

# **Pioneer Media Holdings Inc.**

## **Financial Statements**

**For the Years Ended May 31, 2021 and 2020**

## Independent Auditor's Report

To the Shareholders of Pioneer Media Holdings Inc.:

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Pioneer Media Holdings Inc. (the "Company"), which comprise the statements of financial position as at May 31, 2021 and 2020, and the statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Company as at May 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

#### Basis for Opinion

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

#### Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis", but does not include the financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is G. Cameron Dong.

A handwritten signature in black ink that reads "De Visser Gray LLP". The signature is written in a cursive, flowing style.

**CHARTERED PROFESSIONAL ACCOUNTANTS**

Vancouver, BC, Canada  
September 28, 2021

# Pioneer Media Holdings Inc.

## Statements of Financial Position

(Stated in Canadian Dollars)

	Notes	May 31, 2021	May 31, 2020
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 2,871,074	\$ 96,100
GST receivable		-	4,475
Advances to related parties	<b>10</b>	-	15,000
Prepaid expenses		2,126	-
<b>Total current assets</b>		<b>2,873,200</b>	<b>115,575</b>
<b>Non-current assets</b>			
Investments	<b>5</b>	17,589,765	7,287,140
<b>TOTAL ASSETS</b>		<b>\$ 20,462,965</b>	<b>\$ 7,402,715</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Trade and other payables		\$ 343,422	\$ 121,786
Derivative financial liability	<b>8b</b>	232,000	-
<b>Total current liabilities</b>		<b>575,422</b>	<b>121,786</b>
<b>Non-current liabilities</b>			
Deferred income tax liability		1,141,000	678,000
<b>Equity</b>			
Common shares	<b>7</b>	14,440,452	7,462,529
Share subscriptions receivable		-	(25,010)
Share-based payments reserve	<b>8</b>	304,320	80,000
Retained earnings (deficit)		4,001,771	(914,590)
<b>Total equity</b>		<b>18,746,543</b>	<b>6,602,929</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$ 20,462,965</b>	<b>\$ 7,402,715</b>
<b>Nature and continuance of operations</b>	<b>1</b>		
<b>Subsequent events</b>	<b>13</b>		

Approved on behalf of the Board of Directors:

"Mark Rutledge"

Mark Rutledge, Director

"Michael Edwards"

Michael Edwards, Director

**Pioneer Media Holdings Inc.**  
**Statements of Loss and Comprehensive Loss**  
(Stated in Canadian Dollars)

	Notes	Year ended May 31,	
		2021	2020
<b>Expenses</b>			
Filing and listing fees		\$ 33,972	\$ 32,386
Management fees		18,964	-
Marketing		12,797	13,737
Office and miscellaneous		33,280	1,232
Professional and consulting fees		226,950	48,829
Share-based payments	<b>8</b>	393,520	-
Transfer agent fees		10,354	2,500
<b>Loss before other items and income taxes</b>		<b>(729,837)</b>	<b>(98,684)</b>
<b>Other items</b>			
Interest and other income		265,514	1,574
Impairment of exploration and evaluation assets	<b>6</b>	-	(123,776)
Fair value changes on investments	<b>5</b>	4,369,376	141,764
Gain on sale of investments	<b>5</b>	1,474,308	-
<b>Earnings (loss) before income taxes</b>		<b>5,379,361</b>	<b>(79,122)</b>
Deferred income tax expense		463,000	669,000
<b>Earnings (loss) and comprehensive earnings (loss) for the year</b>		<b>\$ 4,916,361</b>	<b>\$ (748,122)</b>
<b>Weighted average number of common shares outstanding</b>			
	<b>7</b>		
Basic		36,468,080	7,806,634
Diluted		38,102,169	7,806,634
<b>Basic earnings (loss) per share</b>		<b>\$ 0.13</b>	<b>\$ (0.10)</b>
<b>Diluted earnings (loss) per common share</b>		<b>\$ 0.13</b>	<b>\$ (0.10)</b>

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

## Pioneer Media Holdings Inc.

### Statement of Changes in Equity

(Stated in Canadian Dollars)

	Common Shares		Share Subscriptions Receivable	Share-based Payments Reserve	Retained Earnings (Deficit)	Total
	Number	Amount				
<b>Balance at May 31, 2019</b>	240,000	\$ 160,000	\$ -	\$ 80,000	\$ (166,468)	\$ 73,532
Common shares issued for cash:						
Private placements	12,500,000	500,000	-	-	-	500,000
Share issue costs on private placements	-	(3,845)	-	-	-	(3,845)
Amalgamation with Pioneer Acquisition I Inc.	14,222,000	6,806,374	(25,010)	-	-	6,781,364
Loss for the year	-	-	-	-	(748,122)	(748,122)
<b>Balance at May 31, 2020</b>	26,962,000	7,462,529	(25,010)	80,000	(914,590)	6,602,929
Common shares issued for cash:						
Private placements	28,064,433	7,297,314	(62,000)	-	-	7,235,314
Share issue costs on private placements	-	(421,391)	-	62,800	-	(358,591)
Share subscriptions received	-	-	87,010	-	-	87,010
Shares issued for related party debt repayment	510,000	102,000	-	-	-	102,000
Share-based payments	-	-	-	161,520	-	161,520
Earnings for the year	-	-	-	-	4,916,361	4,916,361
<b>Balance at May 31, 2021</b>	55,536,433	\$ 14,440,452	\$ -	\$ 304,320	\$ 4,001,771	\$ 18,746,543

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

# Pioneer Media Holdings Inc.

## Statements of Cash Flows

(Stated in Canadian Dollars)

	Year ended May 31,	
	2021	2020
<b>Operating activities</b>		
Earnings (loss) for the year	\$ 4,916,361	\$ (748,122)
Items not involving cash:		
Share-based payments	393,520	-
Impairment of exploration and evaluation assets	-	123,776
Interest income	(2,544)	(1,574)
Dividends paid in shares	(147,556)	-
Fair value changes on investments	(4,369,376)	(141,764)
Gain on sale of investments	(1,474,308)	-
Foreign exchange gain	(1,836)	-
Income tax expense	463,000	669,000
Changes in non-cash working capital items:		
GST receivable	4,475	(1,361)
Prepaid expenses	(2,126)	28,500
Trade and other payables	221,636	40,214
<b>Net cash provided by (used in) operating activities</b>	<b>1,246</b>	<b>(31,331)</b>
<b>Investing activities</b>		
Cash acquired upon amalgamation with Pioneer Acquisition I Inc.	-	93,824
Disposition of investments	306,133	-
Purchase of investments	(4,614,974)	(467,241)
<b>Net cash used in investing activities</b>	<b>(4,308,841)</b>	<b>(373,417)</b>
<b>Financing activities</b>		
Common shares issued for cash, net of share issue costs	6,963,733	496,155
Advances from (to) related parties	118,836	(14,000)
<b>Net cash provided by financing activities</b>	<b>7,082,569</b>	<b>482,155</b>
<b>Change in cash during the year</b>	<b>2,774,974</b>	<b>77,407</b>
<b>Cash, beginning of year</b>	<b>96,100</b>	<b>18,693</b>
<b>Cash, end of year</b>	<b>\$ 2,871,074</b>	<b>\$ 96,100</b>
<b>Supplemental Cash Flow Information</b>		
Income taxes paid	\$ -	\$ -
Interest paid (received)	\$ -	\$ -
<b>Non-cash Financing and Investing activities</b>		
Net assets acquired upon amalgamation with Pioneer Acquisition I Inc., net of cash	\$ -	\$ 6,712,550
Shares received on disposition of investments	\$ 1,549,199	-

