PLAYGROUND VENTURES INC.

CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2025 and 2024

(Expressed in Canadian dollars)

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

Jones & O'Connell LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

43 Church Street, Suite 500 + P.O. Box 1237 + St. Catharines, ON + L2R 7A7
phone 905.688.4842 fax 905.688.1746
www.jonesoconnell.ca

Independent Auditor's Report

To the Shareholders of Playground Ventures Inc.

Opinion

We have audited the consolidated financial statements of **Playground Ventures Inc.** and its subsidiaries ("the Group"), which comprise the consolidated statements of financial position as at December 31, 2025 and December 31, 2024 and the consolidated statements of net income (loss) and comprehensive income (loss), consolidated statements of changes in equity, and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

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 Group in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Group has a net loss for the year of $118,717 (2024 - $25,881), has a cumulative deficit of $17,579,596 (2024 - $17,460,879) and has a working capital deficit of $467,756 (2024 - $349,039). As stated in Note 2, these conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group'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 Group for the years ended December 31, 2025 and December 31, 2024. These matters were addressed in the context of our audits 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. We have identified no other key audit matters other than the matter described in the Material Uncertainty Related to Going Concern section of our report.

To the Shareholders of Playground Ventures Inc. (Continued)

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for other information. Other information comprises the information included in Management's Discussion and Analysis for the year ended December 31, 2025 and December 31, 2024 to be filed with the relevant Canadian Securities Commissions. Our opinion on the consolidated 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 audits of the consolidated 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 consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. 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 the auditors' report. 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 as issued by the IASB 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 it 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 a part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 a 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 Group's internal control.

Independent Auditor's Report

To the Shareholders of Playground Ventures Inc. (Continued)

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude of 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 Group’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 Group 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the 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 Wayne O'Connell.

Jones & O'Connell LLP

Jones & O'Connell LLP
Chartered Professional Accountants
Licensed Public Accountants
St. Catharines, Ontario
April 29, 2026

Jones & O’Connell LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

PLAYGROUND VENTURES INC.
Consolidated Statements of Financial Position
As at December 31, 2025 and December 31, 2024
(Expressed in Canadian dollars)
(Audited)

		December 31, 2025 $ (audited)	December 31, 2024 $ (audited)
ASSETS			
Current			
Cash		**898**	11,177
HST receivable		**8,199**	3,188
Prepaid expenses and other assets	**7**	**3,711**	3,711
Total Assets		**12,808**	18,076
LIABILITIES AND EQUITY			
Current			
Trade payables and accrued liabilities	**13**	**156,057**	117,257
Loan Payable	**15**	**15,388**	13,888
Due to directors and related parties	**13**	**309,119**	235,970
Total liabilities		**480,564**	367,115
Equity			
Share capital	**10**	**15,245,135**	15,245,135
Warrant reserve	**10**	**1,181,887**	1,181,887
Share based payment reserve	**11**	**684,818**	684,818
Deficit		**(17,579,596)**	(17,460,879)
Total shareholders' (deficit) equity		**(467,756)**	(349,039)
Total liabilities and shareholders' equity		**12,808**	18,076

Nature of operations (Note 1)
Going concern (Note 2)
Subsequent event (Note 16)
On behalf of the Board of Directors on April 29, 2026:

("signed")	("signed")
Jon Gill	Chris Irwin
Director	Director

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

PLAYGROUND VENTURES INC.
Consolidated Statements of Net Income (Loss) and Comprehensive Income (Loss)
As at December 31, 2025 and December 31, 2024
(Expressed in Canadian dollars)
(Audited)

	Note	December 31, 2025	December 31, 2024
		$	
Operating expenses			
Consulting and management fees		-	1099
General and administrative		12,333	16,102
Professional fees		71,218	125,347
		83,551	142,548
Other items			
Interest (expense) income		(35,166)	(27,508)
Gain on debt settlement	10	-	144,185
Impairment of investments	8	-	(10)
		(35,166)	(116,667)
Net gain (loss) and comprehensive loss		(118,717)	(25,881)
Earning per share –			
Basic	12	0.00	0.00
Diluted	12	0.00	0.00
Weighted average number of common shares outstanding			
Basic	12	84,441,889	83,452,319
Diluted	12	84,441,889	83,452,319

