Consolidated Financial Statements of

NETWORK MEDIA GROUP INC.

November 30, 2024 and 2023
(Expressed in Canadian dollars)

N E T W O R K

www.networkmediagroup.ca

March 27, 2025

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements and Management's Discussion and Analysis ("MD&A") of Network Media Group Inc. (the "Company") are the responsibility of management and have been approved by the Audit Committee of the Board of Directors (the "Board"). The Board is responsible for ensuring that management fulfils its responsibilities for financial reporting, and is ultimately responsible for reviewing and approving the consolidated financial statements and MD&A. The Board carries out this responsibility through its Audit Committee. The Audit Committee reviews the Company's consolidated financial statements and MD&A and recommends their approval to the Board of Directors.

The Audit Committee is appointed by the Board and the majority of its members are independent directors. It meets with the Company's management and reviews internal control and financial reporting matters to ensure that management is properly discharging its responsibilities before submitting the consolidated financial statements to the Board of Directors for approval.

The consolidated financial statements have been prepared by management in accordance with IFRS Accounting Standards ("IFRS"). The consolidated financial statements and information in the MD&A necessarily include amounts based on informed judgments and estimates of the expected effects of current events and transactions with appropriate consideration to materiality. In addition, in preparing the consolidated financial statements, management must make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. The MD&A also includes information regarding the impact of current transactions and events, sources of liquidity and capital resources, operating trends, risks and uncertainties. Actual results in the future may differ materially from our present assessment of this information because future events and circumstances may not occur as expected.

Baker Tilly WM LLP, appointed as the Company's auditors by the shareholders, have audited these consolidated financial statements and their report follows.

(signed) "Derik Murray"
Chief Executive Officer
Vancouver, BC

(signed) "Darren Battersby"
Chief Financial Officer
Vancouver, BC

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Network Media Group Inc.:

Opinion

We have audited the consolidated financial statements of Network Media Group Inc. and its subsidiaries (together the "Company"), which comprise the consolidated statements of financial position as at November 30, 2024 and 2023, and the consolidated statements of net and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at November 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which describes conditions indicating that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended November 30, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section of our auditor's report, we have determined the matter described below to be the key audit matters to be communicated in our report.

Baker Tilly WM LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.

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<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Valuation of investment in film and television properties</td></tr>
<tr><td>Refer to notes 3(e), 3(h) and 7</td><td>Our approach to addressing the matter involved the following procedures, among others:</td></tr>
<tr><td>As at November 30, 2024, the carrying amount of the Company’s investment in film and television properties was $10,435,150.

At each reporting period, management assesses investment in film and television properties to determine whether there are any indicators of impairment. If any such indicators exist, the properties’ recoverable amount is estimated. An impairment loss is recognized if the carrying amount of a property exceeds its estimated recoverable amount.

An impairment of $433,438 was recognized for the year ended November 30, 2024.

We considered this a key audit matter due to the magnitude of the investment in film and television properties and the significant judgments made by management in their assessment of impairment indicators related to investment in film and television properties. These factors have resulted in a high degree of subjectivity in performing audit procedures, related to the judgment applied by management.</td><td>(i) For all properties, considering whether other facts and circumstances suggest that the value of any property has declined based on evidence obtained in other areas of the audit.

(ii) For properties completed and released, evaluating the judgments made by management in determining the impairment indicators, which included the following:
• Evaluated whether management's identification of impairment was appropriate.
• Compared actual costs incurred to completion to budgeted costs on a sample basis.
• Reviewed distribution and licensing agreements in place as at year end on a sample basis.
• Compared revenue earned to date to production costs incurred.

(iii) For properties in progress or in development, evaluating the judgments made by management in determining the impairment indicators, which included the following:
• Compared approved budgets to carrying amounts on a sample basis.
• Obtained evidence of activity during the reporting period and tested additions on a sample basis.</td></tr>
</table>

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management’s Discussion and Analysis filed with the relevant Canadian securities commissions.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit and remain alert for indications that the other information 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 in this auditor’s report. We have nothing to report in this regard.

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

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

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

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

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

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

As 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.

March 31, 2025

NETWORK MEDIA GROUP INC.

Consolidated Statements of Financial Position
As at November 30, 2024 and 2023
Expressed in Canadian dollars

	Note	**November 30, 2024**	November 30, 2023
ASSETS			
Current			
Cash		**$ 3,016,447**	$ 2,275,164
Restricted cash	10	**-**	543,350
Accounts receivable	4	**1,102,719**	1,344,650
Tax credits receivable		**1,866,909**	3,155,280
Prepaid expenses and deposits		**80,206**	81,729
		6,066,281	7,400,173
Tax credits receivable		**786,670**	255,089
Property, equipment and right-of-use assets	5	**767,678**	312,499
Intangible asset	6	**-**	150,000
Investment in film and television properties	7, 14, 20	**10,462,903**	11,710,187
Total Assets		**$18,083,532**	$ 19,827,948
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Line of credit	8	**$ 295,000**	$ 285,000
Accounts payable and accrued liabilities	6, 9, 14	**3,853,952**	3,408,755
Production financing	10	**1,234,243**	1,574,755
Deferred revenue	11	**2,010,628**	2,307,770
Current portion of debt payable	12	**300,000**	420,000
Promissory note	14	**662,996**	695,536
Current lease obligations	13	**293,318**	147,296
		8,650,137	8,839,112
Accounts payable and accrued liabilities	6	**69,548**	50,000
Debt payable	12	**75,000**	375,000
Lease obligations	13	**315,155**	1,023
Total Liabilities		**9,109,840**	9,265,135
Shareholders' Equity			
Share capital	15	**12,927,976**	12,927,976
Share-based payment reserve	15(c)	**1,444,085**	1,125,538
Deficit		**(5,398,369)**	(3,490,701)
Total Shareholders' Equity		**8,973,692**	10,562,813
Total Liabilities and Shareholders' Equity		**$18,083,532**	$ 19,827,948

Nature of operations and going concern (Note 1)
Subsequent events (Note 25)

Approved on behalf of the Board of Directors:

"Paul Gertz"	***"Derik Murray"***
Paul Gertz, Director	Derik Murray, Director

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

NETWORK MEDIA GROUP INC.

Consolidated Statements of Net and Comprehensive Loss

For the years ended November 30, 2024 and 2023

Expressed in Canadian dollars

	Note	Year ended November 30, 2024	Year ended November 30, 2023
Total revenue	16	**$ 11,231,656**	$ 7,127,055
Production costs	14, 18(a), 20	**7,868,468**	2,875,428
Amortization of investment in film and television properties	7	**2,656,581**	2,624,348
Amortization of property, equipment and right-of-use assets	5	**503,851**	338,744
General and administrative	14, 17, 18(a)	**907,337**	1,069,903
Impairment of investment in film and television properties	7	**405,685**	52,199
Selling and distribution	17	**90,765**	416,047
Share-based payments	14, 15(c)	**321,736**	300,639
Derecognition of accounts payable	9	**(106,836)**	(604,473)
		12,647,587	7,072,835
Loss before other items		**(1,415,931)**	54,220
Other income	5	**(29,220)**	(28,021)
Interest income		**(19,145)**	(92,589)
Foreign exchange loss		**153,189**	181,880
Remeasurement on lease modifications	5	**7,779**	-
Financing expense	18(b)	**205,516**	268,719
Impairment of intangible asset	6	**150,000**	-
Loss before income taxes		**(1,884,050)**	(275,769)
Income tax expense	19, 24	**26,807**	45,168
Net and comprehensive loss for the year		**$ (1,910,857)**	$ (320,937)
Loss per share			
- basic		**$ (0.11)**	$ (0.02)
- diluted		**$ (0.11)**	$ (0.02)
Weighted average number of shares outstanding			
- basic		**17,824,707**	17,824,707
- diluted		**17,824,707**	17,824,707

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

NETWORK MEDIA GROUP INC.

