

No securities regulatory authority has expressed an opinion about any information contained herein and it is an offence to claim otherwise. This Prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the United States (as such term is defined in Regulation S under the U.S. Securities Act) and may not be offered, sold or delivered, directly or indirectly, in the United States, except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This prospectus does not constitute an offer to sell or solicitation of an offer to buy any of these securities in the United States. See “Plan of Distribution”.

## PROSPECTUS

New Issue Prospectus

October 11, 2019



(formerly E-Gaming Ventures Corp.)

**\$186,195.10**

### **531,986 Common Shares on exercise or deemed exercise of 531,986 Special Warrants**

This long form prospectus (the “**Prospectus**”) is being filed with the securities regulatory authority in the Province of British Columbia to enable AMPD Ventures Inc. (formerly E-Gaming Ventures Corp.) (“**AMPD**”, “**we**”, “**us**”, or “**our**”) to become a reporting issuer under the applicable securities legislation in the Province of British Columbia.

No securities are being offered or sold pursuant to this Prospectus. This Prospectus qualifies for distribution of Common Shares (the “**Qualified Shares**”) issuable for no additional consideration upon exercise or deemed exercise of 531,986 special warrants (the “**Special Warrants**”) of the Company issued on September 18, 2019 at a price of \$0.35 (the “**Offering Price**”) per Special Warrant to purchasers in certain provinces of Canada on a non-brokered private placement basis pursuant to prospectus exemptions under applicable securities legislation and in jurisdictions outside of Canada in compliance with laws applicable to each subscriber, respectively (the “**Offering**”). A commission of up to 7% in cash and 7% in finder’s warrants was paid and issued to third parties in connection with the Offering (Mackie Research Capital Corporation was paid \$4,179.70 and issued 11,942 finder’s warrants and InvestX Financial (Canada) Ltd. was paid \$1,890 and issued 5,400 finder’s warrants). See “*Plan of Distribution*”.

The Special Warrants are not available for purchase pursuant to this Prospectus and no additional funds are to be received by the Company from the distribution of the Qualified Shares upon the exercise or deemed exercise of the Special Warrants.

	Price	Net Proceeds to the Company <sup>(1)</sup>
Per Special Warrant	\$0.35	\$0.3386

<b>Total</b>	<b>\$186,195.10</b>	<b>\$180,125.40</b>
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**Notes:**

- (1) After deducting fees paid to eligible finders but before deducting the legal, accounting and administrative expenses of the Company in connection with the Offering.

Subject to the terms and conditions of the certificates representing the Special Warrants, each of the Special Warrants entitles the holder thereof to acquire, upon voluntary exercise prior to, or deemed exercise on, the Qualification Date (as defined below), one Qualified Share, subject to adjustment in certain circumstances, without payment of any additional consideration.

The Special Warrants will be deemed to be exercised on the date (the “**Qualification Date**”) that is the earlier of (a) the date that is four months and a day following closing date of the Offering (the “**Deemed Exercise Date**”), and (b) the third business day following the date on which a receipt for the final prospectus of the Company qualifying the distribution of the Qualified Shares issuable on exercise of the Special Warrants (the “**Final Receipt**”) has been issued, at which time each Special Warrant shall be automatically exercised for one Qualified Share, subject to adjustment in certain circumstances, without payment of any additional consideration and without further action on the part of the holder.

The Special Warrants were purchased by subscribers pursuant to private placement exemptions from the prospectus requirements in the Province of British Columbia (the “**Qualifying Jurisdiction**”) in compliance with laws applicable to each such subscriber, respectively. There is no market through which the Special Warrants may be sold, and none is expected to develop. However, pursuant to the terms and conditions of the certificates representing the Special Warrants, the Special Warrants will be deemed to be exercised on the date the Final Receipt for this Prospectus is issued.

In the event that a holder of Special Warrants exercises such securities prior to the earlier of the Qualification Date and the date which is four months and one day after the original date of issuance of the Special Warrants, the Qualifying Shares issued upon exercise of such Special Warrants will be subject to statutory hold periods under applicable securities legislation and shall bear such legends as required by securities laws.

No additional proceeds will be received by the Company in connection with the issuance of the Qualified Shares upon exercise or deemed exercise of the Special Warrants.

AMPD, through its operating subsidiary, AMPD Holdings Corp., operates as a provider of high-performance computing infrastructure and solutions to multiple industry verticals. AMPD focuses on solutions for latency-sensitive applications, such as multiplayer video games, including competitive eSports, big data analysis and visualization, and animation and VFX production pipeline and rendering.

Due to the nature of the Company’s business, an investment in the Qualified Shares is speculative and involves a high degree of risk that should be considered by potential investors. An investment in the Qualified Shares should only be undertaken by those persons who can afford the total loss of their investment.

There is currently no market through which any of the securities being distributed under this Prospectus, may be sold, and purchasers may not be able to resell such securities acquired hereunder. This may affect the pricing of such securities in the secondary market, the transparency and availability of trading prices, the liquidity of such securities and the extent of issuer regulation. See “*Risk Factors*” and “*Cautionary Note Regarding Forward-Looking Information*”.

Concurrently with the filing of this Prospectus, the Company intends to list its Common Shares, the Qualified Shares and all other Common Shares issuable as described in this Prospectus on the Canadian Securities Exchange (the “**Exchange**” or the “**CSE**”). The Exchange has conditionally accepted the listing of the Common Shares. The listing of the Common Shares on the CSE (the “**Listing**”) will be subject to the Company fulfilling all of the listing requirements of the Exchange, which cannot be guaranteed.

As of the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States.

Prospective investors are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding, or disposing of Qualified Shares, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires Qualified Shares.

Prospective investors should rely only on the information contained in this Prospectus. Readers should assume that the information appearing in this Prospectus is accurate only as of its date, regardless of its time of delivery. The Company's business, financial condition, results of operations and prospects may have changed since that date.

No underwriters or selling agents have been involved in the preparation of this Prospectus or performed any review or independent due diligence of the contents of this Prospectus.

Unless otherwise noted, all currency amounts in this Prospectus are stated in Canadian dollars.

**AMPD Ventures Inc.  
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V6E 3P3**

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## TABLE OF CONTENTS

	Page
<b>CAUTION REGARDING FORWARD-LOOKING STATEMENTS</b> .....	1
<b>MARKET AND INDUSTRY DATA</b> .....	3
<b>CONVENTIONS</b> .....	3
<b>GLOSSARY OF TERMS</b> .....	4
<b>SUMMARY OF PROSPECTUS</b> .....	12
PRINCIPAL BUSINESS.....	12
NO PROCEEDS RAISED .....	13
FUNDS AVAILABLE .....	13
RISK FACTORS .....	14
SUMMARY OF FINANCIAL INFORMATION .....	14
RESULTING ISSUER .....	15
<b>CORPORATE STRUCTURE</b> .....	16
NAME, ADDRESS AND INCORPORATION OF COMPANY .....	16
NAME, ADDRESS AND INCORPORATION OF AMPD HOLDINGS.....	16
ACQUISITION OF AMPD HOLDINGS .....	16
INTERCORPORATE RELATIONSHIPS .....	17
<b>GENERAL DEVELOPMENT OF THE BUSINESS</b> .....	17
HISTORY .....	17
<b>DESCRIPTION OF THE BUSINESS</b> .....	19
GENERAL .....	19
FULL REMOTE RENDER PIPELINE.....	22
AMPD SPOT INSTANCES.....	22
‘COMMODITY CLOUD LIBERATION STACK’ .....	22
WORKSTATION / DESKTOP AS A SERVICE (WAAS / DAAS) .....	22
GAMING RIG AS A SERVICE (GRAAS) .....	22
ONGOING ENHANCEMENT OF END-TO-END SOLUTIONS FOR GAMES COMPANIES .....	22
LEASE AGREEMENTS.....	23
COMPETITION.....	24
EMPLOYEES, SPECIALIZED SKILLS AND KNOWLEDGE.....	25
INTELLECTUAL PROPERTY .....	26
ENVIRONMENTAL INITIATIVES .....	26
FUTURE DEVELOPMENTS .....	26
<b>USE OF AVAILABLE FUNDS</b> .....	27
PROCEEDS .....	27
FUNDS AVAILABLE .....	28
<i>INVESTOR RELATIONS</i> .....	29
<i>RESEARCH AND PRODUCT DEVELOPMENT</i> .....	29
<i>COMPLETION OF AMPD HPC CLOUD</i> .....	29
<i>COMPLETION OF THE AMPD ‘LAB’</i> .....	29
<i>DEVELOPMENT OF FULL REMOTE RENDER PIPELINE</i> .....	29

