REX

REX OPPORTUNITY CORP.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2021 AND 2020
(EXPRESSED IN CANADIAN DOLLARS)

Independent Auditor's Report

To the Shareholders of Rex Opportunity Corp.

Opinion

We have audited the consolidated financial statements of Rex Opportunity Corp. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2021 and 2020, and the consolidated statements of loss and comprehensive loss, consolidated statements of cash flows, and consolidated statements of changes in shareholders' deficiency for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the 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. 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 indicates that the Company's current liabilities exceeded its current assets and had an accumulated deficit as at March 31, 2021. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

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

Our opinion on the consolidated financial statements does not cover the other information and we do not 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

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inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or 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 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 judgement 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 risks 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.

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.

The engagement partner of the audit resulting in this independent auditor's report is Koko Yamamoto.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
June 22, 2021

REX OPPORTUNITY CORP.
Consolidated Statements of Financial Position
Expressed in Canadian dollars

As at		March 31, 2021		March 31, 2020
ASSETS				
Current assets				
Cash	**$**	**6,781**	$	8,428
Amounts receivable		**56,485**		10,192
Total assets	**$**	**63,266**	$	18,620
LIABILITIES AND SHAREHOLDERS' DEFICIENCY				
Current liabilities				
Trade accounts payable and accrued liabilities	**$**	**53,525**	$	34,536
Accrued compensation *(Note 9)*		**854,952**		---
Due to related parties *(Note 9)*		**169,861**		8,645
Total liabilities		**1,078,338**		43,181
Shareholders' deficiency				
Share capital *(Note 4)*		**861,724**		94,337,680
Warrant reserve *(Note 4)*		**218,810**		---
Contributed surplus *(Note 4)*		**689,293**		---
Units to be issued *(Note 4)*		**43,380**		---
Deficit		**(2,828,279)**		(94,362,241)
Total deficiency		**(1,015,072)**		(24,561)
Total deficiency and liabilities	**$**	**63,266**	$	18,620

Nature of operations and going concern *(Note 1)*
Commitments and contingencies *(Note 11)*
Subsequent events *(Note 13)*

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

On behalf of the Board,

"Signed"
Jim Boyle
Jim Boyle
Director

"Signed"
Dave Guebert
Dave Guebert
Director

REX OPPORTUNITY CORP.

Consolidated Statements of Loss and Comprehensive Loss

For the years ended March 31, 2021 and 2020

Expressed in Canadian dollars

	2021	2020
Operating Expenses		
General and administrative *(Note 9)*	**$ 2,062,386**	$ 122,673
Share-based compensation (*Note 4*)	**747,293**	---
Net loss and comprehensive loss for the year	**$ (2,809,679)**	$ (122,673)
Loss per common share *(Note 10)*	**$ (0.05)**	$ (0.00)
Weighted average number of shares outstanding during the year – basic and diluted	**55,878,421**	29,216,783

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

REX OPPORTUNITY CORP.

Consolidated Statements of Cash Flows

For the years ended March 31, 2021 and 2020

Expressed in Canadian dollars

	2021	2020
OPERATING ACTIVITIES		
Net loss for the year	**$ (2,809,679)**	$ (122,673)
Items not affecting cash:		
Share-based compensation	**747,293**	---
Net change in non-cash working capital balances:		
Amounts receivable	**(46,293)**	(9,910)
Trade accounts payable and accrued liabilities	**38,989**	(24,071)
Accrued compensation (*Note 9*)	**941,202**	---
Due to related parties (*Note 9*)	**161,216**	145,953
Net cash flows from operating activities	**(967,272)**	(10,701)
FINANCING ACTIVITIES		
Proceeds from unit issuance	**1,010,200**	---
Transaction costs on unit issuance	**(44,575)**	---
Net cash flows from financing activities	**965,625**	---
Net (decrease) in cash	**(1,647)**	(10,701)
Cash, beginning of the year	**8,428**	19,129
Cash, end of the year	**$ 6,781**	$ 8,428

Supplemental disclosure with respect to cash flows (Note 12).