Consolidated Statements of Changes in Shareholders' Equity
For the years ended November 30, 2024 and 2023
Expressed in Canadian dollars

	Note	Number of common shares	Share capital	Share-based payment reserve	Deficit	Total
Balance as at November 30, 2022	15(b)	17,824,707	$ 12,927,976	$ 1,164,210	$ (3,509,075)	$ 10,583,111
Share-based payments	15(c)	-	-	300,639	-	300,639
Reclassification of fair value of expired/cancelled stock options	15(c)	-	-	(339,311)	339,311	-
Net and comprehensive loss for the year		-	-	-	(320,937)	(320,937)
Balance as at November 30, 2023		17,824,707	12,927,976	1,125,538	(3,490,701)	10,562,813
Share-based payments	15(c)	-	-	321,736	-	321,736
Reclassification of fair value of expired/cancelled stock options	15(c)	-	-	(3,189)	3,189	-
Net and comprehensive loss for the year		-	-	-	(1,910,857)	(1,910,857)
Balance as at November 30, 2024		**17,824,707**	**$ 12,927,976**	**$ 1,444,085**	**$ (5,398,369)**	**$ 8,973,692**

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

NETWORK MEDIA GROUP INC.

Consolidated Statements of Cash Flows
For the years ended November 30, 2024 and 2023
Expressed in Canadian dollars

	Year Ended	
	November 30, 2024	November 30, 2023
Operating activities		
Net loss for the year	**$ (1,910,857)**	$ (320,937)
Items not involving cash:		
Amortization of investment in film and television properties	**2,656,581**	2,624,348
Amortization of property, equipment and right-of-use assets	**503,851**	338,744
Impairment of investment in film and television properties	**405,685**	52,199
Share-based payments	**321,736**	300,639
Derecognition of accounts payable	**(106,836)**	(604,473)
Impairment of intangible asset	**150,000**	-
Other income	**(746)**	-
Remeasurement on lease modifications	**7,779**	-
	2,027,193	2,390,520
Net changes in non-cash working capital items		
Accounts receivable	**241,931**	(27,876)
Tax credits receivable	**(756,790)**	(138,211)
Prepaid expenses and deposits	**1,523**	(14,653)
Accounts payable and accrued liabilities	**303,704**	689,762
Accrued interest	**210,874**	284,746
Deferred revenue	**(297,142)**	1,731,988
Net cash provided by operating activities	**1,731,293**	4,916,276
Financing activities		
Proceeds from production financing	**1,678,863**	775,000
Repayment of production financing	**(1,493,583)**	(2,806,284)
Proceeds from line of credit	**10,000**	100,000
Repayment of line of credit	**(24,823)**	(23,861)
Proceeds from promissory note	-	650,000
Repayment of promissory note	**(110,754)**	-
Repayment of lease obligations	**(361,986)**	(316,960)
Repayment of debt payable	**(468,958)**	(373,621)
Net cash used in financing activities	**(771,241)**	(1,995,726)
Investing activities		
Additions to property, equipment and right-of-use assets	**(287,403)**	(8,569)
Proceeds from sale and leaseback	**107,905**	-
Investment in film and television properties, net of tax credits	**310,385**	(1,111,229)
Investment in properties in development	**(343,910)**	(239,621)
Net cash used in investing activities	**(213,023)**	(1,359,419)
Effect of exchange rate changes on cash	**(5,746)**	5,746
Increase in cash	**741,283**	1,566,877
Cash, beginning of the year	**2,275,164**	708,287
Cash, end of the year	**$ 3,016,447**	$ 2,275,164

Supplemental cash flow information (Note 19)

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

1. Nature of operations and going concern

Network Media Group Inc. (“Network” or the “Company”) was incorporated on July 12, 2010, under the Business Corporations Act of the Province of British Columbia. Network together with its subsidiaries, develops, produces and exploits film and television properties in addition to providing production services to third parties.

The Company has a net loss for the year of $1,910,857, working capital deficit of $2,583,856 and an accumulated deficit of $5,398,369, conditions which give rise to material uncertainties which may cast significant doubt about the Company’s ability to continue as a going concern. The Company’s ability to continue as a going concern is dependent upon its ability to generate profitable operations, manage its capital and access sufficient future capital, if needed. The consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of operations and at amounts different from those in the consolidated financial statements. Such adjustments could be material.

The Company’s principal place of business is Suite 207 – 1525 West 8th Avenue, Vancouver, British Columbia, V6J 1T5. The Company’s registered office is Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7.

2. Basis of presentation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations from the IFRS Interpretations Committee (“IFRIC”) with material accounting policies as described in Note 3.

The consolidated financial statements of the Company for the years ended November 30, 2024 and 2023 were authorized for issue by the Board of Directors on March 27, 2025.

(b) Basis of measurement

The consolidated financial statements have been prepared on an accrual basis under the historical cost convention, except for cash flow information.

2. Basis of presentation (continued)

(c) Functional currency

The consolidated financial statements are presented in Canadian dollars.

The determination of functional currency, which is performed on an entity-by-entity basis, is based on various judgmental factors outlined in IAS 21*, The Effects of Changes in Foreign Exchange Rates*. Based on an assessment of the factors in IAS 21, management determined that the functional currency for the Company and its subsidiaries is the Canadian dollar.

(d) Significant accounting judgments and key sources of estimate uncertainty

The preparation of the consolidated financial statements and the application of the Company's accounting policies, requires management to make judgments, estimates and assumptions that affect the carrying amounts of assets, and liabilities, and the reported amounts of income and expenses. The estimates and associated assumptions are limited by the relevance of historical data and uncertainty of future events. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Information about assumptions and estimation uncertainties that could have a significant impact on the amounts recognized in the consolidated financial statements are included in the following notes:

- Note 3(c), 3(d), 3(h), 5 – Property, equipment and right-of-use assets
- Note 3(e), 3(h), 7 – Investment in film and television properties
- Note 3(i), 11, 16 – Revenue recognition
- Note 3(k) – Tax credits receivable
- Note 3(l), 15(c) – Share-based payments

Information about critical judgments, apart from those involving the assumptions and estimation uncertainties discussed above, made in the process of applying the Company's key accounting policies that could have a significant impact on the amounts recognized in the consolidated financial statements are included in the following notes:

- Note 2(c) – Functional currency
- Note 3(o)(ii), 23 – Contingent liabilities
- Note 3(p), 24 – Income taxes

3. Material accounting policies

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of Network and its wholly owned subsidiaries. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control exists when an entity is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity.

The active companies included within the consolidated financial statements are as follows:

- Network Media Group Inc. (British Columbia Incorporated)
- Network Entertainment Inc. (British Columbia Incorporated)
- Network Films Twenty-Two Inc. (British Columbia Incorporated)
- Network Films Twenty-Three Inc. (British Columbia Incorporated)
- Network Films Twenty-Four Inc. (British Columbia Incorporated)
- Network Films Twenty-Five Inc. (British Columbia Incorporated)
- Network Pictures Twenty-Two Inc. (British Columbia Incorporated)
- Network Pictures Twenty-Three Inc. (British Columbia Incorporated)
- Network Pictures Twenty-Four Inc. (British Columbia Incorporated)
- Network Pictures Twenty-Five Inc. (British Columbia Incorporated)
- Network Pictures Twenty-Seven Inc. (British Columbia Incorporated)
- Network Entertainment Corp. (Delaware Incorporated)
- Network NFT Studios Inc. (British Columbia Incorporated)
- 1451463 B.C. Ltd. (British Columbia Incorporated)

All intercompany balances, transactions, income and expenses are eliminated on consolidation.

(b) Foreign currency translation

Transactions in currencies other than the functional currency are translated at the rates of exchange at the date of the transaction. At each consolidated statement of financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the period end date. The income and expenses are translated at the exchange rates prevailing at the dates of the transactions. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated. Foreign exchange gains and losses are recognized in profit or loss in the period in which they arise.

3. Material accounting policies (continued)

(c) Property and equipment

Property and equipment are stated at cost less accumulated amortization and accumulated impairment losses. Amortization of the assets' cost less residual value is recognized over the estimated useful life of the assets, based on the following annual rates:

Computer equipment	30% declining balance
Furniture and office equipment	20% declining balance
Production equipment	30% declining balance
Leasehold improvements	Straight line over term of the lease

The estimated useful lives, residual values and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis. The determination of appropriate useful lives and residual values are based on management's judgment; therefore, the resulting amortization is subject to estimation uncertainty.

Items of property and equipment are derecognized upon disposal or when no future economic benefits are expected to arise from their continued use. Any gain or loss arising from disposal or retirement is determined as the difference between the consideration received and the carrying amount of the asset and is recognized in profit or loss.

