CONTAGIOUS GAMING INC.

Consolidated Financial Statements

Years Ended March 31, 2024 and 2023

Expressed in Canadian Dollars

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

KRESTON GTA

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Contagious Gaming Inc.

Opinion

We have audited the accompanying consolidated financial statements of Contagious Gaming Inc. (the "Company"), which comprise the consolidated statement of financial position as of March 31, 2024, and the consolidated statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of March 31, 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

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 Financial Statements section of our report. We are independent of the Company 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 describe the events and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matter

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

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Matter – Comparative information

The financial statements for the year ended March 31, 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on July 25, 2023.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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 audit 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 audit, or otherwise appears to be materially misstated.

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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 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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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

We are responsible for the direction, supervision and performance 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.

KRESTON GTA

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

Kreston GTA LLP

Chartered Professional Accountants
Markham, Canada
July 29, 2024

Consolidated Statements of Financial Position
As at March 31, 2024 and 2023

(Expressed in Canadian Dollars)	Notes		March 31, 2024		March 31, 2023
ASSETS					
Current					
Cash		$	4,516	$	26,421
Accounts receivable	4		3,885		10,208
Total Assets		$	8,401	$	36,629
LIABILITIES					
Current					
Accounts payable and accrued liabilities		$	787,701	$	952,813
Due to related parties	5		457,551		958,791
Note payable	6		300,000		300,000
Interest payable			83,967		59,967
Total Liabilities			1,629,219		2,271,571
EQUITY					
Share capital	8		22,259,191		21,788,891
Reserves	8		3,166,013		3,166,013
Deficit			(27,046,022)		(27,189,846)
Total Equity			(1,620,818)		(2,234,942)
Total Liabilities and Equity		$	8,401	$	36,629
Commitments and contingencies	7				

Approved on behalf of the Board of Directors:

"Victor Wells", Director   *"Justin Barragan"*, Director

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

Consolidated Statements of Comprehensive Loss

For the Years Ended March 31, 2024 and 2023

Expressed in Canadian Dollars	Notes		2024		2023
Expenses					
General and administrative			141,522		436,868
Financing costs			24,000		24,000
Finders' fee			-		7,830
Bad debt expense			-		2,294
Foreign exchange (gain)/loss			39		68
Gain on debt settlement			(309,385)		-
			(143,824)		471,060
Comprehensive (gain)/loss for the year		$	(143,824)	$	471,060
Loss per share - basic and diluted	13	$	0.00	$	0.01
Weighted average number of shares outstanding - basic and diluted			55,359,157		42,661,125

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

Consolidated Statements of Changes in Equity
For the Years Ended March 31, 2024 and 2023

Expressed in Canadian Dollars	Share Capital *(Note 8)* Number of Shares*	Amount $	Reserves *(Note 8)* $	Deficit $	Total $
Balance at March 31, 2022	37,784,835	21,685,846	3,130,728	(26,718,786)	(1,902,212)
Issuance of shares	9,222,000	103,045	35,285	-	138,330
Net loss for the year	-	-	-	(471,060)	(471,060)
Balance at March 31, 2023	47,006,835	21,788,891	3,166,013	(27,189,846)	(2,234,942)

Expressed in Canadian Dollars	Share Capital *(Note 8)* Number of Shares*	Amount $	Reserves *(Note 8)* $	Deficit $	Total $
Balance at March 31, 2023	47,006,835	21,788,891	3,166,013	(27,189,846)	(2,234,942)
Issuance of shares for debt settlement	47,030,000	470,300	-	-	470,300
Net profit for the year	-	-	-	143,824	143,824
Balance at March 31, 2024	94,036,835	22,259,191	3,166,013	(27,046,022)	(1,620,818)

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

Consolidated Statements of Cash Flows
For the Years Ended March 31, 2024 and 2023