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

PLAYGROUND VENTURES INC.
Audited Consolidated Statements of Changes in Equity
As at December 31, 2025 and December 31, 2024
(Expressed in Canadian dollars)

		Shares Issued					
	Note	**Number of Shares**	**Amount**	**Warrant Reserve**	**Share-based Payment Reserve**	**Deficit**	**Total**
			$	**$**	**$**	**$**	**$**
Balance, December 31, 2023		**80,237,785**	**15,179,115**	**1,181,887**	**684,818**	**(17,434,998)**	**(389,178)**
Shares issued on debt settlements	10	4,204,104	66,020	-	-	-	66,020
Net comprehensive loss for current year		-	-	-	-	(25,881)	(25,881)
Balance, December 31, 2024		**84,441,889**	**15,245,135**	**1,181,887**	**684,818**	**(17,460,879)**	**(349,039)**
Net comprehensive loss for current year		-	-	-	-	(118,717)	(118,717)
Balance, December 31, 2025		**84,441,889**	**15,245,135**	**1,181,887**	**684,818**	**(17,579,596)**	**(467,756)**

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

PLAYGROUND VENTURES INC.
Consolidated Statements of Cash Flows
As at December 31, 2025 and December 31, 2024
(Expressed in Canadian dollars)
(Audited)

	Note	December 31, 2025	31-Dec-24
		$	$
Operating activities			
Gain (Loss) for the period		**(118,717)**	**(25,881)**
Adjustments to reconcile net loss to cash used in operating activities:			
Impairment of investments	**8**	**-**	**10**
Gain on debt settlement		**-**	**(144,185)**
Interest (income) expense		**35,166**	**27,508**
Changes in non-cash working capital:			
HST receivable		**(5,011)**	**24,727**
Trade payables and accrued liabilities		**41,283**	**44,312**
Cash used in operating activities		**(47,279)**	**(73,509)**
Financing activities			
Advances (net of repayment) received from directors and related parties		**37,000**	**84,561**
Cash provided by financing activities		37,000	84,561
Change in cash during the period		**(10,279)**	**11,052**
Cash, beginning of period		**11,177**	**125**
Cash, end of period		**898**	**11,177**

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

1. NATURE OF OPERATIONS

Playground Ventures Inc. (the "Company") was incorporated under the British Columbia Business Corporations Act ("BCBCA") on October 30, 2014. The Company is a developer of platforms and video game publisher that publishes video games that the Company either develop internally or engage a video game developer to develop for them. Previously known as BlocPlay Entertainment Inc., the Company changed its name to Playground Ventures Inc. on April 30, 2021. The Company's registered office is located at 217 Queen Street West, Suite 401, Toronto, Ontario M5V 0R2, Canada. The Company's shares trade on the Canadian Securities Exchange under the symbol "PLAY".

2. GOING CONCERN

The Company's ability to continue as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom, and to continue to obtain equity investment and borrowings sufficient to meet current and future obligations. The Company has a net loss for the year ended December 31, 2025, of $118,717 (2024 – 25,881). The Company's cumulative deficit was $17,579,596 as of December 31, 2025 (2024 - $17,460,879). The Company will require additional financing to meet its working capital requirements. The net working capital as of December 31, 2025 is a deficit of $467,756 (2024 – $349,039). During the year ended December 31, 2025, the Company obtained short term loans of $37,000 (2024 – 84,561). These conditions cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with debt offerings and or private placement of common shares. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its consolidated statement of financial position. These consolidated financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Company were unable to continue its operations.

3. BASIS OF PREPARATION

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").
These consolidated financial statements were approved and authorized by the Board of Directors of the Company on April 29, 2026.