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

# Pioneer Media Holdings Inc.

## Notes to the Financial Statements

May 31, 2021 and 2020

(Stated in Canadian Dollars)

---

### 1. Nature and Continuance of Operations

Pioneer Media Holdings Inc. (formerly Haro Metals Corp.) (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 5); 2) disposing of its mineral property interests for nominal consideration and impairing 100% of its exploration and evaluation assets (note 6); and 3) amalgamating with Pioneer Acquisition I Inc., a company also in the gaming and eSport sector (note 4).

During the first quarter of 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.

As at May 31, 2021, the Company had not yet achieved profitable operations, has variable gains and losses depending 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 registered office of the Company is located at 2900 – 595 Burrard Street, Vancouver, BC, V7X 1J5.

### 2. Basis of Preparation

#### a) Statement of compliance

The Company has prepared its financial statements in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the IFRS Interpretations Committee (“IFRICs”).



# Pioneer Media Holdings Inc.

## Notes to the Financial Statements

May 31, 2021 and 2020

(Stated in Canadian Dollars)

---

### 2. Basis of Preparation (cont'd)

b) Basis of presentation

The financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar except where otherwise indicated. The financial statements have been prepared on an accrual basis and are based on historical costs except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in note 3.

c) Approval of the financial statements

The financial statements of the Company for the years ended May 31, 2021 and 2020 were reviewed by the audit committee and approved and authorized for issue by the Board of Directors on September 28, 2021.

d) Recent accounting pronouncements and changes to accounting policies

During the year ended May 31, 2021, the Company adopted the following new accounting pronouncements:

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.

Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

### 3. Summary of Significant Accounting Policies

a) Cash

Cash in the statements of financial position comprise cash at banks, or held in trust, and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash, and subject to insignificant risk of changes in fair value.

b) Foreign currencies

The financial statements are presented in Canadian dollars. The Company’s functional currency is the Canadian dollar, which is the currency of the primary economic environment in which the Company operates.

# Pioneer Media Holdings Inc.

## Notes to the Financial Statements

May 31, 2021 and 2020

(Stated in Canadian Dollars)

---

### 3. Summary of Significant Accounting Policies (cont'd)

Transactions in foreign currencies are initially recorded at the functional currency rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency rate of exchange at the date of the statement of financial position.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

#### c) Impairment of assets

The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous periods.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

#### d) Share-based payments

Employees (including directors and senior executives) of the Company may receive a portion of their remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions"). The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

In situations where equity instruments are issued for goods or services to other than employees, the transaction is measured at the fair value of the goods or services received by the Company. When the value of the goods or services cannot be specifically identified, they are measured at the fair value of the share-based payment.

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

# Pioneer Media Holdings Inc.

## Notes to the Financial Statements

May 31, 2021 and 2020

(Stated in Canadian Dollars)

---

### 3. Summary of Significant Accounting Policies (cont'd)

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

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

The dilutive effect of outstanding options is reflected as dilution in the computation of earnings per share if applicable.

#### e) Taxation

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the period end date, and includes any adjustments to tax payable or receivable in respect of previous years. Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each period end date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

#### f) Income (loss) per share

The Company presents basic and diluted income (loss) per share data for its common shares. Basic income (loss) per share is computed by dividing the income (loss) by the weighted average number of common shares outstanding during the period. Diluted income (loss) per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive.

#### g) Financial instruments

##### i) Recognition

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

# Pioneer Media Holdings Inc.

## Notes to the Financial Statements

May 31, 2021 and 2020

(Stated in Canadian Dollars)

---

### 3. Summary of Significant Accounting Policies (cont'd)

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectation of recovering the contractual cash flows of a financial asset.

ii) Classification and measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- a) those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI"); and,
- b) those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial assets are classified and measured at either:

- i) amortized cost;
- ii) FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or
- iii) FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost or FVTOCI are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss.

The classification and measurement of the Company's financial assets and liabilities are as follows:

#### Financial Assets

Cash	Amortized cost
Investments	FVTPL
Investments – convertible debt	FVTPL

#### Financial Liabilities

Trade and other payables	Amortized cost
Advances from/to related parties	Amortized cost

# Pioneer Media Holdings Inc.

## Notes to the Financial Statements

May 31, 2021 and 2020

(Stated in Canadian Dollars)

---

### 3. Summary of Significant Accounting Policies (cont'd)

Financial liabilities are classified and measured at amortized cost using the effective interest rate method. The 'effective interest rate' is the rate that discounts estimated future cash payments over the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability. The effective interest rate is calculated considering all contractual terms of the financial instruments, except for the expected credit losses of financial assets. Interest expense is reported in profit or loss.

#### iii) Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

#### h) Significant accounting judgments and estimates

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

The areas that require significant estimations or where measurements are uncertain are as follows:

#### *Fair value of investments in private companies*

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.

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.

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying accounting policies in the Company's financial statements includes:

#### *Going Concern*

The determination of the Company's ability to continue as a going concern requires significant judgment. Material adjustments to the Company's assets and liabilities would be required if the going concern assumption was not used.

# Pioneer Media Holdings Inc.

## Notes to the Financial Statements

May 31, 2021 and 2020

(Stated in Canadian Dollars)

---

### 4. 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 were exchanged for one (1) Amalco Common Share; and
- ii) each Company Share issued and outstanding on May 28, 2020 were 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
<b>Total assets</b>		<b>6,785,385</b>
Trade and other payables		4,021
<b>Net assets</b>	<b>\$</b>	<b>6,781,364</b>

For accounting purposes, the amalgamation is accounted for as a business combination whereby the Company issued 14,222,000 of its common shares to acquire the net assets of PAI amounting to \$6,781,364.

The Company and PAI had directors in common and the amalgamation is considered to be a related party transaction (note 10).