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

REX OPPORTUNITY CORP.

Consolidated Statements of Changes in Shareholders' Deficiency

For the years ended March 31, 2021 and 2020

Expressed in Canadian dollars

	Shares Outstanding	Share Capital	Contributed Surplus	Warrant Reserve	Units to be issued	Deficit	Total
Balance at March 31, 2020	**53,072,203**	**$94,337,680**	**$---**	**$---**	**$---**	**$(94,362,241)**	**$ (24,561)**
Shares and warrants issued for cash, net of issuance costs (Note 4)	6,160,800	723,435	---	218,810	---	---	942,245
Units to be issued (Note 4)	---	---	---	---	43,380	---	43,380
Share-based compensation (Note 4)	---	---	747,293	---	---	---	747,293
Expiry of stock options	---	---	(58,000)	---	---	58,000	-
Increase of consideration for previously issued shares (Note 9)	---	86,250	---	---	---	---	86,250
Reduction of share capital and deficit (Note 4)	---	(94,285,641)	---	---	---	94,285,641	---
Net loss for the year	---	---	---	---	---	(2,809,679)	(2,809,679)
Balance at March 31, 2021	**59,233,003**	**$861,724**	**$689,293**	**$218,810**	**$43,380**	**$(2,828,279)**	**$ (1,015,072)**

	Shares Outstanding	Share Capital	Contributed Surplus	Warrant Reserve	Units to be issued	Deficit	Total
Balance at March 31, 2019	**26,852,732**	**$94,075,485**	**$---**	**$---**	**$---**	**$(94,239,568)**	**$ (164,083)**
Net loss for the year	---	---	---	---	---	(122,673)	(73,074)
Shares issued for debt	26,219,421	262,195	---	---	---	---	262,195
Balance at March 31, 2020	**53,072,203**	**$94,337,680**	**$---**	**$---**	**$---**	**$(94,362,241)**	**$ (24,561)**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Rex Opportunity Corp. (the "Company" or "Rex") is a corporation continued into the Province of Ontario from the Yukon Territory in 2011. Rex is a reporting issuer in the provinces of Manitoba, Ontario and Québec. On September 29, 2011, the Company filed Articles of Continuance in Ontario. The address of the Company's registered office is 25 Adelaide Street East, Suite 1900, Toronto, Ontario M5C 3A1.

These financial statements of the Company for the year ended March 31, 2021 were approved and authorized for issue by the Board of Directors on June 22, 2021.

As at March 31, 2021, the Company had a working capital deficiency of $1,015,072 and an accumulated deficit of $2,828,279. The Company's ability to continue operations is dependent on management's ability to secure additional financing, and while it has been successful in doing so in the past, there can be no assurances that it will be able to do so in the future. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the realization of assets and discharge of liabilities in the normal course of business. The Company was an inactive issuer with no ongoing operations seeking new business opportunities. The Company is implementing a business strategy to invest in content creators and influencers primarily by acquisition of channel revenue royalties. The Company has limited working capital and is dependent on securing financing to execute on the business strategy.

These financial statements do not include any adjustments to the classification of certain liabilities that might be necessary, if the Company were unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION

Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies set out below have been applied consistently to all periods presented unless otherwise noted.

Basis of Measurement

These financial statements are prepared on the historical cost basis. In addition, these financial statements are prepared using the accrual basis of accounting except for cash flow information. The Company uses the Canadian dollar for both its functional and presentation currencies.

Principles of Consolidation

These financial statements include the accounts of the Company and its wholly owned subsidiary, Rex Operations Inc., incorporated in Delaware on September 28, 2020. Intra-group balances and transactions are eliminated in preparing the consolidated financial statements.

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiary after eliminating inter-entity balances and transactions.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

Cash

Cash includes cash on hand and balances with banks and short-term investments with original maturities of ninety days or less. As at March 31, 2021 and March 31, 2020, the Company did not have any cash equivalents.

