FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: **_Fantasy 360 Technologies Inc.____________** (the "Issuer").

Trading Symbol: ________________**VRAR**__________________________

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

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SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

Condensed consolidated interim unaudited financial statements for the nine-month period ended September 30, 2021 (the "Financial Statements"), as filed with the securities regulatory authorities are affixed to this Form 5 as Appendix I.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
(b) A description of the transaction(s), including those for which no amount has been recorded.
(c) The recorded amount of the transactions classified by financial statement category.
(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
(e) Contractual obligations with Related Persons, separate from other contractual obligations.
(f) Contingencies involving Related Persons, separate from other contingencies.

All related party transactions have been disclosed in Note 19 to the Issuer's Financial Statements attached hereto as Appendix I. For information supplementary to that contained in the notes to the Financial Statements with respect to related party transactions, please refer to the Management's Discussion and Analysis ("MD&A") for the nine-month period ended September 30, 2021, as filed with the securities regulatory authorities and attached to this Form 5 as Appendix II.

2. Summary of securities issued and options granted during the period.

All securities issued and options granted, if any, have been disclosed in the Issuer's Financial Statements attached hereto as Appendix I.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
April 1, 2021	Common shares	Shares for debt	4,691,180	$0.25	$1,172,96	Cash	N/A	N/A
August 12, 2021	Common shares	Converted special warrants	6,750,803	$0.25	$2,362,781	Cash	N/A	$141,766
September 8, 2021	Common shares	Bonus shares	600,000	$0.25	Nil	Bonus shares	CEO	N/A

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
May 1, 2021	3,500,000	Various	Directors	$0.25	May 1, 2026	N/A
May 1, 2021	800,000	Various	Consultants	$0.25	May 1, 2026	N/A

August 12, 2021	3,100,000	Various	Employees / contractors	$0.25	August 12, 2026	N/A

3. Summary of securities as at the end of the reporting period.

A summary of securities as at the end of the reporting period have been disclosed in the Issuer's Financial Statements, attached hereto as Appendix I.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

(b) number and recorded value for shares issued and outstanding,

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Name	Position
Tim Bieber	Director, CEO
Sheri Rempel	Director, CFO, Corporate Secretary
Alvin Graylin	Director
Cathy Hack	Director
Alexandros Tzilios	Director

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

MD&A for the nine-month ended September 30, 2021, as filed with the securities regulatory authorities are attached to this Form 5 as Appendix II.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated November 26, 2021

Sheri Rempel
Name of Director or Senior Officer

/s/ "Sheri Rempel"
Signature

Director and Chief Financial Officer
Official Capacity

Issuer Details Name of Issuer Fantasy 360 Technologies Inc.	For Quarter Ended September 30, 2021	Date of Report YY/MM/DD 2021/11/26
Issuer Address Suite 1080, 789 West Pender Street		
City/Province/Postal Code Vancouver, BC V6C 1H2	Issuer Fax No. N/A	Issuer Telephone No. (604) 283-9166
Contact Name Sheri Rempel	Contact Position CFO	Contact Telephone No. (604) 283-9166
Contact Email Address srempel@aroconsulting.ca	Web Site Address	

APPENDIX I

Fantasy 360 Technologies Inc.

Condensed Interim Financial Statements
Three and Nine months ended September 30, 2021 and 2020

Expressed in Canadian Dollars

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

The condensed interim financial statements of Fantasy 360 Technologies Inc. are the responsibility of the Company’s management. The condensed interim financial statements are prepared in accordance with International Financial Reporting Standards and reflect management’s best estimates and judgment based on information currently available.

Management has developed and maintains a system of internal controls to ensure that the Company’s assets are safeguarded, transactions are authorized, and properly recorded, and financial information is reliable.

Fantasy 360 Technologies Inc.
Condensed interim statements of financial position
(Expressed in Canadian dollars)

	Note		September 30, 2021		December 31, 2020
ASSETS					
Current assets					
Cash and cash equivalents	3	$	1,136,953	$	192,475
Prepaids			33,951		32,778
Trade receivables			106,233		63,565
Government sales tax receivable			27,691		6,087
Inventory	4		116,271		-
			1,421,099		294,905
Non-current assets					
Investments	5		28,673		3,254
Due from related parties	9		542,383		542,383
Equipment	6		14,215		4,041
Right-of-use asset	7		49,843		-
Intangible Assets	8		999,976		-
TOTAL ASSETS		**$**	**3,056,189**	**$**	**844,583**
LIABILITIES					
Current liabilities					
Trade payables	9	$	190,334	$	86,192
Accrued liabilities			-		141,423
Deposit on shares	11		-		1,172,796
Current portion of lease liability	7		18,124		-
Due to related parties	9		1,102,187		99,529
			1,310,645		1,499,940
Non-current liabilities					
CEBA loan	10		38,819		33,667
Lease liability	7		32,363		-
TOTAL LIABILITIES			1,381,827		1,533,607
SHAREHOLDER'S EQUITY					
Share capital	11		2,660,242		1
Reserves	11		1,217,627		-
Deficit	11		(2,203,507)		(689,025)
TOTAL SHAREHOLDER'S EQUITY			1,674,362		(689,024)
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		**$**	**3,056,189**	**$**	**844,583**

Nature of operations and going concern – Note 1
Subsequent events – Note 14

See accompanying notes to the condensed interim financial statements

Fantasy 360 Technologies Inc.
Condensed interim statements of loss and comprehensive loss
(Expressed in Canadian dollars)

	Note	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Revenue		$ 66,949	$ 583,302	$ 107,829	$ 1,024,717
Cost of goods sold		17,167	63,628	45,913	442,460
		49,782	519,674	61,916	582,257
Expenses					
Depreciation	6	3,110	3,284	6,310	6,484
Bad debt expense	12	-	-	391	-
Consulting fees	9	224,339	10,785	393,706	97,663
Foreign exchange gain		2,704	2,213	1,692	(45,898)
General and administration		78,415	11,444	108,268	30,472
Interest and accretion	10	1,819	-	5,153	-
Professional fees		18,960	3,455	81,598	18,064
Rent		18,453	35,495	85,104	114,752
Research and development		(585,263)	-	151,716	-
Salaries and wages		255,972	42,703	495,161	198,962
Sales and marketing		34,421	661	93,758	5,217
Share-based payments	11	163,351	-	482,001	-
Total expenses		(216,281)	(110,040)	(1,904,858)	(425,716)
Other Items					
Equity gain (loss) on investments	5	(4,670)	(12,451)	25,418	5,617
Gain on government grant	10	-	20,251	-	20,251
Interest and other income		74,720	79,278	303,042	77,273
		70,050	87,078	328,460	103,141
Net (loss) income and comprehensive (loss) income for the period		(96,449)	496,712	(1,514,482)	259,683
Basic and diluted loss per share		**$ (0.00)**	**$ 0.01**	**$ (0.02)**	**$ 0.00**
Weighted average number of common shares outstanding for the period - basic and diluted		**71,739,015**	**63,308,820**	**67,696,308**	**63,308,820**

