

# GOODGAMER

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**Good Gamer Entertainment Inc.**

**Consolidated Financial Statements**

**For the Years Ended March 31, 2024 and 2023**  
*(in Canadian dollars)*

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**INDEPENDENT AUDITOR'S REPORT**

To the Shareholders of Good Gamer Entertainment Inc.

***Opinion***

We have audited the accompanying consolidated financial statements of Good Gamer Entertainment Inc. (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficit), and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

***Basis for Opinion***

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

***Material Uncertainty Related to Going Concern***

We draw attention to Note 1 of the consolidated financial statements, which indicates that as at March 31, 2024, the Company has a working capital deficiency of \$480,227 and an accumulated deficit of \$23,681,415. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

***Key Audit Matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

***Completeness and Accuracy of Revenues***

We draw your attention to Note 3 – Material accounting policy information to the consolidated financial statements. The Company enters into contracts with its customers that provide access to the Company's Search Monetization and Play Cash application. Judgment is required by the Company to determine the completeness and accuracy of revenue recognized.



The principal considerations for our determination that performing procedures relating to the completeness and accuracy of revenues is a key audit matter are (i) understanding the contractual arrangements with customers and the consistency with the Company's operations, and (ii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included among others:

- Walkthrough of the Company's processes and controls to understand and design appropriate audit procedures to test the completeness and accuracy of revenues recognized.
- Professionals with specialized skill and knowledge were used to assist in testing the completeness and accuracy of revenues.
- Examining and evaluating the contractual terms identified in underlying agreements with its customers for consistency with the amounts recorded in the financial statements.
- Testing of detailed reconciliations of the revenues recognized to key records maintained by the Company.

### ***Other Information***

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the 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 year 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 Reshma Mahase.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

August 30, 2024

## Good Gamer Entertainment Inc.

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	March 31, 2024	March 31, 2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 46,146	\$ 500,396
Accounts receivables (Note 4)	11,340	56,589
Prepaid expenses (Note 5)	266,527	40,226
<b>TOTAL ASSETS</b>	<b>\$ 324,013</b>	<b>\$ 597,211</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable (Note 6)	\$ 529,976	\$ 457,564
Accrued liabilities (Note 6)	114,860	99,332
GST Payable	1,299	-
PlayCash app provisions (Note 7)	8,105	11,826
Loans payable (Note 8)	150,000	-
Liabilities from discontinued operations (Note 14)	-	377
	<b>804,240</b>	<b>569,099</b>
<b>Equity</b>		
Share capital (Note 9)	20,746,918	20,746,918
Share-based payment reserve (Note 9)	2,453,820	2,408,950
Accumulated other comprehensive income (loss)	450	4,951
Deficit	(23,681,415)	(23,130,961)
	<b>(480,227)</b>	<b>29,858</b>
Non-controlling interest	-	(1,746)
<b>Total Equity</b>	<b>(480,227)</b>	<b>28,112</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 324,013</b>	<b>\$ 597,211</b>

Nature of Operations and Going Concern (Note 1)

Commitments (Note 16)

Subsequent Events (Note 17)

Approved and authorized for issue by the Board on August 30, 2024

On behalf of the Board:

"Barinder Rasode"

Director

"Adam Hudani"

Director

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

## Good Gamer Entertainment Inc.

Consolidated Statements of Loss and Comprehensive Loss  
(Expressed in Canadian Dollars)

	For the year ended	
	March 31, 2024	March 31, 2023
Revenues (Note 14)	\$ 255,542	\$ 138,887
<b>COST OF SALES</b>		
User rewards costs	(3,193)	38,158
Search Monetization media buys and platform fees	247,951	20,286
<b>GROSS PROFIT (LOSS)</b>	<b>(10,784)</b>	80,443
<b>EXPENSES</b>		
Software and development expenses (Note 11)	69,870	348,721
Operating expenses (Note 11)	54,058	269,112
General & Administrative expenses (Note 11)	416,702	1,305,407
Marketing expenses (Note 11)	14,725	95,460
<b>Loss before other income (expenses)</b>	<b>(544,571)</b>	(1,938,257)
Other income (expenses) (Note 11)	(5,883)	(35,660)
<b>Net loss for the year</b>	<b>(550,454)</b>	(1,973,917)
Foreign exchange translation adjustment	(4,501)	7,836
<b>Loss and Comprehensive loss</b>	<b>(554,955)</b>	(1,966,081)
<b>Basic and diluted loss per share</b>	\$ (0.01)	\$ (0.05)
<b>Weighted average number of common shares outstanding</b>		
Basic and diluted	42,567,576	42,567,576