(d) Leases

Right-of-use assets

At the lease commencement date, the Company recognizes a right-of-use asset ("ROU asset") at an amount equal to the lease liability and adjusted to include any prepaid lease payments, less any lease incentives, plus initial direct costs incurred, and any costs of dismantling and restoring an asset to a specific condition. The ROU assets are amortized over a period which is the earlier of the end of the asset's estimated useful life or the end of the lease term. Amortization of ROU assets are included in amortization of property and equipment and intangible assets expense in profit or loss and ROU assets are presented as a component of property and equipment in the consolidated statement of financial position.

Under IFRS 16, *Leases*, ROU assets are tested for impairment in accordance with IAS 36, *Impairment of Assets.*

Lease obligations

The lease obligation is initially measured as the present value of the future payments discounted using the rate of implicit in the lease. However, if that rate is not readily determinable, the entity's incremental borrowing rate ("IBR") is to be used. An entity's IBR is the rate the Company would have to pay for similar assets at similar locations over a similar term. Interest charges are reported as part of financing expense in profit or loss and lease obligations are reported as a separate line item in the consolidated statement of financial position.

3. Material accounting policies (continued)

(d) Leases (continued)

Lease modifications

A lease modification is accounted for as a separate lease if the modification increases the scope of the lease by adding the right to use one or more underlying assets and the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Company remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification. The Company accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

Sale and Leaseback

When the Company transfers an asset to another entity and leases the asset back from the entity, the Company accounts for the transfer as a sale when control of the asset has been transferred, which includes transfer of title and the significant risks and rewards of ownership of the asset. For a transfer of an asset accounted for as a sale, the Company measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained and recognizes a gain or loss relating to the rights transferred to the buyer. For a transfer of asset not accounted for as a sale, the Company recognizes the transferred asset in property and equipment and recognizes a financial liability in lease-related obligations in accordance with IFRS 9, *Financial Instruments*.

(e) Investment in film and television properties

Investment in film and television properties represents the unamortized cost of film and television properties which are in development and in progress, purchased property rights and completed proprietary film and television properties that have been produced by the Company.

Productions completed and released are reviewed on a case-by-case basis and amortization rates and timelines are adjusted depending on the estimated useful life of the property. The Company's typical documentaries are amortized at rates ranging from 50% - 60% of cost at the time of initial delivery, 10% of cost in year 2, 5% of cost in year 3 and the remaining balance is amortized on a straight-line basis over 7 years (or the estimated remaining useful life of the property, if less than 7 years). One significant production is being amortized, by episode, 75% in year 1 and the balance on a straight-line basis over the following 3 years (fully amortized as at November 30, 2024) and another one is being amortized, by episode, 50% in year 1 and the balance on straight-line basis over the following 4 years (expected to be fully amortized by November 30, 2027).

The carrying amount of investment in film and television properties is reviewed quarterly and any portion of the unamortized amount that is not expected to be recoverable from future net revenues is recognized as an impairment loss during the period the loss becomes evident.

For film and television properties produced by the Company, capitalized costs include all direct production costs and an allocation of directly attributable overhead incurred during production. Financing costs are capitalized to the costs of a film or television property until the film or television program is complete.

3. Material accounting policies (continued)

(e) Investment in film and television properties (continued)

Properties under development

Properties under development represent the accumulated costs of properties that have not been completed or delivered by the Company and include properties in development and properties in progress. Development costs begin to be capitalized when the Company considers the factors of IAS 38, *Intangibles,* have been met in order for an internally generated intangible asset to be recognized. Development costs include the costs of acquiring film rights and the third-party costs required to develop the property's concept and materials to finance the property. Development costs are either transferred to properties in progress upon commencement of production or written off to profit or loss if management has determined costs to be impaired.

Impairment of film and television properties

The valuation of investment in film and television properties is reviewed for indicators of impairment on a property-by-property basis at each reporting period. The property is tested for impairment when circumstances indicate that the recoverable amount of a property may be less than its carrying value. Refer to Note 3(h) for more information on assessing and testing non-financial assets for impairment, including investment in film and television properties.

(f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and the expenditure is reflected in profit or loss in the year in which it is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite live are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in profit or loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized and are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

3. Material accounting policies (continued)

(g) Financial instruments

i. *Recognition*

The Company recognizes a financial asset or financial liability on the consolidated statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial instruments are initially measured at fair value.

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:

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

After initial recognition at fair value, financial instruments 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 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 are generally measured at amortized cost at each subsequent reporting period using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash flows over the expective life of the financial instruments, or where appropriate, a shorter 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.

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.

3. Material accounting policies (continued)

(g) Financial instruments(continued)

iii. *Derecognition*

Financial assets 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 derecognized when, and only when, the Company's obligations are discharged, cancelled or they expire.

(h) Impairment

i. *Non-financial assets*

The Company's property and equipment are reviewed for indicators of potential impairment at least annually. The Company's investments in film and television properties are reviewed for indicators of potential impairment as described in Note 3(e) above. Such indicators may include an adverse change in business climate, technology, or regulations that impact the industry. The determination of whether such indicators exist requires significant judgment.

If indication of impairment exists, the asset's recoverable amount is estimated to determine the extent of an impairment loss, if any. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Each film and television property is considered to be a CGU.

The recoverable amount of an asset or CGU is the greater of fair value less costs of disposal and value in use. The determination of the recoverable amount in the impairment assessment requires estimates based on present value or other valuation techniques or a combination thereof, requiring management to make subjective judgments and assumptions. When calculating an asset's value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the cash flows have not been adjusted.

An impairment loss is recognized when the carrying amount of an asset, or CGU, exceeds its recoverable amount. Impairment losses are recognized in profit or loss for the period. An impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, if any, and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. The Company has no goodwill balance for any of the reporting periods presented.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized. The reversal of an impairment loss is recognized immediately in profit or loss.

3. Material accounting policies (continued)

(h) Impairment (continued)

ii. *Financial assets*

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 supportable forward-looking information.

(i) Revenue recognition

Revenue from the sale of film and television property rights and licensing of film and television programs ("production revenue") and distribution revenue is recognized when the performance obligations under the contract have been achieved and the goods or services have been transferred to the customer, which are normally:

- Persuasive evidence of a contractual arrangement exists;
- The program is complete;
- The contractual delivery arrangements have been satisfied;
- The customer has access to the licensed content and has the contractual right to broadcast or stream the content;
- The fee is fixed or determinable;
- Collection of the fee is reasonably assured; and
- The costs incurred or to be incurred in respect of the contractual arrangement can be measured reliably.

Cash received pursuant to broadcast license fees or distribution advances is recorded as deferred revenue and recognized as revenue at a specific point in time, after all foregoing conditions of revenue recognition have been met.

Revenue from production services for third parties and other revenues where performance obligations are satisfied over time are recognized based upon the proportion of direct costs incurred in the current year to total expected costs as the Company considers this approach to be most reflective of progress towards completion and satisfaction of the production services and other revenues performance obligations. A provision is accrued for the entire amount of future estimated losses, if any, on productions-in-progress.

(j) Borrowing costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds for the financing of properties in progress. Borrowing costs directly attributable to the acquisition or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

3. Material accounting policies (continued)

(k) Government financing and assistance

The Company claims federal and provincial film or video production refundable tax credits in Canada related to specific production expenditures. Tax credits are recorded on a net basis as a reduction in the capitalized cost for associated productions developed by the Company. Federal and provincial refundable income tax credits are considered receivable when conditions for eligibility of production assistance have been met, the qualified expenditures have been incurred and there is reasonable assurance that the credits will be realized. Tax credits are calculated using management's estimates of the amount of labour that qualifies for the refundable tax at the end of each reporting period. The federal and provincial governments' review of these calculations may ultimately adjust these estimates.

The Company also accrues for general government assistance programs, providing there is reasonable assurance that the Company has complied and will continue to comply with all conditions of the government funding. Nonrepayable government assistance relating to current expenses is included in the determination of net income (loss) and is included as other income in profit or loss. Repayable government assistance and unspent government assistance is recognized as a liability.

A forgivable loan from the government is treated as government assistance when there is reasonable assurance that the Company will meet the terms for forgiveness of the loan. The government assistance is included in profit or loss as government grants in other income. If there is no reasonable assurance that the entity will meet the terms for forgiveness of the loan, the loan is recognized as a liability in accordance with IFRS 9, *Financial Instruments*. The liability would become a government grant (forgivable loan) when there is reasonable assurance that the entity will meet the terms for forgiveness.

