

Pioneer Media Holdings Inc.

Condensed Interim Financial Statements
Three and nine months ended February 28, 2021
(Unaudited)

Notice to Reader

Under National instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of the condensed consolidated interim financial statements by an entity's auditor.

Pioneer Media Holdings Inc.
Condensed Interim Statements of Financial Position
(Stated in Canadian Dollars)
(Unaudited)

	Notes	February 28, 2021	May 31, 2020
ASSETS			
Current assets			
Cash		\$ 509,999	\$ 96,100
GST receivable		6,305	4,475
Advances to related parties	8	-	15,000
Total current assets		516,304	115,575
Non-current assets			
Investments	4	13,505,118	7,287,140
TOTAL ASSETS		\$ 14,021,422	\$ 7,402,715
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables		\$ 117,645	\$ 121,786
Current taxes payable		139,000	-
Total current liabilities		256,645	121,786
Non-current liabilities			
Deferred income tax liability		1,113,000	678,000
Equity			
Common shares	6	9,544,519	7,462,529
Share subscriptions (receivable)		-	(25,010)
Share-based payments reserve		80,000	80,000
Retained earnings (deficit)		3,027,258	(914,590)
Total equity		12,651,777	6,602,929
TOTAL LIABILITIES AND EQUITY		\$ 14,021,422	\$ 7,402,715
Nature and continuance of operations	1		
Subsequent events	1,9		

Approved on behalf of the Board of Directors:

"Mark Rutledge"
Mark Rutledge, Director

"Michael Edwards"
Michael Edwards, Director

Pioneer Media Holdings Inc.

Condensed Interim Statements of Income (Loss) and Comprehensive Income (Loss)

(Stated in Canadian Dollars)

(Unaudited)

	Notes	Three months ended		Nine months ended	
		February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
Expenses					
Filing and listing fees		\$ -	\$ 3,287	\$ 3,001	\$ 32,385
Management fees		3,032	-	13,082	-
Marketing		-	-	-	5,612
Office and miscellaneous		323	6	16,319	1,233
Professional and consulting fees		43,456	5,096	66,378	22,366
Transfer agent fees		-	-	630	2,500
Loss before other items and income taxes		(46,811)	(8,389)	(99,410)	(64,096)
Other items					
Interest and other income		242,658	646	264,899	881
Impairment of exploration and evaluation assets	5	-	-	-	(123,776)
Fair value changes on investments	4	3,772,702	(1,543)	2,876,051	2,128
Gain on sale of investments	4	1,474,308	-	1,474,308	-
Earnings (loss) before income taxes		5,442,857	(9,286)	4,515,848	(184,863)
Current income tax expense		139,000	-	139,000	-
Deferred income tax expense		577,000	-	435,000	-
Earnings (loss) and comprehensive earnings (loss) for the period		\$ 4,726,857	\$ (9,286)	\$ 3,941,848	\$ (184,863)
Weighted average number of common shares outstanding					
Basic and diluted	6	36,423,222	12,740,000	34,541,707	5,942,555
Basic and diluted earnings (loss) per common share	6	\$ 0.13	\$ -	\$ 0.11	\$ (0.03)

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

Pioneer Media Holdings Inc.

Condensed Interim Statements of Changes in Equity

(Stated in Canadian Dollars)

(Unaudited)

	Common Shares		Share Subscriptions (Receivable)	Share-based Payments Reserve	Retained Earnings (Deficit)	Total
	Number	Amount				
Balance at May 31, 2020	26,962,000	\$ 7,462,529	\$ (25,010)	\$ 80,000	\$ (914,590)	\$ 6,602,929
Common shares issued for cash	10,385,000	2,081,990	(62,000)	-	-	2,019,990
Share subscriptions received	-	-	87,010	-	-	87,010
Loss for the period	-	-	-	-	3,941,848	3,941,848
Balance at February 28, 2021	37,347,000	\$ 9,544,519	\$ -	\$ 80,000	\$ 3,027,258	\$ 12,651,777
	Common Shares		Share Subscriptions (Receivable)	Share-based Payments Reserve	Retained Earnings (Deficit)	Total
	Number	Amount				
Balance at May 31, 2019	240,000	\$ 160,000	\$ -	\$ 80,000	\$ (166,468)	\$ 73,532
Common shares issued for cash	12,500,000	500,000	-	-	-	500,000
Share issue costs	-	(3,845)	-	-	-	(3,845)
Loss for the period	-	-	-	-	(184,863)	(184,863)
Balance at February 29, 2020	12,740,000	\$ 656,155	\$ -	\$ 80,000	\$ (351,331)	\$ 384,824