3.2 Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary and Countervail Games Ltd. ("Countervail"). Countervail has been consolidated from the date of obtaining control, being the effective date of October 1, 2021. All inter-company transactions and balances have been eliminated upon consolidation.

3.3 Basis of presentation

The consolidated financial statements have been prepared on the historical cost basis other than for those financial assets recorded at fair value through profit and loss ("FVPL"). In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

3.4 Use of management estimates, judgments and measurement uncertainty

The preparation of these consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenues, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. Significant estimates and judgments made by management in the preparation of these consolidated financial statements are outlined below:

Going concern
Determining whether there exists material uncertainty that casts significant doubt about the Company's ability to continue as a going concern requires management to exercise its judgment, in particular about its ability to obtain funds to continue operations (Note 2).

Calculation of share-based payments
The Black-Scholes Option Pricing Model is used to determine the fair value for the stock options and warrants and utilizes subjective assumptions such as expected price volatility and expected life of the option or warrant. Discrepancies in these input assumptions can significantly affect the fair value estimate

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 Revenue recognition

The Company derives its revenues from two sources: (a) development fees, which is contract specific for development of technology; and (b) online game sales and platform sales. Development fee revenue is recognized when there is persuasive evidence of an agreement, the fee is measurable, the Company has performed its service in accordance with the agreement and collectability is reasonably assured.

Online game sales are sold to end customers through the Company's website and platform. These sales are recognized when the product is delivered to the customer. Testing sales are deferred against their related capitalized development costs and recognized once the game reaches commercialization.

4.2 Earnings per share

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the period. The dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

4.3 Share-based payments

The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted. In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share-based payments reserve.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

4.4 Financial assets and liabilities

Financial assets

Initial recognition and measurement
Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either FVPL or through other comprehensive
income ("FVOCI"), and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.
All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.
Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost.

Subsequent measurement – financial assets at amortized cost
After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statements of loss.

Subsequent measurement – financial assets at FVPL
Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statements of loss.

Subsequent measurement – financial assets at FVOCI
Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.
After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive income (loss). When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.
Dividends from such investments are recognized in other income in the statements of loss and when the right to receive payments is established.

Derecognition
A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Financial liabilities
Initial recognition and measurement
Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include trade and other payables, which are measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost
After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the statements of loss.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statements of loss.

4.5 Foreign currency transactions

Functional and presentation currency
The functional currency of the Company and its subsidiaries is the Canadian dollar. The financial statements are presented in Canadian dollars which is the group's presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

4.6 Intangible assets

Intangible assets acquired from third parties are measured initially at their fair value and either classified as indefinite life or finite life depending on their characteristics. Internally generated intangible assets, such as development costs, are capitalized only when the product is technically and commercially feasible, the costs of generating the asset can be reliably measured, and there is an adequate plan to complete the project. Revenues associated with testing products under development is recorded as a reduction of development costs. Intangible assets with indefinite lives are tested for impairment as least annually and intangible assets with finite lives are reviewed for indicators of impairment at least annually.

4.7 Goodwill

Goodwill represents the excess for the price paid for the acquisition of an entity over the fair value of the net identifiable tangible and intangible assets and liabilities acquired. Goodwill is allocated to the CGU or CGUs to which it relates. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the group at which management monitors goodwill. The Company allocates goodwill to one or more CGUs for the purpose of impairment testing.

The determination of these CGUs is based on management's judgment in regard to several factors such as shared infrastructure, similarity in service offering, and exposure to market risk and materiality. The Company has determined one CGU, Countervail, and has allocated goodwill at the segment level as a result of the synergies created.