(l) Share-based payments

The Company has a stock option plan that provides for the granting of options to employees, Officers, Directors and consultants to acquire shares of the Company. The fair value of the options is measured on grant date and is recognized as an expense with a corresponding increase in share-based payment reserve as the options vest.

Options granted to employees and others providing similar services are measured at the grant date at the fair value of the instruments issued. Fair value is determined using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest. Each tranche in an award with graded vesting is considered a separate grant with a different vesting date and fair value and measured accordingly.

Options granted to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the date the Company obtains the goods or the counterparty renders service.

3. Material accounting policies (continued)

(m) Share-based payments (continued)

Over the vesting period, share-based payments are recorded as an expense and as share-based payment reserve. When options are exercised the consideration received is recorded as share capital. In addition, the related share-based payments originally recorded as share-based payment reserves are transferred to share capital. When an option is cancelled or expires, the initial recorded value is reversed from share-based payment reserve and credited to deficit.

Where the terms and conditions of options are modified, the increase in the fair value of the options, measured immediately before and after the modification, is charged to profit or loss in the period in which the modification was made or over the remaining vesting period, if applicable.

(n) Earnings (loss) per share

Basic earnings (loss) per share are calculated using the weighted average number of common shares outstanding during the year. The computation of diluted earnings per share assumes the basic weighted average number of common shares outstanding during the year is increased to include the number of additional common shares that would have been outstanding if the dilutive potential common shares had been issued. These include the Company's options outstanding as at year end. The dilutive effect of stock options is determined using the treasury stock method. Diluted loss per share is equivalent to basic loss per share, as the effect of potentially dilutive instruments would be anti-dilutive.

Diluted earnings (loss) per share is computed by adjusting the weighted average number of common shares for the effects of dilutive instruments such as stock options. Dilutive instruments are excluded from the computation if their effect is anti-dilutive. As at November 30, 2024 the Company had Nil (2023 – Nil) outstanding stock options which were dilutive.

(o) Provisions and contingencies

(i) Provisions - Measurement

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received if the entity settles the obligation.

3. Material accounting policies (continued)

(o) Provisions and contingencies (continued)

(ii) Contingencies - Disclosure

A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are only disclosed when the inflow of economic benefits is probable. As contingencies will only be resolved when one or more future events occur or fail to occur, the assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

(p) Income taxes

Income tax expense comprises current and deferred tax.

Current tax is the expected tax payable or recoverable on the taxable profit or loss for the year using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable from previous years.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to unused tax loss carry forwards, unused tax credits and differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized, or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced. Assessing the recoverability of deferred tax assets requires the Company to make significant judgments related to expectations of future taxable income.

Temporary differences do not result in deferred tax assets or liabilities if they relate to:

- an initial recognition of assets or liabilities, that does not arise from a business combination, and that does not affect accounting or taxable profit;
- goodwill, and
- investments in subsidiaries, associates and jointly controlled entities where the timing of reversal of the temporary differences can be controlled by the Company and reversal in the foreseeable future is not probable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3. Material accounting policies (continued)

(q) Segment reporting

The Company operates production entities and offices in Canada and in the U.S. The Company's business operates primarily through one operating segment being 'film and television production and distribution'. The Company has determined that they have one segment for reporting purposes. As at November 30, 2024, all non-current assets are in Canada. Refer to Note 16 for a breakdown of the revenues between external customers located in Canada and the U.S.

(r) New accounting standards adopted

The Company adopted the following amendment to IFRS Accounting Standards. Their adoption has not had a material impact on disclosures or amounts reported in these consolidated financial statements.

IAS 1 Presentation of Financial Statements
Amendments to IAS 1 require that companies disclose their material accounting policies rather than their significant accounting policies and explain how a company identifies its material accounting policies.

IAS 8 Accounting Policies, Change in Accounting Estimates and Errors
Amendments to IAS 8 relate to the change in definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The amendments clarify that a change in an accounting estimate that results from new information or new developments is not the correction of an error.

IAS 12 Income Taxes
Amendments to IAS 12 relate to deferred tax assets and liabilities arising from a single transaction and clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

(s) New accounting standards not yet adopted

The Company has not yet adopted certain new standards, amendments and interpretations to existing standards as outlined below, which have been published but are only effective for accounting periods beginning on or after January 1, 2024 or later periods.

Amendments to IAS 1 - Presentation of Financial Statements

In October 2022, the IASB issued amendments to IAS 1, Presentation of Financial Statements titled non-current liabilities with covenants. These amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments, Classification of liabilities as current or noncurrent, issued in January 2020, which clarified that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if an entity has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments are effective for annual periods beginning on or after January 1, 2024, with early adoption permitted. Retrospective application is required on adoption. We do not expect these amendments to have a material effect on the consolidated financial statements.

3. Material accounting policies (continued)

(s) New accounting standards not yet adopted (continued)

Amendments to IAS 21, Lack of Exchangeability

In August 2023, the IASB issued amendments to IAS 21 to clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The amendments are effective for annual periods beginning on or after January 1, 2025, with early adoption is permitted. When applying the amendments, an entity cannot restate comparative information. The Company is currently in the process of assessing the impact of the amendments on the consolidated financial statements and notes to the consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. This standard aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position, and cash flows, as well as additional disclosures to improve transparency and comparability. In addition, IFRS 18 requires entities to classify income and expenses into five categories, three of which are new – i.e. operating, investing and financing – and the income tax and discontinued operation categories. The new standard sets out detailed requirements for classifying income and expenses into each category. These amendments are effective for annual periods beginning on or after January 1, 2027. The Company is currently assessing the impact that the adoption of IFRS 18 will have on its consolidated financial statements.

Amendments to IFRS 9 and IFRS 7, Classification and Measurement of Financial Instruments

IFRS 9 requires entities to recognize financial assets and liabilities when they become party to the contractual terms and to measure them initially at fair value, adjusted for directly attributable transaction costs where applicable. The standard is being clarified to provide better guidance on the derecognition of financial liabilities, which can impact bank reconciliation processes, especially during debt restructuring based on the timing of payments on financial liabilities as compared to the actual settlement of those debts. This clarification may result in a change in the derecognition timing of financial liabilities in situations where electronic payments are involved. The Company is currently assessing the impact that the adoption of this clarification of IFRS 9 will have on its consolidated financial statements.

4. Accounts receivable

	November 30, 2024	November 30, 2023
Receivables from broadcasters	**$ 987,092**	$ 1,320,804
Input tax credits and other receivables	**115,627**	23,846
	$ 1,102,719	$ 1,344,650

The aging of current receivables from broadcasters is as follows:

	November 30, 2024	November 30, 2023
Less than 60 days	**$ 828,268**	$ 927,587
Over 61 days	**158,824**	393,217
	$ 987,092	$ 1,320,804

5. Property, equipment and right-of-use assets

	Computer equipment	Furniture and office equipment	Production equipment	Leasehold Improvements	Right-of-use assets	Total
Cost						
Balance at November 30, 2022	$ 1,010,259	$ 106,286	$ 72,187	$ -	$ 915,083	$ 2,103,815
Additions	8,569	-	-		-	8,569
Lease modifications	-	-	-	-	295,160	295,160
Balance at November 30, 2023	1,018,828	106,286	72,187	-	1,210,243	2,407,544
Additions	236,294	-	-	51,109	554,791	842,194
Lease modifications	-	-	-	-	(417,849)	(417,849)
Sale and leaseback	(115,458)	-	-	-	159,897	44,439
Balance at November 30, 2024	**$ 1,139,664**	**$ 106,286**	**$ 72,187**	**$ 51,109**	**$ 1,507,082**	**$ 2,876,328**
Accumulated amortization						
Balance at November 30, 2022	$ 861,235	$ 83,648	$ 50,467	$ -	$ 760,951	$ 1,756,301
Amortization expense	46,002	4,521	6,516	-	281,705	338,744
Balance at November 30, 2023	907,237	88,169	56,983	-	1,042,656	2,095,045
Amortization expense	105,177	3,617	4,561	25,554	364,942	503,851
Lease modifications	-	-	-	-	(484,315)	(484,315)
Sale and leaseback	(5,931)	-	-	-	-	(5,931)
Balance at November 30, 2024	**$ 1,006,483**	**$ 91,786**	**$ 61,544**	**$ 25,554**	**$ 923,283**	**$ 2,108,650**
Carrying amount						
November 30, 2023	$ 111,591	$ 18,117	$ 15,204	$ -	$ 167,587	$ 312,499
November 30, 2024	**$ 133,181**	**$ 14,500**	**$ 10,643**	**$ 25,555**	**$ 583,799**	**$ 767,678**

During the year ended November 30, 2024, there were modifications to certain lease agreements to either extend the lease term or terminate the agreement. As a result of the lease modifications, the Company remeasured the lease liability and recorded a corresponding adjustment to the relevant right-of-use asset, resulting in a remeasurement recognized in profit or loss of $7,779. The Company also entered into a sale-leaseback agreement whereby certain computer equipment was sold to a third party and immediately leased back, for a term of 59 months. The Company derecognized the computer equipment at its carrying value and recorded a right-of-use asset retained through the leaseback, resulting in a gain of $746 which has been recorded in other income.