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 shares	Share capital	Share-based payment reserve	Deficit	Accumulated Other Comprehensive Income (Loss)	Non- controlling Interest	Total
<b>Balance at March 31, 2022</b>	<b>42,582,756</b>	<b>\$ 20,746,918</b>	<b>\$ 2,082,165</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	-	-	326,785	-	-	-	326,785
Loss for the year	-	-	-	(1,973,917)	-	-	(1,973,917)
Foreign currency translation	-	-	-	-	7,836	-	7,836
<b>Balance at March 31, 2023</b>	<b>42,567,576</b>	<b>\$ 20,746,918</b>	<b>\$ 2,408,950</b>	<b>\$ (23,130,961)</b>	<b>\$ 4,951</b>	<b>\$ (1,746)</b>	<b>\$ 28,112</b>
<b>Balance at March 31, 2023</b>	<b>42,567,576</b>	<b>\$ 20,746,918</b>	<b>\$ 2,408,950</b>	<b>\$ (23,130,961)</b>	<b>\$ 4,951</b>	<b>\$ (1,746)</b>	<b>\$ 28,112</b>
Share-based compensation (net)	-	-	44,870	-	-	-	44,870
Dissolution of Subsidiary	-	-	-	-	-	1,746	1,746
Loss for the year	-	-	-	(550,454)	-	-	(550,454)
Foreign currency translation	-	-	-	-	(4,501)	-	(4,501)
<b>Balance at March 31, 2024</b>	<b>42,567,576</b>	<b>\$ 20,746,918</b>	<b>\$2,453,820</b>	<b>\$ (23,681,415)</b>	<b>\$ 450</b>	<b>\$ -</b>	<b>\$ (480,227)</b>

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

## Good Gamer Entertainment Inc.

### Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

	For the year ended	
	March 31, 2024	March 31, 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss from continuing operations	\$ (550,454)	\$ (1,973,917)
Items not affecting cash		
Amortization	-	3,017
Share-based payments	44,870	326,785
Impairment loss	-	15,340
Write-off of accounts receivable	11,832	12,756
Change in non-cash working capital items:		
Account receivables	33,417	(55,693)
GST receivable	1,299	27,942
Due from related parties	-	3,174
Prepaid expenses	(226,301)	400,298
Accounts payable	137,321	124,542
Accrued liabilities	15,528	19,053
Playcash app provisions	(3,721)	11,826
Net cash used in operating activities in continued operations	(536,208)	(1,084,877)
Net cash used in operating activities in discontinued operations	(377)	(217)
Net cash used in operating activities	(536,585)	(1,085,094)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loan repayment (Note 8)	(64,910)	(5,000)
Loan from the Related Party (line of credit)	150,000	-
Net cash provided by financing activities	85,090	(5,000)
Effects of foreign currency exchange	(2,755)	7,836
Change in cash for the year	(454,250)	(1,082,258)
Cash – beginning of year	500,396	1,582,654
<b>Cash - end of year</b>	<b>\$ 46,146</b>	<b>\$ 500,396</b>
<b>Cash paid for</b>		
Interest	\$ -	\$ -
Taxes	-	-

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

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

# Good Gamer Entertainment Inc.

Consolidated Statements of Cash Flows

(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.

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, 2024, the Company had cash of \$46,146 (2023 – \$500,396), working capital deficit of 480,227 (March 31, 2023: positive working capital \$28,112) and an accumulated deficit of \$23,681,415 (2023 – \$23,130,961). 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.

### Consolidated Statements of Cash Flows

(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 14)

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 13. 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 of the Company as of and for the years ended March 31, 2024 and 2023 have been prepared in accordance with International Financial Reporting Standards (“IFRS Accounting Standards”) as issued by the International Accounting Standards Board (“IASB”).

These financial statements were approved and authorized for issue in accordance with a resolution from the Board of Directors on August 30, 2024.