See accompanying notes to the condensed interim financial statements

Fantasy 360 Technologies Inc.
Condensed interim statements of changes in shareholder's equity
(Expressed in Canadian dollars)

		Share Capital		Reserves				
	Note	Number of Shares	Amount	Contributed Surplus	Warrants	Total Reserves	Deficit	Total
Balance at January 1, 2020		**63,308,820**	**$ 1**	**$ -**	**$ -**	**$ -**	**$ (769,818)**	**$ (769,817)**
Net loss for the period		-	-	-	-	-	259,683	259,683
Balance at September 30, 2020		**63,308,820**	**$ 1**	**$ -**	**$ -**	**$ -**	**$ (510,135)**	**$ (510,134)**
Balance at January 1, 2021		**63,308,820**	**$ 1**	**$ -**	**$ -**	**$ -**	**$ (689,025)**	**$ (689,024)**
Shares issued to settle deposit on shares	11	4,691,180	1,172,795	-	-	-	-	1,172,795.00
Shares, warrants, and broker warrants issued for private placement, net of share issuance costs	11	6,750,803	1,337,446	-	735,626	735,626	-	2,073,072.00
Shares issued for settlement of debt		600,000	150,000	-	-	-	-	150,000.00
Share-based payments	11	-	-	482,001	-	482,001	-	482,001
Net loss for the period		-	-	-	-	-	(1,514,482)	(1,514,482)
Balance at September 30, 2021		**75,350,803**	**$ 2,660,242**	**$ 482,001**	**$ 735,626**	**$ 1,217,627**	**$ (2,203,507)**	**$ 1,674,362**

See accompanying notes to the condensed interim financial statements

(Expressed in Canadian dollars)

	Note	Nine months ended September 30, 2021	2020
Operating activities			
Net loss for the period		$ (1,514,482)	$ 259,683
Adjustments for non-cash items:			
Accretion	10	5,153	-
Bad debt expense	12	391	-
Consulting fees adjustment		(38,126)	-
Depreciation	6	6,310	6,484
Foreign exchange gain		1,692	(45,898)
Equity gain on investment	5	(25,418)	(5,617)
Shares for debt to settle non cash consulting costs		150,000	-
Share based compensation	11	482,001	-
Changes in non-cash working capital items:			
Prepaids		(11,658)	(6,764)
Trade receivables		(38,031)	(171,632)
Government sales tax receivable		(23,449)	3,567
Inventory		(40,121)	-
Trade payables		59,798	(58,478)
Accrued liabilities		(147,317)	(3,810)
Deferred revenue		-	61,510
Net cash flows used in operating activities		(1,133,257)	39,045
Investing activities			
Purchase of property and equipment costs	6	(14,974)	-
Development of intangible asset	8	(996,016)	-
Net cash flows used in investing activities		(1,010,990)	-
Financing activities			
Proceeds from parent company	9	1,002,658	-
Repayments to parent company	9	-	(627,013)
Proceeds received subscription received allocated to warrants	11	675,080	-
Settlement of deposit on shares via common share issuance	11	1,687,700	-
Share issuance costs	11	(275,019)	-
Proceeds received in advance of share issuance	11	-	1,172,796
Payments on lease liability	7	(1,694)	-
Proceeds from government loans	10	-	21,433
Net cash flows from financing activities		3,088,725	567,216
Change in cash		944,478	606,261
Cash, beginning		192,475	22,078
Cash, ending		**$ 1,136,953**	**$ 628,339**

See accompanying notes to the condensed interim financial statements

1. Nature of Operations and Going Concern

Fantasy 360 Technologies Inc. ("Fantasy 360" or the "Company") is a wholly owned subsidiary of Victory Square Technologies Inc. ("Victory Square"). The Company provides immersive experiences primarily through the construction of interactive real-world simulations using VR and AR.

The Company's registered office is at Suite 1080, 789 West Pender Street, Vancouver, British Columbia, V6C 1H2. The head office and principal address of the Company is located at Suite 604, 535 Thurlow Street, Vancouver, British Columbia, Canada, V6E 3L2.

These condensed interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2021, the Company had a working capital of $110,454 (2020 – deficit of $1,205,035) and an accumulated deficit of $2,203,507 (2020 – $689,025). The Company does not have sufficient cash to sustain operations for the next twelve months without additional financing. The continued operations of the Company are dependent upon its ability to generate future cash flows and/or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due; however, they may not be at terms that are favorable to the Company. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. These condensed interim financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern, and such adjustments could be material.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The pandemic has had an impact on the operations of the Company, including decreasing demand for the immersive experiences the Company offers and causing the Company to turn to change focus to a scalable pre-built box product for sale. Management has monitored the effects of the pandemic on operations to date and continues to monitor the situation continuously. Management notes it could have a potential impact of increasing the difficulty to raise funding, finding target investments to acquire or on its investees' ability to obtain profitable operations.

2. Statement of Compliance and Basis of Preparation

These condensed interim financial statements were authorized for issue on November 26, 2021, by the directors of the Company.

a) Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies and methods of computation applied by the Company in these condensed interim financial statements are the same as those applied in the Company's annual financial statements as at and for the year ended December 31, 2020.

The condensed interim financial statements do not include all of the information and note disclosures required for full annual financial statements and should be read in conjunction with the Company's annual financial statements as at and for the year ended December 31, 2020.

2. Statement of Compliance and Basis of Preparation (Continued)

b) Basis of Preparation

The condensed interim financial statements have been prepared on a historical cost basis, except for certain assets measured at fair value, and are presented in Canadian dollars. Under IFRS, the Canadian dollar is the functional currency of the Company.

Certain comparative figures have been restated to conform to the current period's presentation.

3. Cash and Cash Equivalents

As at September 30, 2021 the cash balance of $1,136,953 (December 31, 2020 - $192,475) was comprised entirely of cash and cash equivalents held in operating accounts.