<i>DESIGN AND IMPLEMENT MVP OF AMPD'S 'COMMODITY CLOUD LIBERATION STACK'</i> .....	29
<i>SALES, TRAVEL, AND MARKETING</i> .....	30
<b>SELECTED FINANCIAL INFORMATION</b> .....	<b>30</b>
AMPD .....	30
AMPD HOLDINGS.....	31
RESULTING ISSUER .....	31
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b> .....	<b>32</b>
AMPD .....	32
AMPD HOLDINGS.....	32
<b>DESCRIPTION OF SHARE CAPITAL</b> .....	<b>32</b>
AMPD .....	32
COMMON SHARES .....	32
AMPD HOLDINGS.....	33
RESULTING ISSUER .....	33
<b>CONSOLIDATED CAPITALIZATION</b> .....	<b>33</b>
<b>OPTIONS TO PURCHASE SECURITIES</b> .....	<b>34</b>
AMPD .....	34
RESULTING ISSUER .....	34
<b>PRIOR SALES</b> .....	<b>36</b>
AMPD .....	36
AMPD HOLDINGS.....	37
<b>DESCRIPTION OF SECURITIES BEING QUALIFIED FOR DISTRIBUTION</b> .....	<b>37</b>
<b>ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER</b> .....	<b>38</b>
ESCROW AGREEMENTS .....	38
<b>PRINCIPAL SHAREHOLDERS</b> .....	<b>38</b>
<b>EXECUTIVE OFFICERS AND DIRECTORS</b> .....	<b>38</b>
SHARE OWNERSHIP BY DIRECTORS AND OFFICERS.....	43
CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES.....	43
PENALTIES OR SANCTIONS .....	44
PERSONAL BANKRUPTCIES.....	44
CONFLICTS OF INTEREST .....	44
<b>EXECUTIVE COMPENSATION</b> .....	<b>45</b>
COMPENSATION OF NAMED EXECUTIVE OFFICERS .....	45
DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION, EXCLUDING COMPENSATION SECURITIES.....	45
STOCK OPTIONS AND OTHER COMPENSATION SECURITIES .....	46
STOCK OPTION PLANS AND OTHER INCENTIVE PLANS.....	46
EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS.....	46
<b>DIRECTOR COMPENSATION</b> .....	<b>48</b>
DIRECTORS' AND OFFICERS' LIABILITY INSURANCE.....	49
<b>INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS</b> .....	<b>49</b>
<b>PLAN OF DISTRIBUTION</b> .....	<b>49</b>
<b>AUDIT COMMITTEE</b> .....	<b>50</b>

AUDIT COMMITTEE .....	50
AUDIT COMMITTEE’S CHARTER.....	50
MANDATE AND RESPONSIBILITIES OF THE AUDIT COMMITTEE.....	50
AUDIT COMMITTEE OVERSIGHT.....	51
RELIANCE ON CERTAIN EXEMPTIONS.....	51
PRE-APPROVAL POLICIES AND PROCEDURES .....	51
EXTERNAL AUDITOR SERVICE FEES BY CATEGORY .....	51
<b>CORPORATE GOVERNANCE.....</b>	<b>52</b>
BOARD OF DIRECTORS .....	52
BOARD MANDATE.....	52
POSITION DESCRIPTION .....	53
OTHER REPORTING ISSUER EXPERIENCE.....	53
ORIENTATION AND CONTINUING EDUCATION.....	53
ETHICAL BUSINESS CONDUCT.....	53
NOMINATION OF DIRECTORS.....	53
COMPENSATION .....	54
OTHER BOARD COMMITTEES .....	54
ASSESSMENTS .....	54
<b>RISK FACTORS .....</b>	<b>54</b>
RISKS RELATED TO THE COMPANY .....	54
<b>CERTAIN FEDERAL INCOME TAX CONSIDERATIONS .....</b>	<b>63</b>
<b>PROMOTERS .....</b>	<b>63</b>
<b>LEGAL PROCEEDINGS.....</b>	<b>63</b>
<b>INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS.....</b>	<b>63</b>
<b>AUDITORS, TRANSFER AGENTS AND REGISTRARS .....</b>	<b>64</b>
<b>ENFORCEMENT OF JUDGEMENTS AGAINST FOREIGN PERSONS.....</b>	<b>64</b>
<b>MATERIAL CONTRACTS .....</b>	<b>64</b>
<b>LEGAL MATTERS .....</b>	<b>64</b>
<b>EXPERTS.....</b>	<b>64</b>
<b>PURCHASERS’ STATUTORY RIGHTS OF WITHDRAWAL AND RECISSION .....</b>	<b>65</b>
<b>OTHER MATERIAL FACTS.....</b>	<b>65</b>
FINANCIAL STATEMENT DISCLOSURE .....	65
<b>SCHEDULE “A” .....</b>	<b>A-1</b>
<b>SCHEDULE “B”.....</b>	<b>B-1</b>
<b>SCHEDULE “C” .....</b>	<b>C-1</b>
<b>SCHEDULE “D” .....</b>	<b>D-1</b>
<b>SCHEDULE “E”.....</b>	<b>E-1</b>
<b>SCHEDULE “F”.....</b>	<b>F-1</b>
<b>CERTIFICATE OF AMPD VENTURES INC. (FORMERLY E-GAMING VENTURES CORP.) .....</b>	<b>66</b>
<b>CERTIFICATE OF THE PROMOTER.....</b>	<b>67</b>

## CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements that relate to the Company's current expectations and views of future events. The forward-looking statements are contained principally in the sections entitled "*Prospectus Summary*", "*Description of the Business*", "*Selected Financial Information and Management's Discussion and Analysis*" and "*Risk Factors*".

In some cases, these forward-looking statements can be identified by words or phrases such as "may", "might", "will", "expect", "anticipate", "estimate", "intend", "plan", "indicate", "seek", "believe", "predict" or "likely", or the negative of these terms, or other similar expressions intended to identify forward-looking statements. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to:

- the Company's intention to complete the listing of the Common Shares on the CSE and all transactions related thereto;
- the Company's expectations regarding its revenue, expenses and operations;
- the Company's anticipated cash needs and its needs for additional financing;
- the Company's intention to grow its business and its operations;
- expectations with respect to the success of the Company's research and development;
- beliefs and intentions regarding the ownership of material trademarks and domain names used in connection with the design, production, marketing, distribution and sale of our products;
- the Company's competitive position and the regulatory environment in which the Company operates;
- the Company's expectation that it will have sufficient funds to cover its expenses over the next twelve months;
- the Company's expected business objectives for the next twelve months; and
- the Company's ability to obtain additional funds through the sale of equity or debt commitments;

Forward-looking statements are based on certain assumptions and analyses made by the Company considering the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward looking statements included in this Prospectus, the Company has made various material assumptions, including but not limited to (i) general business and economic conditions; (ii) the Company's ability to successfully execute its plans and intentions; (iii) the availability of financing on reasonable terms; (iv) the Company's ability to attract and retain skilled staff; (v) market competition; (vi) the products and technology offered by the Company's competitors; and (vii) that our current good relationships with our suppliers, service providers and other third parties will be maintained.

Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and we cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties and assumptions, prospective purchasers of Common Shares should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under "Risk Factors", which include:

- the Company is a development stage company with little operating history, and a history of losses and the Company cannot assure profitability;
- uncertainty about the Company's ability to continue as a going concern;

- AMPD Holdings has negative cash flow for the year ended May 31, 2018;
- the Company's actual financial position and results of operations may differ materially from the expectations of management;
- the Company expects to incur significant ongoing costs and obligations relating to its investment in infrastructure, growth and operations;
- there are factors which may prevent the Company from the realization of growth targets;
- there is no assurance that the Company will turn a profit or generate revenues;
- the Company may not be able to effectively manage its growth and operations, which could materially and adversely affect its business;
- the Company may be unable to adequately protect its proprietary and intellectual property rights;
- the Company may be forced to litigate to defend its intellectual property rights, or to defend against claims by third parties against the Company relating to intellectual property rights;
- the Company may become subject to litigation, which may have a material adverse effect on the Company's reputation, business, results from operations and financial condition;
- the Company faces competition from other companies where it will conduct business that may have a higher capitalization, more experienced management or may be more mature as a business;
- if the Company is unable to attract and retain key personnel, it may not be able to compete effectively;
- the Company will continue to sell securities for cash to fund operations, capital expansion, mergers and acquisitions that will dilute the current shareholders;
- the Company will be reliant on information technology systems and may be subject to damaging cyberattacks;
- the Company's officers and directors may be engaged in a range of business activities resulting in conflicts of interest;
- in certain circumstances, the Company's reputation could be damaged;
- the Company cannot assure you that a market will develop or exist for the Common Shares or what the market price of the Common Shares will be;
- the size of Company's target market is difficult to quantify, and investors will be reliant on their own estimates on the accuracy of market data;
- trademark and patent protection may not be available for the intellectual property of the Company;
- the Company will be subject to additional regulatory burden resulting from its intended public listing on the CSE;
- the market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond our control;
- the Company does not anticipate paying cash dividends;
- future sales of Common Shares by existing shareholders could reduce the market price of the Common Shares; and



- no guarantee on the use of available funds by the Company.

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in those forward-looking statements. The assumptions referred to above and described in greater detail under “Risk Factors” should be considered carefully by readers.

The Company’s forward-looking statements are based on the reasonable beliefs, expectations and opinions of management on the date of this Prospectus (or as of the date they are otherwise stated to be made). Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such 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 forward-looking statements. We do not undertake to update or revise any forward-looking statements, except as, and to the extent required by, applicable securities laws in Canada.

All of the forward-looking statements contained in this Prospectus are expressly qualified by the foregoing cautionary statements. Investors should read this entire Prospectus and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment.

## MARKET AND INDUSTRY DATA

This Prospectus includes market and industry data that has been obtained from third-party sources, including industry publications. AMPD believes that the industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, AMPD has not independently verified any of the data from third party sources referred to in this Prospectus or ascertained the underlying economic assumptions relied upon by such sources.

Unless otherwise indicated, information contained in this Prospectus concerning the Company’s industry and the markets in which it operates, including general expectations and market position, market opportunities and market share, is based on information from independent industry organizations, other third-party sources (including industry publications, surveys and forecasts) and management studies and estimates.

The Company’s estimates are derived from publicly available information released by independent industry analysts and third-party sources as well as data from the Company’s internal research, and knowledge of the cloud computing and storage market and economy, and include assumptions made by the Company which management believes to be reasonable based on their knowledge of the Company’s industry and markets. The Company’s internal research and assumptions have not been verified by any independent source, and it has not independently verified any third-party information. While the Company believes the market position, market opportunity and market share information included in this Prospectus is generally reliable, such information is inherently imprecise. In addition, projections, assumptions and estimates of the Company’s future performance and the future performance of the industry and markets in which it operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the heading “*Forward-Looking Statements*” and “*Risk Factors*”.

