AlphaGen

ALPHAGEN INTELLIGENCE CORP.

MANAGEMENT’S DISCUSSION AND ANALYSIS

FOR THE SIX MONTHS ENDED

DECEMBER 31, 2024

OVERVIEW

This Management's Discussion and Analysis ("MD&A") has been prepared by management in accordance with the requirements of National Instrument 51-102 and should be read in conjunction with the condensed consolidated interim financial statements (the "financial statements") and notes thereto for the six months ended December 31, 2024, of AlphaGen Intelligence Corp. (the "Company"). Such financial statements have been prepared in accordance with IFRS.

In this MD&A, reference is made to adjusted EBITDA which does not have any standardized meaning under IFRS and is not a measure of financial performance under IFRS, and therefore, may not be comparable to similar measures presented by other companies. Management believes this measure provides useful information to investors as it is a commonly used measure in the capital markets and as management believes that it is a close proxy for repeatable cash generated by operations. While management believes EBITDA is a useful measure, it has limitations as an analytical tool, and it should not be considered in isolation or as a substitute for analysis of other IFRS financial measures. Some of the limitations of EBITDA are that it does not reflect the dilution that results from share-based payments, does not reflect the cost to replace amortized property and equipment and right-of-use assets and does not reflect income tax payments.

The Company calculates adjusted EBITDA as follows: Net income (loss), plus (minus) the add-backs or reversals of the following: unrealized foreign exchange (gains) losses, interest (income) expense, tax (recovery) expense, depreciation expense, share-based payments, gain on debt settlements/ extinguishments, and certain one-time non-operating expenses, as determined by management.

All dollar amounts are expressed in Canadian dollars, as the Company's presentation currency is the Canadian dollar. The Company and Shape Immersive Entertainment Inc.'s ("Shape") functional currency is the Canadian dollar, while Esports Enterprises Inc. and GamerzArena LLC's functional currency is the US dollar.

The Company's management is responsible for the preparation of the Company's financial statements as well as other information contained in this MD&A. The Board of Directors of the Company has approved this MD&A on February 28, 2024**.**

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this report are forward-looking statements and information relating to the Company that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "*anticipate*", "*believe*", "*estimate*", "*expect*" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the Company's operations. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or our achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. This MD&A should be read in conjunction with the risk factors described in the *Risk Factors* section of this MD&A. Although the Company has attempted to identify important factors that could cause actions, events or results to differ materially from those described in the forward-looking statements, there may be other factors that cause actions, events, or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as at the date of the MD&A. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the forward-looking statements.

DESCRIPTION OF BUSINESS

AlphaGen Intelligence Corp. was incorporated under the laws of British Columbia on March 1, 2019. The Company's registered office is 2200-885 West Georgia Street, Vancouver, British Columbia V6C 3E8. On May 14, 2021, the Company's shares began trading on the Canadian Securities Exchange ("CSE") which now trade under the symbol, "AIC".

The Company is a technology-driven organization specializing in the creation of immersive content for the metaverse and augmented reality landscapes. Our expertise extends to various domains, including gaming and gaming-as-a-service (GaaS) applications, as well as the implementation of generative artificial intelligence (AI). We are dedicated to metaverse development and offer services aimed at enhancing the profitability and engagement within esports and gaming ecosystems.

EXTERNAL MARKET FACTORS

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, the outbreaks of the coronavirus (COVID-19) pandemic, relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

HIGHLIGHTS

June 28, 2024, the Company appointed Paul Sparkes as the new CEO, effective immediately. Mr. Brian Wilneff has stepped down as CEO and resigned from the Board of Directors of the Company. Mr. Sparkes is an accomplished business leader and entrepreneur with over twenty-five years of experience in media, finance, capital markets and Canada's political arena. Paul spent a decade as a leader in the broadcast and media industry as CTV globemedia's Executive Vice President, Corporate Affairs. He also held senior positions in public service, including with the Government of Canada as Director of Operations to Prime Minister Jean Chretien and Special Assistant for Atlantic Canada, and as a senior aide to two Premiers of Newfoundland and Labrador. Paul was a Co-Founder and Executive Vice Chairman at Difference Capital Financial and serves on several private and public boards. Paul was most recently President of Otterbury Holdings Inc. and the Chief Executive Officer of Vortex Energy Corp. and is an advisor and deal maker for growth companies in the private and public markets.