4. Inventory

Inventory consists of the physical shipping units, hardware, fixtures and directly attributable labor and overhead purchased, assembled, and consumed related to the UNCONTAINED product line. For the period ended September 30, 2021, $Nil inventories were recognized as an expense during the period as the first unit sales occurred subsequent to the period.

5. Investments

On February 8, 2018, the Company purchased 33.34% of Shape Immersive ("Shape") for $40 and advanced a working capital loan of $150,000 to Shape. The loan was unsecured, non-interest bearing and had no specified terms of repayment.

On September 27, 2018, the Company's interest in Shape was reduced to 21.42%.

During the period ended September 30, 2021, the Company recorded an equity gain of $25,418 (September 30, 2020 – gain of $5,617) and the value of the investment was increased to $28,673 as at September 30, 2021 (December 31, 2020 - $3,254).

6. Equipment

		Computer Equipment		Other Equipment		Total
Cost						
Balance, January 1, 2020	$	15,312	$	3,886	$	19,198
Additions		-		-		-
Balance, September 30, 2020	$	15,312	$	3,886	$	19,198
Accumulated depreciation						
Balance, January 1, 2020	$	8,110	$	647	$	8,757
Depreciation		3,828		972		4,800
Balance, September 30, 2020	$	11,938	$	1,619	$	13,557
Net book value, January 1, 2020	$	7,202	$	3,239	$	10,441
Net book value, September 30, 2020	$	3,374	$	2,267	$	5,641

(Expressed in Canadian dollars)

6. Equipment (Continued)

		Computer Equipment		Other Equipment		Total
Cost						
Balance, January 1, 2021	$	15,312	$	3,886	$	19,198
Additions		8,575		6,399		14,974
Balance, September 30, 2021	$	23,887	$	10,285	$	34,172
Accumulated depreciation						
Balance, January 1, 2021	$	13,214	$	1,943	$	15,157
Depreciation		3,829		971		4,800
Balance, September 30, 2021	$	17,043	$	2,914	$	19,957
Net book value, January 1, 2021	$	2,098	$	1,943	$	4,041
Net book value, September 30, 2021	$	6,844	$	7,371	$	14,215

7. Right-of-use asset and lease liability

On June 21, 2021, the Company entered into a lease agreement with an underlying lease commitment term from September 1, 2021 to June 30, 2024. The lease agreement provides for a monthly base rent of $1,694 for the period from September 1, 2021 - June 30, 2022, $1,976 for the period from July 1, 2022 – June 30, 2023 and $2,258 for the period from July 1, 2023 – June 30, 2024.

In accordance with IFRS 16, the Company recognized a right-of-use asset and lease obligation in relation to its lease commitment. The lease liability has been recorded at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate estimated at 20% per annum. The associated right-of-use asset is measured at the amount equal to the corresponding lease liability and subsequently depreciated and the Company will record a related interest expense from the commencement date to the earlier of the end of the lease term on a straight-line basis.

Right-of-use asset		
Balance, January 1, 2021	$	-
Additions		51,353
Amortization		(1,510)
Balance, September 30, 2021	$	49,843

Lease liability		
Balance, January 1, 2021	$	-
Additions		51,353
Interest expense		828
Lease payment		(1,694)
		50,487
Less: Current portion		18,124
Balance, September 30, 2021	$	32,363

(Expressed in Canadian dollars)

7. Right-of-use asset and lease liability (Continued)

The Company will depreciate the right-of-use asset and record interest over the remaining lease commitment period as follows:

	Depreciation	Interest
2021	$ 4,531	$ 2,395
2022	18,125	8,043
2023	18,125	4,586
2024	9,062	543
	$ 49,843	$ 15,567

8. Intangible Assets

During the fiscal year 2021, the Company began incurring costs related to the UNCONTAINED project relating to the internal development of a prototype composed of both intangible software as well as a customized shipping container with hardware fixtures. Costs incurred before the development phase of the project were expensed as incurred (Note 13). As at September 30, 2021, the prototype is under development. The amortization period is currently being evaluated by management.

	Container and Hardware	Software	IP - Patents, Trademarks	Total
Cost				
Balance, January 1, 2021	$ -	$ -	$ -	$ -
Additions	521,952	473,138	4,886	999,976
Balance, September 30, 2021	$ 521,952	$ 473,138	$ 4,886	$ 999,976
Accumulated depreciation				
Balance, January 1, 2021	$ -	$ -	$ -	$ -
Depreciation	-	-	-	-
Balance, September 30, 2021	$ -	$ -	$ -	$ -
Net book value, January 1, 2021	$ -	$ -	$ -	$ -
Net book value, September 30, 2021	$ 521,952	$ 473,138	$ 4,886	$ 999,976

9. Related Party Transactions

During the period ended September 30, 2021 and 2020, the Company entered into the following transactions with related parties:

	September 30, 2021	September 30, 2020
Consulting fees paid Chief Marketing and Design Officers	$ 75,000	$ 55,026
Consulting fees paid to CEO in capital stock	$ 150,000	$ -
Consulting fees paid to company controlled by CEO & director	$ 74,025	$ -
Consulting fees paid to director	$ 18,588	$ -
Consulting fees paid to company controlled by CFO	$ 32,438	$ 16,384
Share based compensation to related parties	$ 258,903	$ -

Related Party Balances

At September 30, 2021, the Company has $4,033 (2020 - $1,626) due to related parties included in trade payables. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

(Expressed in Canadian dollars)

9. Related Party Transactions (Continued)

Related Party Receivables

	September 30, 2021	December 31, 2020
Due from GameOn Entertainment Inc.	$ 542,383	$ 542,383
	$ 542,383	$ 542,383

The related party balances are unsecured, due on demand, and non-interest bearing.

Related Party Loans

	September 30, 2021	December 31, 2020
Due to Victory Square	$ 1,102,187	$ 99,529
	$ 1,102,187	$ 99,529

Loans from related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

10. CEBA

The Canadian Emergency Business Account (CEBA) loan originally launched on April 9, 2020 and is intended to support businesses during the COVID-19 pandemic. The value of the government loan received at below market rate of interest is treated as a government grant. The loan was recognized at fair value using the Company's incremental borrowing rate of 20%. The difference between this discounted value of $19,749 and the proceeds received of $40,000 was recognized as a gain on CEBA loans of $20,251. The loan also had accretion of $2,725 for the period ended December 31, 2020.