**Pioneer Media Holdings Inc.**  
**Notes to the Financial Statements**  
**May 31, 2021 and 2020**  
(Stated in Canadian Dollars)

**5. Investments**

The Company's investments at May 31, 2021 and May 31, 2020 consisted of the following:

Investment	Financial Instrument	Financial Instrument Hierarchy	May 31, 2020	Purchases (Dispositions)	Acquired on Amalgamation	Interest	Change in Fair Value	May 31, 2021
Big Head Club	Equity	3	\$ -	\$ 181,530	\$ -	\$ -	\$ (450)	\$ 181,080
Blue Star Capital Plc	Equity	1	204,567	624,114	-	-	112,068	940,749
The Dibs eSports Corp.	Conv. Deb.	3	54,264	-	-	2,544	(6,921)	49,887
The Drops eSports Inc.	Equity	3	100,000	-	-	-	-	100,000
Diemens eSports Pty Ltd.	Equity	3	45,820	-	-	-	885	46,705
Dispersion Holdings Plc	Equity	1	-	426,450	-	-	109,081	535,531
Dynasty eSports Pte Ltd.	Equity	3	238,252	743,205	-	-	(32,225)	949,232
Eastside Games Inc.	Equity	3	381,024	(381,024)	-	-	-	-
Formation eSports	Equity	3	-	39,304	-	-	(2,284)	37,020
Googly eSports Plc	Equity	3	136,024	19,250	-	-	673	155,947
Guild eSports Plc	Equity	1	178,532	1,289,000	-	-	2,729,320	4,196,852
Leaf Mobile Inc.	Equity	1	5,906,150	2,475,145	-	-	853,189	9,234,484
NFT Investments Plc	Equity	1	42,507	208,732	-	-	606,040	857,279
Paidia eSports Inc.	Equity	3	-	105,000	-	-	-	105,000
TinyRex Games Inc.	Equity	3	-	200,000	-	-	-	200,000
			\$ 7,287,140	\$ 5,930,705	\$ -	\$ 2,544	\$ 4,369,376	\$ 17,589,765

Investment	Financial Instrument	Financial Instrument Hierarchy	May 31, 2019	Purchases (Dispositions)	Acquired on Amalgamation	Interest	Change in Fair Value	May 31, 2020
Blue Star Capital Plc	Equity	1	\$ -	\$ -	\$ 204,567	\$ -	\$ -	\$ 204,567
The Dibs eSports Corp.	Conv. Deb.	3	-	50,000	-	1,574	2,690	54,264
The Drops eSports Inc.	Equity	3	-	100,000	-	-	-	100,000
Diemens eSports Pty Ltd.	Equity	3	-	44,995	-	-	825	45,820
Dynasty eSports Pte Ltd.	Equity	3	-	96,140	140,712	-	1,400	238,252
Eastside Games Inc.	Equity	3	-	-	381,024	-	-	381,024
Googly eSports Plc	Equity	3	-	50,553	85,015	-	456	136,024
Guild eSports Plc	Equity	1	-	50,553	127,523	-	456	178,532
Leaf Mobile Inc.	Equity	1	-	75,000	5,695,213	-	135,937	5,906,150
Streaks eSports Plc	Equity	3	-	-	42,507	-	-	42,507
			\$ -	\$ 467,241	\$ 6,676,561	\$ 1,574	\$ 141,764	\$ 7,287,140

During the year ended May 31, 2021, the Company disposed of one investment, Eastside Games Inc. ("Eastside"). Eastside was acquired by Leaf Mobile Inc. ("Leaf"). The Company received \$306,133 in cash and 6,885,328 common shares of Leaf valued at \$1,549,199 for all of its shares of Eastside. The Leaf common shares are to be released from escrow over a 36-month period. The Company may receive further cash and shares of Leaf 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. The Company also received cash dividends of \$115,414 and dividends in kind amounting to \$147,556 via the receipt of 655,804 common shares of Leaf.

# Pioneer Media Holdings Inc.

## Notes to the Financial Statements

May 31, 2021 and 2020

(Stated in Canadian Dollars)

---

### 6. 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.

### 7. Common Shares and Warrants

#### a) Authorized and issued share capital:

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

As at May 31, 2021, the Company has 55,536,433 (May 31, 2020 – 26,962,000) common shares outstanding.

During the year ended May 31, 2021, the Company reported the following transactions and issued the following common shares:

The Company completed various private placements raising \$2,275,000 through the sale of 11,375,000 common shares at \$0.20 per share.

The Company completed a private placement by raising \$5,000,163 through the sale of 16,667,211 units (each a "Unit") at \$0.30 per Unit. Each Unit consists of (i) one Common Share; and (ii) one-half of one Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to acquire one additional Common Share in the capital of the Company at a price of \$0.50 per share for a period of two years. The Company paid finder's fees of \$350,291 in cash and issued 468,810 finder's warrants. The finder's warrants have an exercise price of \$0.50 and expire on May 11, 2023 (note 8). The Company also incurred \$8,300 in costs.

The Company completed a private placement by raising \$17,161 through the sale of 22,222 common shares at \$0.77 per share.

The Company converted a \$103,836 related party loan to 510,000 common shares (note 10(b)).

During the year ended May 31, 2020, the Company reported the following transactions and issued the following common shares:

On October 25, 2019, the Company's issued and outstanding common shares were consolidated on a ten-for-one basis. On May 28, 2020, the Company's issued and outstanding common shares were further consolidated on a two-for-one basis. As such, all common share numbers disclosed in these financial statements have been presented as if the share consolidations had occurred at inception, unless otherwise stated.

On October 30, 2019, the Company completed a private placement raising \$500,000 through the sale of 12,500,000 common shares at \$0.04 per share. The Company paid a cash commission of \$900 and incurred legal fees of \$2,945 in connection with the private placement.



# Pioneer Media Holdings Inc.

## Notes to the Financial Statements

May 31, 2021 and 2020

(Stated in Canadian Dollars)

### 7. Common Shares and Warrants (cont'd)

On May 28, 2020, the Company completed an amalgamation with Pioneer Acquisition I Inc. (note 4). For accounting purposes, the amalgamation is accounted for as a business combination whereby the Company issued 14,222,000 of its common shares to acquire the net assets of PAI amounting to \$6,781,364.

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 (April 12, 2021, the date the Company's common shares began trading on the CSE) 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) Warrants:

In addition to the warrants issued described above, the Company issued 555,364 compensation warrants on May 28, 2021. These warrants have an exercise price of £0.45 and expire on May 28, 2026.

The changes in warrants issued during the years ended May 31, 2021 and 2020 are as follows:

	Year ended May 31, 2021		Year ended May 31, 2020	
	Number of warrants	Weighted- average exercise price	Number of warrants	Weighted- average exercise price
Balance, beginning of year	-	\$ -	-	\$ -
Issued	9,357,782	0.52	-	-
Balance, end of year	9,357,782	\$ 0.52	-	\$ -

Warrants exercisable and outstanding as at May 31, 2021 are as follows:

Expiry Date	Number of Warrants	Exercise Price
May 11, 2023	4,375,560	\$0.50
May 14, 2023	4,426,858	\$0.50
May 28, 2026	555,364	£0.45
	9,357,782	

# Pioneer Media Holdings Inc.

## Notes to the Financial Statements

May 31, 2021 and 2020

(Stated in Canadian Dollars)

### 7. Common Shares and Warrants (cont'd)

d) Loss per share:

Basic and diluted loss per share

	Year ended May 31, 2021	Year ended May 31, 2020
Numerator:		
Net income (loss)	\$ 4,916,361	\$ (748,122)
Denominator:		
Weighted average number of common shares (basic)	36,468,080	7,806,634
Dilutive effect of share options	338,606	-
Dilutive effect of warrants	1,295,483	-
Weighted average number of common shares (diluted)	38,102,169	7,806,634
Basic income (loss) per common share	\$ 0.13	\$ (0.10)
Diluted income (loss) per common share	\$ 0.13	\$ (0.10)

### 8. Share-based Payments

a) Stock options

The Company has a rolling Stock Option Plan ('Plan') for directors, officers, employees and consultants of the Company. The Company may grant non-transferable options to individuals (which are exercisable over periods of up to ten years) as determined by the Board of Directors of the Company, to buy shares of the Company at the fair market value on the date the option is granted. The maximum number of shares which may be issuable under the Plan cannot exceed 10% of the total number of issued and outstanding shares on a non-diluted basis.