## CONVENTIONS

Certain terms used herein are defined in the “Glossary of Terms”. Unless otherwise indicated, references to \$ are to Canadian dollars and \$USD are to U.S. dollars. All financial information with respect to AMPD has been presented in Canadian dollars in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretation Committee.

## GLOSSARY OF TERMS

The following is a glossary of certain defined terms used throughout this Prospectus. This is not an exhaustive list of defined terms used in this Prospectus and additional terms are defined throughout. Terms and abbreviations used in the financial statements of AMPD and AMPD Holdings are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa, and words importing any gender include all genders.

“\$” means Canadian dollars.

“7G” means 7G Entertainment Inc.

“Affiliate” means a company that is affiliated with another company as described below:

A company is an “Affiliate” of another company if:

- (a) one of them is the subsidiary of the other; or
- (b) each of them is controlled by the same Person;

A company is “controlled” by a Person if:

- (a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person; and
- (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company;

A Person beneficially owns securities that are beneficially owned by:

- (a) a Company controlled by that Person, or
- (b) an Affiliate of that Person, or
- (c) an Affiliate of any Company controlled by that Person.

“AMPD” means AMPD Ventures Inc. (formerly named E-Gaming Ventures Corp.), a company existing under the BCBCA.

“AMPD Data Centre” has the meaning set forth under the heading “*Description of the Business – “Next-Generation Data Centres – Technical Specifications”*”.

“AMPD Financial Statements” means the audited financial statements of AMPD for the period from June 27, 2018 (date of incorporation) to February 28, 2019 together with the notes thereto and the auditors’ report thereon, as applicable, together with the notes thereto, and the interim financial statements for the audited three-month period ended May 31, 2019, together with notes thereto, attached hereto at Schedule “A”.

“AMPD Holdings” means AMPD Holdings Corp., AMPD’s operating subsidiary, a company existing under the BCBCA.

“AMPD Holdings Convertible Loans” means, collectively, the Hynes Loan, the Brown Loan and the Pyfera Debt.

“AMPD Holdings Financial Statements” means the audited financial statements of AMPD Holdings Corp. for the fiscal years ended May 31, 2019, 2018 and 2017, together with the notes thereto and the auditors’ report thereon, as applicable, attached hereto at Schedule “C”.

“AMPD Holdings MD&A” means the management’s discussion and analysis of AMPD Holdings for the years ended May 31, 2019, 2018 and 2017, attached hereto at Schedule “D”.

“**AMPD Holdings Options**” means 2,941,840 stock options granted under the AMPD Holdings Option Plan that are outstanding and exercisable into AMPD Holdings Shares at a price of \$0.001 per AMPD Holdings Share.

“**AMPD Holdings Option Plan**” has the meaning set forth under the heading “*Options to Purchase Securities – AMPD Holdings*”.

“**AMPD Holdings Shares**” means the common shares in the capital of AMPD Holdings.

“**AMPD Holdings Shareholders**” means the holders of AMPD Holdings Shares.

“**AMPD Holdings Warrants**” means, collectively, 250,000 common share purchase warrants to acquire up to 250,000 AMPD Holdings Shares at an exercise price of \$0.60 per AMPD Holdings Share.

“**AMPD Loan Agreement**” has the meaning set forth under the heading “*General Development of the Business – History – AMPD*”.

“**AMPD MD&A**” means the management’s discussion and analysis of AMPD for the period from June 27, 2018 (date of Incorporation) to February 28, 2019 and the management’s discussion and analysis of AMPD for the 3 month period ended May 31, 2019, attached hereto at Schedule “B”.

“**Applicable Securities Law**” means applicable securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders having the force of law, in force from time to time.

“**Associate**” means when used to indicate a relationship with a person or company, means:

- (a) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer;
- (b) any partner of the person or company;
- (c) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity;
- (d) in the case of a person, a relative of that person, including:
  - (i) that person’s spouse or child; or
  - (ii) any relative of the person or of his spouse who has the same residence as that person; but
- (e) where the Exchange determines that two persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company.

“**Audit Committee**” means the audit committee of the Resulting Issuer.

“**Audit Committee Charter**” means the Audit Committee’s Charter, attached hereto as Schedule “F”.

“**Avcorp**” means Avcorp Industries Inc. (TSE:AVP), a Canadian corporation that provides supply chain solutions to the world's leading aircraft manufacturers and supports airline operators with component repair services.

“**BCBCA**” means the *Business Corporations Act* (British Columbia).

“**Board**” or “**Board of Directors**” means the board of directors, or comparable corporate governing structure, of AMPD, AMPD Holdings or the Resulting Issuer, as applicable.

“**Boeing**” means Boeing Canada Operations Ltd., the Canadian subsidiary of The Boeing Company (NYSE: BA), an American multinational corporation that designs, manufactures, and sells airplanes, rotorcraft, rockets, satellites, telecommunications equipment, and missiles worldwide.

“**Brown Loan**” means the convertible loan between AMPD Holdings and Mr. Anthony Brown entered into on August 29, 2018, and subsequently amended on May 1, 2019, in the principal amount of \$250,000 bearing interest at 12% per annum. The \$250,000 principal is convertible into 357,143 AMPD Holdings Shares at a price of \$0.70 per AMPD Holdings Share, or if converted after the Transaction, 607,143 Common Shares based on the Share Exchange Ratio. Any accrued interest may also be converted at the same price per share. Mr. Brown is the Chief Executive Officer of AMPD Holdings and is expected to be the Chief Executive Officer of the Resulting Issuer.

“**Business Day**” means a day other than Saturday, Sunday or a statutory holiday in British Columbia, Canada.

“**Canada’s Digital Technology Supercluster**” or “**CDTS**” means Canada’s Digital Technology Supercluster, one of five superclusters selected in February 2018 to share in \$950 million dedicated by the Government of Canada to the Innovation Supercluster Initiative.

“**Canfor**” means Canfor Corporation (TSE: CFP), an integrated forest products company based in Vancouver, British Columbia.

“**CBCA**” means the *Business Corporations Act* (Canada).

“**CEO**” means Chief Executive Officer.

“**CEO Senior Executive Employment Agreement**” has the meaning set forth under the heading “*Executive Compensation – Employment, Consulting and Management Agreements*”.

“**CFO**” means Chief Financial Officer.

“**CFO Consulting Agreement**” has the meaning set forth under the heading “*Executive Compensation – Employment, Consulting and Management Agreements*”.

“**Closing Date**” has the meaning set forth under the heading “*Corporate Structure – Acquisition of AMPD Holdings*”.

“**Common Shares**” means the common shares in the capital of AMPD or the Resulting Issuer, as applicable.

“**Company**” means AMPD, AMPD Holdings, the Resulting Issuer or all three, as the case may be.

“**company**” means, unless specifically indicated otherwise, a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

“**Computershare**” means the transfer agent Computershare Investor Services Inc.

“**Convergent**” means Convergent Manufacturing Technologies, Inc., a British Columbia technology company.

“**CSE**” or the “Exchange” means the Canadian Securities Exchange operated by the CNSX Markets Inc.

“**CSE Approval**” means conditional approval or acceptance of the CSE of the listing of the Common Shares on the CSE.

“**CSO**” means Chief Strategy Officer.

“**CSO Senior Executive Employment Agreement**” has the meaning set forth under the heading “*Executive Compensation – Employment, Consulting and Management Agreements*”.

“**CTO**” means Chief Technology Officer.

“**CTO Senior Executive Employment Agreement**” has the meaning set forth under the heading “*Executive Compensation – Employment, Consulting and Management Agreements*”.

“**DC1**” means AMPD Holdings’ first operational AMPD Data Centre located at 1540 West 2<sup>nd</sup> Avenue, Vancouver, B.C. V6J 1H2.

“**Dell**” means Dell Canada Inc., the Canadian subsidiary of Dell Technologies Inc. (NYSE: DELL), a US multinational computer technology company that develops, sells, repairs, and supports computers and related products and services.

“**Digital Twin**” means a dynamic virtual representation of a physical object or system across its lifecycle, using real-time data to enable understanding, learning and reasoning.

“**D-Wave**” means D-Wave Systems Inc., a Canadian quantum computing company, based in Burnaby, British Columbia, Canada.

“**EMC**” means Dell EMC, an American multinational corporation headquartered in Hopkinton, Massachusetts, United States. Dell EMC sells data storage, information security, virtualization, analytics, cloud computing and other products and services that enable organizations to store, manage, protect, and analyze data. Dell EMC is a subsidiary of Dell Technologies Inc. (NYSE: DELL).

“**Escrow Agreement**” means the escrow agreement to be entered into on the date of the Final Prospectus, among the Company, the Transfer Agent and certain shareholders, pursuant to which 16,170,455 Common Shares will be held in escrow.

“**Escrow Shares**” means the 16,170,456 Common Shares that are held in escrow pursuant to the Escrow Agreement.

“**Executive Consulting Agreements**” has the meaning set forth under the heading “*Executive Compensation – Employment, Consulting and Management Agreements*”.

“**Executive Employment Agreements**” has the meaning set forth under the heading “*Executive Compensation – Employment, Consulting and Management Agreements*”.

“**Final Prospectus**” means the final prospectus of AMPD, prepared in accordance with NI 41-101.

“**Final Receipt**” means the receipt issued by the Principal Regulator, evidencing that a receipt has been, or has been deemed to be, issued for the Final Prospectus in British Columbia.