On December 4, 2020, the CEBA program was expanded and the Company received an additional $20,000 in funds on December 31, 2020. This amount was discounted to a present value of $11,193 and an additional $8,807 gain was recognized.

As at December 31, 2020, the combined carrying value of the loans is $33,667 and the combined gain on CEBA loans is $29,058. The full value of the grant has been spent in the course of business operations and the gain has been recognized in other income.

For the period ended September 30, 2021, the Company recognized accretion on the CEBA loan of $5,153 (September 30, 2020 - $Nil) for an ending balance of $38,819 (December 31, 2020 - $33,667).

11. Share Capital

Authorized Share Capital

Unlimited common shares without par value.

Issued Share Capital

At September 30, 2021, there were 75,350,785 common shares outstanding (December 31, 2020 – 63,308,820).

On April 1, 2021, the Company split its common shares on the basis of 2.6378675 new shares for every one old share. Prior to the split the Company had 24,000,000 common shares issued and outstanding. No fractional shares were issued pursuant to the split. The ending common shares outstanding after the split was 63,308,820.

All share references included in these financial statements, including the number of shares, weighted average number of common shares and earnings per income (loss) per share, have been adjusted for the split, including all such numbers presented for the prior years.

On April 1, 2021, the Company issued 4,691,180 common shares to settle the remaining balance in the deposit on shares liability for a value of $1,172,796. The shares were issued at a price of $0.25 per share to two parties.

(Expressed in Canadian dollars)

11. Share Capital (Continued)

On August 12, 2021, 6,750,803 subscription receipts were automatically converted into 6,750,803 common shares and 3,375,396 warrants. Share issuance costs of $134,095 were recorded in the period ended September 30, 2021 related to these subscription receipt amounts.

On September 8, 2021, 600,000 common shares were issued to the CEO of the Company at a price of $0.25 per share upon completion of the Going Public Transaction in accordance with his employment agreement. The transaction was recorded as a non-cash consulting expense.

Reserves

Warrants

On August 12, 2021, 6,750,803 subscription receipts were automatically converted into 6,750,803 common shares and 3,375,396 warrants which are exercisable at $0.52 for 2 years. On this date, 1,600,000 additional warrants which are exercisable at $0.25 for 2 years and 405,046 broker warrants which are exercisable at $0.52 for 2 years were issued.

The following weighted average assumptions were used in calculating the fair value of broker warrants and consultant warrants granted during the year using the Black-Scholes Option Pricing Model:

	Expected Volatility	Risk-free Interest Rate	Expected Dividend Yield	Expected Life (in years)
Subscription Receipts Warrants, August 12, 2021	196%	0.31%	0%	2
Consultant Warrants, August 11, 2021	197%	0.30%	0%	2
Broker Warrants August 12, 2021	197%	0.30%	0%	2

The warrants outstanding at September 30, 2021 are as follows:

Warrant	Exercise Price	Number of Shares Issuable upon Exercise	Expiry Date
Broker Warrants	$0.52	1,852,892	August 12, 2023
Consultant Warrants	$0.25	1,600,000	August 11, 2023
Subscription Receipts Warrants	$0.52	3,375,396	August 12, 2023

Warrant continuity for the period was as follows:

	Consultant Warrants	Broker Warrants	Subscription Receipts Warrants	Total
Balance, January 1, 2021	-	-	-	-
Granted	1,600,000	1,852,892	3,375,396	6,828,288
Balance, September 30, 2021	1,600,000	1,852,892	3,375,396	6,828,288

Stock Options

On May 1, 2021, the Company granted 4,300,000 stock options to employees, consultants, and directors exercisable at $0.25 and expiring on May 1, 2026.

On August 12, 2021, the Company granted 3,100,000 stock options to employees and consultants exercisable at $0.25 and expiring on August 12, 2026.

These stock options vest according to specific terms on each employee, consultant, or director's stock option agreements. The total number of stock options vested as of September 30, 2021 was 370,730.

(Expressed in Canadian dollars)

11. Share Capital (Continued)

Total share-based compensation recorded for the period ended September 30, 2021 was $482,001 (September 30, 2020 - $Nil).

The following weighted average assumptions were used in calculating the fair value of stock options granted during the year using the Black-Scholes Option Pricing Model:

	Expected Volatility	Risk-free Interest Rate	Expected Dividend Yield	Expected Life (in years)
Issued May 1, 2021	167%	0.92%	0%	5
Issued August 12, 2021	162%	0.91%	0%	5

The options outstanding at September 30, 2021 are as follows:

Exercise Price	Number of Shares Issuable upon Exercise	Expiry Date
$0.25	4,300,000	May 1, 2026
$0.25	3,100,000	August 12, 2026

Stock options continuity for the period was as follows:

	Number of units
Balance, January 1, 2021	-
Granted	7,400,000
Balance, September 30, 2021	7,400,000

12. Financial Risk Management

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

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's receivables consist of trade receivables and amounts due from related parties. During the period ended September 30, 2021, the Company wrote off receivables in the amount of $391 (September 30, 2020 - $Nil) that it believed were uncollectible. Based on the evaluation of remaining receivables at September 30, 2021, the Company believes that its receivables are collectable, however, due to the current COVID-19 pandemic, there is an increase in the uncertainty of collectability and management has determined credit risk to be high.

b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risks.

c) 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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that

12. Financial Risk Management (Continued)

there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's main source of funding has been loans from its parent company. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

d) Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The Company is not exposed to significant foreign exchange risk.

Fair value

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies. However, considerable judgment is required to develop certain of these estimates. Accordingly, these estimated values are not necessarily indicative of the amounts the Company could realize in a current market exchange. The estimated fair value amounts can be materially affected by the use of different assumptions or methodologies. The methods and assumptions used to estimate the fair value of each class of financial instruments are discussed below.

The table below analyzes financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Quoted market prices for an identical asset or liability represent a Level 1 valuation. When quoted market prices are not available, the Company maximizes the use of observable inputs within valuation models.

When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the use of significant unobservable inputs are considered Level 3.

Cash is measured using Level 1 inputs.

The Company's financial instruments consist of cash, trade receivables, trade payables, loan payable, and related party balances. The carrying value of financial instruments approximates the fair value at September 30, 2021 and December 31, 2020.

13. Capital Management

The Company manages its cash as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its technology and products and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

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

13. Capital Management (Continued)

Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account. The Company will require capital resources to carry its plans and operations through its current operating period. The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year.