Income Taxes

Deferred income taxes are determined based on the differences between the financial reporting and tax bases of assets and liabilities. These income tax assets and liabilities are measured using the enacted or substantively enacted tax rates at which the income tax assets or liabilities are expected to be settled or realized. The effect of a change in income tax rates on deferred tax assets and liabilities is recognized in operations in the period in which the change occurs. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

Loss Per Share

Loss per share is based on the weighted average number of common shares of the Company outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and warrants, in the weighted average number of common shares outstanding during the period, if dilutive. In the Company’s case, diluted loss per share is the same as basic loss per share during the years ended March 31, 2021 and 2020 as the Company recorded a net loss for both years, and the exercise of any potentially dilutive instruments would be anti-dilutive.

Financial Instruments

<u>Financial assets</u>

(i) Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 – Financial Instruments ("IRS 9") are classified and measured as “financial assets at fair value”, as either Fair Value through Profit or Loss (“FVPL”) or Fair Value through Other comprehensive Income (“FVOCI”), and “financial assets at amortized costs”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Other accounts receivable held for collection of contractual cash flows are measured at amortized cost.

(ii) Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate (“EIR”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

(iii) Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statements of loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (CONTINUED)

Financial Instruments (Continued)

(iv) Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the statements of loss when the right to receive payments is established.

(v) Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

(vi) Impairment of financial assets

The Company's only financial assets subject to impairment are other amounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, amounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

<u>Financial liabilities</u>

(i) Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at Fair Value through Profit or Loss ("FVPL") or Fair Value through Other Comprehensive Income ("FVOCI") as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include trade accounts payable and other liabilities, accrued compensation and due to related parties, which are each measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

(ii) Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Transaction costs

Transaction costs associated with financial instruments, carried at fair value through profit or loss, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Derecognition

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (CONTINUED)

Expected Credit Loss Impairment Model

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off

Foreign Currency Translation

The functional currency of the Company and its subsidiary is the Canadian dollar. Transactions in currencies other than the entity's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized in operations in the period in which they arise.

All foreign exchange gains and losses are presented in the statement of loss.

Share Based Payments

Equity settled share-based payments are measured at their fair value on the date of grant using the Black-Scholes model. Stock options are recognized as compensation expense on a graded vesting basis over the period in which the options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest.

The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to contributed surplus. When stock options or warrants expire after vesting, the recorded value is reclassified to deficit.

For stock options and warrants granted to non-employees, the compensation expense is measured at the fair value of goods or services received. If the fair value cannot be reasonably estimated, compensation expense is then measured at the fair value of the equity instruments granted and measured at the date the Company obtains goods or services rendered.

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

Consideration paid by employees or non-employees on the exercise of stock options and warrants are recorded as share capital and the related share-based payment expense is transferred from contributed surplus or warrant reserve, respectively, to share capital.

Provisions

A provision is recognized, if, as a result of a past event, the Company has a legal or constructive obligation that can be estimated reliably and it is probable that a future outflow of economic benefits will be required to settle the obligation. The timing or amount of the outflow may still be uncertain.

Provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and specific risks of the obligation. Where there are a number of obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. All provisions are reviewed at each reporting date and adjusted accordingly to reflect the current best estimate. The Company had no material provisions at March 31, 2021 and 2020.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in the future could be significant.

Areas where estimates are significant to the financial statements are as follows:

Income, value added, withholding and other taxes
The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Share-based payments
Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based share awards is determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. The exercise price of the stock options granted during the year ended March 31, 2021 is based on the expected average pre-listing financing share issue price. Changes in these assumptions affect the fair value estimates.

Contingencies
Refer to Note 11.

Changes in Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2020. Many are not applicable or do not have a significant impact to the Company and have been excluded. Adoption of these pronouncements is mandatory for entities with year ends beginning on or after January 1, 2020.

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The adoption of amendments to IAS 1 and IAS 8 did not have a material impact on the Company's consolidated financial statements.

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (CONTINUED)

Future Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2021. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

The Company is in the process of evaluating the impact of these new standards on its consolidated financial statements.