Goodwill is not subject to amortization and is tested annually for impairment or more frequently if events or changes in circumstances indicate that the carrying amount of goodwill might be impaired. In order to determine if the value of goodwill has been impaired, the CGU to which goodwill has been allocated must be valued using present value techniques. When applying this valuation technique, the Company relies on a number of factors, including historical results, business plans, forecasts and market data. Changes in the conditions for these judgments and estimates can significantly affect the assessed value of goodwill. Impairment is determined for goodwill by assessing if the carrying value of CGU, including goodwill, exceeds its recoverable amount determined as the greater of the estimated fair value less costs of disposal and the value in use. Impairment losses recognized in respect of the CGUs are first allocated to the carrying value of goodwill and any excess is allocated to the carrying amount of assets in the CGUs.
Any goodwill impairment is recorded in the consolidated statements of operations and comprehensive loss in the period in which the impairment is identified. Impairment losses on goodwill are not subsequently reversed.

4.8 New accounting standards issued but not yet effective

IFRS 18 – Presentation and Disclosure in Financial Statements

The IASB issued IFRS 18 Presentation and Disclosure in Financial Statements in April 2024. This standard replaces IAS 1 and introduces changes to the presentation of items in the statement of profit or loss (including required subtotals for operating profit and profit before financing and income taxes), enhanced principles for aggregation and disaggregation, and disclosure requirements for management-defined performance measures.

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The Company has not early adopted IFRS 18 and is currently assessing the impact of these presentation changes on its financial statements.

5. CAPITAL MANAGEMENT

The Company manages its common shares and accumulated deficit as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk, as there are no external restrictions on it.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets in order at adjust the amount of cash on its balance sheet.

In order to facilitate the management of its capital requirements, the Company may prepare expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

The Company is not subject to any restrictions in the management of its capital. There were no changes in the Company's approach to capital management during the year.

6. FAIR VALUE AND FINANCIAL RISK FACTORS

Fair value of financial instruments

The Company has designated its cash as FVTPL which are measured at fair value. Fair value of cash is determined based on transaction value and is categorized as a Level one measurement.

- Level One includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level Two includes inputs that are observable other than quoted prices included in Level One.
- Level Three includes inputs that are not based on observable market data.

Cash is measured using Level One inputs.

As at December 31, 2025 and 2024, both the carrying and fair value amounts of the Company's cash, accounts receivable, other current assets, trade and accrued liabilities, due to directors and related parties approximately equivalent due to their short term nature.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, accounts receivable and other current assets. Cash consists of cash on hand deposited with reputable financial institutions which is closely monitored by management and cash held in trust with the lawyers. Management believes credit risk with respect to financial instruments included in cash is minimal. The nature of the Company's diverse customer base ensures that there is no concentration of credit risk.

(Expressed in Canadian dollars)

The Company's policy over credit risk is to minimize exposure to counterparties with perceived higher risk of default by dealing only with counterparties meeting the credit standards set out by management, which includes, but not limited to, extending credit based upon a counterparty's financial conditions and requested pre-authorized payments. The Company's maximum exposure to credit risk as at December 31, 2025 and 2024 is the carrying value of accounts receivable and other current assets.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations. The Company manages its liquidity risk by forecasting it operations and anticipating its operating and investing activities. All amounts in trade payables and due to directors and related parties are due within one year.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

Interest rate risk

Interest rate risk consists of a) the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, and b) to the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities. The Company is not exposed to interest rate price risk.

Foreign currency risk

The Company is exposed to foreign currency risk due to the timing of their accounts payable balances. This risk is mitigated by timely payment of creditors and monitoring of foreign exchange fluctuations by management. The Company is not exposed to significant foreign currency risk based on its current operations.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

7. PREPAID EXPENSES AND OTHER ASSETS

	December 31, 2025	**December 31, 2024**
Prepaid management fees	**$nil**	**$nil**
Other current assets	**$3,711**	**$3,711**
Total prepaid expenses and other assets	**$3,711**	**$3,711**

(Expressed in Canadian dollars)

During the year ended December 31, 2025, the Company wrote off nil (2024 – nil) of uncollectible receivables on the consolidated statement of comprehensive loss.

8. INVESTMENTS

At the moment, there are no active investments.