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

Pioneer Media Holdings Inc.
Condensed Interim Statements of Cash Flows
(Stated in Canadian Dollars)
(Unaudited)

	Nine months ended	
	February 28, 2021	February 29, 2020
Operating activities		
Earnings (loss) for the period	\$ 3,941,848	\$ (184,863)
Items not involving cash:		
Impairment of exploration and evaluation assets	-	123,776
Interest income	(1,929)	(881)
Dividends paid in shares	(147,556)	-
Fair value changes on investments	(2,876,051)	(2,128)
Gain on sale of investments	(1,474,308)	-
Deferred income tax expense (recovery)	435,000	-
Changes in non-cash working capital items:		
GST receivable	(1,830)	(911)
Prepaid expenses	-	28,500
Trade and other payables	(4,141)	9,395
Net cash provided by (used in) operating activities	(128,967)	(27,112)
Investing Activities		
Disposition of investments	306,133	-
Purchase of investments	(2,024,267)	(392,241)
Net cash used in investing activities	(1,718,134)	(392,241)
Financing Activities		
Share subscriptions received	87,010	-
Common shares issued for cash, net of share issue costs	2,019,990	496,155
Advances from (to) related parties	154,000	(14,000)
Net cash provided by financing activities	2,261,000	482,155
Change in cash during the period	413,899	62,802
Cash, beginning of period	96,100	18,693
Cash, end of period	\$ 509,999	\$ 81,495
Supplemental Cash Flow Information		
Income taxes paid	\$ -	\$ -
Interest paid (received)	\$ -	\$ -
Non-cash Financing and Investing Activities		
Shares received on disposition of investments	\$ 1,549,199	\$ -

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

Pioneer Media Holdings Inc.
Notes to the Condensed Interim Financial Statements
February 28, 2021
(Stated in Canadian Dollars)
(Unaudited)

1. Nature and Continuance of Operations

Pioneer Media Holdings Inc. (the “Company” or “Pioneer”) was incorporated on November 9, 2017 pursuant to the *Business Corporations Act* of British Columbia. The Company is a reporting issuer in each of British Columbia, Alberta and Ontario. On April 6, 2021, the Company completed a listing application with the Canadian Securities Exchange (“CSE”) and on April 12, 2021, the Company’s common shares began trading on the CSE under the symbol ‘PNER’.

During fiscal 2020, the Company restructured its business by 1) changing its business from the acquisition and exploration of mineral property assets to an investment issuer with an initial focus on the gaming and eSport sector (note 4); 2) disposing of its mineral property interests for nominal consideration and impairing 100% of its exploration and evaluation assets (note 5); and 3) amalgamating with Pioneer Acquisition I Inc., a company also in the gaming and eSport sector (note 3).

During the first quarter of calendar 2020, there was a global outbreak of a novel coronavirus identified as “COVID-19”. On March 11, 2020, the World Health Organization declared a global pandemic. In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets.

Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

As at February 28, 2021, the Company had not yet achieved profitable operations, has variable gains and losses depending on the valuations of its investments, and expects to incur further losses in the development of its business. These factors indicate a material uncertainty that may cast substantial doubt on the Company’s ability to continue as a going concern. The Company’s continuation as a going concern is primarily dependent upon its ability to raise financing from equity markets or borrowings and upon successful results from its investments. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. Accordingly, these financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used, then the adjustments required to report the Company’s assets and liabilities on a liquidation basis could be material to these financial statements.

The condensed interim financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar except where otherwise indicated.

Pioneer Media Holdings Inc.
Notes to the Condensed Interim Financial Statements
February 28, 2021
(Stated in Canadian Dollars)
(Unaudited)

2. Basis of Preparation

a) Statement of compliance

These condensed interim financial statements, including comparatives, are unaudited and have been prepared in accordance with IAS 34, *Interim Financial Reporting* ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

b) Basis of presentation

These condensed interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's May 31, 2020 annual financial statements, with the exception of the following (described in note 2c):

- IFRS 3 *Business Combinations* ("IFRS 3"), described in note 2(c)

The preparation of interim financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These condensed interim financial statements do not include all of the information required for full annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the Company's last annual financial statements as at and for the year ended May 31, 2020 and filed on SEDAR.com.