## Good Gamer Entertainment Inc.

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

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

#### 2.1 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS Accounting Standards 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.

The presentation currency of the group is the Canadian 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:

##### *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.

## Good Gamer Entertainment Inc.

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

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### 3. MATERIAL ACCOUNTING POLICY INFORMATION

#### 3.1 Cash

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

#### 3.2 Foreign exchange

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

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

#### 3.3 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 which has been 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 defined within contractual arrangements.

## Good Gamer Entertainment Inc.

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

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### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued...)

#### 3.4 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.

#### 3.5 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.

#### 3.6 Research and Development Expenses

Development expenses Project development costs consist of design, development, and acquisition costs associated with new and existing or new projects. These costs are recognized in profit or loss (research expenses, net) as incurred. The Company capitalizes these costs when management determines that it is probable that the project is feasible. When the project is not feasible, the costs are expensed. No amounts have met the criteria for the 2024 and 2023 year ends.

#### 3.7 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.

## Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

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### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued...)

#### 3.8 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.

##### **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.

# Good Gamer Entertainment Inc.

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

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## 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued...)

### *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	Amortized cost
Accounts receivable	Amortized cost
Accounts payable	Amortized cost

### 3.9 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.

### 3.10 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.

### 3.11 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.

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

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### 3. MATERIAL ACCOUNTING POLICY INFORMATION (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.

#### Adoption of New Accounting Policies

The Company adopted the following standards effective as of January 1, 2023. These changes were made in accordance with the applicable transitional provisions noted below.

Amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2 - Making Materiality Judgments. In February 2021, the IASB issued amendments to IAS 1 - Presentation of Financial Statements, and IFRS Practice Statement 2 - Making Materiality Judgments ("IFRS Practice Statement 2"). These amendments help entities provide accounting policy disclosure that is more useful to primary users of financial statements by:

- Replacing the requirement to disclose "significant" accounting policies under IAS 1 with a requirement to disclose "material" accounting policies. Under IAS 1, an accounting policy would be material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that primary users of general-purpose financial statements would make on the basis of those financial statements.
- Providing guidance in IFRS Practice Statement 2 to explain and demonstrate the application of the four-step materiality process to accounting policy disclosure.

The adoption of the standard did not have a material impact on the Company's consolidated financial statements.

#### Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

In February 2021, the IASB issued amendments to IAS 8 - *Accounting Policies, Changes in Accounting Estimates and Errors*. These amendments introduce a new definition of "accounting estimates" to replace the definition of "change in accounting estimates" and also include clarifications intended to help entities distinguish changes in accounting policies from changes in accounting estimates. The adoption of the standard did not have a material impact on the Company's consolidated financial statements.

#### Amendments to IAS 12 - Income Taxes

In May 2021, the IASB issued amendments to the recognition exemptions under IAS 12 - *Income Taxes* ("IAS 12"). These amendments narrowed the scope of the recognition exemption to require an entity to recognize deferred tax on the initial recognition of a transaction, to the extent the transaction gives rise to equal amounts of deferred tax assets and liabilities. The adoption of the standard did not have a material impact on the consolidated financial statements.

# Good Gamer Entertainment Inc.

Consolidated Statements of Cash Flows

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## 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued...)

### New Accounting Pronouncements to be Adopted

The Company has implemented all applicable IFRS standards recently issued by the IASB. Pronouncements that are not applicable or where it has been determined do not have a significant impact on the Company have been excluded in these consolidated financial statements. The Company is currently assessing the impact that adopting the new standards or amendments will have on its consolidated financial statements. No material impact is expected upon the adoption of the following new standards issued but not yet effective:

**Amendments to IAS 1 - Classification of Liabilities as Current or Non-current** In January 2020, the IASB issued amendments to IAS 1 - Classification of Liabilities as Current or Non-current. These amendments clarify the requirements relating to determining if a liability should be presented as current or non-current in the statement of financial position. Pursuant to the new requirements, the assessment of whether a liability is presented as current or non-current is based on the contractual arrangements in place as at the reporting date and does not impact the amount or timing of recognition. These amendments are effective for annual periods beginning on or after January 1, 2024, with early application permitted.