14. Subsequent Events

a. On September 17, 2021, the Company signed a binding letter of intent ("LOI") to acquire all of the shares of Synthesis VR Inc., a leading location-based Virtual Reality content store and technology engine, for an aggregate purchase price of $4,800,000 as follows (i) $500,000 in cash with $150,000 payable upon closing, $50,000 payable on January 1, 2022, and a further $300,000 payable upon the completion of certain milestones; and (ii) common shares of the Company with an aggregate value of $4,300,000 at a deemed price per share equal to the market price of the Company's shares minus permitted discounts per policies of the CSE with a minimum price per share of $0.35, which such shares shall be subject to contractual escrow with tranched release over a period of 20 months. In addition, subject to applicable laws and the policies of the CSE, the Company may issue additional shares with an aggregate value of up to $5,000,000 upon the achievement of certain mutually agreed upon performance milestones.

b. On November 17, 2021, the Company issued 500,000 shares as payment for services rendered pursuant to two consultant agreements.

APPENDIX II

MANAGEMENT DISCUSSION AND ANALYSIS FOR FANTASY 360 TECHNOLOGIES INC.

Three and Nine months ended September 30, 2021 and 2020

Expressed in Canadian Dollars

Contents

This management's discussion and analysis ("MD&A") of the performance, financial condition, and results of operations of Fantasy 360 Technologies Inc. ("Fantasy 360", or the "Company"), should be read in conjunction with the Company's condensed interim financial statements and the related notes thereto for the three and nine months ended September 30, 2021 and 2020 as well as the annual audited financial statements and the related notes thereto for the years ended December 31, 2020 and 2019 (the "Financial Statements"), copies of which are available on SEDAR at www.sedar.com.

The Condensed Interim Financial Statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB").

Unless otherwise indicated, the information contained in this MD&A is as of November 26, 2021.

Unless otherwise indicated, references to "$" or "dollars" are to Canadian dollars and references to "US$" are to United States dollars.

Forward Looking Information

This MD&A includes certain "forward-looking information" within the meaning of applicable Canadian securities legislation. All information, other than information regarding historical facts, included in this MD&A that addresses activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company's and its equity investees' businesses, operations, plans and other such matters is forward-looking information.

When used in this MD&A, the words "estimate", "plan", "anticipate", "expect", "intend", "believe", "will", "should", "could", "may" and similar expressions are intended to identify forward-looking information. This information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information.

The forward-looking information may include statements regarding:

- timelines;
- strategic plans;
- the business and operations of the Company;
- the Company's business objectives and discussion of trends affecting the business of the Company;
- the funds available to the Company and the principal purposes of those funds;
- anticipated revenues and cash flows from operations and funding requirements of the Company;
- capital, operating and general expenditures;
- expectations regarding the ability to raise capital;
- anticipated revenues to be realized by the Company from future contracts;
- treatment under governmental regulatory regimes and expectations with respect to regulatory approvals; and
- other forward-looking information including, but not limited to, information concerning the intentions, plans and future actions of the Company.

Forward looking information is based on reasonable assumptions, estimates, analysis, and opinions of management made considering its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such information is made available. Forward looking information is inherently subject to known and unknown risks and uncertainties and other factors that may cause the actual results, level of activity, performance, or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, or intended, including the factors and risks described or referred to elsewhere herein, as well as unanticipated and/or unusual events. Many of such factors are beyond the Company's ability to predict or control. Risks and uncertainties that may affect forward-looking information herein include, but are not limited to, those which relate to:

- the need to obtain additional financing and uncertainty as to the availability and terms of future financing;
- the ability to acquire funds necessary for general working capital and continuing operations;
- reliance on Parent Company or sale of equity or investments to access funds required;
- the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain;
- uncertainties associated with business opportunities that may be presented to, or pursued by the Company;
- the Company's operations and profitability may be adversely affected by competition from other similar entities;
- uncertainties related to early stage of technology and product development; uncertainties related to regulatory regimes and laws;
- dependence on key personnel;
- fluctuations in the currency markets and stock market volatility;
- going concern considerations;
- conflicts of interest;
- competition for, among other things, capital, acquisitions, equipment, and skilled personnel;
- operating or technical difficulties in connection with business activities;
- the possibility of cost overruns or unanticipated expenses; and
- the other factors discussed under "*Risks and Uncertainties*".

Should one or more of these risks or uncertainties materialize, or should the assumptions set out in the section titled "*Risks and Uncertainties*" underlying those forward-looking statements prove incorrect, actual results may vary materially from those described herein. These forward-looking statements are made as of the date of this MD&A, and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by law.

Introduction to the business

Fantasy 360 Technologies Inc. (“Fantasy 360” or the “Company”) is a subsidiary of Victory Square Technologies Inc. (“Victory Square”). The Company provides immersive experiences primarily through the construction of interactive real-world simulations using VR and AR.

The Company’s registered office is at Suite 1080, 789 West Pender Street, Vancouver, British Columbia, V6C 1H2. The head office and principal address of the Company is located at Suite 240, 577 Great Northern Way, Vancouver, British Columbia, Canada, V5T 1E1.

Overall Performance

The following key transactions were recorded in the financial statements of the Company for the period ended September 30, 2021:

- Development of hyper immersive game content for UNCONTAINED. Costs related to game development, container unit, and fixtures, were capitalized as intangible assets at the onset of the development phase commencing in March, 2021. Management is considering the amortization period, which will be determined once the prototype is completed and the assessment of the useful life of the intangible asset is made. Costs previously expensed as research and development expenses in the amount of $618,052 were reclassified as intangible assets for the three months ended September 30, 2021.
- Development and Design of an exclusive immersive experience for the renowned magician & celebrity YouTube creator Chris Ramsay.
- Development of Intellectual Property Trademarks and Patents which have been capitalized as intangible assets.
- Signature of contract with Autobahn Indoor Speedway USA of the first production unit of UNCONTAINED. The container units and fixtures related to production units were capitalized as inventory.
- The Company successfully completed an Initial Public Offering (“IPO”) with the Company’s common shares commencing trading under the symbol ‘VRAR’ on the Canadian Securities Exchange (“CSE”) on September 8, 2021.

Recent operating highlights include:

- Immersive Tech shifted focus and capitalized upon the pandemic shutdown of live events and attractions. The executive team focused efforts and resources on creating the next generation of family-fun attractions, a state-of-the-art 5D all immersive attraction called "UNCONTAINED". In early April of 2021, the Company announced that Immersive Tech had signed a letter of intent with Autobahn Indoor Speedway USA for an option of up to 10-unit purchase of "UNCONTAINED".
- Immersive Tech has entered into an agreement with renowned magician & celebrity YouTube creator Chris Ramsay on an exclusive immersive experience like no other. The narrative tie-ins to the “UNCONTAINED” experience, offering fans an opportunity to be part of the story themselves.
- Substantial completion of UNCONTAINED hyper-immersive demo unit.