These condensed interim financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published and effective at the time of preparation.

These condensed interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value.

c) Recent accounting pronouncements and changes to accounting policies

IFRS 3 *Business Combinations* – The definition of a business will be amended under IFRS 3. Under the amended definition, to be considered a business an acquisition must include an input and a substantive process that together significantly contribute to the ability to create outputs. The new guidance provides a framework to evaluate when an input and a substantive process are present. Under the prior definition, IFRS 3 stated that a business need not include all of the inputs or processes that the seller used in operating that business "if market participants are capable of acquiring the business and continuing to produce outputs, for example, by integrating the business with their own inputs and processes".

The reference to such integration is now deleted from IFRS 3 in the amendment and the assessment must be based on what has been acquired in its current state and condition. There was no material impact on the Company's condensed interim financial statements upon adoption of this standard.

Pioneer Media Holdings Inc.
Notes to the Condensed Interim Financial Statements
February 28, 2021
(Stated in Canadian Dollars)
(Unaudited)

2. Basis of Preparation (cont'd)

- d) Approval of the financial statements

The condensed interim financial statements of the Company for the three and nine months ended February 28, 2021 were reviewed by the audit committee and approved and authorized for issue by the Board of Directors on April 29, 2021.

3. Amalgamation

On May 28, 2020, the Company completed an amalgamation with Pioneer Acquisitions I Inc. ("PAI"). Under the terms of the amalgamation agreement, the Company and PAI amalgamated to form a new company, "Amalco", and continued as one corporation under the *Business Corporations Act* of British Columbia. The Company is the continuing corporation as Amalco and the name of Amalco is Pioneer Media Holdings Inc.

The following transactions occurred immediately upon the amalgamation:

- i) each PAI Share and PAI Special Warrant issued and outstanding on May 28, 2020 (excluding those held by Dissenting Shareholders) were exchanged for one (1) Amalco Common Share;
- ii) each Company Share issued and outstanding on May 28, 2020 (excluding those held by Dissenting Shareholders) was notionally exchanged for one-half of one (1/2) Amalco Common Share.

All of the assets and liabilities of the Company and PAI immediately before the amalgamation became property of Amalco. The following table summarizes the assets and liabilities of PAI that were combined with the Company:

Cash	\$ 93,824
Loans and other receivables	15,000
Investments	6,676,561
Total assets	6,785,385
<hr/>	
Trade and other payables	4,021
Net assets	\$ 6,781,364

Pioneer Media Holdings Inc.
Notes to the Condensed Interim Financial Statements
February 28, 2021
(Stated in Canadian Dollars)
(Unaudited)

4. Investments

The Company's investments at February 28, 2021 consisted of the following:

	May 31, 2020	Purchases (Dispositions)	Interest	Change in Fair Value	February 28, 2021
Blue Star Capital Plc	\$ 204,567	\$ -	\$ -	\$ 140,058	\$ 344,625
The Dibs eSports Corp.	54,264	-	1,929	(4,401)	51,792
The Drops eSports Inc.	100,000	-	-	-	100,000
Diemens eSports Pty Ltd.	45,820	-	-	3,255	49,075
Dynasty eSports Pte Ltd.	238,252	256,118	-	(10,716)	483,654
Eastside Games Inc.	381,024	(381,024)	-	-	-
Formation eSports	-	39,305	-	(781)	38,524
Googly eSports Plc	136,024	19,250	-	5,723	160,997
Guild eSports Plc	178,532	1,289,000	-	2,097,407	3,564,939
Leaf Mobile Inc.	5,906,150	1,973,599	-	643,304	8,523,053
Shatter eSports Inc.	-	100,000	-	-	100,000
Streaks eSports Plc	42,507	43,750	-	2,203	88,460
	\$ 7,287,140	\$ 3,339,998	\$ 1,929	\$ 2,876,051	\$ 13,505,118

a) Blue Star Capital Plc ("Blue Star")

Blue Star is a UK based public company with a focus on investing in new technologies.