In connection with Mr. Wilneff's departure from the Company, the Company subsequently settled outstanding debt owed to Mr. Wilneff in an amount of $102,750 through the issuance of 2,055,000 common shares. Further, pursuant to Milestone's achieved pursuant to Mr. Wilneff's CEO contract, Mr. Wilneff will receive an additional 607,444 common shares. The common shares were issued with a price of $0.05 per common share. Any common shares issued to Mr. Wilneff as part of the debt settlement and milestone reached will be subject to a statutory four month and one day hold.

October 7, 2024, the Company changed its auditor from De Visser Gray LLP Inc., Chartered Professional Accountants ("Former Auditor") to Charlton & Company, Chartered Professional Accountants ("Successor Auditor"), effective October 4, 2024. AlphaGen's Board of Directors accepted the resignation of the Former Auditor, as of October 4, 2024, and appointed the Successor Auditor as the new auditor of the Company effective October 4, 2024, to hold office until the close of the Company's next annual general meeting of shareholders. There were no reservations in the Former Auditor's audit reports for any financial period during which the Former Auditor was the Company's auditor. There are no "reportable events" (as the term is defined in National Instrument 51-102 - Continuous Disclosure Obligations) between the Company and the Former Auditor.

On January 31, 2025, the Company announces that it has entered into a debt settlement agreement (the "Agreement") to settle outstanding debt owed to a creditor of the Company. Pursuant to the Agreement, the Company has agreed to settle an aggregate of $115,000 in debt through the issuance of 3,833,333 units (each, a "Unit") at a deemed price of $0.03 per Unit, whereby each Unit shall be comprised of one (1) common share in the capital of the Company (each a "Share") and one (1) Share purchase warrant (each, a "Warrant"). Each Warrant will be convertible into an additional Share (a "Warrant Share") at an exercise price of $0.05 per Warrant Share and will expire on the date that is two (2) years following the date of issuance.

KEY BUSINESS ACTIVITIES

During the six months ended December 31, 2024, the Company focused on development of its multi-million dollar retail metaverse project. This project was paused by the vendor at the soft launch stage and the Company continues to wait and see what the next phases of the contract might entail. In the meantime, the Company has undergone significant cost saving strategies, reducing spending to the bare minimum until new customers are obtained or the project is renewed. The Company remains optimistic that it can serve customer needs, in the event new projects are acquired as its operations are easily scaled with the use of remote consultants.

The Company also looks to new projects and continues to evaluate the best path forward coinciding with the addition of the Company's new CEO, Paul Sparkes.

Subsidiaries and their activities

Shape Immersive Entertainment Inc. is the core of revenue production through its product offerings which include 3D content production, generative AI technology design and implementation, development of virtual retail and other metaverse space applications.

Business acquisitions

None to report during the six months ended December 31, 2024.

TRANSACTIONS IN PROGRESS

None to report as of the date of this MD&A.

OVERALL PERFORMANCE

The Company recognized revenues from its wholly owned subsidiaries and continues pursuing AI technology design and implementation, 3D content production and retail metaverse environments, esports platform and GaaS related operating activities.