Selected Financial Information

Selected information for the Company are as follows:

	As at September 30, 2021	As at December 31, 2020
Current assets	1,421,099	294,905
Non-current assets	1,635,090	549,678
Total assets	3,056,189	844,583
Currrent liabilities	1,310,645	1,499,940
Non-current liabilities	71,182	33,667
Total liabilities	1,381,827	1,533,607

	Nine months ended September 30, 2021	2020
Total revenue	107,829	1,024,717
Net income (loss)	(1,514,482)	259,683
Comprehensive income (loss)	(1,514,482)	259,683
Net income (loss) per share, basic	(0.02)	0.00
Net income (loss) per share, diluted	(0.02)	0.00

Discussion of Operations

REVENUE

Revenue for the three months ended September 30, 2021 was $66,949 compared to $583,302 for the period ended September 30, 2020. Revenue for the nine months ended September 30, 2021 was $107,829 compared to $1,024,717 for the period ended September 30, 2020. The decrease in revenue in 2021 is related to the decrease in immersive experiences revenue as a result of the COVID-19 pandemic and the fewer contracts entered into as at September 30, 2021 as compared to September 30, 2020. In 2021, the Company also shifted away from immersive experience contracts and moved toward a project called UNCONTAINED which is currently in development and not yet generating revenues.

COST OF GOODS SOLD

Cost of goods sold for the three months ended September 30, 2021 were $17,167 compared to $63,628 for the period ended September 30, 2020. For the nine months ended September 30, 2021, cost of goods sold were $45,913 compared to $442,460 for the period ended September 30, 2020. The decrease in cost of goods sold is related to the above-described decrease in immersive experiences revenue related to the COVID-19 pandemic. For more information on COVID-19's impact on the Company, see "*COVID-19 Pandemic*".

GROSS MARGIN

Gross margin for the three months ended September 30, 2021 was $49,781 or 74% compared to $519,674 or 89% for the period ended September 30, 2020. Gross Margin for the nine months ended September 30, 2021 was $61,915 or 57% compared to $582,257 or 57% for the period ended September 30, 2020. The decrease in gross margin in 2021 was due to the fact that the Company had only one contract with a relatively lower gross margin as opposed to 2020 which had several contracts with varying margins.

EXPENSES

For the three months ended September 30, 2021, total expenses were $216,281 compared to $110,040 recorded in the period ended September 30, 2020. Total expenses for the nine months ended September 30, 2021 were $1,904,858 compared to $425,716 for the period ended September 30, 2020.

Material variances over the comparable period are discussed below.

Consulting fees

Consulting fees for the three months ended September 30, 2021 were $224,339 compared to $10,785 for the period ended September 30, 2020. For the nine months ended September 30, 2021, consulting fees were $393,706 compared to $97,663 for the period ended September 30, 2020. The increase in consulting fees was a result of the Company incurring more costs to related parties and external parties in relation to the Company successfully completing an IPO transaction.

Professional fees

Professional fees for the three months ended September 30, 2021 were $18,960 compared to $3,455 for the period ended September 30, 2020. For the nine months ended September 30, 2021, professional fees were $81,598 compared to $18,064 for the period ended September 30, 2020. The increase in 2021 is attributable to accounting and legal fees paid for the Company in relation to IPO transaction.

Rent

Rent for the three months ended September 30, 2021 was $18,453 compared to $35,495 for the period ended September 30, 2020. For the nine months ended September 30, 2021, rent was $85,104 compared to $114,752 for the period ended September 30, 2020.

Research and development

Research and development for the three months ended September 30, 2021 was $(585,263) compared to $Nil for the period ended September 30, 2020. For the nine months ended September 30, 2021, research and development were $151,716 compared to $Nil for the period ended September 30, 2020. During the period ended September 30, 2021, the Company began incurring costs related to the UNCONTAINED project, both relating to the internal development of intangible software as well as a physical, customized shipping container. Research and development costs incurred prior to March 1, 2021 were unchanged, while costs incurred on and subsequent to March 1, 2021 were capitalized as either intangible assets or inventory. A total of $618,052 was reclassified from research and development expenses.

Salaries and Wages

Salaries and wages for the three months ended September 30, 2021 were $255,974 compared to $42,703 for the period ended September 30, 2020. Salaries and wages for the nine months ended September 30, 2021 were $495,161 compared to $198,962 for the period ended September 30, 2020. The increase in salaries and wages in 2021 is due to the additional staff retained due to the redirection of the Company as well as several senior executives compensated as contractors and expensed in consulting fees.

Sales and Marketing

Sales and marketing for the three months ended September 30, 2021 were $34,421 compared to $661 for the period ended September 30, 2020. For the nine months ended September 30, 2021, sales and marketing were $93,758 compared to $5,217 for the period ended September 30, 2020. The current period increase is again attributable to the costs associated with marketing for the IPO transaction as well as to market the new UNCONTAINED project.

Share-Based Payments

Share-based payments for the three months ended September 30, 2021 were $163,351 compared to $Nil for the period ended September 30, 2020. For the nine months ended September 30, 2021, share based payments were $482,001 compared to $Nil for the period ended September 30, 2020. The current period was the first in which the Company granted and vested stock options to directors, employees, and consultants.