On April 23, 2021, the Company granted 2,800,000 stock options to Directors, officers, and consultants. Each option is exercisable to acquire one common share at an exercise price of \$0.35 expiring April 22, 2026. The stock options vest as to 12.5% on date of grant and 12.5% every three months thereafter. The Company recognized \$161,520 for share-based payments.

The fair value of the 2,800,000 stock options was estimated using the Black-Scholes option pricing model assuming a weighted average risk-free interest rate of 0.92%, a dividend yield of nil, a weighted average expected annual volatility of the Company's share price of 80% and an expected life of 5 years. The fair value of the stock options was \$0.22 per option. The expected volatility assumption is based on the estimated volatility of early-stage companies. The risk-free interest rate is based on yield curves on the Canadian government zero-coupon bonds or Canadian government treasury bills with a remaining term equal to the options' expected life.

# Pioneer Media Holdings Inc.

## Notes to the Financial Statements

May 31, 2021 and 2020

(Stated in Canadian Dollars)

---

### 8. Share-based Payments (cont'd)

#### b) Warrants

On May 11, 2021, the Company issued 468,810 warrants as finder's fees. These warrants have an exercise price of \$0.50 and expire on May 11, 2023. The fair value of the 468,810 finder's warrants was estimated using the Black-Scholes option pricing model assuming a risk-free interest rate of 0.29%, a dividend yield of nil, an expected annual volatility of the Company's share price of 80% and an expected life of 2 years. The fair value of the finder's warrants was \$0.13 per warrant for a total value of \$62,800.

On May 28, 2021, the Company issued 555,364 compensation warrants. These warrants have an exercise price of £0.45 and expire on May 28, 2026. The fair value of the 555,364 compensation warrants was estimated using the Black-Scholes option pricing model assuming a risk-free interest rate of 0.93%, a dividend yield of nil, an expected annual volatility of the Company's share price of 80% and an expected life of 5 years. The fair value of the finder's warrants was \$0.42 per warrant for a total value of \$232,000. Because these warrants have an exercise price based in pounds sterling which differs from the Company's functional currency, they do not meet the definition of an equity instrument and as a result have been classified a derivative financial liability. The derivative financial liability was recognized at fair value on date of issue. Subsequent changes in fair value will be determined at the end of each reporting period and recognized in loss (income) for the period.

The expected volatility assumption is based on the estimated volatility of early-stage companies. The risk-free interest rate is based on yield curves on the Canadian government zero-coupon bonds or Canadian government treasury bills with a remaining term equal to the warrants' expected life.

### 9. 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.

# Pioneer Media Holdings Inc.

## Notes to the Financial Statements

May 31, 2021 and 2020

(Stated in Canadian Dollars)

### 9. Financial Instruments and Capital Management (cont'd)

	Notes	May 31, 2021			Total
		Level 1	Level 2	Level 3	
<b>FVTPL</b>					
Convertible debenture	5	\$ -	\$ -	\$ 49,887	\$ 49,887
Private company shares	5	-	-	1,774,983	1,774,983
Public company shares	5	15,764,895	-	-	15,764,895
		<u>\$ 15,764,895</u>	<u>\$ -</u>	<u>\$ 1,824,870</u>	<u>\$ 17,589,765</u>

  

	Notes	Year ended May 31, 2020			Total
		Level 1	Level 2	Level 3	
<b>FVTPL</b>					
Convertible debenture	5	\$ -	\$ -	\$ 54,264	\$ 54,264
Private company shares	5	-	-	1,122,158	1,122,158
Public company shares	5	6,110,717	-	-	6,110,717
		<u>\$ 6,110,717</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 May 31, 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, trade and other payables, and advances from related parties 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.

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 related parties and share subscriptions receivable is minimal.

# Pioneer Media Holdings Inc.

## Notes to the Financial Statements

May 31, 2021 and 2020

(Stated in Canadian Dollars)

---

### 9. Financial Instruments and Capital Management (cont'd)

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 year ended May 31, 2021 of the closing price of the Company's public company shares with all other variables held constant as at May 31, 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%	\$788,245	\$(788,245)
10%	\$1,576,489	\$(1,576,489)

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 May 31, 2021 and 2020. The Company had no interest rate swaps or financial contracts in place as at or during the years ended May 31, 2021 and 2020.

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:

# Pioneer Media Holdings Inc.

## Notes to the Financial Statements

May 31, 2021 and 2020

(Stated in Canadian Dollars)

### 9. Financial Instruments and Capital Management (cont'd)

Currency denomination	Investments	Effect of +/- 10% change in currency
Australia	\$ 46,705	\$ 4,670
Euros	37,020	3,702
Singapore	949,232	94,923
United Kingdom	6,686,357	668,636
United States of America	230,967	23,097
	<u>\$ 7,950,281</u>	<u>\$ 795,028</u>

Based on the above net exposures at May 31, 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 \$795,028.

#### 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.

### 10. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

The following is a summary of the related party transactions that occurred during the years ended May 31, 2021 and 2020.

#### a) Compensation of key management personnel

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

# Pioneer Media Holdings Inc.

## Notes to the Financial Statements

May 31, 2021 and 2020

(Stated in Canadian Dollars)

---

### 10. Related Party Transactions (cont'd)

The Company paid its CFO \$18,964 (2020 - \$nil) for management fees. The Company paid a director \$20,790 (2020 - \$nil) for consulting fees.

The Company granted 200,000 (2020 – nil) stock options to its CFO and granted 1,000,000 (2020 – nil) stock options to directors of the Company.

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

#### b) Other related party transactions

i) During fiscal 2020, 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 7(a)).

iii) The Company paid \$13,650 for rent to a company with a common director.

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

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

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

vii) The Company has directors in common with Formation eSports.

viii) The Company has directors in common with Dispersion Holdings Plc.

ix) The Company has directors in common with NFT Investments Plc.

x) The amalgamation with PAI (note 4) was a related party transaction because the Company and PAI had directors in common.

### 11. Segmented Information

At May 31, 2021 the Company has one reportable operating segment, being the investment in gaming and eSport businesses. The Company's current assets are located in Canada. The Company's investments, in Canadian dollars, are located in the following geographic locations:

# Pioneer Media Holdings Inc.

## Notes to the Financial Statements

May 31, 2021 and 2020

(Stated in Canadian Dollars)

### 11. Segmented Information (cont'd)

Australia	\$	46,705
Canada		9,820,564
Europe		37,020
India		155,947
Singapore		949,232
United Kingdom		6,530,410
United States of America		49,887
	\$	17,589,765

An operating segment is defined as a component of the Company:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are reviewed regularly by the entity's chief operating decision maker; and
- for which discrete financial information is available.