Expressed in Canadian Dollars	2024	2023
Cash provided by/ (used in) operations		
Income/(loss) for the year	$ 143,824	$ (471,060)
Items not affecting cash:		
Finders' fees	-	7,830
Issuance of shares for debt settlement	470,300	-
	614,124	(463,230)
Changes in non-cash working capital:		
Accounts receivable	6,323	1,066
Prepaid expenses	-	589
Accounts payable and accrued liabilities	(165,112)	39,999
Interest payable	24,000	24,000
	479,335	(397,576)
Cash flows (used in)/ from financing activities		
Increase/(decrease) in due to related parties	(501,240)	282,013
Issuance of common stocks and warrants	-	130,500
	(501,240)	412,513
Increase in cash	21,905	14,937
Cash at beginning of year	26,421	11,484
Cash at end of year	$ 4,516	$ 26,421

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

1. CORPORATE INFORMATION

Contagious Gaming Inc. (on a consolidated basis the **"Company"** or **"Contagious"**) is in the business of developing software solutions for regulated gaming and lottery markets. The Company's head office address is at #800 – 789 West Pender Street, Vancouver, BC, V6C 1H2. The registered and records office address is at Suite 1500-1055 West Georgia Street, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7. The Company is listed on the TSX Venture Exchange ("TSX.V") under the symbol "CNS" and on the Frankfurt Stock Exchange under the symbol "RHRD".

2. BASIS OF PRESENTATION

a) Statement of Compliance

These 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 International Financial Reporting Interpretations Committee. The policies set out below were consistently applied to all the years presented unless otherwise noted.

These consolidated financial statements were approved and authorized for issue by the Board of Directors on July 29, 2024.

b) Basis of Presentation

The consolidated financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

The standards that are effective in the annual financial statements for the year ending March 31, 2024 are subject to change and may be affected by additional interpretation(s).

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

c) Basis of Consolidation

The consolidated financial statements present the results of the company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between the Group companies are therefore eliminated in full.

These consolidated financial statements include the accounts of Contagious Gaming Inc. and the wholly-owned subsidiary Telos Entertainment Inc.

d) Going Concern

As at March 31, 2024, the Company does not have sufficient cash to meet anticipated cash needs for working capital and capital expenditures through the next twelve months. The Company will require additional financing in the near term to enable the launch of current initiatives. There can be no assurance however, that additional financing can be obtained, or obtained in a timely manner.

Not raising sufficient additional financing on a timely basis may result in delays and possible termination of all or some of the Company's initiatives, and as a result, these conditions indicate the existence of a material uncertainty which may cast significant doubt as to the ability of the Company to continue as a going concern. The Company cannot predict whether it will be able to raise the necessary funds it needs to continue as a going concern.

2. BASIS OF PRESENTATION – *CONTINUED*

The Company's consolidated financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and settlement of liabilities in the ordinary course of business. The consolidated financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern and such adjustments could be material.

e) Use of Estimates and Judgments

The Company makes certain estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual outcomes may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical estimates and assumptions in applying accounting policies and estimates that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year are discussed below:

(i) Accruals and provisions

Estimates are used in assessing, measuring and recognizing accruals and provisions. Estimates are required to determine the possible consideration required to settle the present obligation at the statement of financial position date.

(ii) Deferred taxes

The recognition of deferred tax assets is based on forecasts of future taxable income. The measurement of future taxable income for the purposes of determining whether or not to recognize deferred tax assets depends on many factors, including the Company's ability to generate such profits and the implementation of effective tax planning strategies. The occurrence or non-occurrence of such events in the future may lead to significant changes in the measurement of deferred tax assets.

f) Functional and Presentation Currency

These consolidated financial statements are presented in Canadian dollars. The functional currency of the Canadian legal parent company, Contagious Gaming Inc., and its wholly-owned legal Canadian subsidiary, Telos Entertainment Inc., is the Canadian dollar.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Cash and Cash Equivalents

Cash and cash equivalents consist of cash and demand deposits with maturities of 90 days or less.

b) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business. The Company recognizes revenue when the amount can be reliably measured and when it is probable that future economic benefits will flow to the Company.