Summary of Quarterly Results

The following information is derived from quarterly financial information:

Fiscal Quarter Ended	Revenue	Net Income / (Loss) for the Period	Basic Income / (Loss) Per Share	Diluted Income / (Loss) Per Share
September 30, 2021	66,949	(96,449)	(0.00)	(0.00)
June 30, 2021	40,880	(1,011,027)	(0.01)	(0.01)
March 31, 2021	-	(407,006)	(0.01)	(0.01)
December 31, 2020	67,188	(104,616)	(0.00)	(0.00)
September 30, 2020	583,302	496,712	0.01	0.01
June 30, 2020	88,419	(162,754)	(0.00)	(0.00)
March 31, 2020	352,996	(74,275)	(0.00)	(0.00)
December 31, 2019	334,283	(486,745)	(0.01)	(0.01)

Discussion of movements between quarters are as follows:

- Q3 2021 – small amount of revenue from one major customer, majority of costs going to development and consulting for Uncontained and initial public offering (IPO).
- Q2 2021 – small amount of revenue from one customer, majority of costs going to research and development for Uncontained
- Q1 2021 – nil revenues and only costs being incurred for Uncontained IP development
- Q4 2020 – winding down of several final projects, decreased but still incurring operating expense costs

- Q3 2020 – increased gross margin due to some projects cancelling their orders due to COVID restrictions, but nonrefundable deposits so recognized revenues with no further costs
- Q2 2020 – COVID effect on operations, decreasing revenue contracts and also decreasing costs incurred as moved employees to contractors to scale back operations during uncertainty
- Q1 2020 – COVID effect on operations, decreasing revenue contracts and also decreasing costs incurred as moved employees to contractors to scale back operations during uncertainty
- Q4 2019 – normal revenue generating operations, net loss due to audit adjustments posted in the year-end period

Liquidity

At September 30, 2021, the Company had total current assets of $1,421,099 (2020 - $294,905) comprised of $1,136,953 (2020 - $192,475) in cash, $33,951 (2020 - $32,778) in prepaid expenses, $106,233 (2020 - $63,565) in trade receivables, and $27,691 (2020 - $6,087) in government sales tax receivable. Conversely, the Company had total current liabilities of $1,310,645 (2020 - $1,499,940) comprised of $190,334 (2020 - $86,192) in trade payables, $Nil (2020 - $141,423) in accrued liabilities, $Nil (2020 - $1,172,796) in deposit on shares, $18,124 in current portion of lease liability (2020 - $Nil) and $1,102,187 (2020 - $99,529) in amounts due to related parties.

As at September 30, 2021, the Company had a working capital of $110,454 compared to a deficiency of $1,205,035 as at December 31, 2020.

The Company's ability to meet its obligations and activities over the long-term depends on its ability to generate cash flow through the issuance of common shares of the Company pursuant to equity financings and short-term or long-term loans. Capital markets may not be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings. The Company has minimal cash flow from operations and is dependent upon raising equity financing to sustain its operations.

Capital Resources

As at November 26, 2021, the Company has 75,350,803 outstanding common shares. The Company has 7,400,000 stock options exercisable at $0.25 for 5 years. The Company has 1,600,000 consultant warrants exercisable at $0.25 for 2 years, and 5,228,288 warrants and broker warrants exercisable at $0.52 for 2 years.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial performance or financial condition, including with respect to revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Transactions Between Related Parties

During the period ended September 30, 2021 and 2020, the Company entered into the following transactions with related parties:

		September 30, 2021		September 30, 2020
Consulting fees paid Chief Marketing and Design Officers	$	75,000	$	55,026
Consulting fees paid to CEO in capital stock	$	150,000	$	-
Consulting fees paid to company controlled by CEO & director	$	74,025	$	-
Consulting fees paid to director	$	18,588	$	-
Consulting fees paid to company controlled by CFO	$	32,438	$	16,384
Share based compensation to related parties	$	258,903	$	-

Related Party Balances

At September 30, 2021, the Company has $4,033 (2020 - $1,626) due to related parties included in trade payables. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

Related Party Receivables

		September 30, 2021		December 31, 2020
Due from GameOn Entertainment	$	542,383	$	542,383
	$	542,383	$	542,383

The related party balances are unsecured, due on demand, and non-interest bearing.

Related Party Loans

		September 30, 2021		December 31, 2020
Due to Victory Square	$	1,102,187	$	99,529
	$	1,102,187	$	99,529

Loans from related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

Proposed Transactions

On September 17, 2021, the Company signed a binding letter of intent (“LOI”) to acquire all of the shares of Synthesis VR Inc., a leading location-based Virtual Reality content store and technology engine, for an aggregate purchase price of $4,800,000 as follows (i) $500,000 in cash with $150,000 payable upon closing, $50,000 payable on January 1, 2022, and a further $300,000 payable upon the completion of certain milestones; and (ii) common shares of the Company with an aggregate value of $4,300,000 at a deemed price per share equal to the market price of the Company’s shares minus permitted discounts per policies of the CSE with a minimum price per share of $0.35, which such shares shall be subject to contractual escrow with tranched release over a period of 20 months. In addition, subject to applicable laws and the policies of the CSE, the Company may issue additional shares with an aggregate value of up to $5,000,000 upon the achievement of certain mutually agreed upon performance milestones.

All events which have completed subsequent to the date of the financial statements and prior to the date of issuance of this report are summarized in the subsequent event note to the consolidated financial statements.

Critical Accounting Estimates

The Company's significant accounting estimates are presented in Note 2 in the notes to the audited annual financial statements. The preparation of these audited financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period presented and reported amounts of expenses during the same period. Actual outcomes could differ from these estimates. The financial statements include estimates, which, by their nature, are uncertain. The impact of such estimates may require accounting adjustments based on future occurrences. Any revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods if the revision affects the future. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities if actual results differ from assumptions made include, but are not limited to, the following:

- The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, and expenses.
- The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.
- Critical judgements are made regarding assessment of impairment to the carrying value of the Company's assets.
- At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount and the impairment loss is recognized in the statement of loss and comprehensive loss for the period.

- Changes in any of the assumptions used in impairment testing could materially affect the result of the analysis.

As at November 26, 2021, the Company reviewed the carrying value of its assets and indicators of impairment. After this review, it was determined that there were no indicators of impairment and no impairments were recognized in the audited financial statements.

Changes in Accounting Policies including Initial Adoption

Leases

The Company adopted all of the requirements of IFRS 16 – Leases as of January 1, 2019. IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. The main provision of IFRS 16 is the recognition of lease assets and lease liabilities on the balance sheet by lessees for those leases that were previously classified as operating leases. Under IFRS 16, a lessee is required to do the following: (i) recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, on the balance sheet; and (ii) recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant, as the right-of-use asset is depreciated, and the lease liability is accreted using the effective interest method. The new standard also requires qualitative disclosures along with specific quantitative disclosures. The Company has a lease for its headquarters in Vancouver, British Columbia, however, the lease period is less than 12 months, therefore it is exempted from the new standard under IFRS 16.

Financial Instruments and Other Instruments

Fair value

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies, as disclosed below. However, considerable judgment is required to develop certain of these estimates. Accordingly, these estimated values are not necessarily indicative of the amounts the Company could realize in a current market exchange. The estimated fair value amounts can be materially affected by the use of different assumptions or methodologies. The methods and assumptions used to estimate the fair value of each class of financial instruments are discussed below.