4. SHARE CAPITAL

Authorized

Unlimited number of common shares with no par value.

Unlimited number of Class A shares. Class A Shares are specifically to be issued to creators for the acquisition of interests in content, on an ongoing basis, from time to time. Class A Shares shall be automatically converted into common shares on a one-for-one basis immediately upon issue.

Common shares issued:	**Number of Shares**	**Amount**
Balance, March 31, 2019	**26,852,732**	**$ 94,075,485**
Shares issued for debt (i)	**26,219,471**	**262,195**
Balance, March 31, 2020	**53,072,203**	**94,337,680**
Shares issued (ii)	**6,160,800**	**723,435**
Increase of consideration for previously issued shares (i)	**---**	**86,250**
Reduction of share capital and deficit (iii)	**---**	**(94,285,641)**
Balance, March 31, 2021	**59,233,003**	**$ 861,724**

(i) On February 28, 2020, the Company issued an aggregate of 26,219,471 common shares at a price of $0.01 per share in order to settle an aggregate $262,195 of outstanding debt. Include in the amount of debt settled as part of this transaction, was $86,250 owing a law firm of which a director of the Company is a partner, $16,500 due to a former director and $159,445 due to a former director of the Company. On September 30, 2020, additional debt of $86,250 owing to the law firm of which directors of the Company are partners, was extinguished by increasing the consideration of 8,625,028 common shares issued in February 2020 from $0.01 to $0.02. See Note 9 for additional discussion.

(Expressed in Canadian Dollars)

4. SHARE CAPITAL (CONTINUED)

(ii) On June 26, 2020, Rex closed a non-brokered private placement financing of 2,500,000 units at $0.10 per unit for gross proceeds of $250,000. Each unit consisted of one common share and one warrant, each warrant exercisable at $0.35 for 2 years from the date the Company's common shares are listed for trading on a recognized Canadian stock exchange. Officers and directors subscribed for 700,000 units for gross proceeds of $70,000. 375,000 units were still to be issued as at March 31, 2021 at the request of the subscriber.

On August 31, 2020, Rex closed a non-brokered private placement financing of 1,650,000 units at $0.10 per unit for gross proceeds of $165,000. Each unit consisted of one common share and one warrant, each warrant exercisable at $0.35 for 2 years from the date the Company's common shares are listed for trading on a recognized Canadian stock exchange. 75,000 units were still to be issued as at March 31, 2021 at the request of the subscriber.

On December 15, 2020, Rex closed a non-brokered private placement financing of 780,800 units at $0.25 per unit for gross proceeds of $195,200 including settlement of $15,000 of amounts payable for creative service providers (Note 12). Each unit consisted of one common share and one-half of one warrant, each whole warrant exercisable at $0.50 for 2 years from the date the Company's common shares are listed for trading on a recognized Canadian stock exchange. An officer of the Company subscribed for 420,000 units for gross proceeds of $105,000.

On January 29, 2021, Rex closed a non-brokered private placement financing of 1,480,000 units at $0.25 per unit for gross proceeds of $370,000. Each unit consists of one common share and one warrant, each warrant exercisable at $0.35 for 2 years from the date Rex's common shares are listed for trading on a recognized Canadian stock exchange.

On March 2, 2021, Rex closed a non-brokered private placement financing of 200,000 units at $0.25 per unit for gross proceeds of $50,000 including settlement of $5,000 of amounts payable for creative service providers (Note 12). Each unit consists of one common share and one-half of one warrant, each warrant exercisable at $0.50 for 2 years from the date Rex's common shares are listed for trading on a recognized Canadian stock exchange.

(iii) The Company reduced the stated capital, thereby reducing the deficit by $94,285,641 by way of a special resolution at the October 16, 2020 shareholders' meeting.