3. SIGNIFICANT ACCOUNTING POLICIES – *CONTINUED*

Revenue arising from the development of content for mobile and online video games is recognized as the services are rendered. The Company's content development agreements with developers of social games generally include non-refundable up-front fees and milestone payments which are initially deferred and recognized as revenue as work progresses. Where services are in-progress at the reporting period end, the Company recognizes revenues proportionately 'over time' based on the amount of service provided to the customer to the reporting period end date.

c) Earnings (Loss) per Share

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

Diluted earnings per share is computed by dividing the net 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. The Company's instruments are not dilutive due to the loss in the period.

d) Financial Instruments

(i) Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Company initially measures a financial asset at its fair value, plus transaction costs in the case of a financial asset not at fair value through profit or loss.

Subsequent measurement
The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortized cost
The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and loss are recognized in the statement of comprehensive loss when the asset is derecognized, modified or impaired.

Financial assets at amortized cost include cash and accounts receivable.

3. SIGNIFICANT ACCOUNTING POLICIES – *CONTINUED*

Financial assets at fair value through profit or loss
Financial instruments classified as fair value through profit and loss are reported at fair value at each reporting date, and any change in fair value is recognized in the statement of operations in the period during which the change occurs. Realized and unrealized gains and losses from assets held at FVTPL are included in losses in the period in which they arise.

The Company does not have any financial assets that are measured at fair value through profit or loss.

Financial assets at Fair-value through other comprehensive income
Financial assets carried at FVTOCI are initially recorded at fair value plus transaction costs with all subsequent changes in fair value recognized in other comprehensive income (loss). For investments in equity instruments that are not held for trading, the Company can make an irrevocable election (on an instrument-by-instrument basis) at initial recognition to classify them as FVTOCI. On the disposal of the investment, the cumulative change in fair value remains in other comprehensive income (loss) and is not recycled to profit or loss.

The Company does not have any financial assets that are measured at fair value through other comprehensive income.

Impairment of financial assets
The Company recognizes an allowance for expected credit losses (ECLs) for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). For those credit exposures that are considered credit impaired, a loss allowance is required for credit losses expected over the remaining life of the exposure, with interest income recognized on the balance net of allowance.

At each reporting date, the Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effect, including historical and forward-looking information.

The Company considers a financial asset to have experienced a significant increase in credit risk when contractual payments are 30 days past due and to be in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to have increased significantly in credit risk or to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3. SIGNIFICANT ACCOUNTING POLICIES – *CONTINUED*

(ii) Financial Liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss (FVTPL) or other financial liabilities, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value net of directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate (“EIR”). Gains and loss are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the consolidated statement of comprehensive loss.

The Company’s accounts payable and accrued liabilities, due to related parties and note payable are classified as other financial liabilities at amortized cost.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

e) Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(i) The proceeds from the exercise of stock options, warrants and purchase of shares are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company.

(ii) Share capital issued for non-monetary consideration is recorded at an amount based on the fair market value of these shares when the fair value of the goods or services received is not reliably estimable.

(iii) The proceeds from the issue of units is allocated between common shares and common share purchase warrants classified as equity on a prorated basis on relative fair values as follows: the fair value of common shares is based on the stock price on the date the units are issued; and the fair value of the common share purchase warrants is determined using the Black-Scholes pricing model.

f) Provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations, and when it is probable that an outflow of economic benefits will be required and that amount can be reliably estimated. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Expressed in Canadian Dollars

3. SIGNIFICANT ACCOUNTING POLICIES – *CONTINUED*

g) Recent Accounting Pronouncements

New standards, interpretations and amendments effective from January 1, 2023

No new accounting standards were adopted in fiscal 2024 year which had a significant impact on the consolidated financial statements.

New standards, interpretations and amendments not yet effective

A number of new standards became effective for annual periods beginning on or after January 1, 2023 and earlier application was permitted. However, the Company has not early adopted the new or amended standards in preparing these consolidated financial statements. The Company has not identified any new standards, interpretations or amendments to existing standards that are expected to have a significant impact on the Company's consolidated financial statements.

