |
| Prepaid expenses  | \$ -        | \$ - | \$ -                | \$ -              | \$ 440,524                | \$ - | \$ -     | \$ -        | \$ 440,524 |
| Equipment         | -           | -    | -                   | -                 | 4,685                     | -    | -        | -           | 4,685      |
| Intangible assets | 415         | -    | -                   | -                 | 13,257                    | -    | -        | -           | 13,672     |

## Good Gamer Entertainment Inc.

Notes to the Consolidated Financial Statements

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### 18. SEGMENTED INFORMATION (continued...)

The Company has recognized revenues from three major customers for the year ended March 31, 2023.

|                     | Revenue | Customer         | \$             | %          |
|---------------------|---------|------------------|----------------|------------|
| NFT                 |         | SIG Capital Inc. | \$70,105       | 50%        |
| PlayCash            |         | Ironsource       | 30,372         | 22%        |
| Search monetization |         | Alot Inc.        | 24,261         | 17%        |
|                     |         |                  | <b>124,738</b> | <b>90%</b> |

#### 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 March 31, 2023, the liabilities from discontinued operations recognized in the consolidated statements of financial position relate to funds held in trust amounting to \$377 (March 31, 2022 - \$594).

For the year ended March 31, 2023 and 15-month ended 2022, the loss from discontinued operations relate to the following:

| <b>DISCONTINUED OPERATIONS</b>               | <b>March 31, 2023</b> | <b>March 31, 2022</b> |
|--|-----------------------|-----------------------|
| REVENUE                                      | \$ -                  | \$ 10,730             |
| COST OF SALES                                | -                     | (41,635)              |
| GROSS LOSS                                   | -                     | (30,905)              |
| <b>SOFTWARE AND DEVELOPMENT EXPENSES</b>     |                       |                       |
| Amortization (Notes 6 and 7)                 | -                     | (2,556)               |
| Professional fees                            | -                     | (13,144)              |
| <b>OPERATING EXPENSES</b>                    |                       |                       |
| Interest and bank charges                    | -                     | (97)                  |
| Professional fees                            | -                     | (13,112)              |
| SaaS, Internet, & Domains                    | -                     | (130)                 |
| <b>GENERAL &amp; ADMINISTRATIVE EXPENSES</b> |                       |                       |
| Office and miscellaneous                     | -                     | (3,558)               |
| Management fees (Note 13)                    | -                     | (35,482)              |
| Professional fees (Note 13)                  | -                     | -                     |
| Salaries and wages (Note 13)                 | -                     | (1,263)               |
| Share-based payments (Note 13)               | -                     | -                     |
| <b>MARKETING EXPENSES</b>                    |                       |                       |
| Product Marketing                            | -                     | -                     |

## Good Gamer Entertainment Inc.

Notes to the Consolidated Financial Statements

As at and for the year ended March 31, 2023 and 15 months ended March 31, 2022

(Expressed in Canadian Dollars)

### 18. SEGMENTED INFORMATION (continued...)

#### Discontinued Operations (continued...)

##### OTHER INCOME (EXPENSE)

|  |           |                  |
|--|-----------|------------------|
| Penalties and Interest                   | -         | (179)            |
| Gain on foreign exchange                 | -         | (1,162)          |
| Write-off of sales taxes receivable      |           | (14,839)         |
| Impairment loss                          | -         | (27,497)         |
| <b>Loss from discontinued operations</b> | <b>\$</b> | <b>(143,924)</b> |

### 19. TAXATION

The following is a reconciliation of income taxes attributable to operations at the statutory rates to income tax expense (recovery):

|  | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
|  | \$             | \$             |
| Loss for the year  | (1,844,540)    | (18,445,328)   |
| Expected income tax expense (recovery)                             | (498,000)      | (4,980,000)    |
| Change in statutory, foreign tax, foreign exchange rates and other | 98,000         | 14,000         |
| Permanent differences  | 60,000         | 4,094,000      |
| Share issue costs  | -              | (185,000)      |
| Change in unrecognized deductible temporary differences            | 340,000        | 1,057,000      |
| <b>Total income tax expense (recovery)</b>                         | <b>-</b>       | <b>-</b>       |

The tax effects of temporary differences that give rise to future income tax asset (liabilities)s are as follows:

|  | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
|  | \$             | \$             |
| Intangible assets                              | 5,000          | 1,000          |
| Share issue costs                              | 147,000        | 147,000        |
| Allowable capital losses                       | -              | -              |
| Non-capital losses available for future period | 1,979,000      | 1,592,000      |
|  | 2,131,000      | 1,740,000      |
| Unrecognized deferred tax assets               | (2,131,000)    | (1,740,000)    |
| <b>Net deferred tax assets</b>                 | <b>-</b>       | <b>-</b>       |

The Company has the following tax losses available to use in future periods:

|                          | March 31, 2023 | Expiry date    | March 31, 2022 |
|--------------------------|----------------|----------------|----------------|
|                          | \$             |                | \$             |
| Non-capital losses       | 7,338,000      | 2040 to 2041   | 1,592,000      |
| Share issue costs        | 547,000        | 2041 to 2044   | 147,000        |
| Allowable capital losses | -              | No expiry date | -              |
| Intangible assets        | 20,000         | No expiry date | -              |

## Good Gamer Entertainment Inc.

Notes to the Consolidated Financial Statements

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### 20. RESTATEMENT OF PRIOR PERIOD BALANCES IN CASH FLOW STATEMENT

The Company had reclassified the purchase of intangible assets of \$12,677 under the investing activities as at March 31, 2022 to changes in non-working capital in prepaid account under the operating activities as at March 31, 2022. This amount referred to the prepaid intangible assets that were decided to have \$Nil value as no future economic benefits were expected to flow into the Company. The restatement has no significant impact on the prior year's financial statements and does not materially affect the overall financial position, results of operations, or cash flows for the year being reported.

### 21. 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 1,972.98 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.

### 22. SUBSEQUENT EVENTS

Subsequent to March 31, 2023, 30,000 stock options at an exercise price of \$0.25 were forfeited and 500,000 warrants expired unexercised at an exercise price of \$0.40.