“**Finder’s Warrants**” has the meaning set forth under the heading “*General Development of the Business – History – AMPD*”.

“**Fortinet**” means Fortinet, Inc. (NASDAQ: FTNT), an American multinational corporation headquartered in Sunnyvale, California. It develops and markets cybersecurity software and appliances and services, such as firewalls, anti-virus, intrusion prevention and endpoint security.

“**GAAP**” means generally accepted accounting principles in Canada.

“**GE**” means GE Digital LLC, a subsidiary of the American multinational conglomerate corporation General Electric (NYSE: GE). Headquartered in San Ramon, California, United States, the company provides software and advisory services around operational technology and infrastructure.

“**HP**” means Hewlett-Packard (Canada) Co., the Canadian subsidiary of HP Inc. (NYSE: HPQ), an American multinational information technology company headquartered in Palo Alto, California, United States. It develops personal computers (PCs), printers and related supplies, as well as 3D printing solutions.

“**HPC**” means High-Performance Computing, the use of parallel processing for running advanced application programs efficiently, reliably and quickly.

“**Hynes Developments**” means Hynes Developments Inc., a research-oriented real estate development company owned by Stephen Hynes, based in West Vancouver, B.C. Hynes Developments has real estate holdings across the U.S. and in western Canada.

“**Hynes Loan**” means the convertible loan between AMPD Holdings and Stephen Hynes entered into on May 1, 2019 in the principal amount of \$120,000 bearing interest at 12% per annum and convertible into 171,429 AMPD Holdings Shares at a price of \$0.70 per AMPD Holdings Share, or if converted after the Transaction, 291,429 Common Shares based on the Share Exchange Ratio. Any accrued interest may also be converted at the same price per share.

“**IFRS**” means the International Financial Reporting Standards as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretation Committee.

“**IGP**” means Infinite Game Publishing.

“**Insider**” means:

- (a) a director or senior officer of AMPD Holdings;
- (b) a director or senior officer of AMPD Holdings that is an Insider or subsidiary of AMPD Holdings,
- (c) a Person that beneficially owns or controls, directly or indirectly, Voting Shares carrying more than 10% of the voting rights attached to all outstanding voting shares of AMPD Holdings; or
- (d) AMPD Holdings itself if it holds any of its own securities.

“**IOPS**” means Input/Output Operations Per Second, which is a common performance measurement used to benchmark computer storage devices like hard disk drives, solid state drives, and storage area networks.

“**IP**” means intellectual property.

“**Kaminario**” means Kaminario, Inc., a Needham, Massachusetts-based computer data storage company founded in 2008. Kaminario manufactures the Kaminario K2 line of solid-state storage area network products that use flash memory.

“**LlamaZOO**” means Llamazoo Interactive Inc., a Victoria, BC-based 3D visualization solutions company.

“**Lenovo**” means Lenovo (Canada) Inc., the Canadian subsidiary of Lenovo Group Limited (HKG: 0992), a Chinese multinational technology company with headquarters in Beijing. It designs, develops, manufactures, and sells personal computers, tablet computers, smartphones, workstations, servers, electronic storage devices, IT management software, and smart televisions.

“**LLP**” means a limited liability partnership for a private company in Canada.

“**MD&A**” means management discussion and analysis.

“**Microsoft**” means Microsoft Canada Inc., the Canadian subsidiary of Microsoft Corp. (NASDAQ: MSFT), an American multinational technology company with headquarters in Redmond, Washington. It develops, manufactures, licenses, supports and sells computer software, consumer electronics, personal computers, and related services.

“**My E-Sports Ventures**” means Myesports Ventures Ltd., a Vancouver, BC-based company founded in 2018 with the goal of establishing and operating dedicated eSports stadiums in Canada.

“**Named Executive Officer**” or “**NEO**” means:

- (a) the CEO, or comparable position;
- (b) the CFO, or comparable position;
- (c) each of the issuer’s three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus, individually, exceeds CAD\$150,000 per year; or

- (d) any additional individuals for whom disclosure would have been provided under (c) except that the individual was not serving as an officer of the issuer at the end of the most recently completed financial year.

“**NI 41-101**” means National Instrument 41-101 – *General Prospectus Requirements*, of the Canadian Securities Administrators.

“**NI 45-102**” means National Instrument 45-102 – *Resale of Securities*, of the Canadian Securities Administrators.

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees*, of the Canadian Securities Administrators.

“**Nvidia**” means Nvidia Corporation (NASDAQ: NVDA), an American technology company incorporated in Delaware and based in Santa Clara, California. It designs graphics processing units for the gaming and professional markets, as well as system-on-a-chip units for the mobile computing and automotive market.

“**Offering**” means the non-brokered private placement of 531,986 Special Warrants at a price of \$0.35 per Special Warrant for total gross proceeds of \$186,195.10. Each Special Warrant entitles the holder to acquire, without further payment, one Qualified Share. The Special Warrants will be deemed to be exercised on the third business day following the date on which a receipt for a (final) prospectus has been issued by the securities regulatory authority in the Province of British Columbia.

“**Options**” means the options issued pursuant to the Option Plan.

“**Option Plan**” means the Resulting Issuer’s stock option plan. See “*Options to Purchase Securities – Resulting Issuer*”.

“**Perforce**” means Perforce Software, Inc., is a Minneapolis, Minnesota-based developer of software used for application development, including version control software, web-based repository management, developer collaboration, application lifecycle management and Agile planning software.

“**Person**”, unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

“**Preliminary Prospectus**” means the preliminary prospectus of AMPD, prepared in accordance with NI 41-101.

“**Preliminary Receipt**” means the receipt issued by the Principal Regulator, evidencing that a receipt has been, or has been deemed to be, issued for the Preliminary Prospectus in British Columbia.

“**Principal Regulator**” means the British Columbia Securities Commission.

“**Promoter**” means (a) a person or company who, acting alone or in conjunction with one or more other persons, companies or a combination thereof, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of an issuer, or (b) a person or company who, in connection with the founding, organizing or substantial reorganizing of the business of an issuer, directly or indirectly, receives in consideration of services or property, or both services and property, 10% or more of any class of securities of the issuer or 10% or more of the proceeds from the sale of any class of securities of a particular issue, but a person or company who receives such securities or proceeds either solely as underwriting commissions or solely in consideration of property shall not be deemed a promoter within the meaning of this definition if such person or company does not otherwise take part in founding, organizing, or substantially reorganizing the business.

“**Prospectus**” means collectively, the Preliminary Prospectus and the Final Prospectus (including any Supplemental Material thereto).

“**Pro-Forma Financial Statements**” means the unaudited pro-forma consolidated financial statements of AMPD as at May 31 2019, together with the notes thereto, attached hereto as Schedule “E”.

“**Pyfera Debt**” means the debt owing to Pyfera Growth Capital Corp. by AMPD Holdings in the principal amount of \$250,000 pursuant to the Pyfera Subscription Agreement.

“**Pyfera Subscription Agreement**” means the AMPD Holdings Subscription Agreement – Royalty Agreement dated December 1, 2016 pursuant to which Pyfera Growth Capital Corp. acquired 500,000 royalty units of AMPD Holdings for consideration of \$250,000, and under which AMPD Holdings is required to repay the \$250,000 out of profits once the company is profitable. The Pyfera Debt is expected to be settled by the Resulting Issuer in accordance with the terms of the Pyfera Subscription Agreement.

“**Qualification Date**” means the date the Special Warrants are deemed to be exercised, which is the Deemed Exercise Date or the third business day following the date on which Final Receipt is received.

“**Qualifying Jurisdiction**” means the Province of British Columbia.

“**Qualified Shares**” means the 531,986 Common Shares of the Company issued on exercise or deemed exercise of the Special Warrants, qualified under this Prospectus.

“**Regulation S**” means Regulation S promulgated under the U.S. Securities Act.

“**Replacement Warrant**” means the right to acquire from APMD a Common Share multiplied by the Share Exchange Ratio, rounded down to the nearest whole number of Common Shares. The exercise price under each Replacement Warrant will be equal to the exercise price at the closing time on the Closing Date under the particular AMPD Holdings Option or AMPD Holdings Warrant that was cancelled, divided by the Share Exchange Ratio, in consideration for such Replacement Warrant and the expiration date for each Replacement Warrant will be the same date as the expiration date of such AMPD Option or AMPD Warrant. Replacement Warrants will include the same vesting or other terms as the underlying AMPD Holdings Options or AMPD Holdings Warrants they were exchanged for.

“**Resulting Issuer**” means AMPD after closing the Transaction.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval maintained by the Canadian Securities Administrators.

“**Seven Group**” means The Seven Group Data Management Company Inc.

“**Shareholders**” means the holders of Common Shares.

“**Share Exchange Agreement**” has the meaning set forth under the heading “*Corporate Structure – Acquisition of AMPD Holdings*”.

“**Share Exchange Ratio**” is calculated as follows:

$$\frac{20,000,000}{11,767,362 + [\text{AMPD Holdings Options exercised as of Closing Date}]} = \text{Share Exchange Ratio}$$

“**Special Warrant**” means a special warrant issued by the Company entitling the holder the right to acquire, without additional payment, one Qualified Share for each Special Warrant held, the issuance of the Qualified Shares are qualified under this Prospectus.

“**Teck Resources**” means Teck Resources Limited (TSE: TECK.A), Canada's largest diversified resources company.

“**Telus**” means collectively Telus Communications Inc. and Telus Corporation (TSE: T), a Canadian national telecommunications company that provides a wide range of telecommunications products and services including internet access, voice, entertainment, healthcare, video, and IPTV television.

“**Terramera**” means Terramera Inc., a Vancouver-based sustainable agriculture cleantech company.