### 12. Income Taxes

Tax expense differs from the amount computed by applying the combined Canadian federal and provincial income tax rates, applicable to the Company, to the income (loss) before income taxes due to the following:

	Year ended May 31, 2021	Year ended May 31, 2020
Income (loss) before income taxes	\$ 5,379,361	\$ (79,122)
Canadian federal and provincial income tax rate	27.0%	27.0%
Income tax expense (recovery) based on Canadian federal and provincial income tax rates	1,452,000	(21,000)
Increase (decrease) in income taxes attributable to:		
Fair value changes on investments	(710,000)	656,000
Gain on sale of investments	(365,000)	-
Impairment of exploration and evaluation assets	-	33,000
Non-deductible expenses	106,000	-
Other	(20,000)	1,000
Income tax expense	\$ 463,000	\$ 669,000



# Pioneer Media Holdings Inc.

## Notes to the Financial Statements

May 31, 2021 and 2020

(Stated in Canadian Dollars)

---

### 12. Income Taxes (cont'd)

Unrecognized deductible temporary differences and unused tax losses are attributable to the following:

	Year ended May 31, 2021	Year ended May 31, 2020
Investments	\$ (1,276,000)	\$ (729,000)
Exploration and evaluation assets	4,000	4,000
Share issuance costs	78,000	1,000
Non-capital loss carry forwards	53,000	46,000
	(1,141,000)	(678,000)
Less: tax benefits not recognized	-	-
<b>Net deferred income tax asset (liability)</b>	<b>\$ (1,141,000)</b>	<b>\$ (678,000)</b>

At May 31, 2021 the Company has non-capital losses of approximately \$197,000 available for carry-forward to reduce future years' income taxes, expiring on May 31, 2041.

Expiry Date	Amount
May 31, 2038	\$ 6,000
May 31, 2039	71,000
May 31, 2040	98,000
May 31, 2041	22,000
	<u>\$ 197,000</u>

### 13. Subsequent Events

Subsequent to May 31, 2021, the following transactions occurred:

- a) The Company acquired 3,750,000 common shares of Paidia eSports Inc. for \$1,500,000.
- b) The Company acquired 20,000,000 common shares of Streaks Gaming PLC for GBP200,000. The Company has a director in common with Streaks Gaming PLC.

# **PIONEER MEDIA HOLDINGS INC.**

Management's Discussion and Analysis

At May 31, 2021

---

## **Background and Corporate Update**

This Management Discussion and Analysis (MD&A) for Pioneer Media Holdings Inc. (the "Company" or "Pioneer") is prepared as at September 28, 2021 and should be read in conjunction with the Company's audited financial statements for the fiscal years ended May 31, 2021 and May 31, 2020.

The annual financial statements, and comparative information presented therein, have been prepared in accordance with International Financial Reporting Standard ("IFRS") as issued by the International Accounting Standards Board ("IASB").

All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Description of Business**

Pioneer was incorporated on November 9, 2017 pursuant to the Business Corporations Act of British Columbia.

During fiscal 2021, the Company pursued a listing on the Canadian Securities Exchange ("CSE") and on April 12, 2021, the Company's common shares began trading on the CSE under the symbol 'PNER'. The Company subsequently listed its shares on the AQSE Growth Market ("AQSE") based in London, UK; and the Company's shares began trading on the AQSE on June 1, 2021 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; 2) disposing of its mineral property interests for nominal consideration and impairing 100% of its exploration and evaluation assets; and 3) amalgamating with Pioneer Acquisition I Inc., a company also in the gaming and eSport sector. Refer to note 4 of the May 31, 2021 financial statements.

The registered office of the Company is located at 2900 - 595 Burrard Street, Vancouver, BC, V7X 1J5.

## **Forward-Looking Statements**

Certain statements contained in this MD&A may constitute forward-looking statements. These statements include statements regarding:

- the ability of the Company to obtain necessary financing;
- the ability of the Company to locate, negotiate and make investments;
- performance of the Company's business and operations as it relates to its investees;
- the eSports and gaming markets and the profitability thereof;
- the Company's future liquidity and financial capacity;
- costs, timing and future plans concerning the business and operations of the Company and its investees;

## **PIONEER MEDIA HOLDINGS INC.**

Management's Discussion and Analysis

At May 31, 2021

---

- the Company's intention to complete its listing of its securities on a stock exchange and all transactions related thereto; and
- results and expectations concerning various and prospective investments of the Company.

Such forward-looking statements involve a number of 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 statements. These risks have not been fully delineated by the Company at this time, but are expected to include the risks associated with the Company's proposed new venture of becoming an investment company, such as having no operating history in this sector; the lack of appropriate investment opportunities; the inability to identify, select and acquire successful investments; its inability to generate or obtain funds for future investments; competition from other entities having similar investment objectives, including institutional investors and strategic investors; changing economic conditions, financial market volatility, and to other factors that adversely affect the eSport industry; regulations and laws governing electronic commerce and the internet; and dependence upon the efforts, skill and business contacts of key members of management. Readers are cautioned not to place undue reliance on these forward-looking statements.

### **Risks and Uncertainties**

The Company is in the early stages of its gaming and eSport and gaming investment business. As such, the Company does not have any cash generating assets and is reliant on equity financings in order to maintain operations and participate in any new investments. These additional equity funds may not be available on terms acceptable to the Company. There are a number of significant risks applicable to the Company's business, and readers are encouraged to review such risks as detailed in the Company's continuous disclosure materials on SEDAR.

During the first quarter of 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.

### **International Financial Reporting Standards – Changes in Accounting Policies**

Refer to note 2 of the May 31, 2021 financial statements.

## **PIONEER MEDIA HOLDINGS INC.**

Management's Discussion and Analysis

At May 31, 2021

---

### **Investments**

The Company's investments are summarized in note 5 of the May 31, 2021 financial statements. Details on each investment are as follows:

#### Big Head Club Ltd.

Big Head Club Ltd. is a Canadian based private company that creates and sells non-fungible tokens ("NFT") assets.

The Company acquired 15,000 preferred shares for \$181,530 (US\$150,000). The fair value change of \$450 represents foreign currency translation loss.

#### Blue Star Capital Plc

Blue Star Capital Plc is a UK based public company with a focus on investing in new technologies. The Company has acquired 322,916,333 common shares for \$834,761 (482,500 Pounds Sterling). The Company currently owns approximately 8% of the issued and outstanding shares. The Company reported a mark-to-market gain of \$112,068 during the year.

#### The Dibs eSports Corp.

The Dibs eSports Corp. ("Dibs") is a US based private company with a focus on the North American eSports market. Dibs intends to create or acquire an all-female competitive eSports franchise to generate revenue from tournament winnings, digital marketing opportunities, sponsorships, membership, merchandise and promotional tours and events.