Warrants:

The following is a summary of warrants outstanding, along with the corresponding values:

	Warrants issued \#	Weighted average exercise price $
Balance, March 31, 2019 and 2020	-	-
Warrants issued	5,670,400	0.36
Balance, March 31, 2021	**5,670,400**	**0.36**

(Expressed in Canadian Dollars)

4. SHARE CAPITAL (CONTINUED)

The following table reflects the warrants issued and outstanding as of March 31, 2021:

Expiry dates	Number of warrants outstanding	Exercise price ($)	Grant date fair value per warrant ($)	Estimated Remaining Contractual Life (years)
June 26, 2022	2,125,000	0.35	0.02	2.17
August 31, 2022	1,575,000	0.35	0.02	2.17
December 15, 2022	390,400	0.50	0.07	2.17
January 29, 2023	1,480,000	0.35	0.08	2.17
March 2, 2023	100,000	0.50	0.06	2.17
	5,670,400			

The weighted average exercise price and weighted average life are $0.36 and 2.17 years, respectively.

Key weighted average assumptions used in valuing the warrants using the Black-Scholes option pricing model were stock price of $0.12, risk-free interest rate of 0.50%, expected life of 2.17 years, expected dividend yield of 0% and expected volatility of 97% based on historical trading data of comparable digital media companies.

Stock Options:

On July 10, 2020, the Company discontinued its old stock option plan and established a new stock option plan (2020 Stock Option Plan). On October 16, 2020, the 2020 Stock Option Plan was approved by the shareholders. Rex granted an aggregate of 6,020,000 stock options to directors, officers, employees, and consultants of the Company, pursuant to the 2020 Stock Option Plan, of which 555,000 expired as at March 31, 2021. These options vested immediately upon the date of the shareholder approval and are exercisable for five years, at an exercise price equal to the average pre-listing financing share price. An estimated expense of $747,293 was recorded for the year ended March 31, 2021 (March 31, 2020 - $Nil) for these options.

The following tables reflect the stock options issued and outstanding as of March 31, 2021:

	Stock Options issued #	Weighted average exercise price $
Balance, March 31, 2019 and 2020	**-**	**-**
Stock options issued	6,020,000	(i)
Stock options expired	(555,000)	(i)
Balance, March 31, 2021	**5,465,000**	**(i)**

The following table reflects the option issued and outstanding as of March 31, 2021:

Expiry dates	Exercise price ($)	Remaining Contractual Life (years)	Number of options exercisable and outstanding	Vesting Terms
July 10, 2025	(i)	4.28	3,855,000	(ii)
August 4, 2025	(i)	4.60	530,000	(ii)
October 21, 2025	(i)	4.35	25,000	(ii)
December 1, 2025	(i)	4.58	530,000	(ii)
January 4, 2026	(i)	4.77	25.000	(ii)
March 17, 2026	(i)	4.97	500,000	(ii)
			5,465,000	

(i) average pre-listing financing issue prices – estimated to be $0.23 at March 31, 2021
(ii) All options granted have vested

(Expressed in Canadian Dollars)

4. SHARE CAPITAL (CONTINUED)

Key weighted average assumptions used in valuing the options as at March 31, 2021 using the Black-Scholes option pricing model were exercise price of $0.28, stock price of $0.18, risk-free interest rate of 0.52%, expected life of 4.78 years, expected dividend yield of 0% and expected volatility of 111% based on historical trading data of comparable digital media companies.

5. INCOME TAXES

Provision for Income Taxes

Major items causing the Company's income tax rate to differ from the federal statutory rate of 26.5% (2020 – 26.5%) were as follows:

Years Ended March 31,	2021	2020
Loss before income taxes	$ (2,809,679)	$ (122,673)
Expected income tax (recovery) based on statutory rate	(745,000)	(33,000)
Share based payments	198,000	---
Change in tax benefits not recognized	547,000	33,000
Deferred income tax provision	$ ---	$ ---

Deferred Income Tax

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences.