During the year ended November 30, 2023, the Company extended certain lease agreements. As a result of the lease modification, the Company remeasured the lease liability and recorded a corresponding adjustment to the relevant right-of-use asset, resulting in a remeasurement recognized in profit or loss of $Nil.

There were no impairment write-downs or any reversals of previous write-downs, nor did the Company have any disposals of property and equipment during the years presented, other than the sale-leaseback agreement noted above.

5. Property, equipment and right-of-use assets (continued)

The continuity of right-of-use assets is as follows:

	Leasehold improvements	Office	Vehicle	Equipment	Total
Cost					
Balance at November 30, 2022	$ 13,734	$ 818,797	$ 34,186	$ 48,366	$ 915,083
Lease modifications	-	295,160	-	-	295,160
Balance at November 30, 2023	13,734	1,113,957	34,186	48,366	1,210,243
Additions	-	319,370	38,468	196,953	554,791
Lease modifications	-	(417,849)	-	-	(417,849)
Sale and leaseback	-	-	-	159,897	159,897
Balance at November 30, 2024	**$ 13,734**	**$1,015,478**	**$ 72,654**	**$ 405,216**	**$ 1,507,082**
Accumulated amortization					
Balance at November 30, 2022	$ 10,437	$ 686,661	$ 21,333	$ 42,520	760,951
Amortization expense	3,297	269,045	7,111	2,252	281,705
Balance at November 30, 2023	13,734	955,706	28,444	44,772	1,042,656
Amortization expense	-	294,328	7,346	63,268	364,942
Lease modifications	-	(484,315)	-	-	(484,315)
Balance at November 30, 2024	**$ 13,734**	**$ 765,719**	**$ 35,790**	**$ 108,040**	**$ 923,283**
Carrying amount					
November 30, 2023	$ -	$ 158,251	$ 5,742	$ 3,594	$ 167,587
November 30, 2024	**$ -**	**$ 249,759**	**$ 36,864**	**$ 297,176**	**$ 583,799**

6. Intangible asset

On February 1, 2022, as amended on May 1, 2023, December 1, 2023 and December 1, 2024 (subsequent to the year ended November 30, 2024, (Note 25)), the Company entered into a non-fungible token ("NFT") Licensing Agreement whereby the Company acquired certain rights to develop, create, and market NFTs (collectively, the "NFT Licenses"). As a result of the first amending agreement, consideration for the NFT Licenses was reduced by $250,000, resulting in a corresponding reduction in accounts payable and accrued liabilities.

A continuity schedule of the intangible asset is as follows:

	Intangible asset
Cost	
Balance at November 30, 2022	$ 400,000
Amendment to consideration	(250,000)
Balance at November 30, 2023	150,000
Impairment of intangible asset	(150,000)
Balance at November 30, 2024	**$ -**

6. Intangible asset (continued)

Consideration for the NFT Licenses, as amended, was as follows:

- $75,000 in the fiscal year ended November 30, 2022, of which $25,000 was paid March 17, 2022, $25,000 was paid June 8, 2022, and a further $25,000 was paid on September 28, 2022;
- $25,000 due on May 31, 2023 (paid);
- $25,000 due on June 30, 2025, if the Company exercises its right to renew and extend the term of the NFT Licenses to December 31, 2025 (recorded in accounts payable and accrued liabilities as at November 30, 2023 and derecognized during the year ended November 30, 2024); and
- $25,000 due on December 31, 2025, if the Company exercises its right to renew and extend the term of the NFT Licenses to December 31, 2026 (recorded in accounts payable and accrued liabilities as at November 30, 2023 and derecognized during the year ended November 30, 2024).

The Company determined that it would not exercise its right to renew and extend the term of the NFT Licenses. Accordingly, the Company impaired the intangible asset of $150,000 and derecognized accounts payable and accrued liabilities in the amount of $50,000 as at November 30, 2024.

7. Investment in film and television properties

	Properties in development	Properties in progress	Properties completed and released	Total
Balance, November 30, 2022	$ 1,197,613	$ 1,163,471	$ 9,353,326	$ 11,714,410
Additions	907,140	3,108,306	1,103,503	5,118,949
Tax credits accrued	-	(299,877)	(2,146,748)	(2,446,625)
Transferred to projects in progress	(3,313)	3,313	-	-
Transferred to properties completed and released	(414,206)	(1,778,366)	2,192,572	-
Impairment	(52,199)	-	-	(52,199)
Amortization	-	-	(2,624,348)	(2,624,348)
Balance, November 30, 2023	1,635,035	2,196,847	7,878,305	11,710,187
Additions	462,102	3,748,704	7,155	4,217,961
Tax credits accrued	-	(2,387,874)	(15,105)	(2,402,979)
Transferred to properties in progress	(118,192)	118,192	-	-
Transferred to properties completed and released	-	(2,489,694)	2,489,694	-
Impairment	(205,685)	(200,000)	-	(405,685)
Amortization	-	-	(2,656,581)	(2,656,581)
Balance, November 30, 2024	**$ 1,773,260**	**$ 986,175**	**$ 7,703,468**	**$ 10,462,903**
As at November 30, 2023				
Cost	$ 1,635,035	$ 2,196,847	$ 42,306,472	$ 46,138,354
Accumulated amortization	-	-	(34,428,167)	(34,428,167)
Carrying amount	$ 1,635,035	$ 2,196,847	$ 7,878,305	$ 11,710,187
As at November 30, 2024				
Cost	**$ 1,773,260**	**$ 986,175**	**$ 44,788,218**	**$ 47,547,653**
Accumulated amortization	**-**	**-**	**(37,084,750)**	**(37,084,750)**
Carrying amount	**$ 1,773,260**	**$ 986,175**	**$ 7,703,468**	**$ 10,462,903**

During the year ended November 30, 2024, interest of $5,358 (2023 – $43,068) has been capitalized within the properties in progress and properties completed and released balances.

During the year ended November 30, 2024, the Company determined that the recoverability of certain properties in development and progress was $Nil and therefore less than their respective carrying amounts. As a result, the Company recognized an impairment of $405,685 (2023 - $52,199) in profit or loss during the year.

8. Line of credit

The Company has an available line of credit agreement with a Canadian chartered bank which provides that the Company may borrow up to $300,000. Borrowing under the line of credit bears interest, payable monthly, at the bank's prime rate plus 1.8% and is secured by a general security agreement over the assets of the Company. The balances repayable under this agreement are due on demand. As of November 30, 2024, outstanding borrowings were $295,000 (2023 – $285,000). Refer to Note 18(b) for related interest expense.

9. Accounts payable

Management periodically reviews accounts payable and may derecognize a portion that has been outstanding for an extended period of time, if there has been no correspondence received by the Company from creditors for payment and the statute of limitations has expired. During the year ended November 30, 2024, management derecognized $106,836 (2023 – $604,473) of accounts payable.

10. Production financing

Interim production financing

Certain subsidiaries of the Company have secured interim bank loans to finance the cost of producing their respective productions. These loans bear interest at the bank's prime rate plus 1% per annum and are repayable on demand. Each loan is secured by the tax credits receivable of the respective subsidiary and a general security agreement over the assets of the respective subsidiary. Refer to Note 18(b) for related interest expense. During the year ended November 30, 2024, the Company repaid interim financing of $1,493,583 (2023 – $2,806,284) and received additional financing of $1,678,863 (2023 – $775,000). Refer to Note 19.