The fair value change of \$140,058 represents a gain on mark-to-market of Blue Star's common shares.

b) The Dibs eSports Corp. ("Dibs")

Dibs is a US based private company with a focus on the North American eSports market (note 8).

On October 28, 2019, the Company entered into an agreement to acquire a \$50,000 (US\$38,196) convertible promissory note of Dibs. The note pays 5% simple interest accruing daily on the basis of actual number of days elapsed over 365 days. All unpaid principal and accrued interest is due and payable on the earliest to occur of the following:

- i) 36 months from the date of register (the "Maturity Date");
- ii) upon the closing of a sale of Dibs; or
- iii) upon an event of default.

The Company has the right to convert the note into common shares of Dibs at any time prior to the Maturity Date. The fair value change of \$4,401 represents foreign currency translation loss.

c) The Drops eSports Inc. ("Drops")

Drops is a Canadian based private company with a focus on the Canadian eSports market.

Pioneer Media Holdings Inc.
Notes to the Condensed Interim Financial Statements
February 28, 2021
(Stated in Canadian Dollars)
(Unaudited)

4. Investments (cont'd)

d) Diemens eSports Pty Ltd. ("Diemens")

Diemens is an Australian based private company with a focus on the Australian eSports market. The fair value change of \$3,255 represents foreign currency translation gain.

e) Dynasty eSports Pte Ltd. ("Dynasty")

Dynasty is a Singapore based private company with a focus on the Singapore eSports market (note 8).

On July 30, 2020, the Company acquired 10,122 common shares at SGD6.85 per share for \$67,455 (69,332 Singapore Dollars). On September 14, 2020, the Company acquired 28,308 common shares at SGD6.85 per share of Dynasty for \$256,118 (263,245 Singapore Dollars). The fair value change of \$10,716 represents foreign currency translation loss.

f) Eastside Games Inc. ("Eastside")

Eastside is a privately owned game studio based in Vancouver, B.C. During the nine months ended February 28, 2021, the Company received \$115,414 of cash dividends from Eastside. The Company also received dividends in kind amounting to \$147,556 via the receipt of 655,804 common shares of Leaf Mobile Inc. On February 5, 2021, Eastside was acquired by Leaf Mobile Inc. (see note 4(j)). The Company received \$306,133 in cash and 6,885,328 common shares of Leaf Mobile Inc. valued at \$1,549,199 for all of its shares of Eastside. The Leaf Mobile Inc. common shares are to be released from escrow over a 36 month period. The Company may receive further cash and shares of Leaf Mobile Inc. pursuant to certain revenue targets being met at February 5, 2022 and February 5, 2023. The Company recorded a gain on disposition of \$1,474,308.

g) Formation eSports ("Formation")

Formation is a France based private company with a focus on the European eSports market.

The Company acquired 12,500,000 common shares for \$39,304 (25,100 Euros). The fair value change of \$781 represents foreign currency translation loss.

h) Googly eSports Plc ("Googly")

Googly is an India based private company with a focus on the Indian eSports market.

On July 30, 2020, the Company acquired 11,000,000 common shares at 0.001 pence per share of Googly for \$19,250 (11,000 Pounds Sterling). The fair value change of \$5,723 represents foreign currency translation gain.

i) The Guild eSports Plc ("Guild")

Guild is a United Kingdom based public company with a focus on the European eSports market. In October 2020, Guild completed its initial public offering and its common shares commenced trading on the Alternative Investment Market ("AIM") of the London Stock Exchange.

Pioneer Media Holdings Inc.
Notes to the Condensed Interim Financial Statements
February 28, 2021
(Stated in Canadian Dollars)
(Unaudited)

4. Investments (cont'd)

During the nine months ended February 28, 2021, the Company acquired 8,000,000 common shares at 0.001 pence per share for \$14,000 (8,000 Pounds Sterling), and 12,500,000 common shares at 6 pence per share for \$1,275,000 (750,000 Pounds Sterling). The fair value change of \$2,097,407 represents a gain on mark-to-market of Guild's common shares.

j) Leaf Mobile Inc. ("Leaf")

Leaf is a game studio based in Vancouver, B.C. and its shares are publicly traded on the Toronto Stock Exchange (note 8). In October 2020, Leaf announced that it would be acquiring 100% of the common shares of Eastside subject to a number of conditions, including but not limited to completion of a \$20 million financing and receipt of shareholder approval. This acquisition closed on February 5, 2021.