**IAS 21- Lack of Exchangeability** The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. These amendments are effective for annual periods beginning on or after January 1, 2025, with early application permitted. Because the Company only operates in the United States and Canada, between which the exchange of currency is well-established, this amendment is not expected to have a material impact on the consolidated financial statements of the Company.

**IAS 18 - Presentation and Disclosure of Financial Statements** In April 2024, the IASB issued the new standard IFRS 18 - Presentation and Disclosure of Financial Statements. This standard aims to bring more transparency and comparability to the financial performance of companies, enabling investors to make better investment decisions. IFRS 18 introduces three sets of new requirements; improved comparability of the profit or loss statement (statement of income), improved transparency of management-defined performance measures, and more useful grouping of information in financial statements. IFRS 18 will replaced IAS 1 - Presentation of Financial Statements. This standard becomes effective for years beginning on or after January 1, 2027, and companies may apply it earlier subject to authorization by relevant regulators. The Company is assessing the impacts to ensure that all information complies with the standard.

## 4. RECEIVABLES

As at March 31, 2024 and March 31, 2023, the Company has the following receivables:

	March 31, 2024		March 31, 2023	
Accounts receivable	\$	11,340	\$	43,386
GST receivable		-		13,203
	\$	11,340	\$	56,589

## Good Gamer Entertainment Inc.

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#### 5. PREPAID EXPENSES

As at March 31, 2024 and March 31, 2023, the prepaid expenses are composed of the following:

	March 31, 2024		March 31, 2023	
Marketing	\$	-	\$	2,771
Software development		250,000		8,634
Professional fees		-		16,564
Transfer agent and filing fees		16,527		-
User rewards		-		12,257
	\$	266,527	\$	40,226

#### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at March 31, 2024 and March 31, 2023, the Company has the following accounts payable balances:

	March 31, 2024		March 31, 2023	
Software and development	\$	323,849	\$	300,025
General & Administrative		166,915		118,842
Marketing		39,212		38,697
	\$	529,976	\$	457,564

On March 1, 2023, the Company entered into a Line of Credit (LOC) Agreement with a company indirectly controlled by the CEO (Note 10) to facilitate financing of media and ad spending for a maximum credit facility of US\$500,000. As at March 31, 2024, the Company has an outstanding loan payable of \$22,411 (March 31, 2023 - \$18,428) with an interest of 2% accrued monthly from the with a company indirectly controlled by the CEO reported as part of accounts payable. Per agreed terms with the company indirectly controlled by the CEO, 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.

Contractual payments	Due Date			Total
	Within 1 year	2-5 years	>5 years	
Accounts payable	\$ 529,976	\$ -	\$ -	\$ 529,976
Accrued liabilities	114,860	-	-	114,860
Due to related parties	-	-	-	-
Loans payable	150,000	-	-	150,000
GST Payable	1,299	-	-	1,299
	\$ 796,135	\$ -	\$ -	\$ 796,135

As at March 31, 2024, the Company has accrued liabilities of \$114,860 (2023 – \$99,332).

## Good Gamer Entertainment Inc.

### Consolidated Statements of Cash Flows

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#### 7. PLAYCASH APP PROVISIONS

This account consists of the value of the PlayCash app coins awarded to the users for completion of certain objectives in the games. These can be converted into gift cards. The liability refers to the remaining balance on the customers' account in the PlayCash app.

#### 8. LOANS PAYABLE

As at March 31, 2024, the Company has an outstanding promissory note payable of \$150,000 (March 31, 2023- Nil) from a third party with an interest rate of 12%. Per agreed terms with the third party, the principal balance shall be due and payable on a rolling net 60 payment term basis.

#### 9. CAPITAL STOCK

##### Share Capital

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

As at March 31, 2024 there were 6,282,146 (March 31, 2023 – 12,564,324) common shares held in escrow. The common shares held in escrow are scheduled for release in accordance with the escrow agreement as follows: 3,141,089 on April 19, 2024, and 3,141,057 on October 19, 2024.

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

##### 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, 2024, there is a total of 3,280,000 (March 31, 2023 – 4,310,000) 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, 2024, the Company had the following stock options transactions:

- Stock-based compensation amounting to \$44,870 (2023 - \$326,785) were recognized in the statement of loss and comprehensive loss.
- 630,000 options exercisable at \$0.25 and 400,000 options exercisable at \$0.10 were forfeited.