Production financing obligation

During the year ended November 30, 2023, the Company entered into film financing agreements, pursuant to which the Company received $543,350 (US$400,000) to fund a certain production. As at November 30, 2023, the production was not fully financed and had not commenced production. As such, the production financing received had not yet been transferred to the production subsidiary and accordingly, the funds were recorded as restricted cash. As at November 30, 2024, production has commenced, and all of the funding has been transferred to the production subsidiary.

11. Deferred revenue

Deferred revenue represents distribution and development advances as well as contracted fees received or receivable prior to the contracted work being completed.

Distribution advances will be taken into income upon completion of properties in progress. Development advances are from unrelated third parties for development of current and future properties. Repayment of the advances is contingent upon commencement of principal photography. In the event that the properties are not produced, the development advances are typically forgiven by the third party.

The following table reflects the movement in deferred revenue:

	November 30, 2024	November 30, 2023
Deferred revenue, beginning of year	**$ 2,307,770**	$ 575,782
Revenue recognized that was included in the deferred revenue balance at the beginning of year	**(1,797,976)**	(225,000)
Increase due to cash received, excluding amounts recognized as revenue during the year	**1,500,834**	1,956,988
Deferred revenue, end of year	**$ 2,010,628**	$ 2,307,770

12. Debt payable

		November 30, 2024		November 30, 2023
The Company has secured a $1,200,000 loan ("line of credit") from a chartered bank through the Export Development Canada COVID relief funding program. The line of credit is secured by a general charge over the assets of the Company, postponement and assignment of claim agreement and an intercreditor agreement. The line of credit accrues interest payable monthly, at the bank's prime rate plus 0.25%. The term of the loan is 5 years from initial drawdown, commencing on February 1, 2021, with interest only for the first year, then converts to a term loan for the final 4 years. Refer to Note 18(b) for related interest expense.	**$**	**375,000**	$	675,000
The Company received loans of $180,000 through the Canada Emergency Business Account ("CEBA) to provide emergency support due to the impact of COVID-19. If the principal of $120,000 was repaid by January 18, 2024, the remaining $60,000 would be forgiven. The Company anticipated payment prior to the deadline, therefore, the forgivable balance of $60,000 was recognized as other income in profit or loss during the year ended November 30, 2021.		**-**		120,000
	$	**375,000**	$	795,000
Less: current portion		**(300,000)**		(420,000)
Non-current portion of debt payable	**$**	**75,000**	$	375,000

Principal repayments on long term debt are as follows:

- $300,000 for the fiscal year ended November 30, 2025; and
- $75,000 for the fiscal year ended November 30, 2026.

Under the terms of the line of credit, the Company is required to maintain a debt service coverage ratio of not less than 1.1:1, tested annually. As at November 30, 2024, the Company was in compliance with the debt service coverage covenant.

During the year ended November 30, 2024, the CEBA loans were repaid in full.

13. Lease obligations

The Company's leases are comprised of the following:

	Note	Office	Vehicle	Equipment	Total
Lease obligations recognized at November 30, 2022		$ 137,388	$ 13,800	$ 7,249	$ 158,437
Lease modifications		295,160	-	-	295,160
Interest expense	18(b)	9,920	498	1,264	11,682
Lease payments		(303,857)	(7,982)	(5,121)	(316,960)
Lease obligations recognized at November 30, 2023		138,611	6,316	3,392	148,319
Less: non-current portion		-	-	(1,023)	(1,023)
Current portion of lease obligations		$ 138,611	$ 6,316	$ 2,369	$ 147,296
Lease obligations recognized at November 30, 2023		$ 138,611	$ 6,316	$ 3,392	$ 148,319
Additions		319,370	38,468	196,953	554,791
Lease modifications		74,245	-	-	74,245
Sale and leaseback		-	-	157,529	157,529
Interest expense	18(b)	27,255	905	7,415	35,575
Lease payments		(276,289)	(8,479)	(77,218)	(361,986)
Lease obligations recognized at November 30, 2024		283,192	37,210	288,071	608,473
Less: non-current portion		(68,006)	(34,550)	(212,599)	(315,155)
Current portion of lease obligations		$ 215,186	$ 2,660	$ 75,472	$ 293,318

The following table presents a reconciliation of the Company's undiscounted cash flows as at November 30, 2024 and 2023 to their present value for the Company's lease obligations:

	November 30, 2024	November 30, 2023
Within one year	**$ 333,112**	$ 149,982
Between one and five years	**315,155**	1,037
Total undiscounted lease obligations	**648,267**	151,019
Less: future interest charges	**(39,794)**	(2,700)
Total discounted lease obligations	**608,473**	148,319
Less: current portion of lease obligations	**(293,318)**	(147,296)
Non-current portion of lease obligations	**$ 315,155**	$ 1,023

14. Related parties

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling activities of the entity, directly or indirectly. Related parties are defined as key management personnel as well as any companies that are controlled by Officers or Directors of the Company. During the years ended November 30, 2024 and 2023, the Company paid or accrued wages and recognized share-based payments to key management personnel in the following manner:

	Year ended	
	November 30, 2024	November 30, 2023
Short-term employee benefits	**$ 924,616**	$ 717,885
Share-based payments	**174,652**	131,322
	$ 1,099,268	$ 849,207
Recorded as:		
General and administrative expenses	**$ 48,000**	$ 30,000
Share-based payments	**174,652**	131,322
Production costs	**371,301**	369,873
Investment in film and television properties	**505,315**	318,012
	$ 1,099,268	$ 849,207

Recorded in accounts payable and accrued liabilities at November 30, 2024 are the following amounts:

a) $13,250 (2023 – $16,926) owed to a company controlled by an Officer of the Company. Amounts due to the related party are unsecured, non-interest bearing and due on demand.
b) Pursuant to Executive Producer Agreements, as last amended on April 20, 2024:
   - $96,342 (2023 - $31,342) in yearly executive producer ("EP") fees, of which $65,000 (2023 - $31,342) was recorded in production costs in profit or loss in the current year. The first instalment is payable on achieving particular production milestones of certain projects for which production has not yet commenced; and
   - $25,000 (2023 - $20,000) in EP fees which was recorded as investment in film and television properties. The fees were payable on achieving particular production milestones for productions that have commenced.
c) Pursuant to an amendment to a Promissory Note agreement, an EP fee of $84,500 (2023 - $Nil) of which $69,875 was recorded in production costs in profit or loss and $14,625 in investment in film and television properties.

Promissory note

On April 25, 2023, as last amended effective April 30, 2024, the Company entered into a Promissory Note agreement with certain Directors of the Company for a loan (the "Loan") of up to $650,000. The Loan bears interest of 12% per annum and is secured by a general security interest over the assets and undertakings of the Company. Additionally, the Directors of the Company have agreed to a postponement and assignment of claim in favour of the line of credit lender (Note 12).

As consideration for an amendment to the Loan, the Directors would receive a fee of $32,500, which was due on or before April 30, 2024. As at November 30, 2023, the fee was recorded in promissory note and as a financing expense in profit or loss and was paid during the year ended November 30, 2024.

14. Related parties (continued)

Promissory note (continued)

The Loan was due on April 30, 2024 and if not repaid by such date, the Directors would receive a further $65,000 as an EP fee which has been recorded in production costs in profit or loss in the current year (Note 14(c)).

Pursuant to an amendment, the Company and the Directors of the Company agreed upon an extension to July 31, 2025 at an interest rate of 12% per annum. As consideration, the Directors would receive an executive producer fee of $19,500 for every 12-month period the Promissory Note is outstanding, in lieu of incremental interest at a rate of 15%. As at November 30, 2024, a total of $4,875 has been recorded in production costs in profit and loss and $14,625 in investment in film and television properties (Note 14(c)).

As at November 30, 2024 and 2023, the Company has drawn upon the total Loan of $650,000 and recorded $78,214 (November 30, 2023 – $72,577) in interest expense (Note 18(b)) of which $12,996 (November 30, 2023 – $13,036) was accrued for and subsequently paid.

15. Share capital and share-based payment reserve

(a) Authorized

The Company has an unlimited number of authorized common shares and preferred shares with no par value.

(b) Issued share capital

The Company did not issue any common shares during the years ended November 30, 2024 and 2023.