9. INTANGIBLE ASSETS

Development costs are capitalized based on the criteria in IAS 38 – Intangible Assets. Once commercialization of the game is reached, these costs and corresponding revenue will be systematically recognized in the statement of comprehensive loss over the expected life of the game, estimated at four years. At the moment, there are no intangible assets.

10. SHARE CAPITAL

Authorized: An unlimited number of common shares.

a) Issued and outstanding:

	Number of Shares	Amount ($)
Balance, December 31, 2023	**80,237,785**	**15,179,115**
Shares issued for debt	4,204,104	66,020
Balance, December 31, 2024	**84,441,889**	**15,245,135**
Balance, December 31, 2025	**84,441,889**	**15,245,135**

Debt Settlements

On April 15, 2024, the Company settled an aggregate of $210,205 of indebtedness to certain creditors of the Company through the issuance of 4,204,104 common shares in the capital of the Company at a price of $0.05 per common share. A gain on settlement of $144,185 has been recorded in the consolidated statements of comprehensive loss for the year ended December 31st, 2024.

b) Warrants:

The following table reflects the continuity of warrants for the periods presented:

	Number of Warrants	Weighted Average Exercise Price
December 31, 2023	**8,259,658**	**$ 0.173**
Warrants expiration	(3,759,658)	$0.200
December 31, 2024	**4,500,000**	**$ 0.15**
Warrants expiration	(4,500,000)	$0.150
December 31, 2025	**-**	**$ 0.00**

During the year ended December 31, 2025, 4,500,000 (3,759,658 for the year ended December 31, 2024) warrants with an exercise price of $0.15 (2024 - $0.20) expired. There are no outstanding warrants.

(Expressed in Canadian dollars)

c) Reserves

The warrant reserve records items recognized as share-based payments for warrants until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital.

The share-based payment reserve records items recognized as share-based payment expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

11. STOCK OPTIONS

The Company has a stock option plan (the "Plan") under which the Company may grant options to directors, officers, employees and consultants. The number of shares to be reserved and set aside for issue under this plan is determined from time to time by the Board. The continuity of outstanding stock options outstanding is as follows:

	Number of Options	Weighted Average Exercise Price
		$
Balance, December 31, 2023	**4,675,000**	**$0.172**
Balance, December 31, 2024	**4,675,000**	**$0.172**
Balance, December 31, 2025	**4,675,000**	**$0.172**

The following table provides additional information about outstanding stock options at December 31, 2025:

Issuance Date	Number of Outstanding Options	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	Number of Options Exercisable	Weighted Average Exercise Price – Exercisable Options
January 8, 2021	1,300,000	0.02	0.165	1,300,000	$ 0.165
February 4, 2021	100,000	0.10	0.200	100,000	0.200
March 7, 2021	600,000	0.18	0.280	600,000	0.280
February 1, 2022	2,425,000	1.09	0.150	2,425,000	0.150
March 10, 2022	250,000	1.19	0.150	250,000	0.150
December 31, 2025	**4,675,000**	**0.66**	**$0.172**	**4,675,000**	**$0.172**

12. EARNINGS PER SHARE

The weighted average number of shares includes common shares. The effect of adjustments to the weighted average number of common shares would be anti-dilutive when the Company incurs losses.

(Expressed in Canadian dollars)

The calculation of basic and diluted (loss) per share for the period ended was based on the information in the table below.

	December 31, 2025	December 31, 2024
Basic weighted average number of shares outstanding – beginning and ending balance	84,441,889	83,452,319
Dilutive weighted average number of shares outstanding	84,441,889	83,452,319
Net gain (loss)	$ (118,717)	$ (25,881)
Weighted average basic gain (loss) per share	$0.00	$0.00
Weighted average diluted gain (loss) per share	$0.00	$0.00

13. RELATED PARTIES AND KEY MANAGEMENT

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly. Compensation awarded to former and current key management includes the following:

	2025	**2024**
	$	**$**
Short-term employee benefits	**0**	**0**
Total compensation to key management	**0**	**0**

Included in accounts payable and accrued liabilities as at December 31, 2025 are amounts of $46,473 (December 31, 2024 - $27,708) due to directors, officers and former directors of the Company and companies with common directors. The amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

As part of the April 15, 2024 debt settlement, a total of $160,205 was settled with related parties through the issuance of 3,204,104 common shares. See note 10 for further information.

