TINKERINE™

TINKERINE STUDIOS LTD.

Unaudited Interim Consolidated Financial Statements
For the three months ended
March 31, 2023

(Expressed in Canadian dollars)

(Prepared by Management)

TINKERINE STUDIOS LTD.

NOTICE TO READER

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

The accompanying unaudited interim financial statements of the Company have been prepared by management and approved by the Board of Directors of the Company.

The Company's independent auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of the condensed interim financial statements by an entity's auditors.

TINKERINE STUDIOS LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (unaudited)
March 31, 2023
(Expressed in Canadian Dollars)

		Notes		March 31, 2023		December 31, 2022
ASSETS						
Current						
	Cash and cash equivalents	2	$	11,133	$	31,180
	Receivables	4	$	210,580		98,641
	Inventory	5	$	47,789		52,774
	Prepaids and deposits		$	22,385		9,740
Total current assets				291,887		192,335
Property and equipment		7		1,245		1,404
TOTAL ASSETS			$	293,132	$	193,739
LIABILITIES						
Current						
	Trade payables and accrued liabilities	6,8	$	816,513	$	760,953
	Short-term loans	9	$	185,800	$	175,000
	CEBA loan - short term	10	$	48,467	$	48,467
	Consumer deposits		$	423	$	2,000
	Promissory Notes	15	$	505,586	$	505,586
TOTAL LIABILITIES				1,556,789		1,492,006
EQUITY (DEFICIT)						
	Share capital	11		4,382,373		4,382,373
	Reserve	11		298,515		298,515
				(1,263,657)		(1,298,267)
TOTAL LIABILITIES AND EQUITY			$	293,132	$	193,739

Nature and continuance of operations (Note 1)

Approved on behalf of the Directors:

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

TINKERINE STUDIOS LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (unaudited)
March 31, 2023
(Expressed in Canadian Dollars)

	Notes	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
REVENUE			
Sales	12	$ 46,002	$ 47,838
Consulting income	12	147,900	-
		$ 193,902	$ 47,838
COST OF SALES			
Cost of goods sold		25,650	27,615
		25,650	27,615
GROSS PROFIT		168,252	20,222
EXPENSES			
Amortization	7	159	8,761
Bank and credit card charges		1,010	1,428
Foreign exchange (gain) / loss		799	569
Insurance		5,575	7,375
Interest Expense and accretion expense	9,10,15	-	15,559
Office and general		3,278	2,497
Professional and consulting fees		30,930	39,267
Rent and utilities		13,956	1,763
Research and development		180	425
Stock based compensation	11	-	5,805
Remuneration and benefits	8,14	72,941	70,242
Shareholder communications, filing & transfer agency		4,814	11,211
		133,642	164,905
NET OPERATING INCOME (LOSS)		34,610	(144,683)
OTHER INCOME/EXPENSE			
Loss on modification of lease		-	(5,729)
Gain on convertible debentures	15	-	65,020
NET AND COMPREHENSIVE INCOME (LOSS)		34,610	(73,934)
NET INCOME (LOSS) PER COMMON SHARE - BASIC AND DILUTED		$ 0.00	$ (0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED		49,675,849	49,675,849

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

TINKERINE STUDIOS LTD.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (unaudited)
March 31, 2023
(Expressed in Canadian Dollars)

		Share capital				
	Notes	Number of shares	Amount	Reserve	Deficit	Total
Balance at December 31, 2022		49,675,849	$ 4,382,373	$ 298,515	$ (5,979,155)	$ (1,298,267)
Transactions with owners, in their capacity as owners and other transfers:						
Net and comprehensive Income (loss)		-	-	-	34,610	34,610
Balance at March 31, 2023		49,675,849	4,382,373	298,515	(5,944,545)	(1,263,657)
Balance at December 31, 2021		49,675,849	4,382,373	315,053	(6,411,791)	(1,714,366)
Transactions with owners, in their capacity as owners and other transfers:						
Stock-based compensation	11		-	5,805	-	5,805
Share options exercised during the year		-	-	-		-
Cancellation of stock options	11			(75,260)	75,260	-
Net and comprehensive loss					(73,934)	(73,934)
Balance at March 31, 2022		49,675,849	4,382,373	245,598	(6,410,465)	(1,782,495)

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

TINKERINE STUDIOS LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)
March 31, 2023
(Expressed in Canadian Dollars)