At December 31, 2024, the Company was in a net liability position of $582,310 (June 30, 2024 – $559,602). The assets consisted of the following:

The Company's assets consisted of the following:

As at	December 31, 2024	June 30, 2024
Cash	5,552	17,125
GST receivable	17,190	11,000
TOTAL ASSETS	**22,742**	**28,125**

The Company's liabilities consisted of the following:

As at	December 31, 2024	June 30, 2024
Accounts payable and accrued liabilities	402,172	416,363
Related party loans	155,000	115,000
Government loan (long term and short term)	47,880	56,364
TOTAL LIABILITIES	**605,052**	**587,727**

SELECTED ANNUAL INFORMATION

For the Years Ended June 30,	2024	2023	2022
	$	$	$
Revenues	794,771	1,859,182	209,734
Cost of sales	(196,753)	(788,767)	(107,154)
Gross margin	598,018	1,070,415	102,580
Operating expenses	(1,221,698)	(2,519,925)	(6,867,564)
Loss for the year	(3,189,921)	(1,254,578)	(8,833,294)
Total assets	28,125	3,000,256	3,884,064
Total long-term liabilities	32,728	60,000	60,000

The Company had previously recognized goodwill of $2,425,425 on the acquisition of Shape, due to the benefit of expected revenue growth and future market developments on the acquisition date. As at June 30, 2024, the goodwill was determined to be fully impaired. During the year ended June 30, 2024, the Company's sole customer did not continue the ongoing contract, and the Company has been unable to secure any additional customer contracts and accordingly, determined that the goodwill balance was not recoverable. The Company expects the impact of the loss of the Company's sole customer to result in a significant decline in revenues and related cash flows until new contracts can be secured.

RESULTS OF OPERATIONS

The following highlights the key operating expenditures for the six months ended December 31, 2024 compared to 2023:

For the Six Months Ended December 31,	2024	2023	Change
	$	$	$
Revenues	-	726,824	(726,824)
Cost of sales	-	(175,878)	175,878
GROSS MARGIN	**-**	**550,946**	**(550,946)**
EXPENSES			
Advertising and marketing	-	10,721	(10,721)
Consulting and payroll	4,340	345,729	(341,389)
Management fees	69,164	153,098	(83,934)
Office and miscellaneous	2,910	29,156	(26,246)
Professional fees	35,000	103,149	(68,149)
Share-based payments	-	138,640	(138,640)
Transfer agent and filing fees	21,219	12,721	8,498
OPERATING EXPENSES	**(132,633)**	**(793,214)**	**660,581**
TOTAL OPERATING LOSS	**(132,633)**	**(242,268)**	**109,635**

- Revenues and cost of sales were $nil due to its significant contract completing during the third quarter of fiscal 2024. Although the Company's primary focus has been on operational success and revenue growth, the loss of its significant customer has resulted in loss of all revenue streams and the need to cut spending.

- Advertising, Consulting and payroll, office and miscellaneous and professional fees all decreased from the prior period comparable periods, due to reducing spending to the bare minimum while revenue generating activities have decreased.

- Management fees decreased from the prior period comparable periods due to reduction in compensation related to declining revenues and minimal operating activities.

- Share-based payments decreased as there were no equity grants in the current period.

The following highlights the key operating expenditures for the three months ended December 31, 2024 compared to 2023:

For the three Months Ended December 31,	2024	2023	Change
	$	$	$
Revenues	-	132,142	(726,824)
Cost of sales	-	(43,872)	175,878
GROSS MARGIN	**-**	**88,270**	**(550,946)**
EXPENSES			
Advertising and marketing	-	8,689	(10,721)
Consulting and payroll	788	200,413	(341,389)
Management fees	34,844	68,163	(83,934)
Office and miscellaneous	738	11,229	(26,246)
Professional fees	35,000	103,149	(68,149)
Share-based payments	-	46,862	(138,640)
Transfer agent and filing fees	10,565	7,129	8,498
OPERATING EXPENSES	**(81,935)**	**(445,634)**	**660,581**

TOTAL OPERATING LOSS	**(81,935)**	**(357,364)**	**109,635**

- Revenues and cost of sales were $nil due to its significant contract completing during the third quarter of fiscal 2024. Although the Company's primary focus has been on operational success and revenue growth, the loss of its significant customer has resulted in loss of all revenue streams and the need to cut spending.