During the nine months ended February 28, 2021, the Company acquired 641,500 common shares for \$276,744. Pursuant to the Eastside transaction, the Company received 6,885,328 common shares of Leaf valued at \$1,549,199. The fair value change of \$528,538 represents a gain on mark-to-market of Leaf's common shares.

k) Shatter eSports Inc. ("Shatter")

Shatter is a Canadian based private company with a focus on the Canadian eSports market.

On February 11, 2021, the Company acquired 500,000 common shares at \$0.20 per share for \$100,000. The Company has directors in common with Shatter (note 8).

l) Streaks eSports Plc ("Streaks")

Streaks is a United Kingdom based private company with a focus on the European eSports market.

On July 30, 2020, the Company acquired 2,500,000 common shares at 1 pence per share for \$43,750 (25,000 Pounds Sterling). The fair value change of \$2,203 represents foreign currency translation gain.

5. Exploration and Evaluation Assets

On November 30, 2017, the Company entered into an option agreement (the "Option Agreement") with Bear Mountain Gold Mines Ltd. to acquire 60% interest in five contiguous mineral claims in south-western British Columbia comprising the Harrison South Property.

With the change in business activities discussed in note 1, the Company assigned all of its interests in the Option Agreement to a third party for nominal consideration. As a result, the Company impaired 100% of its exploration and evaluation assets as at August 31, 2019.

Pioneer Media Holdings Inc.
Notes to the Condensed Interim Financial Statements
February 28, 2021
(Stated in Canadian Dollars)
(Unaudited)

6. Common Shares

a) Authorized and issued share capital:

The Company has authorized an unlimited number of common shares without par value.

As at February 28, 2021, the Company has 37,347,000 common shares outstanding.

During the three months ended August 31, 2020, the Company issued 6,625,000 common shares for proceeds of \$1,325,000.

During the three months ended November 30, 2020, the Company issued 1,250,000 common shares for proceeds of \$250,000.

During the three months ended February 28, 2021, the Company issued 2,000,000 common shares for proceeds of \$400,000. The Company converted the \$103,836 related party loan to 510,000 common shares (note 8(b)).

b) Escrowed shares:

There are 172,500 common shares held in escrow pursuant to an escrow agreement dated February 25, 2019 between the Company and certain shareholders of the Company. There are an additional 13,260,000 common shares held in escrow pursuant to an escrow agreement dated February 25, 2021 between the Company and certain shareholders of the Company. Pursuant to the two escrow agreements, the escrowed shares shall be released pro-rata to the shareholders as to 10% (1,343,250) upon the date the Company's common shares are listed on a Canadian stock exchange and as to the remainder in six equal tranches of 15% (2,014,875) every six months thereafter for a period of 36 months. These escrowed shares may not be transferred, assigned or otherwise dealt without the consent of the regulatory authorities.

c) Loss per share:

Basic and diluted loss per share

	Three months ended		Nine months ended	
	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
Numerator:				
Net (loss) income	\$ 4,726,857	\$ (9,286)	\$ 3,941,848	\$ (184,863)
Denominator:				
Weighted average number of common shares (basic and diluted)	36,423,222	12,740,000	34,541,707	5,942,555
Basic and diluted (loss) income per common share	\$ 0.13	\$ -	\$ 0.11	\$ (0.03)

Pioneer Media Holdings Inc.
Notes to the Condensed Interim Financial Statements
February 28, 2021
(Stated in Canadian Dollars)
(Unaudited)

7. Financial Instruments and Capital Management

The investment operations of the Company's business involve the purchase and sale of securities and, accordingly, the majority of the Company's assets are currently comprised of financial instruments. The use of financial instruments can expose the Company to several risks, including interest rate, credit, currency, liquidity and market risk. A discussion of the Company's use of financial instruments and their associated risk is provided below:

a) Fair value

The Company classifies its financial instruments using a fair value hierarchy as a framework for disclosing fair value of financial instruments based on inputs used to value the Company's investments. The hierarchy of inputs and description of inputs is described as follows:

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

	Notes	February 28, 2021			Total
		Level 1	Level 2	Level 3	
FVTPL					
Convertible debenture	4	\$ -	\$ -	\$ 51,792	\$ 51,792
Private company shares	4	-	-	1,020,710	1,020,710
Public company shares	4	12,432,616	-	-	12,432,616
		<u>\$ 12,432,616</u>	<u>\$ -</u>	<u>\$ 1,072,502</u>	<u>\$ 13,505,118</u>

	Notes	May 31, 2020			Total
		Level 1	Level 2	Level 3	
FVTPL					
Convertible debenture	4	\$ -	\$ -	\$ 54,264	\$ 54,264
Private company shares	4	-	-	1,122,158	1,122,158
Public company shares	4	6,110,718	-	-	6,110,718
		<u>\$ 6,110,718</u>	<u>\$ -</u>	<u>\$ 1,176,422</u>	<u>\$ 7,287,140</u>

Fair value estimates are made at the statement of financial position date, based on relevant market information and other information about financial instruments. As at February 28, 2021, the Company's financial instruments were cash, investments, and trade and other payables. The amounts reflected in the statements of financial position for cash and trade and other payables are carrying amounts and approximate their fair values due to their short-term nature.

The fair value of unquoted investments is established using valuation techniques. These may include the use of recent arm's length transactions, a Black-Scholes option pricing model, discounted cash flow analysis, a probability-weighted expected return model, or a current value method. Where a fair value cannot be estimated reliably, the investment is reported at the carrying value at the previous reporting date.

Pioneer Media Holdings Inc.
Notes to the Condensed Interim Financial Statements
February 28, 2021
(Stated in Canadian Dollars)
(Unaudited)

7. Financial Instruments and Capital Management (cont'd)

The Company assesses at each reporting period whether there is any objective evidence that the unquoted investments are impaired. The unquoted investments are deemed to be impaired, if and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future fair value of the investments that can be reliably measured.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk, with the carrying value being the Company's maximum exposure. The Company's cash consists of funds held at a chartered Canadian bank and legal counsel trust accounts. The Company is required to review impairment of its financial assets at amortized costs at each reporting period and to review its allowance for doubtful accounts for expected future credit losses. The Company minimizes credit risk by performing credit reviews, ongoing credit evaluation and account monitoring procedures. Management believes that the credit risk with respect to advances from and to related parties and share subscriptions receivable is minimal.

c) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected as a result of downturn in stock market conditions generally or related to matters specific to the Company, or if the value of the Company's investments declines, resulting in losses upon disposition. The Company currently generates cash flow primarily from issuances of its common shares. The Company may in the future dispose of certain investments in order to fund obligations as they become due under normal operating conditions.

d) Market risk

The Company is exposed to certain market risk that the value of, or future cash flows from, the Company's financial assets will significantly fluctuate due to changes in market prices. The value of the financial assets may be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is exposed to market risk in its investments, and unfavorable market conditions could result in dispositions of investments at less than favorable prices. Additionally, the Company is required to mark to market its FVTPL investments at the end of each reporting period. This process could result in significant write-downs of the Company's investments over one or more reporting periods, particularly during periods of overall market instability, which would have a significant unfavorable effect on the Company's financial position.

The Company's investments include public company shares. The following table shows the estimated sensitivity on the statement of loss and comprehensive loss for the nine-month period ended February 28, 2021 of the closing price of the Company's public company shares with all other variables held constant as at February 28, 2021:

Percentage of change in closing prices	Change in earnings and comprehensive earnings from % increase in closing price	Change in earnings and comprehensive earnings from % decrease in closing price
5%	\$621,631	\$(621,631)
10%	\$1,243,262	\$(1,243,262)

Pioneer Media Holdings Inc.
Notes to the Condensed Interim Financial Statements
February 28, 2021
(Stated in Canadian Dollars)
(Unaudited)

7. Financial Instruments and Capital Management (cont'd)

e) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as cash only comprised bank account balances and legal counsel trust accounts as of February 28, 2021. The Company had no interest rate swaps or financial contracts in place as at or during the nine months ended February 28, 2021.