	2021	2020
Foreign exploration and development	$ 14,969,000	$ 14,969,000
Investment	9,396,000	9,396,000
Capital loss carry forwards	116,517,000	116,517,000
Non-capital loss carry forwards	4,641,000	4,094,000
	$145,523,000	$144,976,000

The tax losses expire from 2026 to 2041. The other temporary differences do not expire under current legislation. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

6. FINANCIAL INSTRUMENTS

Fair Value:

IFRS requires that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the reporting date based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying values of the Company's short-term financial instruments, comprising cash, amounts receivable, trade accounts payable and accrued liabilities, accrued compensation, and due to related parties approximate their fair values due to their limited term.

Cash and amounts receivable are measured at amortized cost. Trade accounts payable and accrued liabilities, accrued compensation and due to related parties are measured at amortized cost.

7. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of share capital, warrant reserve, contributed surplus, units to be issued, and deficit. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the search for new business opportunities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the years ended March 31, 2021 and 2020.

8. FINANCIAL RISK FACTORS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from the previous period.

Credit Risk

The Company has no significant concentration of credit risk arising from operations.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's amounts payable and other liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms.

Market Risk

Interest Rate Risk:

The Company does not currently have any outstanding variable interest-bearing loans and, therefore, the Company is not exposed to interest rate risk through fluctuations in the prime interest rate.

9. RELATED PARTY TRANSACTIONS

For the year ended March 31, 2021, the Company incurred legal fees of $142,491 included in general and administrative expenses (year ended March 31, 2020 - $39,651) and share issue costs of $41,630 (year ended March 31, 2020 - $Nil) payable to a law firm who is one of the major shareholders with 39.9% holdings of Rex, of which a director and former director of the Company are partners. Included in amounts payable and other liabilities as at March 31, 2021 is $21,200 (March 31, 2020 - $8,645) owing to this law firm. These amounts were unsecured, non-interest bearing and due on demand.

For the year ended March 31, 2021, the Company incurred management service fees of $Nil included in general and administrative expenses (year ended March 31, 2020 - $45,000, respectively) payable to a former director of the Company. Included in amounts payable and other liabilities as at March 31, 2021 is $Nil (March 31, 2020 - $Nil) owing to this former director.

Rex entered into an outsourcing agreement with a company controlled by a director effective from March 1, 2020. As per the terms of the contract, the related company will provide:

- Office facilities, staff and business supplies and services to Rex Opportunity Corp.
- Rex shall pay the company for provision of office facilities, personnel, staff and business supplies and services at market rates on cost recovery plus 15% overhead fee basis.

An expense of $443,269 which includes management fees, salaries (paid on behalf of Rex), consulting fees, office and other expenses was recorded during the year ended March 31, 2021 (year ended March 31, 2020 - $Nil), with respect to this outsourcing agreement. At the end of March 31, 2021, the amounts payable outstanding with respect to this outsourcing agreement was $32,114 (March 31, 2020 - $Nil).

9. RELATED PARTY TRANSACTIONS (CONTINUED)

For the year ended March 31, 2021, the Chief Executive Officer ("CEO") earned a fee of $50,000 (year ended March 31, 2020 - $Nil) per month. Payment of this fee is deferred until Rex is listed. Upon listing, the deferred amount will be payable. An expense of $600,000 has been recorded for the year ended March 31, 2021 (year ended March 31, 2020 - $Nil). During the year ended March 31, 2021, $86,250 of this liability was assigned to one of the major shareholders, which was then extinguished by increasing the consideration paid for the 8,625,028 shares this shareholder received in February 2020 from $0.01 to $0.02. A remaining liability of $513,750 as at March 31, 2021 (March 31, 2020 - $Nil) has been recorded for the CEO's accrued compensation. See Note 11.

For the year ended March 31, 2021, the Chief Operating Officer ("COO") earned a fee of $12,000 (year ended March 31, 2020 - $Nil) per month. Payment of this fee is 75% deferred until Rex is listed. The COO resigned on December 4, 2020 and the Company has redistributed his duties and responsibilities such that no replacement is required. An expense of $98,000 has been recorded for the year ended March 31, 2021 (year ended March 31, 2020 - $6,000). An accrued compensation liability of $72,000 as at March 31, 2021 (March 31, 2020 - $6,000) has been recorded. See Note 11.

