

HEADSUP ENTERTAINMENT INTERNATIONAL, INC.

Condensed Consolidated Interim Financial Statements

For the three months ended April 30, 2022 and 2021

(Expressed in Canadian dollars)



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Notice to Reader

HeadsUp Entertainment International, Inc.

1739 - 246 Stewart Green SW
Calgary, AB T3H 3C8

On the basis of information provided by management, we have compiled the condensed consolidated interim balance sheets of HeadsUp Entertainment, Inc. as at April 30, 2022 and January 31, 2022, and the condensed consolidated interim statements of operations, cash flows and equity for the three months ended April 30, 2022 and 2021.

We have not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not provide any form of assurance on the financial information.

Readers are cautioned that these statements may not be appropriate for their purposes.

SHIM & Associates LLP

Chartered Professional Accountants

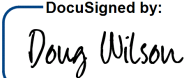
Vancouver, Canada
June 14, 2022

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

HeadsUp Entertainment International, Inc.
CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS
(Unaudited – See Notice to Reader)
As at April 30, 2022 and January 31, 2022
 (Expressed in Canadian dollars)

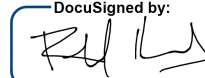
	April 30, 2022	January 31, 2022
ASSETS		
Current		
Cash	\$ 2,415	\$ 41,034
Account receivable	29,520	20,398
Prepaid expenses	232,985	245,485
Total current assets	264,920	306,917
Long-term investment (Note 4)	2,226,610	2,050,560
Loans and notes receivable (Note 5)	689,096	581,196
TOTAL ASSETS	\$ 3,180,626	\$ 2,938,673
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 143,106	\$ 136,690
Short-term loan payable (Note 6)	1,550,520	1,293,870
Due to related parties (Note 7)	684,003	662,011
TOTAL LIABILITIES	2,377,629	2,092,571
EQUITY		
Common shares (Note 8)	229,090	229,090
Preferred shares (Note 8)	250,000	250,000
Contributed surplus	3,362,157	3,362,157
Deficit	(3,038,250)	(2,995,145)
TOTAL EQUITY	802,997	846,102
TOTAL LIABILITIES AND EQUITY	\$ 3,180,626	\$ 2,938,673

Approved and authorized for issuance by the Board of Directors on June 14, 2022:

DocuSigned by:

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 Douglas Wilson, Director

Approved on Behalf of the Board of Directors:
 DocuSigned by:

 Mark Hutchinson, Director

DocuSigned by:

 04C8DD0625D64FE...
 Richard Keeley, Director

HeadsUp Entertainment International, Inc.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS
(Unaudited – See Notice to Reader)
For the three months ended April 30, 2022 and 2021
(Expressed in Canadian dollars)

	2022	2021
Revenue	\$ 4,742	\$ 1,029
Operating expenses		
Advertising and promotion	19,610	15,517
Consulting fees (Notes 8 and 11)	9,969	54,556
Interest expenses (Note 7)	3,600	3,600
Office and miscellaneous	16,259	12,427
Professional fees	6,817	14,002
Travel	714	746
Total operating expenses	56,969	100,848
Net loss before other items	(52,227)	(99,819)
Loss on settlement of debt (Note 8)	-	(943,148)
Interest income	9,122	3
Net loss for the year	\$ (43,105)	\$ (1,042,964)
Loss per share	\$ (0.00)	\$ (0.00)
Weighted average number of common shares	229,089,368	222,207,095

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

HeadsUp Entertainment International, Inc.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF EQUITY
(Unaudited – See Notice to Reader)
For the three months ended April 30, 2022 and 2021
(Expressed in Canadian dollars)

	<u>Common Stock</u>		<u>Preferred Stock</u>		Subscriptions received in advance	Contributed Surplus	Deficit	TOTAL
	Number of Shares	Amount	Number of Shares	Amount				
Balance, January 31, 2021	204,207,657	204,208	5,000,000	250,000	-	1,765,307	(1,602,377)	617,138
Shares issued for cash	500,000	500	-	-	-	49,840	-	50,340
Shares issued for services	19,350,000	19,350	-	-	-	948,151	-	967,501
Shares cancelled	(5,000,000)	(5,000)	-	-	-	5,000	-	-
Subscriptions received in advance	-	-	-	-	125,850	-	-	125,850
Net loss for the period	-	-	-	-	-	-	(1,042,964)	(1,042,964)
Balance, April 30, 2021	219,057,657	219,058	5,000,000	250,000	125,850	2,768,298	(2,645,341)	717,865
Balance, January 31, 2022	229,089,368	229,090	5,000,000	250,000	-	3,362,157	(2,995,145)	846,102
Net loss for the period	-	-	-	-	-	-	(43,105)	(43,105)
Balance, April 30, 2022	229,089,368	229,090	5,000,000	250,000	-	3,362,157	(3,038,250)	802,997