## Good Gamer Entertainment Inc.

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### 9. CAPITAL STOCK (continued...)

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

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

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

A summary of changes in the Company's stock options outstanding as at March 31, 2024 and March 31, 2023 is as follows:

	Number of options	Weighted average exercise price
<b>Balance, March 31, 2022</b>	<b>4,797,500</b>	\$ 0.33
Issued	400,000	\$ 0.10
Forfeited	(887,500)	\$ 0.55
<b>Balance, March 31, 2023</b>	<b>4,310,000</b>	\$ 0.26
Forfeited	(1,030,000)	\$ 0.19
<b>Balance, March 31, 2024</b>	<b>3,280,000</b>	\$ 0.28

Details of options outstanding as at March 31, 2024 are as follows:

Expiry Date	Exercise Price	Remaining Life (Years)	Number of Options	
			Issued and Outstanding	Number of Options Exercisable
October 15, 2025	\$ 0.25	1.54	2,980,000	2,940,000
November 24, 2025	\$ 0.57	1.65	300,000	175,000
	\$ 0.28	1.55	3,280,000	3,115,000

There were no additional options granted during the year ended March 31, 2024 (March 31, 2023 - 400,000 with fair value of \$41,201). The Company uses the Black-Scholes option pricing model with the following assumptions:

	March 31, 2024	March 31, 2023
Volatility rate	-	162.5%
Risk-free rate	-	1.46%
Forfeiture rate	-	0%
Exercise price	-	\$0.10
Dividend yield rate	-	0%
Weighted average expected life	-	5 years

## Good Gamer Entertainment Inc.

### Consolidated Statements of Cash Flows

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#### 9. CAPITAL STOCK (continued...)

##### Warrants

During the year ended March 31, 2024, 1,500,000 warrants exercisable at \$0.40 per share and 5,000,000 warrants exercisable at \$1.00 expired unexercised.

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

A summary of changes in the Company's warrants during the year ended March 31, 2024, and year ended March 31, 2023 is as follows:

	Number of warrants	Weighted average exercise price
<b>Balance, March 31, 2022</b>	<b>13,592,601</b>	0.94
Expired	(7,092,601)	0.96
<b>Balance, March 31, 2023</b>	<b>6,500,000</b>	0.86
Expired	(6,500,000)	0.86
<b>Balance, March 31, 2024</b>	<b>-</b>	-

#### 10. RELATED PARTY TRANSACTIONS

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

	For the year ended	
Transactions with related parties:	March 31, 2024	March 31, 2023
Management fees were accrued or (paid) to:		
Chief Executive Officer	\$ 52,500	\$ 122,500
Chief Financial Officer	63,000	61,500
Directors' fees	26,095	35,439
Former Director	5,500	-
Professional fees were accrued or (paid) to:		
Chief Financial Officer	46,623	26,007
Corporate Secretary	33,600	37,400
Share-based compensations were accrued or (paid) to:		
Former Investor Relations Officer	-	12,165
Chief Financial Officer	22,051	52,340
Vice president of Operations India	-	-
Corporate Secretary	14,701	30,894
Directors	2,646	199,862
Other expenses accrued or (paid) to companies controlled by Chief Executive Officer	198,359	23,159
	<b>\$ 465,075</b>	<b>\$ 601,266</b>

## Good Gamer Entertainment Inc.

### Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

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

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

	For Years ended	
	March 31, 2024	March 31, 2023
Advertising	\$ 340	\$ 4,731
Lease	6,300	-
Search monetization media buys	191,719	18,428
	<b>\$ 198,359</b>	<b>\$ 23,159</b>

	March 31, 2024	March 31, 2023
<b>Balances with related parties:</b>		
Accounts payable to companies with common directors:		
Chief Executive Officer	\$ 24,131	\$ 6,245
Chief Financial Officer	17,625	-
Corporate Secretary	13,522	5,500
Vice President of Operations India	-	692
Accrued liabilities to companies with common directors:		
Chief Executive Officer	6,000	30,000
Chief Executive Officer	-	2,883
Directors	15,595	-
Former Director	5,500	-
Loans payable to companies with common directors:		
Chief Executive Officer	22,411	18,428
	<b>\$ 104,783</b>	<b>\$ 63,748</b>