The Company acquired a \$50,000 (US\$38,196) convertible promissory note. 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. At the date of acquisition, if the note was converted into common shares, the Company would own approximately 3% of the issued and outstanding common shares of Dibs.

The fair value change of \$6,921 represents foreign currency translation loss.

#### The Drops eSports Inc.

The Drops eSports Inc. ("Drops") is a Canadian based private company with a focus on the Canadian eSports market. Drops intends to create or acquire a competitive eSports franchise to generate revenue

## **PIONEER MEDIA HOLDINGS INC.**

Management's Discussion and Analysis

At May 31, 2021

---

from tournament winnings, digital marketing opportunities, sponsorships, membership, merchandise and promotional tours and events.

The Company acquired 6,666,667 common shares at \$0.015 per share for \$100,000. The Company currently owns approximately 6% of the issued and outstanding common shares.

### Diemens eSports Pty Ltd.

Diemens eSports Pty Ltd. ("Diemens") is an Australian based private company with a focus on the Australian eSports market. Diemens intends to create or acquire a competitive eSports franchise to generate revenue from tournament winnings, digital marketing opportunities, sponsorships, membership, merchandise and promotional tours and events.

The Company acquired 3,333,333 common shares at AUD0.015 per share for \$44,995 (50,000 Australian Dollars). The Company currently owns approximately 3% of the issued and outstanding common shares.

The fair value change of \$885 represents foreign currency translation gain.

### Dispersion Holdings Plc

Dispersion Holdings Plc ("Dispersion") is a UK based public company with a focus on investing in companies specializing in decentralized finance ("DeFi"). Dispersion intends to build a portfolio of investments in companies specializing in DeFi applications and provide investors an easier roadmap to participate in the DeFi marketplace.

The Company acquired 8,333,333 common shares at 3 pence per share for \$426,450 (250,000 Pounds Sterling). The Company currently owns approximately 1% of the issued and outstanding common shares. The Company reported a mark-to-market gain of \$109,081 during the year.

### Dynasty eSports Pte Ltd.

Dynasty eSports Pte Ltd. ("Dynasty") is a Singapore based private company with a focus on the Singapore eSports market. Dynasty intends to create or acquire a competitive eSports franchise to generate revenue from tournament winnings, digital marketing opportunities, sponsorships, membership, merchandise and promotional tours and events.

The Company has acquired 296,880 common shares at SGD3.50 per for \$979,425 (1,039,116 Singapore Dollars). The Company currently owns approximately 9% of the issued and outstanding common shares.

The fair value change of \$32,225 represents foreign currency translation loss.

On June 24, 2020, Dynasty announced that it has signed a five-year exclusive partnership agreement with Malaysia ESports Federation ("MESF"), via its Kuala Lumpur based subsidiary Dynasty eSports (M) Sdn Bhd, to provide its eSports Portal Management ("EPM") platform to enable effective management and control of the eSports ecosystem within Malaysia.

## **PIONEER MEDIA HOLDINGS INC.**

Management's Discussion and Analysis

At May 31, 2021

---

On April 27, 2021, Dynasty announced that it had raised SGD6.7M by way of an oversubscribed fundraising round and on August 11, 2020, Dynasty announced that it had raised SGD3.1M by way of an oversubscribed fundraising round. The April 2021 fundraising round values the company at approximately SGD67M.

Dynasty intends to use the proceeds from the April 2021 fundraising round to further develop its EPM Platform and overall technology solution, while continuing to grow the team to support product and partner delivery at scale and optimal execution of its managed service offering. Key areas of focus for the company will be enhanced player personalisation, games publishing, rights management and the use of AI to support an automated experience in coaching and media creation.

Dynasty intends to IPO on the Australian Stock Exchange within the next 12 months (from April 2021) and does not anticipate needing to raise additional funds ahead of the planned listing.

### Eastside Games Inc.

Eastside Games Inc. ("Eastside") is a privately owned game studio based in Vancouver, B.C. The Company acquired 74,258 Class A common shares at \$5.13 per share for \$381,024.

On February 5, 2021, Eastside was acquired by Leaf Mobile Inc. ("Leaf"). The Company received \$306,133 in cash and 6,885,328 common shares of Leaf valued at \$1,549,199 for all of its shares of Eastside. The Leaf common shares are to be released from escrow over a 36-month period. The Company may receive further cash and shares of Leaf pursuant to certain revenue targets being met as at February 5, 2022 and February 5, 2023. The Company recorded a gain on disposition of \$1,474,308.

Prior to the Leaf transaction, 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.

### Formation eSports

Formation eSports ("Formation") is a French based private company with a focus on the European eSports market. Formation intends to create or acquire a competitive eSports franchise to generate revenue from tournament winnings, digital marketing opportunities, sponsorships, membership, merchandise and promotional tours and events.

The Company has acquired 12,500,000 common shares at 0.002 Euros per share for \$39,304 (25,100 Euros). The Company currently owns approximately 8% of the issued and outstanding common shares.

The fair value change of \$2,284 represents foreign currency translation loss.

### Googly eSports Plc

Googly eSports Plc ("Googly") is an India based private company with a focus on the Indian eSports market. Googly intends to create or acquire a competitive eSports franchise to generate revenue from

## **PIONEER MEDIA HOLDINGS INC.**

Management's Discussion and Analysis

At May 31, 2021

---

tournament winnings, digital marketing opportunities, sponsorships, membership, merchandise and promotional tours and events.

The Company has acquired 19,000,000 common shares at 0.5 pence per share for \$156,533 (91,000 Pounds Sterling). The Company currently owns approximately 15% of the issued and outstanding common shares.

The fair value change of \$673 represents foreign currency translation gain.

### Guild Esports Plc

Guild Esports Plc ("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.

The Company has acquired 31,000,000 common shares at 3 pence per share for \$1,472,631 (863,000 Pounds Sterling). The Company currently owns approximately 6% of the issued and outstanding common shares. The Company reported a mark-to-market gain of \$2,729,320 during the year.

### Leaf Mobile Inc.

Leaf Mobile Inc. ("Leaf") is a game studio based in Vancouver, B.C. and its shares are publicly traded on the Toronto Stock Exchange.

The Company has acquired 22,523,132 common shares at \$0.13 per share for \$2,975,145. This includes the 6,885,328 common shares received on the sale of Eastside (discussed above) and the 655,804 common shares received as Eastside dividends in kind (discussed above). The Company owns approximately 3% of the issued and outstanding common shares. The Company reported a mark-to-market gain of \$853,189 during the year.

### NFT Investments Plc (formerly Streaks eSports Plc)

Streaks eSports Plc ("Streaks eSports") was a UK based private company with a focus on the European eSports market. Streaks eSports intended to create or acquire a competitive eSports franchise to generate revenue from tournament winnings, digital marketing opportunities, sponsorships, membership, merchandise and promotional tours and events.