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

HeadsUp Entertainment International, Inc.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited – See Notice to Reader)
For the three months ended April 30, 2022 and 2021
(Expressed in Canadian dollars)

	2022	2021
OPERATING ACTIVITIES		
Net loss	(43,105)	(1,042,964)
Adjustment for non-cash items:		
Accrued interest expense	3,600	3,600
Advertising and promotion fees paid in preferred shares	-	12,500
Consulting fees paid in common shares	-	24,352
Loss on settlement of debt	-	943,148
Change in non-cash working capital:		
Account receivable	(9,122)	-
Prepaid expenses	12,500	(37,755)
Accounts payable and accrued liabilities	6,416	(4,515)
CASH USED IN OPERATING ACTIVITIES	(29,711)	(101,634)
INVESTING ACTIVITIES		
Loans and notes receivable	(107,900)	-
Long-term investments	(176,050)	-
CASH USED IN INVESTING ACTIVITIES	(283,950)	-
FINANCING ACTIVITIES		
Shares issued for cash	-	50,340
Subscriptions received in advance	-	125,850
(Repayments) advances from related parties	18,392	(1,654)
Short-term loan	256,650	34,450
CASH PROVIDED BY FINANCING ACTIVITIES	275,042	208,986
DECREASE IN CASH	(38,619)	107,352
CASH - BEGINNING OF PERIOD	41,034	21,289
CASH - END OF PERIOD	2,415	128,641
Cash paid for interest expense	-	-
Cash paid for income taxes	-	-

Supplemental cash flow information (Note 12)

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

HeadsUp Entertainment International Inc.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited – See Notice to Reader)
 For the three months ended April 30, 2022 and 2021
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1. NATURE OF OPERATIONS AND GOING CONCERNS

HeadsUp Entertainment International, Inc. (the "Company") is a global media and entertainment company engaged in the creation of branded entertainment through the development, production and marketing of televised programming based on poker and other entertainment themes. The address of the registered office is 1739 – 246 Stewart Green SW, Calgary, Alberta T3H 3C8.

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. At April 30, 2022, the Company had a working capital deficiency of \$2,122,709 (January 31, 2022 – \$1,785,654) and had an accumulated deficit of \$3,038,250 (January 31, 2022 – \$2,995,145) which has been funded primarily by equity financing or loans from related parties. The Company's continuing operations, as intended, and its financial success may be dependent upon the extent to which it can successfully raise the capital to carry out its business plan. If the Company is unable to fund its future plan, its business, financial condition or results of operations could be materially and adversely affected. The success of the Company depends on its ability to profitably penetrate its target market with its new products on a sustainable basis. The Company has never generated revenue, cash flows or profits from operations.

The Company's ability to launch its operations as intended is dependent on its ability to generate revenue and raise capital sufficient to cover its marketing and other costs. All of these factors indicate a material uncertainty that raise significant doubt about the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PRESENTATION

These condensed consolidated interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretation Committee ("IFRIC").

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the reporting and functional currency of the Company. These condensed consolidated interim financial statements are prepared on a historical cost basis except for certain financial instruments as described at Note 3, which are stated at their fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of consolidation

Consolidated financial statements include the assets, liabilities and results of operations of all entities controlled by the Company. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the Company's the consolidated financial statements.

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiary, HeadsUp Entertainment Inc., a company incorporated in Canada.

HeadsUp Entertainment International Inc.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited – See Notice to Reader)
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3. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates and judgments

The preparation of these condensed consolidated financial statements requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgements and estimates. The condensed consolidated interim financial statements include judgements and estimates which, by their nature, are uncertain. The impacts of such judgements and estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of judgements and estimates that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Judgments

i) Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgement. Management monitors future cash requirements to assess the Company's ability to meet these future funding requirements. Further information regarding going concern is outlined in Note 1.

ii) Receivables

The Company assesses the collectability of receivables on an ongoing basis. A provision for the impairment of receivables involves significant management judgment and includes the review of individual receivables based on individual customer creditworthiness, current economic trends and analysis of historical bad debts.

Estimates

iii) Fair value of financial instruments

Management uses valuation techniques, in measuring the fair value of financial instruments, where active market quotes are not available. Details of the assumptions used are provided in the notes regarding financial assets and liabilities.

In applying the valuation techniques, management makes maximum use of market inputs wherever possible, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. Such estimates include liquidity risk, credit risk and volatility may vary from the actual results that would be achieved in an arm's length transaction at the reporting date.

HeadsUp Entertainment International Inc.
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Revenue recognition

Revenue is recognized when it is probable that economic benefits associated with the transaction will flow to the Company and the amount of revenue can be measured reliably and collection is reasonably ensured.