4. ACCOUNTS RECEIVABLE

	March 31, 2024	March 31, 2023
Government remittances	$3,885	$10,208

5. RELATED PARTIES TRANSACTIONS AND BALANCES

a) Amounts Due To Related Parties

		March 31, 2024		March 31, 2023
Due to related parties:				
Due to directors, officers and their companies (i)	$	457,551	$	958,791

(i) Amounts due to directors, officers and their companies are for accrued salaries, fees and travel costs. These amounts are unsecured, non-interest bearing and are due on demand.

b) Compensation of Key Management Personnel

Key management personnel are those persons that have authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly. As of March 31, 2024 the Company's key management personnel consist of the Company's directors and senior management (Chief Executive Officer, President, Corporate Secretary and Chief Financial Officer). The Company incurred fees and expenses in the normal course of operations in connection with the key management and directors. Details are as follows:

Nature of Transactions		March 31 2024		March 31 2023
Management fees	$	24,624	$	182,352
Directors' fees		40,650		66,300
	$	65,274	$	248,652

During the current year, the Company recorded $17,500 (2023 - $25,309) of legal fees to McMillan LLP, a law firm in which one of the Company's directors is a partner.

6. NOTE PAYABLE

The $300,000 note payable is unsecured, bears interest at 8% per annum compounded quarterly, with interest payable on a quarterly basis. Subsequent to maturity on December 31, 2019, the note payable remains due on demand, bearing interest at a rate of 8% per annum with no specified terms of repayment.

7. COMMITMENTS AND CONTINGENCIES

As part of the Board's ongoing compliance process, the Board continues to monitor legal and regulatory developments and their potential impact on the Company. The Company takes legal advice as to the potential outcomes of claims and actions and provisions are made where appropriate.

Management is not aware of any contingencies that may have a significant impact on the financial position of the Company.

8. SHARE CAPITAL

a) Authorized and Issued Share Capital

The Company's authorized share capital consists of an unlimited number of common shares without par value. The Company is also authorized to issue an unlimited number of Class A Preferred Shares without par value. No Class A Preferred Shares were issued as of the period end date.

b) Issued and Outstanding

On January 26, 2024, the Company entered into debt settlement agreements with certain parties to settle an aggregate $470,300 in debt. In settlement of the debt, the company issued an aggregate of 47,030,000 common shares at a price of one cent per share. All shares issued in connection with the debt settlement are subject to a statutory hold period of four months plus one day from the date of issuance in accordance with applicable securities legislation.

On September 19, 2022, the Company completed a non-brokered private placement of 8,700,000 units (the "**Units**") at $0.015 per Unit for gross proceeds of $130,500 (the "**Offering**"). Each Unit consisted of one common share in the capital of the Company (the "**Shares**") and one common share purchase warrant (the "**Warrants**"). Each Warrant entitles the holder to purchase one additional Share at a price of $0.05 until September 19, 2024. The Warrants have an acceleration provision pursuant to which the Company has the option to force conversion if the weighted average daily trading price of the Company's common shares on the TSX Venture Exchange is $0.25 or more for 10 consecutive trading days. In connection with the Offering, the Company issued 522,000 finders' units (the "**Finder's Units**") to eligible finders, being 6% of the total number of Units sold under the Offering to purchasers introduced by such finders. Each Finder's Unit is comprised of one common share and one common share purchase warrant (the "**Finder's Warrants**"). The Finder's Warrants have the same terms as the Warrants. The Company determined the value of each share and each warrant to be $0.011 and $0.004 respectively, based on their relative fair values as of the closing date.

c) Stock Options

The Company has a stock option plan in place under which it is authorized to grant options of up to 10% of its outstanding shares of the Company to officers, directors, employees and consultants. The exercise price of each option is to be determined by the Board of Directors but shall not be less than the discounted market price as defined by the TSX Venture Exchange. The expiry date for each option should be for a maximum term of five years. Stock options granted vest over the period determined by the Board of Directors. Stock options granted to investor relations consultants vest according to TSX Venture Exchange policy.

There are no stock options outstanding as at March 31, 2024 and March 31, 2023.

