

**GTA FINANCECORP INC.**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**FOR THE THREE MONTHS ENDED JUNE 30, 2021**

## **GTA FINANCECORP INC.**

### **Management's Discussion & Analysis**

Three Months Ended June 30, 2021

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#### **Introduction**

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of GTA Financecorp Inc. ("GTA" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three months ended June 30, 2021. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 - Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of the Company for the years ended March 31, 2021 and 2020, as well as the unaudited condensed interim financial statements for the three months ended June 30, 2021, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the interim period presented are not necessarily indicative of the results that may be expected for any future period.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of GTA's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity

The effective date of this report is August 30, 2021.

#### **Forward Looking Information**

Certain information regarding the Company within Management's Discussion and Analysis ("MD&A") may include "forward-looking statements" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, goals, expansion and growth of the Company's business, plans and other such matters are forward-looking statements. When used in this MD&A the words "estimate", "plan", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements. Such statements by their nature involve certain risks and uncertainties that could cause actual results to differ materially from those contemplated by such statements. The Company considers the assumptions on which these forward-looking statements are based to be reasonable at the time they were prepared, but cautions the reader that these assumptions regarding future events, many of which are beyond the control of management, may ultimately prove to be incorrect. The reader should not rely solely on these forward-looking statements.

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**Nature of the Business and Overall Performance**

The Company was incorporated on August 9, 2006 under the Business Corporations Act (Ontario).

The Company is a reporting issuer under applicable securities legislation in the provinces of Ontario, Alberta and British Columbia and its outstanding common shares ("Common Shares") were listed on the TSX Venture Exchange (the "TSX.V") under the symbol "GTA" until February 8, 2019 at which time the shares were delisted at the request of the Company.

**Financing**

The Company completed nil equity financing during the three months ended June 30, 2021.

**Selected Quarterly Financial Information**

The following table sets out the selected financial information for the three months ended:

	<b>Mar 31, 2021</b>	<b>Dec 31, 2020</b>	<b>Sept 30, 2020</b>	<b>June 30, 2020</b>
Total assets	\$ 118,513	\$ 134,092	\$ 137,040	\$ 355,326
Working capital	\$ 95,732	\$ 118,810	\$ 126,182	\$ 141,327
Net income (loss) for the period	\$ (5,882)	\$ (6,855)	\$ (14,145)	\$ 51,460
Loss per share	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
	<b>Mar 31, 2020</b>	<b>Dec 31, 2019</b>	<b>Sept 30, 2019</b>	<b>June 30, 2019</b>
Total assets	\$ 106,657	\$ 244,234	\$ 141,797	\$ 847,373
Working capital	\$ (101,399)	\$ (319,200)	\$ (985,698)	\$ (896,601)
Net income (loss) for the period	\$ 282,247	\$ (36,619)	\$ (80,097)	\$ (361,091)
Loss per share	\$ 0.02	\$ 0.00	\$ 0.00	\$ 0.03

GTA reported no discontinued operations for any period presented.

**Results of Operations***General and Administrative*

Three months ended June 30, 2021 and 2020

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The Company achieved a net loss of \$5,882 for the three months ended June 30, 2021 compared to net income of \$51,460 for the three months ended June 30, 2020. Details of the more significant changes over last year are as follows:

- A decrease in general and administration to \$nil (2020 - \$8,285).
- A decrease in filing and transfer agent fees to \$882 (2020 - \$1,489); and
- A decrease in unrealized gain on investments to \$nil (2020-\$133,000).

As at June 30, 2021, the Company has cash and cash equivalents of \$68,280 (March 31, 2021 - \$68,280), miscellaneous receivable of \$233 (March 31, 2021 - \$115), promissory note receivable of \$50,000 (March 31, 2021-\$50,000) and accounts payable and accrued liabilities of \$22,781 (March 31, 2021 - \$16,784) for total working capital of \$95,732 (March 31, 2021 – \$101,614).

**Liquidity and Capital Resources**

This section should be read in conjunction with the unaudited condensed interim statements of financial position for the three months ended June 30, 2021, and the corresponding notes thereto.

The Company has total assets of \$118,513 (March 31, 2021 - \$118,398). The primary assets of the Company are cash and cash equivalents of \$68,280 (March 31, 2021 - \$68,280), and miscellaneous receivable of \$233 (March 31, 2021 - \$115), and promissory note receivable of \$50,000 (March 31, 2021-\$50,000). The Company has no long-term liabilities and has working capital of \$95,732 (March 31, 2021 – \$101,614).

