



Management's Discussion and Analysis of Financial Condition and Results of Operations

December 31, 2021

Management's discussion and analysis (MD&A) is current to April 29, 2022 and is management's assessment of the operations and the financial results together with future prospects of Playground Ventures Inc. ("Playground", "Company", or the "Company"). This MD&A should be read in conjunction with our audited financial statements and related notes for the years ended December 31, 2021 and 2020 prepared in accordance with International Financial Reporting Standards ("IFRS"). All figures are in Canadian dollars unless stated otherwise.

Forward Looking Information

This MD&A contains certain forward-looking statements and information relating to the Company that is 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 "may", "will", "anticipate", "plan", "intend", "estimate", "project", "continue", "believe", "expect" and similar forward-looking terminology, 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 and the estimated cost and availability of funding for the continued operation of the Company. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

Although management believes that the expectations reflected in such forward-looking statements are reasonable, all forward-looking statements address matters that involve known and unknown risks, uncertainties and other factors and should not be read as guarantees of future performance or results. Accordingly, there are or will be a number of significant factors which could cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors that could cause actual future results, performance or achievements to differ materially include, but are not limited to, our limited operating history, our reliance on key personnel, future capital needs, dependence on proprietary technology and limited protection thereof and general economic trends and international risk. The Company is subject to significant risks and any past performance is no guarantee of future performance. The Company cannot predict all of the risk factors, nor can it assess the impact, if any, of such risk factors on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those projected in any forward-looking statements. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. This MD&A offers a brief overview of some of the risk factors to be considered in relation to the Company's business. This list may not be exhaustive and new risk factors may emerge from time to time. Please see the section "Risks and Uncertainties" for further information. We disclaim any intention or obligation to publicly update or revise any forward-looking statements after distribution of this MD&A, whether as a result of new information, future events or other circumstances, except as may be required pursuant to applicable securities laws.

BUSINESS OVERVIEW AND CORPORATE UPDATE

The Company was incorporated under the British Columbia Business Corporations Act (“BCBCA”) on October 30, 2014. Previously known as BlocPlay Entertainment Inc., the Company changed its name to Playground Ventures Inc. on April 30, 2021. The Company’s shares trade on the Canadian Securities Exchange under the symbol “PLAY”.

On May 7, 2021, the Company signed an agreement to invest \$350,000 into TinyRex Games Inc. (“TinyRex”). TinyRex is a Vancouver based mobile games studio. The founders plans to develop and release three idle genre mobile games which will leverage their recent partnership with East Side Games Inc. The investment gives the Company right to certain shares in the capital of TinyRex.

On June 9, 2021, the Company completed a joint venture with Ludare Games Group Inc. (“Ludare Games”) by acquiring a 40% interest in MotionPix Game Studio Inc (“MotionPix”). MotionPix is a Vancouver based company that has the exclusive rights to a mobile game project licensed with a major movie franchise. The mobile game is fully developed and scheduled for global launch in tandem with a highly anticipated blockbuster movie release in Q2 2022. As consideration for the Acquisition, the Company issued 1,670,000 common shares in the capital of the Company to Ludare Games and an investment in the amount of \$300,000 into the project.

On July 7, 2021, the Company made an investment in GG Hub, an Italian media gaming corporation, pursuant to which the Company shall invest up to an aggregate of €1,000,000 into GG Hub to acquire up to a 60% interest in GG Hub. The Company has made payments of €250,000 to GG Hub and as a result, the Company has acquired a 22.5% interest in GG Hub as at December 31, 2021.

On October 1, 2021, the Company acquired all issued and outstanding common shares of Countervail through a share purchase agreement dated September 30, 2021 (the “Transaction”). As consideration for the Transaction, the Company issued 16,000,000 common shares in the capital of the Company (the “Consideration Shares”) to the sellers under escrow agreement. Countervail is a mobile game developer with a focus on generating an innovative user experience through a never seen before patent pending technology that integrates live video content with digital game play. Countervail is currently developing Skate Tycoon, a mobile game application that is expected to release in the coming year.