Expressed in Canadian Dollars

8. SHARE CAPITAL - *CONTINUED*

d) Share Purchase Warrants

The following is a summary of activity in share purchase warrants:

March 31, 2023	Granted	Forfeited	Exercised	Expired	March 31, 2024	Weighted Average Exercise Price	Expiry Date
9,222,000	-	-	-	-	9,222,000	$0.05	Sept 19, 2024 (i)

(i) On September 19, 2022, the Company completed a non-brokered private placement of 8,700,000 units at $0.015 per Unit for gross proceeds of $130,500. Each Unit consisted of one common share in the capital of the Company and one common share purchase warrant. Each Warrant entitles the holder to purchase one additional Share at a price of $0.05 until September 19, 2024. The Warrants will have an acceleration provision pursuant to which the Company has the option to force conversion if the weighted average daily trading price of the Company's common shares on the TSX Venture Exchange is $0.25 or more for 10 consecutive trading days.

In connection with the Offering, the Company issued 522,000 finders' units to eligible finders, being 6% of the total number of Units sold under the Offering to purchasers introduced by such finders.

Each Finder's Unit is comprised of one common share and one common share purchase warrant. The Finder's Warrants have the same terms as the Warrants.

The fair value of 9,222,000 warrants was estimated to be $35,285 using the Black-Scholes option pricing model with the following weighted average assumptions, and was expensed as financing fees:

Stock price volatility	100%
Risk-free interest rate	2.75%
Expected life	2 years
Expected dividend yield	0.00%

e) Reserves

	Contribution	Options	Warrants	Total
Balance – March 31, 2023	265,407	1,546,275	1,354,331	3,166,013
Balance – March 31, 2024	265,407	1,546,275	1,354,331	3,166,013

Contribution reserve arose on the issuance of the redeemable Class A Preferred Shares in 2006 and 2007 and equity portion of convertible note described in Note 6.

Options and warrants reserves represent fair value of share purchase options and share purchase warrants issued for services and private placement.

Expressed in Canadian Dollars

9. INCOME TAX

The Company's tax charge, which relates fully to deferred taxes, differs from the amount obtained by applying the Canadian statutory tax rate due to the following:

		March 31, 2024		March 31, 2023
Loss from continuing operations before taxes	$	143,824	$	(471,060)
Canadian statutory tax rate		27.00%		27.00%
Income tax recovery	$	38,832	$	(127,186)
Foreign and provincial tax rate differences		(772)		(503)
Items (deductible)/non-deductible for tax purposes		(159,380)		5,946
Operating losses not set-up as deferred tax assets		121,320		121,743
Future income tax recovery	$	-	$	-

Details of deferred income tax assets (liabilities) are as follows:

		March 31, 2024		March 31, 2023
Deferred income tax assets related to:				
Non-capital losses	$	2,304,188	$	2,265,035
Intangible assets		69,935		72,577
Total future income tax assets	$	2,374,123	$	2,337,612
Valuation allowance		-		-
Less deductible temporary differences for which deferred income tax assets are not recognized		(2,374,123)		(2,337,612)
Net deferred income tax asset	$	-	$	-

As at March 31, 2024, the Company had non-capital losses in Canada of approximately $8,267,466 that may be applied against future income for income tax purposes. These losses expire at various dates between 2026 and 2044. The Company has deferred tax assets that have not been recognized because it is not probable that future taxable profit will be available against which the Company can utilize these benefits.

10. FINANCIAL INSTRUMENTS

a) Fair Value of Financial Instruments

The Company has classified its financial instruments using a fair value hierarchy that reflects the significance of inputs used as follows:

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

Level 2: Valuation based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates;

Level 3: Valuation based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The fair values of accounts receivable, accounts payable and accrued liabilities, note payable and balances with related parties approximate their carrying value due to their short-term maturities.

There were no transfers between levels during the year.