	Three Months March 31 2023	Three Months December 31 2022
Cash Flow from Operating Activities		
Net income (loss)	$ 34,610	$ (73,934)
Items not involving cash		
Gain on convertible debentures	-	(65,020)
Loss on modification of lease	-	5,729
Amortization	159	8,761
Interest & Accretion	-	11,974
Stock-based compensation	-	5,805
	34,769	(106,684)
Changes in non-cash working capital items		
Receivables	(111,939)	3,768
Inventory	4,985	12,317
Prepaids and deposits	(12,645)	(1,439)
Trade payables and accrued liabilities	55,560	87,987
Customer deposits	(1,577)	-
	(65,616)	102,634
Net cash/(deficit) provided by operating activities	(30,847)	(4,051)
Cash Flows from Investing Activities		
Purchase of property and equipment	-	-
Right of use of asset capitalized	-	(24,940)
Net cash used in investing activities	-	(24,940)
Cash Flow from Financing Activities		
Proceeds of bridge loans	10,800	50,000
Proceeds from share issuance	-	-
Modification to fair value of long term loan	-	(43,119)
Repayment of lease liabilities'	-	(8,392)
Repayment of loan	-	(7,500)
Net cash used in financing activities	10,800	(9,011)
CHANGE IN CASH	(20,047)	(38,002)
CASH - BEGINNING	31,180	14,469
CASH - ENDING	$ 11,133	$ (23,533)

1. Nature and Continuance of Operations

Tinkerine Studios Ltd. (the "Company") was incorporated on May 25, 2006 under the laws of the province of British Columbia, Canada. The Company is listed on the TSX Venture Exchange ("TSX-V") under the trading symbol TTD. The Company's primary business is the design and manufacture, distribution of 3D printers, software and related online educational content.

The Company's registered and records office at 1500-1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7 and its head office is located at 113A 8725 92nd Street, Delta, British Columbia, Canada, V4G 0A4.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company entered into a Definitive Agreement ("DA") dated March 15, 2022 with respect to a potential business combination (the "Transaction") with Electrum Charging Solutions Inc., an arm's length third party ("Target", "Electrum" or "ECS"), which would result in a reverse-takeover ("RTO") of the Company by shareholders of Electrum.

The RTO is expected to be completed by way of triangular amalgamation, result in the Target becoming a wholly-owned subsidiary of Company (the "Resulting Issuer"). The Resulting Issuer will carry on the business previously executed by Electrum upon completion of the RTO.

The DA is subject to the receipt of all necessary third-party approvals and the standard terms and conditions concerning the due diligence review of Target, including financial statements, potential liabilities and material contracts. The DA further contemplates that all of the common shares in the capital of Target will be exchanged for common shares of Company at a ratio resulting in the shareholders of Target, owning approximately 95% of the Resulting Issuer and the shareholders of Company owning approximately 5% of the Resulting Issuer on an undiluted basis, not including any shares to be issued pursuant to the private placement financing discussed below. The RTO does not constitute a non-arm's length transaction. It is contemplated that various employees of TTD will continue to be employed by ECS.

The continuing operations of the Company are dependent upon its ability to generate profitable operations in the future, and to continue to secure additional financing. There can be no assurance that the Company will be successful in its efforts to raise additional financing or if financing is available, that it will be on terms that are acceptable to the Company. These events cast significant doubt about the Company's ability to continue as a going concern.

Based on the Company's operating history, and its relationship with its stakeholders, Management expects that the Company will require additional equity to have sufficient capital to fund operations for the upcoming fiscal year. Further discussion of liquidity risk has been disclosed in Note 15. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue operations as a going concern.

2. Basis of Presentation and Significant Accounting Policies

The financial statements were approved and authorized for issue on August 11, 2023 by the directors of the Company.

Statement of compliance with International Financial Reporting Standards

The condensed consolidated financial statements of the Company, including comparatives, comply with International Accounting Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

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

These condensed consolidated interim financial statements include all necessary information and disclosures required for interim financial statements but do not include disclosures required for a full annual financial report. These statements are intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2022.

Basis of preparation

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted, which is the Company's functional currency.

Certain figures for the prior year have been reclassified to conform to the current presentation.

Principles of consolidation

The consolidated financial statements include the accounts of the Company and its 100% controlled entity, Tinkerine 3D Print Systems Ltd.

Significant estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. The preparation of the financial statements also requires management to exercise judgment in the process of applying the accounting policies. On an on-going basis, management evaluates its estimates and assumptions in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances, as the basis for its estimates and assumptions. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. Actual outcomes may differ from those estimates under different assumptions and conditions.

(Expressed in Canadian dollars)

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the impairment and useful lives of equipment and

3. Accounting Standards Issued but Not Yet Effective

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

4. Receivables

	March 31, 2023	December 31, 2022
Trade receivables	$ 209,008	$ 23,977
GST recoverable	1,572	1,780
	$ 210,580	$ 25,757

Trade receivables relate to completed sales.