On September 21, 2023, the Company completed a consolidation of its share capital on a 5:1 basis. Accordingly, the share consolidation has been retroactively applied and the number of outstanding common shares, stock options, and per share amounts are stated on an adjusted basis.

(c) Share-based payment reserve

Pursuant to the Company's equity-settled stock option plan, as last amended on April 4, 2024, the Board of Directors may, from time to time, authorize the granting of options to Directors, employees and consultants of the Company to a maximum of 20% of the then outstanding shares of the Company which is limited to a maximum of 3,564,940 options as approved by the shareholders of the Company. Options granted under the plan have contractual option terms not exceeding 10 years and vesting periods as determined by the Company's Board of Directors.

During the year ended November 30, 2024, 10,000 stock options were expired and cancelled (2023 – 670,000), resulting in a reclassification of amounts totalling $3,189 (2023 – $339,311) from share-based payment reserve to deficit.

During the year ended November 30, 2024, all of the issued and outstanding stock options were amended to an exercise price of $0.30 per share and an expiration date of April 4, 2029.

15. Share capital and share-based payment reserve (continued)

(c) Share-based payment reserve (continued)

	As at November 30, 2024			As at November 30, 2023		
	Number of Options		**Weighted Ave. Exercise Price**	Number of Options		Weighted Ave. Exercise Price
Outstanding, beginning of year	**2,706,333**	**$**	**0.69**	3,236,333	$	0.71
Granted	-	$	-	140,000	$	0.50
Expired	-	$	-	(322,000)	$	0.73
Cancelled	**(10,000)**	**$**	**0.30**	(348,000)	$	0.76
Outstanding, end of year	**2,696,333**	**$**	**0.30**	2,706,333	$	0.69

As at November 30, 2024, the following stock options are outstanding and exercisable:

Number of options outstanding	Number of options exercisable		Exercise price	Remaining life (yrs)	Expiry
2,696,333	2,393,222	$	0.30	4.35	April 4, 2029

The Company did not grant any stock options during the year ended November 30, 2024.

During the year ended November 30, 2023, the Company granted 140,000 stock options. Vesting terms are as follows:

- 60,000 stock options granted March 24, 2023: one-half vesting immediately and one-half one year from the date of grant; and
- 80,000 stock options granted July 17, 2023: one-third vesting immediately and one-third at the end of each year from the date of grant.

15. Share capital and share-based payment reserve (continued)

(c) Share-based payment reserve (continued)

The Company uses the Black-Scholes option-pricing model to determine the estimated fair value at the grant date of the options issued. In all the calculations the annual dividend yield was assumed to be $Nil, and expected volatility was based on historical volatility of the Company's share price. All other weighted-average assumptions are summarized below:

Grant date / Amendment	Options granted	Exercise price	Share price	Annual volatility rate	Risk free interest rate	Fair value at grant date	Expected life
2023	140,000	$ 0.50	$ 0.25	96%	3.51%	$ 0.05	5.0
2024*	2,706,333	$ 0.30	$ 0.24	98%	3.58%	$ 0.24	5.0

*Weighted average inputs to determine the fair value of amended options

For the year ended November 30, 2024, the Company recognized share-based payments expense in relation to vested stock options of $108,357 (2023 – $300,639) and $213,379 (2023 - $Nil) in incremental share-based payments expense in relation to the amendment of stock options, the total of which is included in profit or loss.

16. Revenue

	Year Ended	
	November 30, 2024	November 30, 2023
Revenue recognized at a specific point in time		
Distribution revenue	**$ 357,422**	$ 2,569,161
Production revenue	**2,379,393**	1,525,541
	2,736,815	4,094,702
Revenue recognized when performance obligations are satisfied over time		
Contract production services revenue	**8,494,841**	3,032,353
Total revenue	**$ 11,231,656**	$ 7,127,055

Of the Company's $11,231,656 (2023 – $7,127,055) in revenue for the year ended November 30, 2024, $5,611,181 (2023 – $1,319,960) was attributable to external customers located in Canada, $5,180,745 (2023 – $5,755,246) was attributable to external customers located in the U.S., and $439,730 (2023 – $51,849) was attributable to other external customers.

The Company had three customers (2023 – three) whose revenue individually represented 10% or more of the Company's total revenue from contracts with customers. For the year ended November 30, 2024, those three customers accounted for 84% of this revenue (2023 – three customers accounted for 81% of this revenue).

17. Expenses by nature

The following sets out certain expenses by nature:

	Year Ended	
	November 30, 2024	November 30, 2023
Insurance	**$ 46,035**	$ 40,660
Interest and bank charges	**137,324**	92,563
Office and general	**156,415**	108,616
Professional fees	**126,232**	152,192
Salaries and wages	**332,622**	507,609
Technology and licenses	**7,776**	74,980
Telecommunications	**9,173**	12,738
Transfer agent and filing fees	**49,487**	53,278
Travel	**42,273**	27,267
General and administrative	**$ 907,337**	$ 1,069,903
Distribution and relicensing	**$ 68,427**	$ 386,317
Media and advertising	**4,650**	14,498
Royalty payments	**17,688**	15,232
Selling and distribution	**$ 90,765**	$ 416,047

18. Supplemental statement of net and comprehensive loss disclosure

(a) Employee benefit expenses

Total salaries and wages recognized in profit or loss is $2,117,820 (2023 – $1,031,138) of which $1,785,198 was recorded as production costs (2023 – $523,529) and $332,622 was recorded as general and administrative (2023 – $507,609) (Note 17).

(b) Financing expense

Financing expense is comprised of the following:

	Year Ended November 30, 2024	November 30, 2023
Interest expense on line of credit	**$ 24,823**	$ 23,861
Interest expense on production financing	**17,946**	86,978
Interest expense on lease obligations	**35,575**	11,682
Interest expense on debt payable	**48,958**	73,621
Interest and financing expense on promissory note	**78,214**	72,577
Financing expense	**$ 205,516**	$ 268,719

19. Supplemental cash flow information

i. Non-cash investing and financing activities

	Year ended November 30, 2024	November 30, 2023
Tax credits receivable included in production costs	**$ 2,640,246**	$ 3,410,369
Amount included in prior year projects in progress transferred to productions completed and released	**$ 2,489,694**	$ 2,192,572
Accounts payable included in production costs	**$ 784,720**	$ 516,843
Production financing included in restricted cash	**$ -**	$ 549,096
Fair value of expired/cancelled stock options	**$ 3,189**	$ 339,311

ii. Interest and income taxes paid

Interest paid during the year ended November 30, 2024 was $295,812 (2023 – $231,102). Income taxes paid during the year ended November 30, 2024 was $26,807 (2023 – $45,168).

19. Supplemental cash flow information (continued)

iii. Reconciliation of liabilities arising from financing activities

Year ended November 30, 2023:

		Cash flows	Non-cash changes				
	Opening balance		Accrued interest and financing expense	Lease modifications	Restricted cash	Foreign exchange movement	Ending balance
Line of credit	$ 185,000	$ 76,139	$ 23,861	$ -	$ -	$ -	$ 285,000
Production financing	2,926,897	(2,031,284)	130,046	-	543,350	5,746	1,574,755
Lease obligations	158,437	(316,960)	11,682	295,160	-	-	148,319
Debt payable	1,095,000	(373,621)	73,621	-	-	-	795,000
Promissory note	-	650,000	45,536	-	-	-	695,536
Total liabilities from financing activities	$ 4,365,334	$ (1,995,726)	$ 284,746	$ 295,160	$ 543,350	$ 5,746	$ 3,498,610

Year ended November 30, 2024:

		Cash flows	**Non-cash changes**						
	Opening balance		**Accrued interest and financing expense**	**Additions**	**Lease modifications**	**Sale and leaseback**	**Restricted cash**	**Foreign exchange movement**	**Ending balance**
Line of credit	$ 285,000	$ (14,823)	$ 24,823	$ -	$ -	$ -	$ -	$ -	295,000
Production financing	1,574,755	185,280	23,304	-	-	-	(543,350)	(5,746)	1,234,243
Lease obligations	148,319	(361,986)	35,575	554,791	74,245	157,529	-	-	608,473
Debt payable	795,000	(468,958)	48,958	-	-	-	-	-	375,000
Promissory note	695,536	(110,754)	78,214	-	-	-	-	-	662,996
Total liabilities from financing activities	**$ 3,498,610**	**$ (771,241)**	**$ 210,874**	**$ 554,791**	**$ 74,245**	**$ 157,529**	**$ (543,350)**	**$ (5,746)**	**$ 3,175,712**

20. Government assistance

Refundable tax credits relating to production activities of the Company are claimed from the Federal and Provincial Governments of Canada. The refundable tax credits for the years ended November 30, 2024 and 2023 were recorded as follows:

- Reduction to production costs of $81,923 (2023 – $572,182); and
- Reduction to investment in film and television properties of $2,402,979 (2023 – $2,446,625).