“**Transfer Agent**” means the transfer agent and registrar of the Company.

“**Transaction**” has the meaning set forth under the heading “*Corporate Structure – Acquisition of AMPD Holdings*”.



“**Transaction Shares**” has the meaning set forth under the heading “*Corporate Structure – Acquisition of AMPD Holdings*”.

“**TSXV**” means the TSX Venture Exchange.

“**UBC**” means the University of British Columbia, a public research university with campuses in Vancouver and Kelowna, British Columbia.

“**Urthecast**” means Urthecast Corp. (TSE: UR), a Vancouver-based Canadian earth observation company.

“**U.S.**” and “**United States**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

“**WaaS**” means Workstation as a Service.

## SUMMARY OF PROSPECTUS

*The following is a summary of the principal features of the Qualifying Shares and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. Capitalized terms used but not defined in this Summary of Prospectus have the meanings ascribed thereto in the Glossary of Terms.*

### **Principal Business**

#### ***AMPD***

AMPD was incorporated on June 27, 2018 under the BCBCA under the name “1169750 B.C. Ltd.”. On August 2, 2018 it changed its name to “CannaGlobe Therapeutics Corp.” On January 28, 2019 it changed its name to “E-Gaming Ventures Corp.” On July 25, 2019, it changed its name to “AMPD Ventures Inc.”

The head office and registered and records office of the Company is located at Suite 1500 – 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

The Company has no active business and was incorporated for purpose of undergoing a qualifying transaction to become a reporting issuer and to list on a Canadian stock exchange. See “*Description of the Business*”.

#### ***AMPD Holdings***

AMPD Holdings was incorporated on April 8, 2015 under the BCBCA under the name “AMPD Holdings Corp.”

AMPD Holdings’ head office is located at 17260 0A Avenue, Surrey, B.C. V3Z 9P3 and its registered and records office is located at Suite 2900 – 550 Burrard Street, Vancouver, British Columbia V6C 0A3.

The founders of AMPD Holdings have been architecting high-performance computing infrastructure for nearly two decades. The team initially focused on solutions for banks, governments and academia and subsequently on building out technology infrastructure for animation and visual effects studios. Through AMPD Holdings, the team has expanded its focus to include the low-latency requirements of multiplayer video games, including latency-sensitive eSports, and the intense computation requirements of digital media production and distribution, where massive amounts of high-performance computing resources are required for the development, rendering and distribution of products. These requirements are also starting to become central to many mainstream businesses as they transition into the era of big data visualization, manipulation and analysis. See “*Description of the Business*”.

#### ***Share Exchange Agreement***

AMPD entered into a Share Exchange Agreement dated July 15, 2019, with AMPD Holdings and AMPD Holdings Shareholders, whereby AMPD Holdings Shareholders would acquire a certain number of Common Shares in consideration for all of the issued and outstanding AMPD Holdings Shares and all the property of AMPD Holdings.

Following the closing of the Share Exchange Agreement, AMPD Holdings will be the wholly owned subsidiary of AMPD (the “**Resulting Issuer**”).

#### ***Resulting Issuer***

The Resulting Issuer’s head office and registered and records office will be located at Suite 2900 – 550 Burrard Street, Vancouver, British Columbia V6C 0A3.

The principal business of the Resulting Issuer will be the same as that of AMPD Holdings.

#### ***Management, Directors & Officers of the Resulting Issuer***

Mr. Anthony Brown	Chief Executive Officer and Director
Mr. John Ross	Chief Financial Officer and Corporate Secretary
Mr. Donald Bustin	Chief Technology Officer and Director

Mr. James Hursthouse	Chief Strategy Officer
Mr. Mark Taylor	Vice President of Client Services
Mr. Paul Mari	Vice President of Operations
Mr. Howard Donaldson	Director
Mr. Markus Windelen	Director
Mr. Ravinder Kang	Director

See “Executive Officers and Directors”.

### No Proceeds Raised

No proceeds will be raised pursuant to this Prospectus.

### Funds Available

The gross proceeds paid to the Company from the sale of the Special Warrants pursuant to the Offering were \$186,195.10. The Company will not receive any additional proceeds from the Offering upon the exercise or deemed exercise of the Special Warrants. As at September 30, 2019, the Resulting Issuer had cash of approximately \$2,745,002 on a pro forma basis, giving effect to the Transaction.

The Resulting Issuer has used, or intends to use, the net proceeds of the Offering and its other available funds as follows:

Item	
<b>Funds Available</b>	
Consolidated cash of the Resulting Issuer as at September 30, 2019	<b>\$2,745,002</b>
<b>Principal Purposes for the Available Funds</b>	
Investor relations	\$250,000
Lease operating costs	\$240,000
Payment of CDTS fees	\$130,000
Research and product development <sup>(1)</sup>	\$480,000
Sales, Marketing and Travel <sup>(2)</sup>	\$665,000
General and Administrative Costs <sup>(3)</sup>	\$880,000
Unallocated working capital	\$100,002
<b>Total</b>	<b>\$2,745,002</b>

#### Notes:

(1) See “Business Objective and Milestones” below.

(2) Sales, marketing, and travel are broken down as follows: (i) wages and salaries (\$545,000), (ii) travel and events (\$100,000), and (iii) marketing materials production (\$20,000).

(3) General and administrative costs are broken down as follows: (i) wages and salaries (\$480,000), (ii) professional fees, including for legal, accounting and regulatory fees related to closing of the Transaction (\$300,000), (iii) public company maintenance fees (\$50,000), and (iv) office and miscellaneous (\$50,000).

While the Company currently intends to use the available funds for the purposes set out herein, it will have discretion in the actual application of the available funds, and may elect to use the net proceeds differently than as described herein, if the Company believes it is in its best interests to do so. See “No Proceeds Raised”.

## Risk Factors

An investment in the Company involves a substantial degree of risk and should be regarded as highly speculative due to the nature of the business of the Company. The risks, uncertainties and other factors, many of which are beyond the control of the Company that could influence actual results include, but are not limited to: compliance with limited operating history; reliance on management; requirements for additional financing; competition; dependence on intellectual property; reliance on key inputs; difficulty in forecasting sales; claims for intellectual property infringement; dependence on suppliers and skilled labour; difficulties with forecasting results; conflicts of interest; litigation; price fluctuation of the Common Shares; no earnings or dividend record; limited market for the Company's securities; unconfirmed assumptions for financial projections that may prove materially inaccurate or incorrect; challenges with managing growth; unpredictable operational or investment results; and other factors beyond the control of the Company.

For a detailed description of certain risk factors relating to the Common Shares which should be carefully considered before making an investment decision, see "Risk Factors".

## Summary of Financial Information

### AMPD

The following table sets forth the selected financial information for the period from June 27, 2018 (date of incorporation) to February 28, 2019 and the three month period ended May 31, 2019, and has been derived from the AMPD Financial Statements, prepared in accordance with IFRS and attached as Schedule "A" to this Prospectus. The selected financial information should be read in conjunction with the AMPD MD&A and the AMPD Financial Statements contained elsewhere in this Prospectus.

	For the period from June 27, 2018 (date of incorporation) to February 28, 2019	For the 3 Months Ended May 31, 2019
<b>Statement of Operations Data</b>		
Total revenues	\$0	\$0
Total expenses	\$94,942	\$65,140
Net loss	\$(94,942)	\$(65,140)
Net loss per Common Share (basic and diluted)	\$(0.37)	\$(0.01)
<b>Balance Sheet Data</b>		
Current assets	\$699,714	\$2,842,286
Total assets	\$699,714	\$2,842,286
Current liabilities	\$636,050 <sup>(1)</sup>	\$137,200 <sup>(2)</sup>
Total liabilities	\$636,050 <sup>(1)</sup>	\$137,200 <sup>(2)</sup>
Deficit	\$(94,942)	\$(160,082)

### Notes:

- (1) As at February 28, 2019, AMPD owed \$3,680 to a shareholder of the Company for an overpayment of their equity purchase. This amount was repaid to the shareholder subsequent to February 28, 2019.
- (2) As at May 31, 2019, AMPD owed \$1,074 (February 28, 2019 - \$Nil) to a director of the Company for reimbursement of corporate expenses paid on behalf of the Company. This amount was paid subsequent to May 31, 2019.

### **AMPD Holdings**

The following table sets forth the selected financial information for the years ended May 31, 2019, 2018 and 2017, and has been derived from the AMPD Holdings Financial Statements and accompanying notes thereto, prepared in accordance with IFRS and attached as Schedule “C” to this Prospectus. The selected financial information should be read in conjunction with the AMPD Holdings MD&A and the AMPD Holdings Financial Statements contained elsewhere in this Prospectus.

	<b>For the Year Ended May 31, 2017</b>	<b>For the Year Ended May 31, 2018</b>	<b>For the Year Ended May 31, 2019</b>
<b>Statement of Operations Data</b>			
Total Revenues	\$868,698	\$993,687	\$1,343,082
Cost of Goods Sold	\$785,308	\$852,776	\$1,202,965
Gross Profit	\$83,390	\$140,911	\$140,117
Total Expenses	\$309,170	\$595,335	\$665,485
Net Loss	\$(225,780)	\$(465,527)	\$(605,383)
Net Loss per Common Share (basic and diluted)	\$(0.02)	\$(0.05)	\$(0.06)
Current Assets	\$175,567	\$123,434	\$140,799
Total Assets	\$178,709	\$124,848	\$141,809
Current Liabilities	\$58,191	\$383,774	\$894,593
Total Liabilities	\$58,191	\$383,774	\$894,593
Deficit	\$(179,568)	\$(645,095)	\$(1,250,478)

### **Resulting Issuer**

The following table contains certain unaudited pro forma consolidated financial information for the Company as at and for the period ended May 31, 2019 and gives effect to completion of the Transaction and the Offering as if they had occurred as of the beginning of the period. This information should be read together with the Pro Forma Financial Statements of the Company, attached as Schedule “E”, along with the AMPD Financial Statements and the AMPD Holdings Financial Statements contained elsewhere in this Prospectus.