For the year ended March 31, 2021, the Chief Investment Officer ("CIO") earned a fee of $12,000 per month for July and August 2020 and $14,585 per month from September 2020 onwards (year ended March 31, 2020 - $Nil). Payment of this fee is 75% deferred for the portion relating to July 2020 to March 2020 and 65% deferred henceforth until Rex is listed. An expense of $126,095 has been recorded for the year ended March 31, 2021, (year ended March 31, 2020 - $Nil). An accrued compensation liability of $96,600 (March 31, 2020 - $Nil) has been recorded as at March 31, 2021. See Note 11.

For the year ended March 31, 2021, the Chief Financial Officer ("CFO") earned a fee of $14,585 (year ended March 31, 2020 - $Nil) per month commencing August 4, 2020. An expense of $116,680 has been recorded for the year ended March 31, 2021 (year ended March 31, 2020 - $Nil). See Note 11.

As at March 31, 2021, the directors, certain former directors, and officers of the Company collectively controlled 39,882,950 common shares or approximately 67.3% (March 31, 2020 - 40,073,659 common shares or approximately 75.5%) of the total common shares outstanding. To the knowledge of directors and officers of the Company, the remainder of the Company's outstanding common shares are widely held. These holdings can change at any time at the discretion of the owner.

See Note 11.

10. LOSS PER SHARE

The calculation of basic loss per share for the year ended March 31, 2021 was based on total loss attributable to common shareholders of $2,809,679 (2020 - $122,673) and a weighted average number of common shares outstanding of 55,878,421 (2020 – 29,216,783).

Diluted loss per share equals basic loss per share as all outstanding options and warrants were anti-dilutive for all periods presented.

11. COMMITMENTS AND CONTINGENCIES

Executive Employment and Consulting Agreements

The Company has entered into certain employment and consulting agreements that can be terminated by either party providing not less than 3 months' notice. The total non-cancellable commitments of the Company related to these agreements is approximately $193,755.

11. COMMITMENTS AND CONTINGENCIES (CONTINUED)

The CEO, CFO, and CIO are entitled to receive two annual bonuses, separately calculated as:
- their base fee times the increase in the Rex share price; and
- their base fee times the increase in Rex revenue.

In addition, the CEO, CFO, and CIO are entitled to a bonus upon the sale or merger of the Company equal to an aggregate of 7% of the aggregate consideration paid to Rex or Rex's shareholders. As the triggering event has not taken place, the contingent payment has not been reflected in these financial statements.

See also Note 9.

COVID-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition in future periods. The Company is closely monitoring the business environment as a result to ensure minimal disruption to business operations.

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions for the year ended March 31, 2021 consist of:

a) The assignment of $86,250 of deferred compensation owed to the CEO to one of the major shareholders, which was then extinguished by increasing the consideration paid for the 8,625,028 shares this shareholder received in February 2020 from $0.01 to $0.02. See also Notes 4 and 9.
b) The December 15, 2020, non-brokered private placement financing of 780,800 units at $0.25 per unit for gross proceeds of $195,200 including settlement of $15,000 of amounts payable for creative service providers (Note 4).
c) The March 2, 2021, non-brokered private placement financing of 200,000 units at $0.25 per unit for gross proceeds of $50,000 including settlement of $5,000 of amounts payable for creative service providers (Note 4).

Significant non-cash transactions for the year ended March 31, 2020 consist of:

a) On February 28, 2020, the Company issued an aggregate of 26,219,471 common shares at a price of $0.01 per share in order to settle an aggregate $262,195 of outstanding debt. Of this transaction, $86,250 debt settlement was with a law firm of which a director of the Company is a partner, $16,500 in order to settle debt due to a former director and $159,445 to settle debt with a current director of the Company. See also Notes 4 and 9.

13. SUBSEQUENT EVENTS

On April 5, 2021, the Company granted to an employee of the Company 150,000 stock options expiring in five years from the date of the grant.

On May28, 2021, the Company granted to an officer of the Company 275,000 stock options expiring in five years from the date the grant.