The different levels for valuation of financial instruments carried at fair value have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Quoted market prices for an identical asset or liability represent a Level 1 valuation. When quoted market prices are not available, the Company maximizes the use of observable inputs within valuation models. When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the use of significant unobservable inputs are considered Level 3.

Cash is measured using Level 1 inputs.

The Company's financial instruments consist of cash, trade receivables, due from related parties, trade payables, loan payable, and related party loans. The carrying value of cash, trade receivables, trade payables, and related party loans approximates their fair value due to the short- term nature of these instruments. The carrying value of the loan payable approximates its fair value since it was calculated using the Company's borrowing rate although the terms of the loan are below market. The carrying values of the amounts due from related parties approximates their fair values since they were recorded at fair value at inception.

Other Risks and Uncertainties

FINANCIAL RISK MANAGEMENT

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

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The cash is deposited in a bank account in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a bank that is a high credit quality financial institution as determined by rating agencies. Credit risk on cash is assessed as low. The Company's receivables consist of trade receivables, due from related parties, and government sales tax receivable. Based on the evaluation of receivables at September 30, 2021, the Company believes that its receivables are collectable. However, due to the current COVID-19 pandemic, there is an increase in the uncertainty of collectability and management has determined credit risk to be high.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, considering its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's main source of funding has been loans from related parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The Company is not exposed to significant foreign exchange risk.

The Company has limited capital resources and must rely upon private placements for cash required to make new investments and to fund the administration of the Company.

These risks may not be the only risks faced by the Company. Additional risks and uncertainties not presently known by the Company or which are presently considered immaterial may also adversely impact the Company's business, results of operations and financial performance. The most significant risks and uncertainties faced by the Company are set out below.

Limited Operating History

The Company has limited operating history as a revenue producing entity. The Company and its business prospects must be viewed against the background of the risks, expenses, and problems frequently encountered by companies in the early stages of their development, particularly companies in new and rapidly evolving markets. There is no certainty that the Company will be able to operate profitably.

Going-Concern Risk

The Company's financial statements have been prepared on a going-concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing equity or debt financing or in achieving profitability. The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

Negative Cash Flow

The Company has a limited history of operations, and very little history of earnings, cash flow or profitability. The Company has had negative operating cash flow since the Company's inception, and the Company will continue to have negative operating cash flow for the foreseeable future. No assurance can be given that the Company will ever attain positive cash flow or profitability or that additional funding will be available for operations.

Additional Requirements for Capital

Substantial additional financing may be required if the Company is to be successful in developing their current business strategy. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future operations. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated investments.

Technology Sector Risk

General risks of technology companies include the risks of rapidly changing technologies, short product life cycles, fierce competition, aggressive pricing and reduced profit margins, loss of patent, copyright and trademark protections, cyclical market patterns, evolving industry standards and frequent new product introductions.

Regulatory Risks

Changes in or more aggressive enforcement of laws and regulations could adversely impact companies involved in the technology sector. Failure or delays in obtaining necessary approvals, changes in government regulations and policies and practices could have an adverse impact on such businesses' future cash flows, earnings, results of operations and financial condition.

Intellectual Property Rights

Companies involved in the development and operation of certain technologies may be dependent on intellectual property rights; the loss of which could harm its business, results of operations and its financial condition. There can be no assurance that any company's products will not violate proprietary rights of third parties or that third parties will not assert or claim that such violation has occurred. Any such claims and disputes arising may result in liability for substantial damages which in turn could harm the underlying business, results of operations and financial condition.

Cyber Security Risks

The Company is dependent on information technologies to conduct its operations, including management information systems and computer control systems. Business and supply chain disruptions, plant and utility outages and information technology system and network disruptions due to cyber-attacks could seriously harm operations and materially adversely affect operation results. Cyber security risks include attacks on information technology and infrastructure by hackers, damage or loss of information due to viruses, the unintended disclosure of confidential information, the issue or loss of control over computer control systems, and breaches due to employee error.

The Company's exposure to cyber security risks includes exposure through third parties on whose systems it places significant reliance for the conduct of its business. There can be no assurance that the Company has the resources or technical sophistication to anticipate, prevent, or recover from rapidly evolving types of cyber-attacks. Compromises to its information and control systems could have severe financial and other business implications.

Competition

The market for similar technology is highly competitive on both a local and a national level. Competitors may also have longer operating histories or greater name recognition. There can be no assurance that any company will successfully differentiate its products from its competitors, or that the marketplace will consider one technology to be superior to others.

Key Personnel

The Company is dependent upon the continued availability and commitment of its management, whose contributions to immediate and future operations are of significant importance. The loss of any such management could negatively affect the Company's business operations. From time to time, the Company will also need to identify and retain additional skilled management to efficiently operate its business. Recruiting and retaining qualified personnel is critical to the Company's success and there can be no assurance of its ability to attract and retain such personnel. If it is not successful in attracting and training qualified personnel, the Company's ability to execute its business model and growth strategy could be affected, which could have a material and adverse impact on its profitability, results of operations and financial condition.

Conflicts of Interest

Certain of the Company's directors and officers may, from time to time, serve as directors or officers of other companies involved in similar businesses to the Company and, to the extent that such other companies may participate in the same ventures in which the Company may seek to participate, such directors and officers may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such conflicts of the Company's directors and officers may result in a material and adverse effect on the Company's results of operations and financial condition.

COVID-19

In March of 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's ability to raise funds in the future. The Company was not immune from the effects of the global pandemic. The Company encountered supply chain issues, travel restrictions, and impact on production.

The Company initially faced a decrease in its business due to the in-person nature of its product. However, the Company was able to deliver its product to key customers and close several new deals within the 2020 fiscal year. In the second half of fiscal 2020, Immersive Tech shifted focus and capitalized upon the pandemic shutdown of live events and attractions. The executive team focused efforts and resources on creating a state-of-the-art 5D all immersive attraction called "UNCONTAINED". While similar companies folded during 2020, Immersive Tech capitalized upon the time to create the next generation of family-fun attractions. In early April of 2021, the Company announced that Immersive Tech had signed of a letter of intent with Autobahn Indoor Speedway USA for an option of up to 10-unit purchase of "UNCONTAINED".

DISCLOSURE OF INTERNAL CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

INFORMATION AVAILABLE ON SEDAR

Additional information about the Company, including in the form of previously published financial statements, management discussion and analyses and press releases, is available on SEDAR at www.sedar.com.