f) Currency risk

Currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Financial instruments that impact the Company's earnings or loss due to currency fluctuations include foreign currency denominated assets and liabilities. The Company does not use derivative instruments or hedges to manage currency risks. The sensitivity of the Company's earnings or loss due to changes in the exchange rate between the foreign currency and Canadian dollar is included in the table below:

Currency denomination	Investments	Effect of +/- 10% change in currency
Australia	\$ 49,075	\$ 4,908
Euros	\$ 38,524	\$ 3,852
Singapore	\$ 483,654	\$ 48,365
United Kingdom	\$ 4,159,020	\$ 415,902
United States of America	\$ 51,792	\$ 5,179
	\$ 4,782,065	\$ 478,207

Based on the above net exposures at February 28, 2021, a 10% depreciation or appreciation of the foreign currencies against the Canadian dollar would result in an increase or decrease, respectively, in the Company's loss by \$478,207.

g) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to identify and acquire new investments or business opportunities. The Company does not have any externally imposed capital requirements to which it is subject. The Company considers the aggregate of its cash and common shares as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new common shares; issue debt; acquire or dispose of assets; or adjust the amount of cash.

Most of the Company's investments are in the early stage of development and are not producing positive cash flow. As such, the Company is dependent on external financing to fund its activities. In order to carry out operations, the Company will spend its existing working capital and raise additional amounts as needed.

Pioneer Media Holdings Inc.
Notes to the Condensed Interim Financial Statements
February 28, 2021
(Stated in Canadian Dollars)
(Unaudited)

8. Related Party Transactions

The following is a summary of the related party transactions that occurred during the nine months ended February 28, 2021.

a) Compensation of key management personnel

The Company has determined that key management personnel consist of its Directors, the CEO and CFO.

The Company paid its CFO \$13,082 (2019 - \$nil) for management fees. The Company paid a director \$10,395 (2019 - \$nil) for consulting fees.

Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits.

b) Other related party transactions

i) The Company advanced \$15,000 to a company with a common director. The amount was unsecured, non-interest bearing and due on August 31, 2020. The amount was repaid in full in September 2020.

ii) A company related by a common director loaned the Company \$103,836 (60,000 Pounds Sterling). On December 15, 2020, the Company converted the \$103,836 related party loan to 510,000 common shares. The loan was unsecured, non-interest bearing and due on demand (note 6(a)).

iii) The Company paid \$11,050 for rent to a company with a common director.

iv) The Company has a director in common with Dynasty.

v) The Company has a director in common with Leaf.

vi) The Company has a director in common with Dibs.

vii) The Company has directors in common with Formation.

viii) The Company has directors in common with Shatter.

ix) The amalgamation with PAI (note 3) was a related party transaction because the Company and PAI had directors in common.

9. Subsequent Events

Subsequent to February 28, 2021, the following transactions occurred:

a) The Company issued 1,500,000 common shares for proceeds of \$300,000.

Pioneer Media Holdings Inc.

Notes to the Condensed Interim Financial Statements

February 28, 2021

(Stated in Canadian Dollars)

(Unaudited)

9. Subsequent Events (cont'd)

- b) The Company announced its intention to raise \$5,000,000 via a non-brokered private placement through the sale of units at \$0.30 per unit. Each unit will consist of one common share and one-half of one common share purchase warrant. Each whole warrant will be exercisable at \$0.50 for a period of 24 months from the date of closing. The closing of the private placement is subject to certain customary conditions, including receipt of all necessary regulatory approvals and acceptance of the CSE. All securities issued under the private placement will be subject to a statutory hold period of four months plus a day following the date of closing.
- c) The Company acquired 540,500 common shares of Leaf for \$199,879.
- d) The Company acquired 5,000,000 common shares of NFT Investments Plc ("NFT") for 50,000 pounds sterling. The Company has directors in common with NFT.
- e) The Company invested \$200,000 via a Simple Agreement for Future Equity ("SAFE") in TinyRex Games Inc. ("TinyRex"). In accordance with the SAFE, the Company will have the right to convert its investment into common shares when TinyRex completes a future equity financing up to a valuation cap of \$5,000,000, subject to certain conditions.
- f) The Company granted 2,800,000 stock options to directors, officers, and consultants with an exercise price of \$0.35 expiring five years from the date of grant. The stock options vest as follows: 1) 12.5% on date of grant; and 2) 12.5% every three months from date of grant thereafter.