During Q1 of 2021, Streaks eSports changed its business plans to focus on the NFT market. As such, Streaks eSports changed its name to NFT Investments Plc ("NFT Investments") on March 15, 2021. NFT Investments intends to build a portfolio of investments in NFT's, NFT companies and NFT rights and provide NFT investors with an easier roadmap to participate in the NFT marketplace. On April 16, 2021, NFT Investment's shares were listed for trading on the AQSE Growth Market.

## **PIONEER MEDIA HOLDINGS INC.**

Management's Discussion and Analysis

At May 31, 2021

---

The Company has acquired 14,500,000 common shares at 1 pence per share for \$251,809 (145,000 Pounds Sterling). The Company currently owns approximately 1% of the issued and outstanding common shares. The Company reported a mark-to-market gain of \$606,040 during the year.

### Paidia eSports Inc. (formerly Shatter eSports Inc.)

Paidia eSports Inc. ("Paidia") intends to create a connected gaming platform to stream immersive, instructor-led boutique classes to its members, anytime anywhere. Paidia aims to disrupt the gaming industry by developing a first-of-its-kind subscription platform that seamlessly combines the best gaming equipment, proprietary networked software, and world-class streaming digital gaming and wellness content.

The Company acquired 750,000 common shares at \$0.14 per share for \$105,000. Subsequent to May 31, 2021, the Company acquired a further 3,750,000 common shares at \$0.40 per share for \$1,500,000. The Company currently owns approximately 40% of the issued and outstanding common shares.

### Tinyrex Games Inc.

Tinyrex Games Inc. ("Tinyrex") is a Canadian based mobile game studio producing narrative driven idle games.

The Company and Tinyrex entered into a Simple Agreement for Future Equity ("SAFE") via the Company investing \$200,000. The SAFE provides rights to the Company for future equity up to a valuation cap of \$5,000,000.

If Tinyrex completes a transaction or series of related transactions with the principal purpose of raising capital pursuant to which Tinyrex issues and sells shares at a fixed pre-money valuation of \$5,000,000 or more generating gross proceeds to Tinyrex of at least \$1,000,000, Tinyrex will automatically issue to the Company that number of shares equal to the \$200,000 invested divided by the conversion price.

### Streaks Gaming PLC

Streaks Gaming PLC ("Streaks Gaming") is a London, UK based gaming company that intends to build a conversational gaming platform designed to introduce users to sports betting, where users will be matched with a personalised digital conversational partner.

Conversational games are based on a user's engagement with a digital personality generated by Artificial Intelligence (AI). Conversational games can be as casual as a group text or more sophisticated models could involve compelling digital personalities that dynamically adapt to the user's personality throughout a game or a series of games. Streak's games will involve knowledge-based questions relating to sports, allowing participants to compete and win real money and prizes on the basis of points earned. Personalising the conversational partner for each user creates a retentive, sticky product which builds deeper levels of engagement over time.



## PIONEER MEDIA HOLDINGS INC.

Management's Discussion and Analysis

At May 31, 2021

---

Streaks Gaming conversational games will not require placing of bets, but rather test the participants' knowledge in areas of sports. As such, the proposed games do not currently require a licence in the Company's target markets, namely the US and the UK.

Subsequent to May 31, 2021, the Company acquired 20,000,000 common shares at 1 pence per share for \$348,000 (200,000 Pounds Sterling). The Company owns approximately 16% of the issued and outstanding common shares.

The value of the investment in Streaks Gaming was negotiated at arm's-length and was determined through a due diligence review of Streaks and a review of comparable companies in the market.

Streaks Gaming and the Company share a common director, and as such the investment can be considered a non-arm's length transaction. The common director did not participate in negotiations or vote on any resolutions regarding the investment.

### Selected Annual Information

The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's audited financial statements. All dollar amounts are in Canadian dollars.

	Year ended May 31, 2021	Year ended May 31, 2020	Period ended May 31, 2019
<b>Financial Results</b>			
Net earnings (loss)	\$ 4,916,361	\$ (748,122)	\$ (52,035)
Basic and diluted earnings (loss) per share	\$ 0.13	\$ (0.10)	\$ (0.22)
<b>Financial Position</b>			
Working capital (deficit)	\$ 2,297,778	\$ (6,211)	\$ (41,244)
Total assets	\$ 20,462,965	\$ 7,402,715	\$ 174,083

During Fiscal 2021, the Company completed a listing statement with the CSE and its share were listed for trading on April 12, 2021; the Company completed numerous private placements and issued 28,064,433 commons shares for net proceeds of \$6,875,923; and the Company made several new investments totaling \$4,614,974.

The Company reported an unrealized gain on fair value changes on its investments of \$4,369,376 and reported a realized gain on sale of investments of \$1,474,308.

During Fiscal 2020, the Company received a receipt for a final prospectus contemplating an initial public offering ("IPO"), concurrent private placement and listing on the Canadian Securities Exchange ("CSE"). On October 3, 2019, the Company announced that it was unable to complete its IPO and concurrent private placement and the board of directors and officers resigned. A new board of directors was appointed and the Company changed its business from the acquisition and exploration of mineral property assets to becoming an investment issuer with an initial focus on the gaming and eSport sector.

## PIONEER MEDIA HOLDINGS INC.

Management's Discussion and Analysis

At May 31, 2021

---

With the change in business activities, the Company disposed of its mineral property interests for nominal consideration and incurred an impairment charge of \$123,776.

On May 28, 2020, the Company completed an amalgamation with PAI whereby the Company issued 14,222,000 common shares to acquire the net assets of PAI amounting to \$6,781,364. PAI was also focused on the gaming and eSport sector.

The Company reported an unrealized gain on fair value changes on its investments of \$141,764. The Company reported a deferred income tax charge of \$669,000 pursuant to the fair value changes on investments.

During Fiscal 2019, the Company generated no revenues and expenses were \$52,035. The expenses were comprised of professional fees and listing fees that were paid in relation to listing with the Canadian Securities Exchange.

### Selected Quarterly Information

The following table presents selected financial information for each of the last eight fiscal quarters:

<b>Fiscal Quarter Ended</b>	<b>Expenses - G&amp;A</b>	<b>Net Earnings (Loss)</b>	<b>Earnings (Loss) per Share</b>	<b>Working Capital (Deficit)</b>
May 31, 2021	\$ 630,427	\$ 974,513	\$ 0.03	\$ 2,297,778
February 28, 2021	\$ 46,811	\$ 4,726,857	\$ 0.13	\$ 259,659
November 30, 2020	\$ 23,328	\$ 1,348,156	\$ 0.04	\$ (113,443)
August 31, 2020	\$ 29,271	\$ (2,133,165)	\$ (0.07)	\$ (73,578)
May 31, 2020	\$ 38,296	\$ (566,967)	\$ (0.08)	\$ (6,211)
February 29, 2020	\$ 4,681	\$ (5,578)	\$ -	\$ (1,426)
November 30, 2019	\$ 23,218	\$ (19,312)	\$ -	\$ 6,963
August 31, 2019	\$ 32,489	\$ (156,265)	\$ (0.02)	\$ (73,733)

Starting with the May 2020 quarter, the Company's net earnings or loss has increased as the Company has gradually increased its investments and those investments fair values change on a quarterly basis with those changes in fair values booked to earnings or loss.