SELECTED ANNUAL FINANCIAL INFORMATION

The following table reflects the summary of annual results for the periods set out:

	2021	2020
Total revenue	\$Nil	\$Nil
Net loss	(1,913,058)	\$ (149,263)
Net loss per share – basic	(0.05)	(0.01)
Net loss per share - diluted	(0.05)	(0.01)
Total assets	6,616,859	\$1,546,395
Long-term liabilities	Nil	Nil
Dividends per share	Nil	Nil

SUMMARY OF QUARTERLY REPORTS

Results for the past eight quarters for selected financial statement amounts are presented below. The Company's quarterly operating results have varied in the past and may vary substantially in the future. Accordingly, the information below is not necessarily indicative of results for any future quarter.

	Q4-2021 \$	Q3-2021 \$	Q2-2021 \$	Q1-2021 \$
Total revenue	-	-	-	-
Net income (loss)	(296,692)	(322,567)	(329,984)	(963,815)
Basic & diluted loss per share	(0.00)	(0.01)	(0.01)	(0.03)

	Q4-2020 \$	Q3-2020 \$	Q2-2020 \$	Q1-2020 \$
Total revenue	-	-	-	-
Net income (loss)	(95,614)	(55,479)	70,454	(68,624)
Basic & diluted loss per share	(0.01)	(0.00)	0.01	(0.01)

OVERALL PERFORMANCE

Three Months ended December 31, 2021 and 2020

The Company incurred a loss of \$296,692 or \$0.01 per share for the three-months ended December 31, 2021 compared with a loss of \$95,614 or \$0.01 a share for the comparable period in 2020.

Consulting and management fees were \$420,854 during the three-months ended December 31, 2021 compared to \$44,583 in the previous year. Professional fees during the three-months ended December 31, 2021 was \$57,180 compared to a gain of \$1,996 in the three-months ended December 31, 2020. The Company has increased consulting and professional fees to ramp up their investments and digital portfolio leading to higher costs in the quarter versus prior year and the prior period.

The Company recognized a gain of \$248,354 in other expenses during the three months ended December 31, 2021 (\$23,900 in comparable period 2020). This is due to the reversal of loss on debt settlement of \$163,580 into consulting and management fees and reversal of loss on share settlement of \$84,707.

During the three-month period ended December 31, 2021, the Company recorded a loss of \$41,046 in share of associate (December 31, 2020 – nil). This is in relation to the Company's share of equity pick up of MotionPix, GG Hub and WeatherGen.

Twelve Months ended December 31, 2021 and 2020

The Company incurred a loss of \$1,913,058 or \$0.05 per share for the twelve-month period ended December 31, 2021 compared with loss of \$149,263 or \$0.01 per share for the comparable period in 2020. The Company had minimal operations in 2020, with a large gain on reversal of trade payables & accrued liabilities offsetting expenses incurred. During 2021, business activities increased due to investments, acquisition of Countervail, equity issuances and private placements completed.

Consulting and management fees were \$870,268 during the twelve-month period ended December 31, 2021 compared to \$224,583 in the previous year. Professional fees during the twelve-month period ended December 31, 2021 was \$264,584 compared to \$30,567 in the twelve-month period ended December 31, 2020. The Company has increased consulting and professional fees to ramp up their investments and digital portfolio leading to higher costs in the current year versus prior year.

General and administrative expenses during the twelve-month period ended December 31, 2021 was \$82,010 compared to \$25,783 in the twelve-month period ended December 31, 2020. This current level of expenses are expected to be nominal for the foreseeable future in the normal due course of the business.

The Company incurred \$675,160 expense related to equity issuance in the twelve-month period ended December 31, 2021 (\$nil in the twelve-month period ended December 31, 2020). This relates to the stock options granted during the year.

During the twelve-month period ended December 31, 2021, the Company earned interest income of \$16,659 (December 31, 2020 - \$nil) on its demand promissory note of \$1,333,233 to Countervail Games prior to the Countervail acquisition.

The Company incurred a gain on share settlement of \$9,827 during the twelve-month period ended December 31, 2021 (twelve-month period ended December 31, 2020 – nil). The Investment in MotionPix is valued based on the acquisition value of the common shares of \$700,000 and the \$300,000 cash investment into the project. As the shares were being held in escrow and released at certain dates, the shares were discounted and valued at \$690,173. A gain on share settlement is recognized of \$9,827. The Company recorded their 40% share of the loss of MotionPix of \$2,013 (2020 - \$nil).