#### 11. BREAKDOWN OF EXPENSES AND OTHER INCOME

Following is a breakdown of software and development expenses for the years ended March 31, 2024 and 2023:

SOFTWARE AND DEVELOPMENT EXPENSES	For the years ended	
	March 31, 2024	March 31, 2023
Amortization (Notes 7 and 8)	\$ -	\$1,523
Professional fees	38,533	233,816
Salaries and wages	22,342	100,660
Share-based payments	8,995	12,722
<b>Total software and development expenses</b>	<b>\$ 69,870</b>	<b>\$348,721</b>

## Good Gamer Entertainment Inc.

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

Following is a breakdown of operating expenses for the years ended March 31, 2024 and 2023:

OPERATING EXPENSES	For the year ended	
	March 31, 2024	March 31, 2023
Amortization (Notes 7 and 8)	\$ -	\$ 1,494
Interest and bank charges	15,354	12,025
Professional fees	1,451	4,397
SaaS, Internet, & Domains	37,253	251,196
<b>Total operating expenses</b>	<b>\$ 54,058</b>	<b>\$ 269,112</b>

Following is a breakdown of general and administrative expenses for the years ended March 31, 2024, and 2023:

GENERAL & ADMINISTRATIVE EXPENSES	For the years ended	
	March 31, 2024	March 31, 2023
Office and miscellaneous	\$ 41,305	\$163,603
Management fees (Note 13)	107,982	232,457
Professional fees (Note 13)	203,771	483,365
Salaries and wages (Note 13)	15,568	88,270
Share-based payments (Note 13)	35,875	314,063
Transfer agent and filing fees	12,201	23,649
<b>Total general &amp; administrative expenses</b>	<b>\$ 416,702</b>	<b>\$1,305,407</b>

Following is a breakdown of marketing expenses for the years ended March 31, 2024, and 2023:

MARKETING EXPENSES	For the years ended	
	March 31, 2024	March 31, 2023
Product Marketing	\$ 14,725	\$ 46,522
Corporate Marketing	-	48,938
<b>Total marketing expenses</b>	<b>\$ 14,725</b>	<b>\$ 95,460</b>

Following is a breakdown of other income (expenses) for the years ended March 31, 2024, and 2023:

OTHER INCOME (EXPENSES)	For the years ended	
	March 31, 2024	March 31, 2023
Interest income	\$ -	\$ 15,501
Penalties and Interest	-	(102)
Bad debt expense	(11,832)	(12,756)
Impairment loss	-	(15,340)
Gains (losses) on foreign exchange	5,949	(22,963)
<b>Total other income (expenses)</b>	<b>\$ (5,883)</b>	<b>\$ (35,660)</b>

## Good Gamer Entertainment Inc.

### Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

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#### 12. 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.

#### 13. 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.

As at March 31, 2024 and 2023, the fair value of the cash, receivables and accounts payable approximate their book values due to their short-term nature.

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

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

#### 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 \$11,340 (2023 – \$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, 2024.

##### (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, 2024, the Company has net financial assets of approximately \$48,000 (March 31, 2023 – \$28,000) denominated in US dollars, net financial liabilities of approximately \$37,400 (March 31, 2023 - \$36,000) denominated in Euros, net financial liabilities of approximately \$101,900 (March 31, 2023 - \$63,400) denominated in British Pounds, and net financial liabilities of approximately \$6,800 (March 31, 2023 - \$6,500) denominated in Indian Rupees. A 10% change in the exchange rate of the U.S dollar, Euro, British Pound, and Indian Rupee over the Canadian dollar would result in a change in foreign exchange of approximately \$19,350 to net and comprehensive loss.

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

##### (d) Concentration risk

The company is vulnerable to risk concentration in trade receivables due to its restricted client base and reliance on a single customer. The table below displays the Company's risk exposure in terms of credit concentration as a percentage of client revenue for the period ending March 31, 2024.