21. Financial instruments

The Company's financial assets and liabilities are classified as follows:

Financial instrument	Classification
Cash	Amortized cost
Restricted cash	Amortized cost
Receivables from broadcasters	Amortized cost
Line of credit	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Production financing	Amortized cost
Debt payable	Amortized cost
Promissory note	Amortized cost

The fair values of the Company's financial instruments approximate the carrying values, due to their short terms to maturity or attached market rates of interest. The Company has no financial instruments measured at FVTPL.

The Company classifies the fair value of these transactions according to a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

Risks arising from financial instruments

The Company is exposed to various risks related to its financial instruments as follows. There were no changes to how the Company manages risks in the current year compared to the prior year.

(i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns. The Company is not exposed to material other price risk. The Company's exposure to currency risk and interest rate risk is as follows:

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company has not entered into foreign exchange purchase contracts to manage currency risk, because, in management's view, the cost of setting up the contracts is in excess of the risks associated with a sudden change in the exchange rates. Management continually monitors the exchange rates and will enter into risk prevention measures when warranted.

21. Financial instruments (continued)

Risks arising from financial instruments (continued)

(i) Market risk (continued)

Currency risk (continued)

A five percent fluctuation in the foreign exchange rates impacting foreign currency revenues during the year ended November 30, 2024 would result in a $281,024 (2023 – $290,355) impact to profit or loss. The Company is also exposed to currency risk on its cash, accounts receivable and accounts payable balances that are denominated in U.S. dollars, being, respectively, $1,309,614 (2023 – $2,267,315), $966,816 (2023 – $1,119,405) and $894,786 (2023 – $722,056).

A five percent fluctuation in the U.S. dollar closing rate at November 30, 2024 would result in a net change to profit or loss of $69,083 (2023 – $133,233).

The Company's exposure to and management of currency risk, has not changed materially from that of the prior year.

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.

Interest rate risk arises on interest-bearing financial instruments recognized in the consolidated statement of financial position such as line of credit, interim production financing and debt payable.

If the market interest rates had changed 100 basis points, the Company’s cost of capital would have fluctuated by $63,602 (2023 – $71,945).

The Company's exposure to and management of interest rate risk has not changed materially from that of the prior year.

(ii) 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 is subject to credit risk with respect to cash and receivables from broadcasters. The Company’s maximum exposure to credit risk at the end of the reporting period is the carrying value of these assets. Substantially all of the Company’s customers are in the entertainment industry and are subject to normal industry credit risks. Credit risk is managed through a credit approval process and monitoring procedures, and there are no expected credit losses.

All cash balances are held with major Canadian banking institutions.

As at November 30, 2024, three broadcasters (2023 – three) represented receivables from broadcasters, as such, the Company is exposed to concentration of credit risk for receivables. As of November 30, 2024, there are $158,824 (2023 – $393,217) of receivables from broadcasters due over 61 days, but not considered impaired. Refer to Note 4 for a breakdown.

The Company's exposure to and management of credit risk has not changed materially from that of the prior year.

21. Financial instruments (continued)

Risks arising from financial instruments (continued)

(iii) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's liquidity needs can be met through a variety of sources. The Company generates cash from operations, by borrowing against earned tax credits through interim production financing, and by issuances of common shares. The Company manages liquidity risk by continuously monitoring actual and forecast cash flows.

The Company will require additional capital in order to meet the payment expectations related to its debts. Accounts payable and accrued liabilities are due on standard commercial terms.

The timing of payments required for accounts payable and debt in the next 5 years, by year, is as follows:

	2025	2026	2027	2028	2029
Line of credit	$ 295,000	$ -	$ -	$ -	$ -
Accounts payable and accrued liabilities	3,853,952	14,711	5,604	16,812	32,421
Production financing	1,234,243	-	-	-	-
Debt payable	300,000	75,000	-	-	-
Promissory note	662,996	-	-	-	-
	$ 6,346,191	$ 89,711	$ 5,604	$ 16,812	$ 32,421

The Company's exposure to and management of liquidity risk has not changed materially from that of the prior year.

22. Capital management

The Company's objectives when managing capital are to safeguard its assets, maintain a competitive cost structure, continue as a going concern in order to pursue the development of its film and television properties, and provide a return to its shareholders in the form of capital appreciation. The Company defines capital as the aggregate of its shareholders' equity. Capital for the year ended November 30, 2024, was $8,973,692 (2023 – $10,562,813).

In order to facilitate management of capital, the Company continues to prepare annual expenditure budgets that are updated as necessary and dependent on various factors, including successful deployment of capital and industry conditions. The annual and updated budgets are approved by the Board of Directors.

There were no changes in the Company's approach to capital management during the year ended November 30, 2024. The Company is subject to an externally imposed capital requirement (Note 12).

23. Contingent liabilities

The Company and its subsidiaries may from time to time, be a party to certain legal disputes and claims arising from employment or commercial issues in the normal course of business.

The Company and its subsidiaries may, from time to time, enter into royalty or rights agreements for the use of images, stock footage, names and similar items. The Company is liable to pay for the use of these rights contingent on achieving particular production milestones. As these milestones are achieved, the Company accrues the related royalties and rights payable which are no longer contingent. As at November 30, 2024 and 2023, there are no accruals for royalties or rights payable.

24. Income taxes

A reconciliation of income taxes for the years ended November 30, 2024 and 2023 at the statutory rates with the reported income taxes follows:

		2024		2023
Net loss	**$**	**(1,884,050)**	$	(275,769)
Combined federal and provincial income tax rate		**27%**		27%
Expected income tax recovery	**$**	**(508,700)**	$	(74,500)
Non-deductible expenditures		**106,100**		14,800
Adjustment to prior years provision versus statutory tax returns		**-**		2,342,000
Change in statutory, foreign tax, foreign exchange rates and other		**(10,593)**		52,868
Change in unrecognized deductible temporary differences		**440,000**		(2,290,000)
Total income tax expense	**$**	**26,807**	$	45,168

The tax effects of temporary differences that give rise to the Company's deferred income tax assets (liabilities) are as follows:

		2024		2023
Deferred tax assets (liabilities)				
Lease obligations	**$**	**164,000**	$	40,000
Properties completed and released		**(2,042,000)**		(2,089,000)
Properties in development and progress		**110,000**		-
Property and equipment		**228,000**		161,000
Right-of-use assets		**(158,000)**		(45,000)
Share issue costs		**1,000**		1,000
Non-capital losses available for future period		**1,973,000**		1,763,400
Total deferred tax assets (liabilities)		**276,000**		(168,600)
Unrecognized deferred tax assets		**(276,000)**		168,600
Net deferred tax assets (liabilities)	**$**	**-**	**$**	**-**

24. Income taxes (continued)

The Company has non-capital loss carry-forwards that expire on November 30 of each respective year, as follows:

Year of expiry	Amount
2044	$ 760,000
2043	22,000
2042	1,733,000
2041	202,000
2040	164,000
2039	899,000
2038	208,000
2037	715,000
2036	281,000
2035	186,000
2034	227,000
2033	729,000
2032	779,000
2031	188,000
	$ 7,093,000

25. Subsequent events

Subsequent to November 30, 2024, the Company:

(a) entered into a Promissory Note agreement with a third party for a loan of $150,000. The loan bears interest of 12% per annum and is payable by January 20, 2026 or upon receipt of tax credits receivable related to a specified film and television property;

(b) entered into a third amendment to the NFT Licensing Agreement (Note 6) whereby a payment of $25,000 is due on June 30, 2025 if the Company exercises its right to renew and extend the term of the NFT Licenses;

(c) repaid interim production financing of $186,018 (Note 10); and

(d) received notice of two infringement legal claims. The amount and timing of settlement of these claims are unknown as at the date of approval of these consolidated financial statements.

(e) 85,000 stock options were cancelled, unexercised.