During the twelve-month period ended December 31, 2020, the Company recorded a loss of \$41,496 in share of associate (December 31, 2020 – nil). This is as a result of loss on equity pick up of: MotionPix - \$2,013, GG Hub - \$35,729, and WeatherGen - \$3,754.

Company Directors and Officers

As at the date of this report, the directors and officers of the Company were:

Chris Irwin	Chief Executive Officer and Director
Jon Gill	Director
Harrison Reynolds	Director
Emma Fairhurst	Director
Nidhi Kumra	Chief Financial Officer

On September 30, 2021, the Company announced the appointment of Nidhi Kumra as the Chief Financial Officer, in lieu of Sophia Tomory who has resigned.

LIQUIDITY AND CAPITAL RESOURCES

The Company is in the early stage of operations and requires additional capital to achieve its strategic objectives. As at December 31, 2021, the Company had working capital of -\$381,339 (December 31, 2020 positive working capital \$212,635). Playground is currently not generating operating cash flows and has significant cash requirements to continue its development of its video games and investments in video game developers. In order to meet future expenditures and development costs, the Company may need to raise additional financing and there can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Company. Any future equity raises would be dilutive to current equity holders. Whether and when the Company can attain profitability and positive cash flows is uncertain at this time. These uncertainties represent significant risks to the Company's ability to continue as a going concern. Management believes there is sufficient working capital to meet its current operating needs. Management is exploring various financing alternatives, which includes equity and debt offerings, to continue to execute its strategy within the digital gaming industry.

	Note	2021	2020
		\$	\$
Operating activities			
Loss for the period		(1,913,058)	(149,263)
Adjustments to reconcile net loss to cash used in operating activities:			
Equity issuance expense		675,160	-
Loss on settlement of debt	11	-	34,654
Reversal of trade payable & accrued liabilities		-	(166,325)
Gain on share settlement	8	(9,827)	-
Share of associate	8	41,496	-
Net change in working capital:			
HST receivable		(7,991)	(17,203)
Prepaid expenses and other assets	7	(95,968)	(105,417)
Trade payables and accrued liabilities		429,505	(179,456)
Cash provided from (used in) operating activities		(880,683)	(583,010)
Investing activities			
Cash acquired on acquisition of Countervail		4,364	-
Advances on demand promissory note	7	(1,199,653)	(150,000)
Investment in other investments		(8,010)	-
Investment in MotionPix		(280,700)	-
Investment in TinyRex		(232,667)	-
Investment in GG Hub		(375,335)	-
Cash used in investing activities		(2,092,001)	(150,000)
Financing activities			
Receipts on options exercised	11	184,875	-
Receipts of common share & warrants	11	2,731,198	861,000
Receipt of warrants exercised	11	75,000	-
Share issuance costs	11	(112,230)	(24,260)
Cash provided from financing activities		2,878,843	836,740
Decrease in cash		(93,841)	103,730
Cash, beginning of period		148,449	44,719
Cash, end of period		54,608	148,449

Operating Activities

During the twelve-month period ended December 31, 2021, the Company used \$880,683 on operating activities (December 31, 2020 - \$583,010). The Company has incurred higher consulting and management fees, as the Company positions to scale the business through growth of the Company's portfolio of digital assets through strategic investments including Countervail, MotionPix, TinyRex and GG Hub.

Investing Activities

Prior to the Countervail acquisition, the Company had advanced cash of \$1,199,653 (December 31, 2020 - \$150,000) to Countervail as a demand promissory note in connection with an exclusivity agreement between the Company and Countervail with respect to a potential investment, with terms to be defined and subject to due diligence.

On October 1, 2021, the Company acquired all issued and outstanding common shares of Countervail. As consideration for the Transaction, the Company issued 16,000,000 common shares in the capital of the Company (the "Consideration Shares") to the sellers under escrow agreement.

For the twelve months ended December 31, 2021, the Company invested into MotionPix, with a portion paid out in cash (\$280,700), TinyRex (\$232,667) and GG Hub (\$375,335).

Financing Activities

During 2020, the Company issued an aggregate of 7,700,000 common shares at a price of \$0.10 each common share for gross of \$770,000.

On December 22, 2020, the Company issued an aggregate of 827,272 common shares at a price of \$0.11 per common shares for gross proceeds of \$91,000.