- Advertising, Consulting and payroll, office and miscellaneous and professional fees all decreased from the prior period comparable periods, due to reducing spending to the bare minimum while revenue generating activities have decreased.

- Management fees decreased from the prior period comparable periods due to reduction in compensation related to declining revenues and minimal operating activities.

- Share-based payments decreased as there were no equity grants in the current period.

In addition to the above, the Company recognized a gain on debt settlement of $61,650 from the issuance of 2,055,000 common shares to the Company's former CEO and gain from sale of assets of $10,000.

REVENUES AND SEGMENTED DISCLOSURES

During the six months ended December 31, 2024 and 2023, the Company recognized revenue from the following segmented revenue streams:

For the Six Months Ended December 31,	2024	2023
	$	$
Product development – United States based	-	724,811
Monthly online subscriptions	-	2,013
Total	**-**	**726,824**

The Company's major customers for its product development revenues are as follows:

For the Six Months Ended December 31,	2024	2023
	$	$
Customer 1	-	724,811

The Company's cost of sales consists of cost of direct labour related to the creation of product development. All of the Company's assets and labour is located in Canada.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's financial results for the eight most recently completed interim quarters:

In Canadian dollars	December 31, 2024 ($)	September 30, 2024 ($)	June 30, 2024 ($)	March 31, 2024 ($)
Revenue	-	-	-	67,947
Net income (loss)	(71,935)	8,127	(2,654,877)	(302,759)
Loss per share, basic and diluted	0.00	0.00	(0.03)	(0.00)

In Canadian dollars	December 31, 2023 ($)	September 30, 2023 ($)	June 30, 2023 ($)	March 31, 2023 ($)
Revenue	132,142	594,682	744,546	839,104
Net income (loss)	(351,884)	119,599	(1,042,122)	499,768

Loss per share, basic and diluted	(0.00)	0.00	(0.01)	0.01

On a quarter-by-quarter basis, losses are expected to fluctuate significantly due to a number of factors including timing of operating activities from the date of incorporation due to the nature of a company in its development phase.

An analysis of the quarterly results shows that the Company has incurred mostly expenses as follows:

- During the first two quarters of 2023, the net and comprehensive loss stayed consistent with previous quarters, while revenues saw an increase in the third quarter of 2023. The Company focused its efforts on operational success pouring efforts into driving revenue and profit targets and reducing spending where it could.

- During the third and fourth quarters of 2023, the Company was awarded a significant retail metaverse contract with a multinational leading brand. Revenues and margins increased as a result. The Company also greatly reduced expenses through write-offs of accounts payable totalling $257,953. The Company also granted 9,450,000 equity incentives and recognized $1,100,581 in share-based payment expense for the period.

- During the first, second and third quarters of 2024, the Company completed the first phase of its contract with its largest customer for the development of Sephora Universe.

- In the fourth quarter of 2024, the Company’s sole customer paused the launch of the virtual retail metaverse platform and elected not to enter into the next phases of the contract, due to a change in strategic direction. This resulted in loss of revenues. The Company took immediate action to stop operational losses by cutting all spending. The Company continues to look for opportunities in the AI technology and metaverse space.

- In the first two quarters of 2025, the Company continues to look for opportunities in the AI technology and metaverse space but has yet to secured new customers. The Company intends to keep spending low and raise capital to maintain its issuer status while it seeks new opportunities as they arise in this sector.

Adjusted EBITDA

Adjusted EBITDA is a non-IFRS financial measure that does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Management believes this measure provides useful information to investors as it is a commonly used measure in the capital markets and as management believes that it is a close proxy for repeatable cash generated by operations. While management believes EBITDA is a useful measure, it has limitations as an analytical tool, and it should not be considered in isolation or as a substitute for analysis of other IFRS financial measures. Some of the limitations of EBITDA are that it does not reflect the dilution that results from share-based compensation, does not reflect the cost to replace amortized property and equipment and right-of-use assets and does not reflect income tax payments.