	<b>As at May 31, 2019</b>
<b>Balance Sheet Data</b>	
Current assets	\$2,908,247
Total assets	\$3,084,257
Current liabilities	\$984,548
Total liabilities	\$984,548
Deficit	\$(6,881,387)

## CORPORATE STRUCTURE

### **Name, Address and Incorporation of Company**

The Company was incorporated on June 27, 2018 under the BCBCA under the name “1169750 B.C. Ltd.”. On August 2, 2018 it changed its name to “CannaGlobe Therapeutics Corp.” On January 28, 2019 it changed its name to “E-Gaming Ventures Corp.” On July 25, 2019, it changed its name to “AMPD Ventures Inc.”

The head office and registered and records office of the Company is located at Suite 1500 – 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

### **Name, Address and Incorporation of AMPD Holdings**

AMPD Holdings was incorporated on April 8, 2015 under the BCBCA as “AMPD Holdings Corp.”

The Company’s head office is located at 17260 0A Avenue, Surrey, B.C. V3Z 9P3, Canada and its registered and records office is located at Suite 2900 – 550 Burrard Street, Vancouver, British Columbia V6C 0A3.

### **Acquisition of AMPD Holdings**

AMPD entered into a share exchange agreement dated July 15, 2019 with AMPD Holdings and the AMPD Holdings Shareholders (the “**Share Exchange Agreement**”), whereby AMPD agreed to acquire all of the issued and outstanding AMPD Holdings Shares along with certain assets and property of AMPD Holdings (the “**Transaction**”).

Pursuant to the terms of the Share Exchange Agreement, the closing date of the Transaction is within five business days following the receipt of conditional acceptance from the CSE of the listing of the Common Shares or on such other date as the parties may mutually agree. The Transaction closed on October 11, 2019 (the “**Closing Date**”).

Pursuant to the Transaction, AMPD will: (a) issue to AMPD Holdings Shareholders such number of Common Shares as is equal to the number of AMPD Holdings Shares (including all AMPD Holdings Shares issued upon conversion of any AMPD Holdings Convertible Loan, or portion thereof, on or prior to the Closing Date; after the Closing Date, any AMPD Holdings Convertible Loan, or portion thereof, that remains outstanding will be honored) held by such AMPD Holdings Shareholders multiplied by the Share Exchange Ratio (defined in “*Glossary*”) at a deemed price of \$0.35 per Common Share (the “**Transaction Shares**”); (b) assume and honor the AMPD Holdings Convertible Loans that are not converted into AMPD Holdings Shares on or prior to the Closing Date; and (c) issue Replacement Warrants multiplied by the Share Exchange Ratio in consideration for the disposition by the holders of AMPD Holdings Options, AMPD Holdings Warrants or both, as the case may be, of each right to acquire one AMPD Share under an AMPD Option or an AMPD Warrant, as the case may be. The exercise price under each Replacement Warrant will be equal to the exercise price at the closing time on the Closing Date under the particular AMPD Holdings Option or AMPD Holdings Warrant that was cancelled, divided by the Share Exchange Ratio, in consideration for such Replacement Warrant and the expiration date for each Replacement Warrant will be the same date as the expiration date of such AMPD Holdings Option or AMPD Holdings Warrant.

Certain of the Transaction Shares will be subject to escrow pursuant to the Escrow Agreement (defined herein). See “*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer*”.

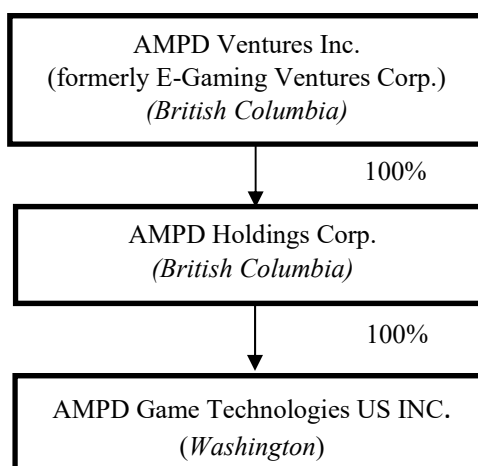
Closing of the Transaction is subject to, among other things: (i) receipt of all required regulatory, shareholder and third party approvals necessary to complete the Transaction; (ii) completion of due diligence by each party; (iii) the Principal Regulator issuing a Final Receipt to the Company; (iv) all representations and warranties of each party under the Share Exchange Agreement being true and correct as of closing; and (v) the restructuring of AMPD’s board of directors and management and the approval of the respective boards of directors and shareholders, as applicable.

As a result of the Transaction, AMPD Holdings will become a wholly owned subsidiary of the Resulting Issuer and the business of AMPD Holdings will be the business of the Resulting Issuer. The former AMPD Holdings Shareholders will own approximately 53.85% of the issued and outstanding Common Shares upon completion of the Transaction (including Common Shares issued upon conversion of the Special Warrants).

Following the Transaction, the Resulting Issuer's head office and its registered and records office will be located at Suite 2900 – 550 Burrard Street, Vancouver, British Columbia V6C 0A3.

### Intercorporate Relationships

Before completion of the Transaction, the Company did not have any inter-corporate relationships. The following diagram summarizes the structure of the entities upon completion of the Transaction. See "*The Transaction*".



### GENERAL DEVELOPMENT OF THE BUSINESS

Before the acquisition of AMPD Holdings, the Company had no active business. Accordingly, the business discussion set forth below relates to the business of AMPD Holdings, which, upon closing of the Transaction, will become the business of the Company.

### History

#### *AMPD*

The Company has no active business and was incorporated on June 27, 2018 under the BCBCA for purpose of undergoing a qualifying transaction to become a reporting issuer and to list on a Canadian stock exchange. See "*Description of the Business*".

- On June 27, 2018, AMPD issued 1 Common Share at a price of \$0.01 to the incorporator of the Company, which Common Share was subsequently repurchased by the Company.
- On June 27, 2018, AMPD issued 100 Common Shares to Karamveer Thakur, the then sole director of AMPD, for an aggregate price of \$1.00.
- On February 20, 2019, AMPD issued 7,487,000 Common Shares at a price of \$0.015 as part of a seed round financing for aggregate proceeds of \$112,305.
- On February 22, 2019, AMPD issued 435,000 Common Shares at a price of \$0.04 as part of a seed round financing for aggregate proceeds of \$17,400.<sup>1</sup>

<sup>1</sup> The February 20, 2019 financing of Common Shares was the initial seed capital in AMPD and was fully subscribed for at an earlier date, however, the offering was not closed until February 20, 2019 due to administrative reasons. In the interim period, AMPD signed a letter of intent with AMPD Holdings and subsequently closed the February 22, 2019 financing at a price of \$0.04 per share. The price of the offerings was determined to be the fair market value of the securities at the relevant times.

- On March 20, 2019, AMPD issued 578,000 special warrants at a price of \$0.05 per special warrant for aggregate proceeds of \$28,900. The special warrants were deemed to be exercised on July 21, 2019 in accordance with their terms.
- On May 9, 2019 AMPD issued a total of 8,106,854 special warrants at a price of \$0.35 per special warrant for gross proceeds of \$2,837,398.90. These 8,106,854 special warrants were deemed to be exercised on September 10, 2019 in accordance with their terms. In connection with closing of such offering, AMPD paid eligible finders an aggregate of \$115,447.49 and issued an aggregate of 279,591 finder's warrants (each a "**Finder's Warrant**"). Each Finder's Warrant entitles the holder to acquire one AMPD Share at a price of \$0.35 per share until May 9, 2021.
- On July 30, 2019 AMPD (as lender) entered into a secured loan agreement with AMPD Holdings (as borrower) in the amount of \$100,000 at an interest rate of 8% per year, compounded annually, and maturing on the date that is the earlier of the listing of the Common Shares on a recognized Canadian securities exchange, or December 31, 2019 (the "**AMPD Loan Agreement**").
- On September 18, 2019 AMPD issued a total of 531,986 Special Warrants at the Offering Price pursuant to the Offering for gross proceeds of \$186,195.10. In connection with closing of the Offering, AMPD paid eligible finders an aggregate of \$6,069.70 and issued an aggregate of 17,342 Finder's Warrants. Each Finder's Warrant entitles the holder to acquire one AMPD Share at a price of \$0.35 per share until September 18, 2021.

### ***AMPD Holdings***

AMPD Holdings was incorporated on April 8, 2015 under the BCBCA. Since that date, it has pursued the activities described below.

- On April 8, 2015 AMPD Holdings completed an initial private placement for gross proceeds of \$30, consisting of 3,000 AMPD Holdings Shares at a price of \$0.01 per AMPD Holdings Share.
- On October 23, 2015 AMPD Holdings completed a financing for aggregate gross proceeds of \$50, consisting of 5,000 AMPD Holdings Shares at a price of \$0.01 per AMPD Holdings Share.<sup>2</sup>
- On October 23, 2015 AMPD Holdings completed a financing for aggregate gross proceeds of \$50,000 consisting of 889 AMPD Holdings Shares at a price of \$56.25 per AMPD Holdings Share.<sup>3</sup>
- On December 1, 2016 AMPD Holdings effected a 1 for 1068.73664 share split of AMPD Holdings Shares.
- On December 1, 2016 AMPD Holdings completed a financing for aggregate proceeds of \$250,000 consisting of 500,000 AMPD Holdings Shares at a price of \$0.50 per AMPD Holdings Share.
- On March 27, 2018 AMPD Holdings issued 1,000,000 Stock Options at an exercise price of \$0.25 per AMPD Holdings Share.<sup>4</sup>
- On October 5, 2018 AMPD Holdings completed a financing for aggregate proceeds of \$25,000 consisting of 31,646 AMPD Holdings Shares at a price of \$0.79 per AMPD Holdings Share.