Expressed in Canadian Dollars

10. FINANCIAL INSTRUMENTS - *CONTINUED*

b) Management of Risks Arising from Financial Instruments

The Company's financial instruments are exposed to the following financial risks:

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Company is exposed to credit risk from credit sales. The Company provides credit to its customers in the normal course of its operations and credit sales represent a significant portion of the Company's sales activities. The Company does not obtain collateral or security to support trade receivables but mitigates this risk by granting credit only to financially reliable customers. An allowance for doubtful accounts is established using an expected credit loss model that is based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

Cash is spread across the Company with different institutions which helps to manage cash credit risk. Excess cash is held in Canadian Guaranteed Investment Certificates. The Company only engages banks with appropriate credit ratings.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to this risk mainly with respect to ensuring the sufficiency of funds for working capital and commitments. The Company monitors the maturity dates of existing accounts payables and accrued liabilities, loans payable, and commitments to mitigate this risk. As at March 31, 2024, the Company does not have sufficient cash to meet anticipated cash needs for working capital and capital expenditures through the next twelve months. The Company intends on raising financing before the end of fiscal 2025. The Company will require additional financing in the near term to enable the launch of current initiatives. There can be no assurance however, that additional financing can be obtained, or obtained in a timely manner, especially in light of the potential impact of COVID-19 on capital markets.

The following table outlines the remaining contractual maturities for the Company's financial liabilities and the financial period in which they fall due:

March 31, 2023	2024 $	2025 $	2026 $	Total $
Accounts payable	952,813	-	-	952,813
Due to related parties	958,791	-	-	958,791
Interest payable	59,967			59,967
Note payable	300,000	-	-	300,000
	2,271,571	-	-	2,271,571

March 31, 2024	2025 $	2026 $	2027 $	Total $
Accounts payable	787,701	-	-	787,701
Due to related parties	457,551	-	-	457,551
Interest payable	83,967			83,967
Note payable	300,000	-	-	300,000
	1,629,219	-	-	1,629,219

11. CAPITAL MANAGEMENT

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern (refer to Note 2d) and to grow the Company's operations. The Company depends on revenue generated and external financing to fund its activities. The capital structure of the Company currently consists of common shares, share purchase warrants, loans payable and related party debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may arrange more loans, issue new shares through private placements, or sell assets to fund operations. Management reviews its capital management approach on a regular basis. The Company is not subject to externally imposed capital requirements. The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly-rated financial instruments, such as cash and other short-term guaranteed deposits, all held with major financial institutions.

12. SEGMENTED INFORMATION

The Company is engaged in the business of developing software solutions for regulated gaming and lottery markets. Based on the Company's organizational structure and the manner in which the operations are managed and evaluated by senior management, the Company is considered to be operating in one reportable segment.

13. EARNINGS/(LOSS) PER SHARE

The calculation of basic and diluted earnings (loss) per share has been calculated based on the weighted average number of common shares issued and outstanding during the reporting period.

Diluted and basic loss per share are the same because the effects of potential issuances of shares under stock options and warrants would be anti-dilutive.

14. SUBSEQUENT EVENTS

On July 17, 2024, the Company and IMBiotechnologies Ltd., a corporation existing under the laws of Alberta ("IMBiotechnologies") announced that they have entered into a non-binding letter of intent dated July 17, 2024 (the "LOI"), pursuant to which Contagious Gaming and IMBiotechnologies intend to complete a business combination or other similarly structured transaction which will constitute a reverse take-over of Contagious Gaming (the "Transaction"). In connection with the Transaction the common shares of the Company are expected to be voluntarily delisted from the TSX Venture Exchange (the "TSXV") and will subsequently apply for listing on the Canadian Securities Exchange (the "CSE").

The LOI is to be superseded by a business combination agreement (the "Definitive Agreement") to be signed on or prior to October 15, 2024, or such later date as may be mutually agreed upon by the parties in writing. The Transaction is subject to requisite regulatory approval, including the approval of the TSXV, and the CSE and standard closing conditions, including the approval of the directors of each of Contagious Gaming and IMBiotechnologies of the Definitive Agreement, completion of due diligence investigations to the satisfaction of each of the parties, and the conditions described below. The legal structure for the Transaction will be confirmed after the parties have considered all applicable tax, securities law and accounting efficiencies.