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity. Share issue costs incurred in advance of share subscriptions are recorded as non-current deferred assets. Share issue costs related to uncompleted share subscriptions are expensed in the period they are incurred.

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for non-monetary consideration are recorded at their fair market value based upon the trading price of the Company's shares on a recognized exchange on the date of the agreement to issue the shares or the date of share issuance, whichever is more appropriate.

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options, warrants and convertible instruments were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Financial instruments

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other Comprehensive Income ("OCI") or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

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Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transactions costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial liabilities are measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in income. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method.

Debt instruments

Subsequent measurement of debt instrument depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of loss and comprehensive loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss and comprehensive loss.
- **FVTPL:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

HeadsUp Entertainment International Inc.
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Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of loss and comprehensive loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

The Company has classified its financial instruments as follows:

<u>Financial Instrument</u>	<u>Classification</u>
Cash	FVTPL
Amounts receivable	Amortized cost
Loans and notes receivable	Amortized cost
Accounts payable	Amortized cost
Short-term loan payable	Amortized cost
Due to related parties	Amortized cost

The three levels of the fair value hierarchy are as follows:

Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Values based on quoted prices in markets that are not active or models inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The fair value of cash is determined based on Level 1 inputs which consist of quoted prices in active markets for identical assets. As at April 30 and January 31, 2022, the Company believes that the carrying values of cash, amounts receivable, loans and notes receivable, accounts payable and accrued liabilities and due to related parties approximate the fair values because of their nature and relatively short maturity dates or durations.

HeadsUp Entertainment International Inc.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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4. LONG-TERM INVESTMENT

Interactive Media Inc.

The Company's investment in the amount of \$500,000 in Interactive Media Inc. ("Interactive"), a private company incorporated in Alberta, Canada, is unsecured, non-interest bearing, and due on demand (the "Interactive Loan").

The Interactive Loan is convertible into common shares of Interactive at \$1 per common share.

Spinola Software Solutions Limited

In May 2021, the Company entered into a letter of intent to acquire Spinola Software Solutions Limited and Jackpot Group Limited (together, "Spinola"). As a condition of the closing, the Company and Spinola entered into a Loan Agreement and Promissory Note, to be secured by stock in Spinola (the "Spinola Loan").

The Spinola Loan in the amount of US\$720,000 is effective May 5, 2021, bears interest of 3% per annum, and is due within 12 months. All payments are first applied to accrued interest and the balance to principal. The Spinola Loan can be paid in whole or in part, at any time and from time to time, without penalty or premium.

At April 30, 2022, the acquisition of Spinola has not been completed.

5. LOANS AND NOTES RECEIVABLE

The loans and notes receivable as of April 30 and January 31, 2022 are due from non-arm's length parties.

The loans and notes receivable as of April 30 and January 31, 2022 are unsecured, non-interest bearing, and due on demand.

6. SHORT-TERM LOAN PAYABLE

During the year ended January 31, 2022, the Company received \$1,018,310, \$34,450 and \$162,455 from three non-arm's length parties. The loans are unsecured, non-interest bearing, and due on demand.

During the three months ended April 30, 2022, the Company received \$256,650 from a non-arm's length party. The loans are unsecured, non-interest bearing, and due on demand.

7. DUE TO RELATED PARTIES

The balance due to related parties as of April 30 and January 31, 2022 are payable to officers and directors of the Company (the "RP Loan"). The RP Loan is secured by the assets of the Company and is interest-bearing. During the three months ended April 30, 2022, the Company recorded an interest expense of \$3,600 (2021 - \$3,600). There are no set terms of repayment.

The RP Loan is convertible into common shares of the Company at a price no lower than the last 12-month average closing price of the Company's common shares listed on the OTC pink sheet.

HeadsUp Entertainment International Inc.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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8. SHARE CAPITAL

(a) Authorized:

During the year ended January 31, 2021, the Company's Articles of Incorporation were amended and restated, which resulted in a change of its authorized share capital as follows:

500,000,000 shares of common stock, with \$0.001 par value.

10,000,000 shares of preferred stock, with \$0.001 par value.

The Company's share capital information has been retroactively restated to present the par value of its common stock, with the remaining amount presented as contributed surplus.

The Company is authorized to divide the 10,000,000 shares of preferred stock from time to time into one or more series. and to determine or change by resolution for each such series its designation, the number of shares of such series, the powers, preferences and rights and the qualifications, limitations or restrictions for the shares of such series.

The Company designated 5,000,000 Series A Convertible Preferred Stock. The Series A Convertible Preferred Stock shall be pari passu with the Company's common stock. Each holder of outstanding shares of Series A Convertible Preferred Stock shall not be entitled to receive any dividends, except as may be declared by the Board of Directors in its sole and absolute discretion out of funds legally available for that purpose. The holders of Series A Convertible Preferred Stock shall not be entitled to vote on any matters submitted or required to be submitted to a vote of the shareholders of the Company, except as otherwise required by law, in which case every holder of Series A Convertible Preferred Stock shall be entitled to the number of votes equal to the number of whole shares of Common Stock into which such shares of Series A Convertible Preferred Stock are convertible, at the record date for the determination of shareholders entitled to vote on such matters or, if no such record date is established, at the date such vote is taken or any written consent of shareholders is solicited.