<sup>2</sup> 5,000 AMPD Holdings Shares were issued to AMPD Holdings' founders (Anthony Brown (1,000 AMPD Holdings Shares); Don Bustin (2,000 AMPD Holdings Shares); Paul Mari (1,000 AMPD Holdings Shares); and Mark Taylor (1,000 AMPD Holdings Shares)).

<sup>3</sup> 889 AMPD Holdings Shares were issued to an arm's length investor for \$50,000 (representing 10% of the then outstanding share capital of AMPD Holdings). As AMPD Holdings had 8,000 AMPD Holdings Shares outstanding at that time, the investor subscribed for 889 AMPD Holdings Shares (approximately 10%) which resulted in a per share price of approximately \$56.25.

<sup>4</sup> AMPD Holdings recorded the fair value of such option grants as a share based compensation expense on the income statement and provided the related IFRS 2 disclosure in Note 8 of the AMPD Holdings Financial Statements.



- On August 29, 2018 AMPD Holdings completed a financing for aggregate proceeds of \$250,000 consisting of a convertible loan at a price of \$0.79 per AMPD Holdings Share, subsequently adjusted to a convertible loan at a price of \$0.70 per AMPD Holdings Share on May 1, 2019.
- On May 1, 2019 AMPD Holdings completed a financing for aggregate proceeds of \$120,000 consisting of a convertible loan at a price of \$0.70 per AMPD Holdings Share.
- On June 1, 2019 AMPD Holdings issued 100,000 AMPD Holdings Shares at a price of \$0.50 per AMPD Holdings Share in consideration for past services rendered by an arms length consultant.
- On June 1, 2019 AMPD Holdings issued 1,285,716 AMPD Holdings Shares as employment sign-on incentives at a price of \$0.001 per AMPD Holdings Share.<sup>5</sup>
- On June 2, 2019, AMPD Holdings issued 1,765,104 incentive stock options to employees at an exercise price of \$0.001 per AMPD Holdings Share (of which 882,552 are subject to a vesting period that is conditional on meeting certain performance targets).<sup>6</sup>
- On June 14, 2019 AMPD Holdings issued 350,000 AMPD Holdings Shares as part of the asset transfer agreement with Zulu Technology Ltd., an arms length technology provider, at a price of \$0.50 per AMPD Holdings Share.
- On July 2, 2019, AMPD Holdings issued 1,176,736 employee incentive stock options at an exercise price of \$0.001 per AMPD Holdings Share (of which 294,184 are subject to a vesting period that is conditional on meeting certain performance targets).<sup>7</sup>
- On July 30, 2019 AMPD Holdings entered into the AMPD Loan Agreement.

## DESCRIPTION OF THE BUSINESS

### General

The business of the Resulting Issuer will effectively be the business of AMPD Holdings.

AMPD Holdings is a supplier of high-performance computing solutions to three main industry sectors; the video games industry (including eSports), the animation and visual effects industry, and mainstream companies utilizing mixed reality technologies for data visualization and analysis.

### *Video Games & eSports*

AMPD Holdings supplies HPC infrastructure and technology solutions to video game developers, publishers and distributors, both in the studio for when games are being developed, and in the data centre for the development, hosting, and distribution of games.

### *Animation & Visual Effects*

AMPD Holdings supplies HPC infrastructure and technology solutions to the animation and visual effects industries, where massive amounts of high-performance computing resources are required for the development, rendering and distribution of digitally produced movies and other content.

### *Data Visualization & Analysis*

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<sup>5</sup> Such securities were issued as follows: Anthony Brown – CEO/founder (1,176,736 options); Don Bustin – CTO/founder (1,176,736 options); James Hursthouse – CSO/founder (964,287 shares and 588,368 options); Robert Youngquist – Senior Sales Engineer (321,429 shares). Certain of the subscribers/options also agreed to surrender their previously existing options of AMPD Holdings in connection with such grants and issuances.

<sup>6</sup> *Ibid.*

<sup>7</sup> *Ibid.*

AMPD Holdings supplies HPC infrastructure and technology solutions to an increasing number of companies who are adopting artificial intelligence, machine learning, big data collection, analysis and visualization alongside mixed reality technologies. AMPD Holdings is a founding member of Canada's Digital Technology Supercluster<sup>8</sup>, alongside companies including Telus, GE, Boeing, Avcorp, Canfor, DWave, LifeLabs, Teck, Terramera, Urthecast, and Microsoft.

AMPD Holdings is enhancing its business by providing a range of offsite and hybrid solutions, connecting customers via Metro Area Network to data centres, including our own. This means that computing power that has traditionally been accessed using powerful workstations at each individual user's desk or in a local 'machine room' can be aggregated into data centres, using servers connected via fibre. This leads to cost savings and increased through the sharing of compute resources.

AMPD is a certified partner with Dell, Lenovo, HP, EMC, NVidia, Kaminario, Perforce and Fortinet.

## **Technology**

Current cloud infrastructure does not properly support the intensive requirements of the latest multiplayer video games, including those for eSports, nor the requirements of emerging mixed reality and big data visualization applications across both entertainment and commercial sectors. This is because current cloud providers typically saddle customers with high levels of latency (meaning the time taken for the server and the end user's device to communicate with each other), one-size-fits-all solutions.

In certain applications, for example 'live' multiplayer video games where players interact in real-time, delays of more than 1/20<sup>th</sup> of a second in the time it takes for the user's computer or console to communicate with the game server can have a noticeable and frequently frustrating impact on the game experience.

AMPD Holdings uses its expertise in HPC to tailor specific solutions for applications using a combination of 'bare metal'<sup>9</sup>, private cloud, and hybrid cloud environments. AMPD Holdings integrates its own high-performance cloud and public commodity cloud providers to provide more performant solutions at substantial cost savings. This includes hardware-switched and firewalled environments, as well as high-performance flash array storage which mitigates latency issues inherent in conventional cloud solutions.

AMPD Holdings' vision is to create a network of smaller, distributed AMPD Data Centres built within urban environments, connected by metropolitan area and 5G networks to mitigate the last mile latency that is unavoidable when using remote data centres that service massive geographic areas.

## **AMPD Data Centres**

### *Technical Specifications*

Proximity to HPC infrastructure and ultra-fast, ubiquitous connectivity will be a key driver of where people choose to live, work, and play in the future. AMPD Data Centres contribute positively to urban environments that will attract future generations of employees and residents.

AMPD Holdings launched the first in a planned series of customized data centres in July 2019 on West 2<sup>nd</sup> Avenue, Vancouver, BC.

AMPD Data Centres include the following specifications:

- Built to Tier 2 standards<sup>10</sup>, which means that all systems have at least one independent back-up component.

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<sup>8</sup> Canada's Digital Technology Supercluster is a business-led innovation consortium centred in Vancouver, British Columbia. The CDTS aims to position Canada as a global leader in digital technologies by bringing together small, medium-sized and large companies, post-secondary institutions, research organizations and not-for-profits. The CDTS manages the investments provided by the Government of Canada and the public and private organizations which constitute its membership. See [www.digitalsupercluster.ca](http://www.digitalsupercluster.ca).

<sup>9</sup> A bare metal environment is a computer system or network in which a virtual machine is installed directly on hardware rather than within the host operating system.

<sup>10</sup> <https://www.techopedia.com/definition/29858/tier-2-data-center>.

- Industry-leading security, fire suppression and monitoring systems.

Key technical differentiators that separate AMPD Data Centres from the Company's competitors are as follows:

- We handle up to 30kW of power per rack for high density computing.
- We capture, concentrate and redistribute heat generated by servers (CPU and GPU) for use in central heating in the surrounding buildings.
- We capture and treat water from condensing systems used to cool the data centre to create clean drinking water.
- We utilize filters, fans and ducting systems to efficiently use ambient air for cooling, where applicable, resulting in a greener solution compared with typical data centres.
- We are developing control systems linked to sensors in racks to automatically adjust cooling, power, and fan louvers to control the data centre environment and optimise the capture of heat and the creation of water.
- We offer fibre optic connectivity directly to client locations over the Company's metro area network.

### **Principal Products and Services**

#### ***AMPD Studio (Studio Infrastructure Sales & Management)***

AMPD Studio solutions bring digital media-specific expertise to every studio architecture it designs. AMPD provides higher quality for better pricing across workstations, servers, software and middleware, network design and implementation, security, and storage and disaster recovery.

#### ***AMPD Connect (Metro Area Network)***

AMPD Connect links games and digital studios to AMPD Data Centres using dark fibre with speeds of up to 40 Gbps at cost-effective flat monthly rates. This enables much of the 'in-studio' infrastructure to be shifted off site for significant cost-savings and performance improvements.

- AMPD Develop: studio-in-the-cloud' solution.
- AMPD Build: shared build and render resources.
- AMPD Deploy: applies consistent 'dev/ops' practices to the entire product lifecycle.
- AMPD Vault: true remote backup and recovery solution.