At March 31, 2023 and December 31, 2022 no accounts receivable is due beyond one year. The fair value of accounts receivable approximates their carrying value as at March 31 2023 and December 31, 2022 and 2021 respectively.

5. Inventory

	March 31, 2023	December 31, 2022
Raw materials	$ 45,504	$ 48,767
Finished goods	2,285	4,007
	$ 47,789	$ 52,774

6. Trade Payables and Accrued Liabilities

	March 31, 2023	December 31, 2022
Trade payables	$ 272,084	$ 253,062
Accrued liabilities	544,429	507,891
	$ 816,513	$ 760,953

(Expressed in Canadian dollars)

7. Property and Equipment

	Equipment	Computers	Total
Cost:			
December 31, 2019 and 2020	$ 58,673	$ 6,094	$ 64,767
Addition	856	1,396	2,252
December 31,2021 and 2022	59,529	7,490	67,019
Amortization:			
December 31, 2020	58,673	6,094	64,767
Additions	57	155	212
December 31, 2021	58,730	6,249	64,979
Additions	172	464	636
December 31, 2022	58,902	6,713	65,615
Additions	43	116	159
March 31, 2023	58,945 -	6,829 -	65,774
Net book value:			
December 31, 2022	$ 627	$ 777	$ 1,404
March 31, 2023	$ 584	$ 661	$ 1,245

8. Related Party Transactions

As at March 31, 2023, included in prepaids and deposits is $2,435 (2022 - $2,435), which has been paid to a director of the Company.

Included in professional and consulting fees during the three-month period ended March 31, 2023 is $30,000 (2022-$30,000), which is paid and accrued to one of the officers of the Company.

As at March 31, 2023, included in trade payables is $162,183 (2022 - $138,183), that is due to directors of the Company. Balances due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment

The compensation of key management personnel and related parties were as follows:

	March 31 2023	**December 31 2022**
Remuneration, fees and short term benefits	24,000	108,250
Stock-based compensation	-	7,148
	$ 24,000	$ 115,398

As at March 31, 2022, included in accrued liabilities is $415 (2022-$5,565), which is due to directors and officers of the Company.

As at March 31, 2023, promissory notes (previously, a convertible debenture) amounting to $302,234 were issued to directors and officers (Note 16)

The Company has renewed the lease agreement with a director of the Company (Note 14) for another 3-year term, which remains effective as at March 31, 2023.

9. Short Term Loans

During the year ended December 31, 2020, the Company received $90,000 short term loans from five individuals of which $77,500 remains outstanding at March 31, 2023 at an annual interest rate of 12% previously repayable as at April 28, 2021, and has subsequently been extended. The total interest expense recognized for the period ended March 31 2023 is $nil (2022-$2,493).

Electrum Charging Solutions Inc.(“ECS”), as part of the proposed reverse take over transaction (“RTO”) (Note 1), advanced $100,000 loan (the “Bridge Loan”) to the Company. The Bridge Loan does not bear interest for 180 days, and thereafter interest at 5% per annum, mature 180 days from the date of the Bridge Loan and is unsecured. ECS has the right and option by written notice to the Company to convert the principal amount, and interest into common shares of the Company in the first 180 days after termination of the RTO agreement

10. CEBA Loan

The Company received the Canada Emergency Business Account (“CEBA”) interest-free loan of $60,000 of which $10,000 is forgivable if repaid by December 31, 2022 and $20,000 is payable on demand. The loan was recorded at a fair value of $43,916 using an effective rate of 12%, considering the grant, the interest- free loan and the forgivable portion. The residual value of $17,925 was recorded as other income. As of March 31, 2022, accretion of $nil (March 31, 2022-$649) has been recognized in the statement of comprehensive loss and a balance of $48,467 (December 31, 2022-$48,467) is recorded as the short-term CEBA Loan which matures on December 31, 2023.

11. Share Capital

Authorized share capital

Unlimited number of common shares without par value.

There were 49,675,849 common shares issued and outstanding as at March 31 2023.

Changes in issued share capital

There are no changes in issued share capital for the period ended March 31, 2023 (March 31, 2022- nil).

Stock options

For the first quarter ended March 31, 2023, there were no issuance of share options

For the first quarter ended March 31, 2023, $nil (2022 - $5,805) was recognized as stock-based compensation based on this recognition system.

For the period ended March 31, 2023, nil, (2022-1,125,000) stock options were cancelled, and the corresponding amount of $nil (2022-$75,260) was reallocated from reserves to deficit.