On January 20, 2021, the Company issued 2,141,450 common shares through non-brokered private placement financing at a price of \$0.11 per common share for gross proceeds of \$235,560.

On March 7, 2021, the Company closed a non-brokered private placement financing for gross proceeds of \$563,948 through the issuance of 3,759,658 units in the capital of the Company (the "Units") at a price \$0.15 per Unit. Each Unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.20 per common share for a period of three years from the date of issuance. Costs related to the share issuance were \$20,468.

On June 29, 2021, the Company closed a non-brokered private placement of 4,938,214 units at a price of \$0.35 per unit for gross proceeds of \$1,728,375. Each unit consisted of one common share of the Company and one half of one whole common share purchase warrant. Each warrant entitles the holder to purchase one half common share of the Company at an exercise price of \$0.70 for a period of 18 months. Costs related to the share issuance were \$89,147.

On August 19, 2021 the Company closed a non-brokered private placement of 580,900 units at a price of \$0.35 per unit for gross proceeds of \$203,315. Each unit consisted of one common share of the Company and one half of one whole common share purchase warrant. Each warrant entitles the holder to purchase one half common share of the Company at an exercise price of \$0.70 for a period of 18 months. Using the relative fair value method, \$45,754 was allocated to the attached warrants. Costs related to the share issuance were \$2,615.

During the twelve-month period ended December 31, 2021, 1,075,000 options were redeemed for \$184,875. No options were exercised in 2020.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

As the Company has not had significant revenue from operations, the table below provides a breakdown of material components of expensed research and development costs, in accordance with Section 5.3 of National Instrument 51-102 – Continuous Disclosure Obligations:

	December 31, 2021	December 31, 2020
Operating expenses	\$ 1,895,462	\$ 280,933
Gain on share settlement	9,827	-
Loss on debt settlements	-	34,654
Loss on foreign exchange	2,586	1
Interest Income	16,659	-
Gain on reversal of trade payable & accrued liabilities	-	166,325
Total assets	6,616,859	1,546,395
Total liabilities	729,242	210,478

Operating expenses	December 31, 2021	December 31, 2020
Consulting fees	\$ 841,611	\$ 224,583
General and administrative expenses	82,010	25,783
Sales and Marketing	32,097	-
Professional fees	264,584	30,567
Equity issuance expense	675,160	-

FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

(a) Capital Management:

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes equity, comprised of issued Common Shares, in the definition of capital. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

(b) Risk Disclosures and Fair Values:

The Company's financial instruments, consisting of cash. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

SHARE CAPITAL

As at the date of this report, the Company has the following issued and outstanding:

Common shares– issued and outstanding	62,760,586
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TRANSACTIONS WITH RELATED PARTIES

The transactions are in the normal course of business and have been valued at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly. Compensation awarded to key management includes the following:

Years Ended December 31,	2021	2020
	\$	\$
Short-term employee benefits	579,426	200,000
Total compensation to key management	579,426	200,000

Included in accounts payable and accrued liabilities as at December 31, 2021 are amounts of \$195,392 (2020 -\$129,950) due to directors, officers and former directors of the Company and companies with common directors. The amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

Per an agreement, the Company has an amount of \$176,773 in prepaid expenses to a company whose director is also a director of the Company. In addition, under this agreement, the Company is committed to a monthly consulting fee of \$15,000 per month until December 1, 2023. In addition, the Company has a \$2,500 monthly social media and \$2,500 monthly administrative fee with this Company until December 1, 2023.

Per an agreement, the Company is committed to a monthly consulting fee of \$15,000 per month until December 1, 2023 to a company whose director is also a director of the Company.

During the year ended December 31, 2021, the Company paid legal fees of \$69,997 to a company with a common director.

During the year end December 31, 2021, the Company issued 1,155,682 common shares to settle \$127,125 of debt to a company whose director is also a director of the Company, resulting in additional compensation of \$92,455 which has been added to the prepaid expense noted above.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RISKS AND UNCERTAINTIES

Given the speculative nature of the business of the Company, an investment in the Common Shares should only be considered by those persons who can afford a total loss of their investment. The risks presented below should not be considered exhaustive and may not represent all of the risks that the Company may face. It is believed that these are the factors that could cause actual results to be different from expected and historical results. Additional risks and uncertainties not presently known to the Company or that the Company currently deems immaterial may also impair the Company's business operations. If any of the risks described below occur, the Company's business, financial condition, liquidity and results of operations could be materially harmed.