Revenue	Customer	\$	%
PlayCash	Fyber	\$2,045	1%
PlayCash	Ironsource	3,980	2%
PlayCash	AdGem	76	0%
Search monetization	Alot Inc.	249,441	97%
		<b>255,542</b>	

#### 14. 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, 2024, the Company's financial results are as follows:

	Canada	USA	Total
Revenues	\$ 249,441	\$ 6,101	\$ 255,542
Cost of sales	(247,951)	3,193	(244,758)
Gross Profit (Loss)	1,490	9,294	10,784
Software and development expenses	(69,870)		(69,870)
Operating expenses	(53,584)	(474)	(54,058)
General & Administrative expenses	(416,702)	-	(416,702)
Marketing expenses	-	(14,725)	(14,725)
Other income and expenses	5,953	(11,836)	(5,883)
<b>Net loss</b>	<b>\$ (532,713)</b>	<b>\$ (17,741)</b>	<b>\$ (550,454)</b>

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#### 14. SEGMENTED INFORMATION (continued...)

As at March 31, 2024, the Company's assets are as follows:

	Canada					Total
	Display Ads	NFT	Search Monetization	Chrome Extensions	Corporate and development	
Prepaid expenses	\$ -	\$ -	\$ -	\$ -	\$ 266,527	\$ 266,527
Equipment	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-

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

	Canada	USA	Total
Revenues	\$ 94,397	\$ 44,490	\$ 138,887
Cost of sales	(20,286)	(38,158)	(58,444)
Gross Profit (Loss)	74,111	6,332	80,443
Software and development expenses	(348,721)		(348,721)
Operating expenses	(263,576)	(5,536)	(269,112)
General & Administrative expenses	(1,296,596)	(8,811)	(1,305,407)
Marketing expenses	(74,751)	(20,709)	(95,460)
Other income and expenses	(35,736)	76	(35,660)
Net loss	\$(1,945,269)	\$ (28,648)	\$ (1,973,917)

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

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

#### 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, 2024, the liabilities from discontinued operations recognized in the consolidated statements of financial position relate to funds held in trust amounting to \$Nil (March 31, 2023 - \$377). On March 15, 2024, GGI was dissolved.

## Good Gamer Entertainment Inc.

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#### 15. TAXATION

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

	March 31, 2024	March 31, 2023
	\$	\$
Loss for the year	(550,454)	(1,973,917)
Expected income tax expense (recovery)	(149,000)	(533,000)
Change in statutory, foreign tax, foreign exchange rates and other	(68,000)	1,000
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	-	(327,000)
Permanent differences	13,000	95,000
Share issue costs	-	-
Change in unrecognized deductible temporary differences	204,000	764,000
<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, 2024	March 31, 2023
	\$	\$
Intangible assets	24,000	24,000
Share issue costs	186,000	280,000
Allowable capital losses	-	-
Non-capital losses available for future period	9,813,000	8,979,000
	10,023,000	9,283,000
Unrecognized deferred tax assets	(10,023,000)	(9,283,000)
<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, 2024	Expiry date	March 31, 2023
	\$		\$
Non-capital losses	9,813,000	2041 to 2042	8,979,000
Share issue costs	186,000	2042 to 2045	280,000
Allowable capital losses	-	No expiry date	-
Intangible assets	24,000	No expiry date	24,000

#### 16. COMMITMENTS

On February 16, 2021, the Company entered into a license agreement with an arm's length party for the use of affiliate system software for the purpose of affiliate management and statistical recording and reporting. The contractual obligation is for 24 months ending March 31, 2024 and contract commitment is \$63,780 (GBP £37,200). On December 7, 2022, a judgment was made for the Company to pay GBP 37,905.09 plus daily interest of 0.035% totaling GBP 5,465 recorded as accrued interest in connection with the license agreement.

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### 16. COMMITMENTS (continued)

The Company has certain commitments related to key management with combined compensation for \$15,000 per month with no specific expiry of terms (Note 10).

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.

### 17. SUBSEQUENT EVENTS

Subsequent to March 31, 2024, the Company entered into some loan agreements with third parties. The terms of the loans are summarized as follows:

Agreement date	Principal	Interest	Maturity
June 28, 2024	\$ 50,000	12%	September 30, 2024
July 30, 2024	50,000	12%	September 30, 2024
	\$ 100,000		

On May 8, 2024, 200,000 stock options exercisable at \$0.255 were forfeited.

On June 22, 2024, 200,000 stock options exercisable at \$0.255 were cancelled.