The Company calculates adjusted EBITDA as net income (loss), plus (minus) the add-backs or reversals of the following: unrealized foreign exchange (gains) losses, interest (income) expense, tax (recovery) expense, depreciation expense, share-based payments, gain (loss) on settlement/ extinguishment of debt and one-time non-operating expenses, impairments and disposals of assets as determined by management as follows:

	For the Six Months Ended December 31,	
	2024	**2023**
Net (Loss)	**$ (63,808)**	**$ (232,285)**
Share-based payments	-	138,640
Foreign exchange	2,825	(9,983)
Gain on debt settlement	(61,650)	-
EBITDA (Non-IFRS)	**$ (132,633)**	**$ (103,628)**

EBITDA loss for the six months ended December 31, 2024, was $132,633 (2023 - $103,628). The change was primarily due to significant decrease in revenues through completion and subsequent pause of its remaining revenue contract. The Company continues to look for 3D production revenues and as contracts are secured, but for the time being has reduced its spending significantly.

	For the three Months Ended December 31,	
	2024	2023
Net (Loss)	**$ (71,935)**	**$ (351,884)**
Share-based payments	-	46,862
Foreign exchange	-	(5,480)
EBITDA (Non-IFRS)	**$ (71,935)**	**$ (310,502)**

EBITDA loss for the three months ended December 31, 2024, was $71,935 (2023 - $310,502). The change was primarily due to significant decrease in revenues through completion and subsequent pause of its remaining revenue contract. The Company continues to look for 3D production revenues and as contracts are secured, but for the time being has reduced its spending significantly which is reflected in the decrease in EBITDA loss.

LIQUIDITY

As at December 31, 2024, the Company had cash of $5,552 (2023 - $17,125) and working capital deficit of $555,036 (2023 – $526,874).

There were no equity financings during the six months ended December 31, 2024.

If additional funds are required, the Company plans to raise capital primarily through the private placement of its equity securities. Under such circumstances, there is no assurance that the Company will be able to obtain further funds required for the Company's continued working capital requirements.

Operating Activities

The Company used net cash of $43,089 (2023 generated cash of – $317,230) in operating activities during the six months ended December 31, 2024.

Investing Activities

During the six months ended December 31, 2024, the Company paid cash of $nil (2023 - $65,000) toward the final acquisition payment of Shape.

Financing Activities

The Company generated net cash inflows of $34,546 (2023 – $nil) from financing activities during the six months ended December 31, 2024. The positive cash flow was mainly due to proceeds from a short-term loan of $40,000, partially offset by the repayment of a government loan totaling $8,484.

RELATED PARTY TRANSACTIONS AND BALANCES

Key management are those personnel having the authority and responsibility for planning, directing, and controlling the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

All transactions with related parties have occurred in the normal course of operations and have been measured at the exchange amount, which the amount agreed to by the related parties.

The aggregate value of transactions relating to key management personal during the six months ended December 31, 2024 and 2023 are as follows:

	2024	2023
	$	$
Management fees(1)(2)(3)	69,164	153,098
Share-based payments	-	78,155
Total	**69,164**	**231,253**

Notes for the six months ended December 31, 2024, the Company incurred:

1) $nil (2024 - $84,535) of management fees in provision of the former CEO services from the former CEO of the Company, Brian Wilneff.
2) $36,000 (2023 - $36,000) of management fees in provision of CFO services from a company controlled by the CFO and Director of the Company, Eli Dusenbury.
3) $33,164 (2023 - $32,563) of management fees in provision of director services from a company controlled by Director of the Company, Jonathan Anastas.