(Expressed in Canadian dollars)

A continuity schedule of stock options is as follows:

Number of options	Exercise Price	Expiry date
4,845,000	$0.125	Apr 24, 2025
730,000	$0.070	Oct 19, 2026

As at March 31, 2023, the following stock options were outstanding and exercisable:

	Number of stock options
Balance December 31, 2022	5,575,000
Granted	-
Exercised	-
Cancelled	-
Balance March 31, 2022	5,575,000
Exercisable March 31, 2023	5,575,000

As at March 31, 2023, the weighted average exercise price of stock options is $0.12 with an average remaining term of 2.26 years.

Reserve

The reserve records items recognized as stock based compensation expense and the fair value of warrants issued based on the residual method. At the time that the stock options or warrants are exercised, the corresponding amount is reallocated to share capital, or if they are cancelled the corresponding amount is reallocated to deficit.

12. Segmented Information

The Company operates in one reportable operating segment, being the sale of 3D printers and provision of related services. The summarized financial information for the revenue derived by geographic segment is as follows:

	March 31 2023	March 31 2022
Total Revenue		
Canada	$ 190,005	$ 37,802
United States	3,897	10,036
	$ 193,902	$ 47,947

During the first quarter of 2023, there were three customers that made up more than 62% of total revenue. During the period March 31, 2022, there was also three customer represented in excess of 63% of total revenue.

(Expressed in Canadian dollars)

13. Commitment and Contingency

The Company may be subject to a variety of claims and suits that arise from time to time in the ordinary course of business. These matters are subject to inherent uncertainties.

14. Salaries and Benefits

On April 17, 2020, the Government of Canada announced $250 million in funding for the IAP program to assist Canadian small and medium-sized enterprises. As a result of qualifying for the subsidy, the Company recognized $nil (2022-$117,213) as a reduction of salaries and benefits.

15. Promissory Notes and Convertible Debentures

On December 5, 2020, the Company entered into an agreement with its employees to settle wages payable to them. The agreement resulted in the Company issuing unsecured promissory notes, with no interest or dividend, maturing no earlier than February 16, 2022. On February 17, 2022 the maturity date for the notes, with the exception of one note issued to a former employee for the amount of $56,602, were extended to May 17, 2023 and subsequently, convertible debenture was reclassified as a current promissory note payable without interest, conversion or repayment terms.

The total amount of promissory notes issued was $599,087. The promissory notes can be converted into common shares at 15% discounted rate of the market price on the date of the conversion. Any issuance of shares as a result of conversion is subject to TSX-V approval. Management determined that this conversion feature was not a derivative liability.

On issuance date of the promissory notes, the fair value of the liability was determined to be $482,325, resulting in a gain of $116,762, using a 20% discount rate. The extension of the maturity date to May 17, 2022 was determined to be an extinguishment of debt and the previous carrying value of the convertible debenture was re-recognized at the modification date of February 17, 2022 and the new carrying value of the debt calculated based on the new terms was recognized and the adjusting effect of $110,083 was recognized in the consolidated statement of comprehensive loss for the year ended December 31, 2022.

The promissory note have not been repaid as at this report date and are in default.

The continuity of the convertible debenture is set out below:

Balance at December 31, 2021	$	583,902
Accretion	$	88,369
Reclass of loan due on demand to accrued liabilities (note 6)	$	(56,602)
Gain on modification	$	(110,083)
Balance at December 31, 2022	$	505,586
Accretion to March 31, 2023	$	-
Balance at March 31, 2023	$	505,586

16. Capital Management

The Company's policy is to maintain a sufficiently strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, net of cash.

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to any externally imposed capital requirements

17. Financial Instruments and Financial Risk Management

The fair value of the Company's financial assets and liabilities approximates its carrying amount.

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

Asset/Liability	*Category*	*Measurement*
Cash	Fair value through profit or loss	Fair value
Trade receivables	Loans and receivables	Amortized cost
Trade payables	Other financial liability	Amortized cost

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. 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.

As at March 31, 2022 and at December 31, 2021, the Company measures its cash based on Level 1 inputs.

Financial instrument risk exposure and management

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

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash from operations.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company may from time to time extend unsecured credit to its customers and therefore, the collection of trade receivables may be affected by changes in economic or other conditions. The Company has not experienced any significant credit loss in the collection of trade receivable to date. The Company’s other exposure to credit risk is on its cash held in bank accounts. The Company manages this risk by maintaining bank accounts with reputable financial institutions.

Foreign exchange risk

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