The Company reported a large G&A expense in the May 2021 quarter due to 1) \$393,520 incurred for share-based payments from the grant of stock options and issuance of compensation warrants; and 2) \$226,950 for professional and consulting fees incurred for completing the CSE listing and advisory fees for the AQSE listing.

The net loss of \$566,967 reported in May 2020 is primarily the result of the deferred income tax expense of \$669,000 from the fair value changes on investments.

## PIONEER MEDIA HOLDINGS INC.

Management's Discussion and Analysis

At May 31, 2021

---

The net loss of \$156,265 reported in August 2019 is primarily the result of the exploration and evaluation asset impairment charge of \$123,776. The majority of the Company's G&A expenses in this period are for professional fees and filing and listing fees relating to the Company's attempted CSE listing and concurrent financing that was not completed.

### Results of Operations

For the year ended May 31, 2021, the Company reported earnings of \$4,916,361 (2020 – loss of \$748,122) and an earnings per share of \$0.13 (2020 – loss of \$0.10). Significant components of the earnings were comprised the following items:

- The Company reported a gain on fair value changes on investments of \$4,369,376 (2020 – \$141,764) primarily due to the mark-to-market gains of \$2,729,320 of Guild, \$853,189 of Leaf, and \$606,040 of NFT.
- The Company realized a gain on disposition of Eastside of \$1,474,308 (2020 - \$nil). Leaf acquired all of the common shares of Eastside.
- The Company reported interest and other income of \$265,514 (2020 - \$1,574) primarily composed of \$115,414 (2020 - \$nil) of cash dividends received from Eastside as well as dividends in kind from Eastside amounting to \$147,556 via the receipt of 655,804 common shares of Leaf.
- Impairment of exploration and evaluation assets was \$nil (2020 - \$123,776) pursuant to the change in business and assignment of the mineral property option agreement.
- The Company reported an expense of \$463,000 (2020 - \$669,000) of deferred income taxes primarily from the gain on fair value changes on investments.
- Filing and listing fees were \$33,972 (2020 - \$32,386). For 2021, the majority of the fees were incurred for purposes of completing the CSE listing application as well as the AQSE listing application. For 2020, the fees were incurred for the purposes of attempting to list the Company's shares on the CSE along with a concurrent financing. The Company was not able to complete these two items during 2020.
- Management fees were \$18,964 (2020 - \$nil) paid to the CFO.
- Office and miscellaneous expenses were \$33,280 (2020 - \$1,232) and consisted of 1) rent of \$13,650; 2) website hosting, maintenance and development costs of \$9,614; and 3) foreign exchange loss of \$6,532.
- Professional and consulting fees were \$226,950 (2020 - \$48,829). Accounting and audit fees were \$36,550 (2020 - \$25,037); legal fees were \$104,380 (2020 - \$23,792); and consulting fees were \$86,020 (2020 - \$nil). Accounting and audit fees and legal fees are higher during 2021 due to the Company's work on listing its common shares on the CSE and AQSE. Consulting fees consisted of \$59,980 of advisory fees incurred for listing the Company's shares on the AQSE, \$20,790 paid to a director of the Company, and \$5,000 of business investigation costs.
- Share-based payments were \$393,520 (2020 - \$nil) and are composed of \$161,520 for the grant of 2,800,000 stock options and \$232,000 for the issuance of 554,364 compensation warrants.

### Fourth Quarter Operations

For the three months ended May 31, 2021 (Q4/2021), the Company had earnings of \$974,513 compared to a loss of \$566,967 for the three months ended May 31, 2020 (Q4/2020). Significant items that make up the Q4/2021 earnings and discrepancies between Q4/2021 and Q4/2020 are as follows:

## **PIONEER MEDIA HOLDINGS INC.**

Management's Discussion and Analysis

At May 31, 2021

---

- The Company reported an unrealized gain on investments of \$1,493,325 (Q4/2020 - \$135,937) mostly due to the mark-to-market of its publicly traded investments.
- The Company incurred \$160,572 (Q4/2020 - \$26,463) of professional and consulting fees during Q4/2021. These fees were significantly higher in Q4/2021 due to the legal and advisory fees incurred to list the Company's shares on the CSE and AQSE. The Company also paid a director \$10,395 for consulting fees in Q4/2021.
- Share-based payments were \$393,520 (Q4/2020 - \$nil) and are composed of \$161,520 for the grant of 2,800,000 stock options and \$232,000 for the issuance of 554,364 compensation warrants.
- The Company incurred \$30,971 (Q4/2020 - \$nil) of filing and listing fees during Q4/2021. These fees were incurred for purposes of completing the CSE listing application as well as the AQSE listing application.

### **Financial Condition, Liquidity and Capital Resources**

As at May 31, 2021, the Company's cash position was \$2,871,074 (May 31, 2020 - \$96,100) and it had working capital of \$2,297,778 compared to a working capital deficiency of \$6,211 at May 31, 2020.

Sources of cash for the Company included 1) the issuance of 28,064,433 common shares for gross proceeds of \$7,297,314; 2) share subscriptions received of \$87,010; 3) disposition of Eastside for \$306,133; 4) repayment of advances to related parties of \$15,000; and 5) cash provided by operating activities of \$3,082.

Uses of cash by the Company included \$4,614,974 for the purchase of investments.

Subsequent to May 31, 2021, the Company 1) acquired 3,750,000 shares of Paidia for \$1,500,000; and 2) acquired 20,000,000 shares of Streaks for \$348,000 (200,000 Pounds Sterling).

With the Company's shares now listed on two exchanges, the Company's reporting and regulatory obligations have increased considerably and therefore the Company will be incurring higher amounts of general and administrative expenditures in future periods. In order to pay for these higher future expenditures along with making future investments, the Company will be most likely have to complete future equity financings and may have to sell a portion of its investment portfolio.

### **Financial Instruments**

Refer to notes 3 and 9 of the May 31, 2021 financial statements.

### **Off-Balance Sheet Arrangements**

The Company has not engaged in any off-balance sheet arrangements such as obligations under guarantee contracts, a retained or contingent interest in assets transferred to an unconsolidated entity, any obligation under derivative instruments or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company or engages in leasing or hedging services with the Company.

## PIONEER MEDIA HOLDINGS INC.

Management's Discussion and Analysis  
At May 31, 2021

---

### Related Party Transactions

Refer to note 10 of the May 31, 2021 financial statements.

### Outstanding Share Data

As at September 28, 2021, the Company had the following securities issued and outstanding.

---

	<b>Number</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
Common shares	55,536,433	n/a	n/a
Stock options	2,800,000	\$0.35	April 22, 2026
Warrants	4,375,560	\$0.50	May 11, 2023
Warrants	4,426,858	\$0.50	May 14, 2023
Warrants	555,364	£0.45	May 28, 2026
<b>Fully Diluted</b>	<b>67,694,215</b>		

---

### Directors and Officers

Michael Edwards	Director and CEO
Darcy Taylor	Director
Mark Rutledge	Director
Andrew Stewart	CFO