During the six months ended December 31, 2024, the Company issued 2,055,000 common shares to settle $102,750 in unpaid fees to the Company's former CEO, Brian Wilneff. The shares were measured at a grant date fair value of $41,100 resulting in a gain on settlement of debt of $61,650 (2023 - $nil). Further, the Company issued 607,444 common shares pursuant to milestones reached, recorded at the grant date fair value of the shares $12,149, recognized within Reserves as of June 30, 2024.

As at December 31, 2024, a balance of $185,687 (2023 - $197,814) was owing to key management personnel for fees incurred on behalf of the Company with these amounts all included in accounts payable and accrued liabilities. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

As at December 31, 2024, the Company had a balance of $40,000 (2023 - $40,000) of loan payable owing to a director of the Company, Harry Parmar. The amount is non-interest bearing, unsecured, and has no specific terms of repayment.

As at December 31, 2024, the Company had a balance of $115,000 (2023 - $75,000) of loan payable owing to a Company controlled by the brother of a Director of the Company, Aman Parmar. The amount is non-interest bearing, unsecured, and has no specific terms of repayment. This balance was subsequently settled On February 14, 2024, the Company issued 3,833,333 units at a price of $0.03 to settle the balance of the loan . The units consist of a share and a warrant exercisable at $0.05 for a period of two years from the date of issuance.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

SUBSEQUENT EVENTS & SED TRANSACTIONS

On February 14, 2024, the Company issued 3,833,333 units at a price of $0.03 to settle $115,000 in loans. The units consist of a share and a warrant exercisable at $0.05 for a period of two years from the date of issuance.

CRITIAL ACCOUNTING POLICES AND ESTIMATES

The details of the Company's material accounting policies and accounting estimates are presented in Notes 3 and 4 of the audited consolidated financial statements for the year ended June 30, 2024. These policies are considered by management to be essential to understanding the processes and reasoning that go into the preparation of the Company's financial statements and the uncertainties that could have a bearing on its financial results.

NEWLY ADOPTED ACCCOUTING POLICIES

Certain pronouncements have been issued by the IASB that are effective for accounting periods beginning on or after January 1, 2024. The Company has reviewed these updates and determined that none are applicable or consequential to the Company and have been excluded from discussion within these material accounting policies.

CAPITAL MANAGEMENT

The Company defines the capital that it manages as its cash and share capital.

The Company's objective when managing capital is to maintain corporate and administrative functions necessary to support the Company's operations and corporate functions; and to seek out and acquire new projects of merit.

The Company manages its capital structure in a manner that provides sufficient funding for operational and capital expenditure activities. Funds are secured, when necessary, through debt funding or equity capital raised by means of private placements. There can be no assurances that the Company will be able to obtain debt or equity capital in the case of working capital deficits.

The Company does not pay dividends and has no long-term debt or bank credit facility. The Company is not subject to any externally imposed capital requirements.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks which are discussed in detail in Note 10 of the Company's financial statements for six months ended December 31, 2024.

MANAGEMETN'S REPORT ON INTERNAL CONTROL OVER FINANCING REPORTING

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

DISCLOSURE OF OUTSTANDING SHARE DATA

a) Authorized and Issued Share Capital

The authorized capital of the Company consists of an unlimited number of voting Class A common shares (without par value) and an unlimited number of non-voting Class B common shares (without par value).

During the six months ended December 31, 2024, the Company issued no common shares.

As at December 31, 2024, the Company has 97,319,157 common shares outstanding. As of the date of this MD&A, the Company has 97,319,157 shares outstanding.

b) Share Purchase Warrants

As at December 31, 2024 and the date of this MDA, the Company had 3,833,333 warrants outstanding at an exercise price of $0.05 expiring February 14, 2026.

c) Performance Warrants

As at December 31, 2024 and the date of this MDA, the Company had no performance warrants outstanding

d) Options

As at the date of this MD&A, the Company held the following options:

Expiry date	Options outstanding	Options exercisable		Exercise Price
June 21, 2026	1,185,000	1,185,000		0.14
	1,185,000	**1,185,000**	**$**	**0.14**

Restricted Share Rights

As at December 31, 2024 and the date of this MDA, the Company had 5,075,000 RSRs outstanding.