Coronavirus (COVID-19)

On January 30, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a "Public Health Emergency of International Concern" and on March 11, 2020, declared COVID-19 a pandemic. The current COVID-19 pandemic is significantly impacting the global economy and commodity and financial markets. The full extent and impact of the COVID-19 pandemic is unknown and to date has included extreme volatility in financial markets, a slowdown in economic activity, extreme volatility in commodity prices and has raised the prospect of an extended global recession. As well, as efforts are undertaken to slow the spread of the COVID-19 pandemic, the operation and development of projects may be impacted as governments have declared a state of emergency or taken other actions. If the operation of the Company is suspended, it may have a material adverse impact on the Company's profitability, results of

operations, and financial condition. The broader impact of the COVID-19 pandemic on investors, businesses, the global economy or financial and commodity markets may also have a material adverse impact on the Company's profitability, results of operations and financial conditions. The extent to which the coronavirus impacts the Company's results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and actions taken to contain the coronavirus or its impact, among others.

Limited Operating History and Sales

The Company has a limited operating history on which to base an evaluation of its business, financial performance and prospects. As such, the Company's business and prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stage of development. As the Company is in an early stage and is introducing new products, the Company's revenues may be materially affected by the decisions, including timing decisions, of a relatively consolidated customer base. In addition, it is also difficult to evaluate the viability of the Company's video games because the Company has had limited experience to address the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly companies in new and rapidly evolving markets such as the Company's target markets. There can be no assurance that the Company will be successful in addressing these risks, and the failure to do so in any one area could have a material adverse effect on the Company's business, prospects, financial condition and results of operations.

No Assurance of Profitability

The Company cannot give assurances that it will not incur net losses in the future. The limited operating history makes it difficult to predict future operating results. The Company is subject to the risks inherent in the operation of a new business enterprise in an emerging business sector, and there can be no assurance that the Company will be able to successfully address these risks.

Future Capital Needs; Uncertainty of Additional Funding

The Company may not be able to fully implement and execute its business strategy without additional financing. There can be no assurance that such additional financing will be available, and if available, there can be no assurance that the cost of obtaining such financing will be on favourable or reasonable commercial terms or that financing will not result in substantial dilution to the Company's shareholders.

Dependence on Key Personnel

The Company's future success depends on its ability to retain key employees and attract, train, retain and successfully integrate new talent into its management team. The Company's success is highly dependent on its continuing ability to identify, hire, train, motivate and retain appropriate personnel. Competition for these personnel can be intense, and the Company cannot provide assurance that it will be able to attract or retain them. To do so, it may be necessary for the Company to materially increase the compensation it pays.

Management of Growth

The Company may experience a period of significant growth in the number of personnel that will place a strain upon its management systems and resources. Its future will depend in part on the ability of its officers and other key employees to implement and improve financial and management controls, reporting systems and procedures on a timely basis and to expand, train, motivate and manage the workforce. The Company's current and planned personnel, systems, procedures and controls may be inadequate to support its future operations.

Competition

Competition in the gaming industry as it relates to video games is increasing. While the Company is targeting smaller niche sites with higher expected revenues per subscriber, there can be no assurances that competitors will not adopt a similar strategy and attempt to enter the markets that the Company has targeted.

Dependence on Proprietary Technology and Limited Protection Thereof

The Company will be relying on a combination of trademark, copyright, patent and trade secret law, as well as confidentiality restrictions contained in certain confidentiality agreements, to establish and protect the Company's proprietary rights in its intellectual property. As a result, the Company may not be able to adequately prevent a competitor, business partner or customer from creating or obtaining an illegal copy of its software or otherwise using it for inappropriate purposes such as reverse-engineering.

General Economic Trends

The worldwide economic slowdown and tightening of credit in the financial markets may impact the business of the Company's customers, which could have an adverse effect on the Company's business, financial condition, or results of operations. Adverse changes in general economic or political conditions in any of the major countries in which the Company does business could also adversely affect the Company's operating results.