The Company's financial statements have been prepared on a going concern basis, under which the Company is assumed to be able to realize its assets and discharge its liabilities in the normal course of operations. The Company currently has no revenue to finance its operations. It is therefore required to fund its activities through the issuance of equity securities and other financing alternatives. The Company's ability to continue as a going concern is therefore dependent upon its ability to raise funds.

The Company has not yet realized profitable operations and has incurred significant losses to date resulting in a cumulative deficit to date of \$11,098,764. As at June 30, 2021, the Company had cash and cash equivalents of \$68,280 to settle current liabilities of \$22,781.

To continue operations and to fund future obligations, the Company will be required to raise funds through equity or other financing alternatives. Recent global economic conditions and market uncertainty may have an impact on the Company's ability to raise funds through the equity markets. Management believes that there are sources of financing available. There can be no assurance that the Company will be successful in its future fund-raising activities.

The Company relies on the issuance of equity securities and alternative sources of financing, if required, to maintain adequate liquidity to support its ongoing working capital commitments. The following table is a summary of quantitative data about what the Company manages as capital:

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		June 30, 2021		March 31, 2021		Change
Cash and cash equivalents	\$	68,280	\$	68,280	\$	-
Share capital	\$	11,056,879	\$	11,056,879	\$	-
Contributed surplus	\$	140,289	\$	160,695	\$	(20,406)
Deficit	\$	(11,101,436)	\$	(11,115,960)	\$	14,524

The Company monitors these items to assess its ability to fulfill its ongoing financial obligations.

**Critical Accounting Estimates**

The preparation of the unaudited condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These unaudited condensed interim consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the unaudited condensed interim 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 future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made 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:

- the recoverability of miscellaneous receivables that are included in the unaudited condensed interim consolidated statements of financial position;
- the inputs used in accounting for share based payment transactions included in financial assets at fair value through profit or loss.

**Financial Instruments**

## Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency risk and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

**(i) Credit risk**

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Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and amounts receivable. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents are held with a Canadian Schedule A bank, from which management believes the risk of loss to be minimal.

Amounts receivable consists mainly of costs to be reimbursed in connection with a transaction during fiscal 2021. Amounts receivable are in good standing as of June 30, 2021. Management believes that the credit risk with respect to financial instruments included in amounts receivable is minimal.

**(ii) Liquidity risk**

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at June 30, 2021, the Company had cash and cash equivalents of \$68,280 (March 31, 2021 - \$68,280) to settle current liabilities of \$22,781 (March 31, 2021 - \$16,784). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

**(iii) Market risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

*(a) Interest rate risk*

Cash and cash equivalents are subject to floating interest rates. Sensitivity to a plus or minus 1% change in interest rates would not have a material impact on the reported net loss and comprehensive loss for the three months ended June 30, 2020.

*(b) Foreign currency risk*

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal. The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

**Related Party Transactions**

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During the three months ended December 31, 2020, the Company entered into the following transactions with related parties and paid or accrued the following amounts, excluding share-based payment charges in connection therewith:

<b>Name</b>	<b>Relationship</b>	<b>Purpose of Transaction</b>	<b>Three Months Ended June 31, 2021</b>
Brant Capital Partners Inc.	Company controlled by the CFO of GTA	Consulting	\$ nil
Maplegrow Capital Inc.	Company controlled by the CEO of GTA	Consulting	\$ nil

**Off-Balance-Sheet Arrangements**

As of the date of this MD&A, the Company does not have any off balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity, capital expenditures and capital resources that would be material to investors.

**Proposed Transactions**

On February 16, 2021, the Company entered into a letter of intent (LOI) with Tiidal Gaming Group Inc. (Tiidal), a Canadian corporation, to effect a reverse merger transaction with the intention that the resulting issuer would apply to list its shares on the Canadian Securities Exchange. As part of the transaction, it was anticipated that the Company will complete a share consolidation and change its name. Concurrently with the transaction, Tiidal will complete a financing of not less than \$3.0 million. The transaction with Tiidal is subject to due diligence, and shareholder approval, and the transaction is expected to close on or before December 31, 2021.

Pursuant to the proposed transaction, the Company advanced \$50,000 to Tiidal evidenced by a term promissory note as disclosed in Note 4.