Each share of Series A Convertible Preferred Stock shall be convertible, at the option of the holder thereof, at any time, into one share of the Company's Common Stock.

(b) Issued and Outstanding:

During the year ended January 31, 2021, the Company issued 5,000,000 Series A Convertible Preferred Stock with a value of \$0.05 per share for a total fair value of \$250,000 pursuant to a marketing agreement.

On February 2, 2021, the Company issued 19,350,000 shares of common stock, valued at \$0.05 per share, to certain directors and consultants for services rendered to the Company resulting in a loss of \$943,148 (Note 12).

On April 23, 2021, the Company issued 500,000 shares of common stock for \$0.10 (US\$0.08) per share for a gross proceed of \$50,340 (US\$40,000).

On May 26, 2021, the Company issued 416,667 shares of common stock for \$0.07 (US\$0.06) per share for a gross proceed of \$30,733 (US\$25,000).

On June 5, 2021, the Company issued 5,095,752 shares of common stock for \$0.06 (US\$0.046) per share for a gross proceed of \$296,741 (US\$234,405), and 1,425,987 shares of common stock for \$0.06 (US\$0.046) per share to certain consultant for services rendered to the Company.

HeadsUp Entertainment International Inc.**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****(Unaudited – See Notice to Reader)**

For the three months ended April 30, 2022 and 2021

(Expressed in Canadian dollars)

On June 8, 2021, the Company issued 243,305 shares of common stock for \$0.07 (US\$0.06) per share for a gross proceed of \$18,068 (US\$14,598).

On June 30, 2021, the Company issued 1,850,000 shares of common stock for \$0.06 (US\$0.05) per share for a gross proceed of \$113,845 (US\$92,500).

On September 10, 2021, the Company issued 1,000,000 shares of common stock for \$0.06 (US\$0.05) per share for a gross proceed of \$61,465 (US\$50,000).

(c) Shares cancelled:

On April 13, 2021, 5,000,000 shares of common stock were returned to treasury and cancelled due to an unfulfilled service agreement.

9. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the operation of the Company. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through equity or debt financing. The Company is not subject to any capital requirements imposed by a regulator.

10. FINANCIAL INSTRUMENTS**Classification of financial instruments**

	Financial assets – FVTPL	Financial assets – amortized cost	Financial liabilities – amortized cost
As at April 30, 2022			
Cash	\$ 2,415	\$ -	\$ -
Accounts receivable	-	29,520	-
Loans and notes receivable	-	689,096	-
Accounts payable	-	-	143,106
Short-term loan payable	-	-	1,550,520
Due to related parties	-	-	684,003
As at January 31, 2022			
Cash	\$ 41,034	\$ -	\$ -
Accounts receivable	-	20,398	-
Loans and notes receivable	-	581,196	-
Accounts payable	-	-	136,690
Short-term loan payable	-	-	1,293,870
Due to related parties	-	-	662,011

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The fair value of the Company's financial assets and liabilities approximates the carrying amount because of their nature and relatively short maturity dates or durations.

The Company's financial instruments are exposed to certain financial risks, which include the following:

Credit risk

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash and receivables. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. The loans and notes receivables are due from related parties and are subject to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company intends to ensure that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's holdings of cash. As at April 30, 2022, the Company had cash of \$2,415 (January 31, 2022 - \$41,034) to settle the total current liabilities of \$2,377,629 (January 31, 2022 - \$2,092,571), of which \$2,221,368 is due to related parties. The Company continues to obtain financing via short term loans or advances from related parties to meet its debt obligations as they become due.

Foreign exchange risk

Foreign currency 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 is not exposed to significant foreign exchange risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

11. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers. The aggregate values of transactions relating to key management are as follows:

Three Months Ended April 30,	2022	2021
	\$	\$
<u>Consulting fees</u>		
Two directors	6,969	32,721

As at April 30, 2022, the Company's accounts payable included the balances of \$1,169 owing to one of the directors.

See Notes 5, 6 and 7 for related party transactions.

HeadsUp Entertainment International Inc.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited – See Notice to Reader)
For the three months ended April 30, 2022 and 2021
(Expressed in Canadian dollars)

12. NON-CASH TRANSACTIONS

On February 2, 2021, the Company issued 19,350,000 shares of common stock, valued at \$0.05 per share, to certain directors and consultants for services rendered to the Company resulting in a loss of \$943,148 (Note 8).