Asset Location and Legal Proceedings

Substantially all of the Company's assets are located in Canada where intellectual property is generally enforced. Video gaming is global in nature, and the Company expects to have subscribers and assets located outside of Canada. Accordingly, the Company may be subject to legal proceedings and judgments in foreign jurisdictions.

Risk Associated with Foreign Operations in Developing Countries

The Company's primary revenues are expected to be achieved initially in North America. However, the Company may expand to markets outside of North America, and become subject to risks normally associated with conducting business in a developing country. The Company cannot predict government positions on such things as foreign investment, intellectual property rights or taxation. A change in government positions on these issues could adversely affect the Company's business.

Market Acceptance

The Company's ability to gain and increase market acceptance of its games depends upon its ability to establish and maintain its brand name and reputation. In order to do so, substantial expenditures on market research, product development, product testing, strategic relationships and marketing initiatives may be required.

Rapid Technological Change

The video gaming industry is characterized by rapid technological change, changes in user and customer requirements and preferences, frequent new product and service introductions embodying new technologies and emergence of new industry standards and practices that could render the Company's existing products and systems obsolete and can exert price pressures on existing products. It is critical to the Company's success that it be able to anticipate and react quickly to changes in technology or in industry standards and successfully develop and introduce new, enhanced and competitive products on a timely basis. The Company cannot give assurance that it will successfully develop new products or enhance and improve its existing products, that new products and enhanced and improved existing products will achieve market acceptance or that the introduction of new products or enhanced existing products by others will not render the Company's products obsolete. The process of developing new technology is complex and uncertain, and, if the Company fails to accurately predict customers' changing needs and emerging technological trends, its business could be harmed. The Company must commit significant resources to developing new products before knowing whether its investments will result in products the market will accept. To remain competitive, the Company may be required to invest significantly greater resources than currently anticipated in research and development and product enhancement efforts, and result in increased operating expenses.

Product Defects and Reputation

The Company will continue developing source code for its platform. Such source code and related products may contain errors or hidden defects that may significantly impact the user experience. The Company may not be able to correct the defects in a timely manner, and may lead to a loss of or a delay in market acceptance. In addition, such errors or hidden defects could cause adverse damage to its reputation and impair its ability to acquire new users. In addition, the Company may need to make significant expenditures to eliminate defects from its products. As well, errors and defects could lead to claims for liability or other claims involving costly litigation.

Risks Associated with Acquisitions

As part of the Company's overall business strategy, the Company may pursue select strategic acquisitions that would provide additional product or service offerings, additional industry expertise, and a stronger industry presence in both existing and new jurisdictions. Future acquisitions may expose it to potential risks, including risks associated with: (a) the integration of new operations, services and personnel; (b) unforeseen or hidden liabilities; (c) the diversion of resources from the Company's existing business and technology; (d) potential inability to generate sufficient revenue to offset new costs; (e) the expenses of acquisitions; or (f) the potential loss of or harm to relationships with both employees and existing users resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

Electronic Communication Security Risks

A significant potential vulnerability of electronic communications is the security of transmission of confidential information over public networks. Anyone who is able to circumvent the Company's security measures could misappropriate proprietary information or cause interruptions in its operations. The Company may be required to expend capital and other resources to protect against such security breaches or to alleviate problems caused by such breaches.

Insurance Coverage

The Company will require insurance coverage for a number of risks, including business interruption, environmental matters and contamination, personal injury and property damage. Although the Company believes that the events and amounts of liability covered by its insurance policies will be reasonable, taking into account the risks relevant to its business, and the fact that agreements with users contain limitations of liability, there can be no assurance that such coverage will be available or sufficient to cover claims to which the Company may become subject. If insurance coverage is unavailable or insufficient to cover any such claims, the Company's financial resources, results of operations and prospects could be adversely affected.

Tax Risk

The Company will be considered to have been carrying on business in Canada for purposes of the *Income Tax Act* (the "**Tax Act**"). However, the Company will be operating in the video gaming space, a new and developing industry that has had historically low regulations and tax compliance. There is risk that foreign governments may look to increase their tax revenues or levy additional taxes to level the playing field for perceived disadvantages to the traditional brick and mortar business. While the Company does not foresee any adverse tax affects, there is no guarantee that governments will not impose such additional adverse taxes in the future.