RISK FACTORS

Much of the information included in this report includes or is based upon estimates, projections or other forward-looking statements. Such forward-looking statements include any projections or estimates made by the Company and its management in connection with the Company's business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect the Company's current judgment regarding the direction of its business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. Except as required by law, the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of such statements.

Such estimates, projections or other forward-looking statements involve various risks and uncertainties as outlined below. The Company cautions readers of this report that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other forward-looking statements. In evaluating the Company, its business and any investment in its business, readers should carefully consider the following factors:

Risks Related to the Company's Business

The Company's future is dependent upon its ability to obtain financing and if the Company does not obtain such financing, the Company may have to cease its activities and investors could lose their entire investment.

There is no assurance that the Company will operate profitably or will generate positive cash flow in the future. The Company will require additional financing to sustain its business operations if it is not successful in earning revenues. The Company currently does not have any arrangements for further financing and it may not be able to obtain financing when required. The Company's future is dependent upon its ability to obtain financing. If the Company does not obtain such financing, its business could fail and investors could lose their entire investment.

The Company's directors and officers are engaged in other business activities and accordingly may not devote sufficient time to the Company's business affairs, which may affect its ability to conduct operations and generate revenues.

The Company's directors and officers are involved in other business activities. As a result of their other business endeavours, the directors and officers may not be able to devote sufficient time to the Company's business affairs, which may negatively affect its ability to conduct its ongoing operations and its ability to generate revenues. In addition, the management of the Company may be periodically interrupted or delayed as a result of its officers' other business interests.

The Company has minimal operating history

The Company has minimal operating history and may not succeed. The Company is subject to all risks inherent in a developing business enterprise. The Company's likelihood of continued success must be considered in light of the problems, expenses, difficulties, undercapitalization, cash shortages, limitations with respect to personnel, financial and other resources, lack of revenues, complications, and delays frequently encountered in connection with the competitive and regulatory environment in which it operates. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

History of losses

The Company has incurred losses since inception. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Company expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If the Company's revenues do not increase to offset these expected increases in costs and operating expenses, it will not be profitable.

Reliance on management

The Company is currently in good standing with all high-level employees and believes that with well managed practices will remain in good standing. The success of the Company will be dependent upon the ability, expertise, judgment, discretion and good faith of its senior management and key personnel. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results or financial condition.

Insurance and uninsured risks

The Company's business is subject to a number of risks and hazards including accidents, labour disputes and changes in the regulatory environment. Such occurrences could result in damage to assets, personal injury or death, delays in operations, monetary losses and possible legal liability.

Although the Company intends to continue to maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability.

The Company will be an entrant engaging in a new industry

The esports technology industry is fairly new. There can be no assurance that an active and liquid market for shares of the Company will develop, and shareholders may find it difficult to resell their shares. Accordingly, no assurance can be given that the Company will be successful in the long term.

Dependence on suppliers and skilled labour

The ability of the Company to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Company will be successful in maintaining its required supply of skilled labour, equipment, parts and components. This could have an adverse effect on the financial results of the Company.

Difficulty to forecast

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the e-gaming industry. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

Management of growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Internal controls

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company will undertake a number of procedures and will implement a number of safeguards, in each case, in order to help ensure the reliability of its financial reports, including those imposed on the Company under Canadian securities law, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's consolidated financial statements and materially adversely affect the trading price of the Company's shares.

Liquidity

The Company cannot predict at what prices the Company will trade and there can be no assurance that an active trading market will develop or be sustained. There is a significant liquidity risk associated with an investment in the Company.

Litigation

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company such a decision could adversely affect the Company's ability to continue operating and the market price for Reporting Issuer's shares and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant Reporting Issuer resources.