On July 12, 2021, the Definitive Agreement between the Company and Tiidal was executed whereby Tiidal will amalgamate with 2852773 Ontario Inc. Pursuant to the transaction, the Company will consolidate its outstanding shares on a 1:11.2678 basis, change its name to Tiidal Gaming Group Corp., and apply to list its shares on the CSE. In the event that the transaction is not completed by October 31, 2021, GTA will receive payment of the promissory note receivable and receive a break fee of \$25,000. The transaction is subject to shareholder approval.

On August 23, 2021, pursuant to the proposed transaction, the Company advanced \$30,000 to Tiidal evidenced by a term promissory note.

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#### **Financial Instruments and Other Instruments**

The Company's financial instruments consist of cash, cash equivalents, miscellaneous receivables, accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The only credit risk identified by management is the risk related to the interest-bearing promissory note received as partial payment of the loan receivable. The risk arises from the nature of the security of the promissory note. The fair value of these financial instruments approximates their carrying values.

#### **Outstanding Share Data**

As of the date of this MD&A, the Company has 36,958,499 common shares issued and outstanding as well as: (a) stock options to purchase an aggregate of 2,788,000 common shares expiring at various date between June 2021 and June 2025 and exercisable at prices between \$0.025 per common share and \$3.00 per common share and, (b) share purchase warrants to purchase an aggregate of nil common shares.

For additional details of share data, please refer to Notes 5, 6 and 7 of the June 30, 2021 unaudited condensed interim financial statements.

#### **Capital Management**

The Company's objectives when managing capital are as follows:

- i) To safeguard the Company's ability to continue as a going concern;
- ii) To raise sufficient capital to finance its exploration and development activities on its mineral exploration properties;
- iii) To raise sufficient capital to meet its general and administrative expenditures.

The Company manages its capital structure and makes adjustments to it based on the general economic conditions, its short term working capital requirements, and its planned exploration and development program expenditure requirements. The capital structure of the Company is comprised of shareholders' equity which includes share capital, warrants, contributed surplus and deficit. The Company may manage its capital by issuing flow through or common shares, or by obtaining additional financing.

The Company utilized annual capital and operating expenditure budgets to facilitate the management of its capital requirement. These budgets are approved by management and updated for changes in the budgets underlying assumptions as necessary.

There were no changes in the Company's approach to managing capital during the period.

#### **Risks and Uncertainties**

##### Liquidity and Additional Financing

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The Company has limited financial resources and no sources of revenues and has no assurance that additional funding will be available to it to fulfill its obligations under applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could cause the Company to reduce or terminate its operations.

#### Reliance on Key Personnel

The Company is dependent on a relatively small number of key people, the loss of any of whom could have an adverse effect on its operations. The Company does not carry any key man insurance.

#### Dilution

The Company may require additional equity financing to be raised in the future. The Company may issue securities on less than favourable terms to raise sufficient capital to fund its business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

#### Global Uncertainty

The Company's business could be adversely affected by the effects of health epidemics, including the global COVID-19 pandemic. In December 2019, a novel strain of COVID-19 was reported in China. Since then, the COVID-19 has spread globally, to include Canada, the United States and several European countries. The spread of COVID-19 from China to other countries has resulted in the World Health Organization (WHO) declaring the outbreak of COVID-19 as a "pandemic," or a worldwide spread of a new disease, on March 11, 2020. Many countries around the world, including Canada, have imposed quarantines and restrictions on travel and mass gatherings to slow the spread of the virus, and have closed non-essential businesses. The spread of COVID-19, which has caused a broad impact globally, may materially affect the Company economically. While the potential economic impact brought by, and the duration of, COVID-19 may be difficult to assess or predict, a widespread pandemic could result in significant disruption of global financial markets, reducing the Company's ability to access capital, which could in the future negatively affect the Company's liquidity. In addition, a recession or market correction resulting from the spread of COVID-19 could materially affect the Company's business and the value of the Company's common shares. The global outbreak of COVID-19 continues to rapidly evolve. The extent to which COVID-19 may impact the Company's business, operations and clinical trials will depend on future developments, including the duration of the outbreak, travel restrictions and social distancing in Canada and other countries, the effectiveness of actions taken in Canada, the United States and other countries to contain and treat the disease and whether Canada and other countries are required to move to complete lock-down status. The ultimate long-term impact of COVID-19 is highly uncertain and cannot be predicted with confidence.

#### **Additional Information**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).