Risks in Foreign Jurisdictions

Video gaming is a global phenomenon, and the Company anticipates that a significant user base will be located outside Canada. International business activities entail additional risks such as uncertainty as to the protection and use of intellectual property, partnership risks, political risks, legal and regulatory risks, the risk of increase in taxes (including value added taxes) and trade barriers. Furthermore, as profits of foreign subsidiaries are taxable under foreign income tax legislation, revenues from foreign operations could be adversely impacted.

Currency Fluctuations

Due to the Company's present operations, and its intention to in the future operate in jurisdictions outside Canada, the Company is expected to be exposed to significant currency fluctuations in the future. Recent events in the global financial markets have been coupled with increased volatility in the currency markets. A substantial portion of the Company's revenue could be earned in US dollars, but a substantial portion of its operating expenses are incurred in Canadian dollars. Fluctuations in the exchange rate between the US dollar

and other currencies, such as the Canadian dollar, may have a material adverse effect on the Company's business, financial condition and operating results. The Company intends to continue to expand operations globally so it may be subject to additional gains and losses against additional currencies. The Company does not currently have a foreign exchange hedging program in place. However, in the future, it may establish a program to hedge a portion of its foreign currency exposure with the objective of minimizing the impact of adverse foreign currency exchange movements. However, even if the Company develops a hedging program, it may not hedge its entire exposure to any one foreign currency and it may not hedge its exposure at all with respect to certain foreign currencies.

Fluctuations in Quarterly Results

The Company's quarterly operating results may fluctuate significantly in the future depending on factors such as the popularity of video games, the ability to attract users, progress on implementation of projects and upgrades, the number, timing and significance of new product announcements by the Company and its competitors, the ability to license and develop new software, introduce and market new and enhanced versions of products on a timely basis, changes in operating expenses, and general economic factors, among others. A significant portion of the Company's expenses are based on expectations of future revenue and, therefore, is relatively fixed in the short-term. Accordingly, if revenue levels are below expectations, operating results are likely to be adversely affected. As quarterly revenue is dependent upon building a significant user base, and the ability to monetize that user base, the inability to build and monetize the user base could cause the Company to plan or budget inaccurately, and those variations could adversely affect its financial results.

Officer and Director Conflicts

The Company's officers and directors may have certain interests and arrangements that are different from, or in addition to the Company's shareholders. Executive officers and directors may have rights to indemnification including directors' and officers' liability insurance that will survive consummation of their agreements.

SUBSEQUENT EVENTS

The Company invested in GG Hub an additional €50,000 on January 25, 2022, €100,000 on February 24, 2022 and €100,000 on March 31, 2022, which represented an additional 12.5% ownership. As a result, the Company has acquired a total of 35% interest in GG Hub.

On January 27, 2022, the Company entered into a share purchase agreement with 1281750 B.C. Ltd. ("BC Ltd") and the shareholders of BC Ltd to which the Company has acquired 100% of the issued and outstanding shares of BC Ltd. As consideration for the transaction, the Company issued 5,000,000 common shares in the capital of the Company. BC Ltd. is a private company that creates, develops and publishes software related to mobile games and applications. The Campaign is a hybrid casual mobile game and political campaign app designed to engage a wide range of mobile players. It enhances players' experience and connection with politics through a rewarding game that includes a suite of communication features where players follow stories as they manage and grow a political campaign. Based on the popular Idle game genre, the game is being developed to support a dual game strategy, with a direct-to-consumer version (B2C) and a fully customizable business to business version (B2B). The Company has not yet assessed whether the acquisition qualifies as a business combination or asset purchase.

On January 24, 2022 550,000 options were exercised at \$0.165 per share.

On February 1, 2022, the Company settled an aggregate of \$196,252 of indebtedness to certain creditors through the issuance of 1,308,349 common shares in the capital of the Company at a price of \$0.15 per common share.

On February 1, 2022, the Company granted 2,425,000 options at a price of \$0.15 per share and expiring on February 1, 2027.

On February 23, 2022 and March 30, 2022, the Company entered into loan agreements with Crest Resources for \$145,000 and \$140,000 respectively at 5% interest per annum, with a maturity date of December 31, 2022.

On March 11, 2022, the Company issued 250,000 options to purchase common shares of the Company exercisable at a price of \$0.15 per share and expiring on March 10, 2027.