Balances due to director and related parties of $309,119 (2024 - $ 235,970) are comprised of principal of $229,528 (2024 - $190,579) and accrued interest of $79,591 (2024 -$45,391). The principal component bears interest at 8% for the initial term of one year and then 15% thereafter upon default of payment of principal and interest on maturity; upon default the principal and interest become payable on demand. The principal and interest are secured by a general security agreement over all of the assets of the company. In total for the year ended 2025, the promissory notes have increased by $37,000 and the interest expense to related parties were of $33,666 (2024 - $26,008)

On April 5, 2024, the Company issued a secured promissory grid note (the "Bridge Notes") to certain lenders (the "Lenders") of the Company for available proceeds to the Company of up to $100,000. The Bridge Notes mature on April 30, 2024 (the "Term"), and are secured against all of the assets of the Company. The Company may draw on the available proceeds of the Bridge Notes from time to time during the Term, and the amounts outstanding under the Bridge Notes bear interest of 8% per annum payable with any outstanding principal at the end of the Term, and the interest increases to 15% per annum upon an event of default.

(Expressed in Canadian dollars)

On March 19, 2025, the Company issued a secured promissory grid note (the "Bridge Notes") to certain lenders (the "Lenders") of the Company for available proceeds to the Company of up to $30,000. The Bridge Notes mature on April 18, 2025 (the "Term"), and are secured against all of the assets of the Company. The Company may draw on the available proceeds of the Bridge Notes from time to time during the Term, and the amounts outstanding under the Bridge Notes bear interest of 8% per annum payable with any outstanding principal at the end of the Term, and the interest increases to 15% per annum upon an event of default.

14. INCOME TAX

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	2025	2024
	$	$
Net Income (loss)	**(118,717)**	(25,881)
Statutory tax rate	**26.5%**	26.5%
Expected income tax expense (recovery)	**(31,461)**	(6,858)
Permanent differences	**2**	3
Temporary differences not recognized	**31,459**	6,855
Income tax recovery	**$-**	$-

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences because it is not probable that future taxable profit will be available against which the Company can utilize these benefits:

	2025	2024
	$	$
Non-capital losses	**11,237,675**	11,258,881
Capital losses	**792,573**	792,573
Share issuance costs	**-**	22,447
Temporary Differences	**$12,030,248**	$12,073,901

The Canadian non-capital losses carried forward will expire between 2035 and 2044. Share issue and financing costs will be fully amortized in 2025.

15. LOAN PAYABLE

On August 23, 2022, the Company issued a secured promissory grid note (the "Bridge Note") to certain a lender (the "Lender") of the Company for available proceeds to the Company of up to $50,000. The Bridge Note matured on December 31, 2022 (the "Term"), and are secured against all of the assets of the Company. The Company may draw on the available proceeds of the Bridge Notes from time to time during the Term, and the amounts outstanding under the Bridge Notes that is now in default bears the interest increases of 15%.

16. SUBSEQUENT EVENTS

On March 19, 2026, the Company issued a secured promissory grid note (the "Bridge Notes") to certain lenders (the "Lenders") of the Company for available proceeds to the Company of $31,075. The Bridge Notes mature on April 9, 2027 (the "Term"), and are secured against all of the assets of the Company. The Company may draw on the available proceeds of the Bridge Notes from time to time during the Term, and the amounts outstanding under the Bridge Notes bear interest of 8% per annum payable with any outstanding principal at the end of the Term, and the interest increases to 15% per annum upon an event of default.