#### ***AMPD Online (Low-Latency Hosting of Computing-Intensive Applications)***

AMPD Data Centres blend dedicated core infrastructure with the flexibility of public cloud for scaling up and down based on demand. AMPD Holdings intends to serve the entire North American market with sub-40ms round trip connectivity from AMPD Data Centres to be built throughout Vancouver and Toronto. Hosting in Canada can have major cost, tax and data protection advantages compared with the U.S. AMPD Online components include:

- Development environment dedicated hosting.
- Production environment dedicated hosting.
- Hybrid cloud solutions
- Public cloud alternatives
- Multi-CDN (content distribution network)

## ***Future Products / Roadmap***

AMPD Holdings intends to operate AMPD Data Centres in urban locations across North America and Europe. AMPD Data Centres are intended to host customers in each location requiring sub-10ms latency which can be achieved through proximity to the large urban population base.

As the Company builds out its technology development and design team, the Company intends to develop several service offerings in the near- to mid-term, based upon ongoing market needs analysis. These products and services are anticipated to include:

### Full Remote Render Pipeline

Studios creating content require vast amounts of compute power for rendering scenes, specifically as the industry moves to higher resolution and volumetric movie production. AMPD Data Centres will allow studios to leverage a pool of HPC render and build farms to offload the work to the AMPD HPC Cloud, including sharing resources between different studios during periods of under-utilization.

AMPD Holdings intends for its systems to integrate smoothly into existing render pipeline tools, so that operators can simply and effectively send render jobs to the Company's infrastructure.

### AMPD Spot Instances

A spot instance is an unused instance that is available for less than the on-demand price. Because spot instances enable customers to request unused instances at steep discounts, they can lower costs significantly. The Company will evaluate innovative 'market-place' offerings, potentially utilizing blockchain, to develop a customer-to-customer marketplace for the sharing of compute resources.

### 'Commodity Cloud Liberation Stack'

AMPD Holdings will continue to evaluate third-party offerings and seek opportunities to develop tools to complement them, thereby offering a comprehensive solution to facilitate customers' smooth transition away from current 'commodity cloud' providers.

### Workstation / Desktop as a Service (WaaS / DaaS)

Due to urban proximity and HPC architecture, AMPD Holdings will be able to remove the need for a powerful onsite PC workstation, with most of the compute being executed in the Company's cloud. Customers will be able to utilise less powerful PC's (thin clients) and even mobile devices to enjoy all the advantages of high-end workstations.

### Gaming Rig as a Service (GRaaS)

By having the compute in the AMPD HPC Cloud, consumers will be able to play the latest, most graphics-intensive games without a high-end console or home PC.

### Ongoing Enhancement of End-to-End Solutions for Games Companies

AMPD Holdings will continue to develop a holistic solution set to game developers and publishers, particularly those creating multiplayer game experiences, including eSports. By developing Company specific solutions and partnering with other companies, AMPD Holdings intends to provide important value-add components to its product offering that help differentiate the Company's core hosting and infrastructure services from the competition.

## **Production and Sales**

AMPD Holdings' primary sales model is business to business with account executives identifying, qualifying, developing and closing deals with potential and existing customers. AMPD Holdings engages with technology decision makers at these companies, establishes 'trusted advisor status', and provides consulting around innovative

technology solutions for each phase and component of a project. AMPD Holdings is then able to supply the equipment and infrastructure for each of these phases, both in the user's studio and in AMPD Data Centres.

AMPD Holdings leverages long-term relationships, memberships in relevant industry associations and participation in industry conferences to develop and reach its customer base.

The majority of the Company's engagements moving forward are anticipated to be on a monthly recurring revenue basis. Two primary examples are as follows:

1. **Dedicated:** set monthly fee over a multi-year contract for services, including co-location, managed services, connectivity and dedicated hosted infrastructure.
2. **Utilization Based:** customers are billed based on utilization of the systems. This is the standard billing methodology used by public cloud providers, based on the number of hours of CPU and GPU for compute, and per GB or TB for data storage. One of AMPD Holdings' key advantages is that the Company charges a set monthly fee for bandwidth with no transit fees, compared to very expensive data transfer charges from competitive providers.

Typical customer engagements are managed by account executives and solutions engineers working together to identify, engage, define and develop relationships from both technical and business perspectives, providing comprehensive proposals to decision makers for a custom architecture that meets the specific requirements of the customer's application.

As premier customers reach the end of their initial contracted terms with the Company and upgrade their systems, an increasing amount of fully amortized technical infrastructure, including servers and storage, will become available for inclusion into the Company's own cloud offering, enabling the Company to leverage valuable economies of scale, and increase long-tail profit margins. The Company may then achieve the necessary critical mass of compute within its AMPD Data Centres to be able to provide consumers with AMPD HPC Cloud gaming services.

## **Marketing and Brand Strategies**

AMPD Holdings is currently undergoing a branding update to enable the Company to address each of the three key industry verticals in which it conducts business under a cohesive umbrella brand, while facilitating vertical-specific messaging and activities.

The Company's main public-facing brand will be "AMPD Technologies" using the simple and effective URL "ampd.tech". AMPD Holdings intends to adopt brand components that identify the Company within each key industry vertical, for example esports.ampd.tech, render.ampd.tech, and ai.ampd.tech.

AMPD Holdings will employ the full arsenal of on-line and off-line marketing channels, including social media. The Company will also expand its participation in industry conferences such as Gamescom in Europe, the Game Developers Conference (GDC) in North America, and G-Star in Asia.

AMPD Holdings has leveraged the Canadian government to help with marketing at conferences and has been chosen by the Canadian federal government to be "investment champions" representing Canada in both Korea at G-Star 2017, and in India at Vibrant Gujarat 2019.

The Company will seek out opportunities to co-brand eSports and other events so that industry players come to associate the Company with those verticals.

AMPD Holdings is a member of industry associations and organizations in B.C, including; DigiBC – the Interactive and Digital Media Industry Association of B.C. (Member), where James Hursthouse also sits on the board; The Cube Mixed Reality Society (Founding Sponsor); and Canada's Digital Technology Supercluster (Founding Member, Board Member, Executive Committee Member).

## **Lease Agreements**

### ***DCI Lease Agreement***

On June 1, 2019 AMPD Holdings entered into a lease agreement with 515734 B.C. Ltd, through which it assumed the management of DC1. The Data Centre became operational in July 2019. The lease agreement with 515734 B.C. Ltd is for an initial period ending October 31, 2022, with one subsequent three year renewal term.

### ***Great Northern Way Trust***

On July 12, 2019 AMPD Holdings entered into a lease agreement with Great Northern Way Campus Ltd. through which the Company will assume tenancy of a 2,800 sq. ft office space located at Unit # 210 at the Centre for Digital Media, 577 Great Northern Way, Vancouver, B.C. This lease is for a period of three years beginning on August 1, 2019.

## **Competition**

### ***General***

There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and production and marketing experience than the Company. Further, because of the early stage of the industry in which the Company operates, the Company expects to face additional competition from new entrants. Due to the nature of HPC technology, cloud computing / storage and gaming sectors, the Company expects that competition will become more intense, as current and future competitors begin to enter the space.

To remain competitive, the Company will require a continued high level of investment in its data centres, products and technologies, research and development, marketing, sales and client support. Because of the rapid growth of the HPC technology, cloud computing/storage and gaming sectors, the Company faces competition from other companies in the sector who are accessing the equity capital markets. Established technology companies, such as Google, are also entering this space and could become potential competition. See “*Risk Factors*”.

The Company believes it has an advantage in the HPC technology, cloud computing/storage and gaming sectors over most of its competitors in Canada because AMPD Holdings can compete on price in comparison with the incumbent cloud providers, while providing a higher level of high-performance computing expertise.

### ***Competitor Comparison***

Based on management’s knowledge of the active companies in the cloud computing and storage industry, particularly those with a focus on HPC technology, cloud computing/storage and gaming sectors, the Company is of the view that the following businesses could potentially compete with AMPD Holdings in its market.

<b>Competitor</b>	<b>Description of Business</b>	<b>Operations Location</b>
<b>AMPD Studio</b>		
Annex Pro	Annex Pro is a Vancouver, B.C.-based VAR for software, hardware and IT infrastructure to the Media & Entertainment Industry.	Canada / US
ESW IT Business Advisors	ESW works with any sized business to digitally transform and streamline them – focusing on desired business outcomes and not getting caught up on what’s new and trendy.	Canada / US
CDW LLC	CDW is a provider of technology products and services for business, government and education.	US / Global
<b>AMPD Connect (IaaS / Hybrid Cloud)</b>		
Rackspace Inc.	Rackspace offers the industry’s broadest portfolio of applications, data, security and infrastructure services with a deep bench of passionate, proactive experts across the world’s leading technologies. Sold to Apollo Management for \$USD4.3B in 2016.	Global

<b>Competitor</b>	<b>Description of Business</b>	<b>Operations Location</b>
Compugen Inc.	Compugen is a privately owned and operated IT company, founded and incorporated in 1981, and headquartered in Richmond Hill, a suburb of Toronto, Ontario. In September 2015, Compugen acquired the assets of Metafore Inc., making Compugen one of the largest solution providers in Canada. The company currently has over 1400 employees.	Canada / US
<b>AMPD Online</b>		
Zeuz GmbH	Zeuz.io provides backend-as-a-service for multiplayer games. Made by game devs for game devs, Zeuz enables fearless technology scaling without any backend pain so that developers can focus on making content.	EU
G-Core Labs S.A.	G-Core offers powerful cloud and edge solutions for the entertainment industry and media business.	Russia / Global
Unity Technologies	Unity's own game server hosting offering, Multiplay works with leading studios worldwide, like Respawn Entertainment and PUBG Corp, to tackle some of the biggest infrastructure challenges facing the industry. It offers a customized game server hosting solution that works with any engine and any platform.	Global
<b>Monster Competitors</b>		
Amazon.com, Inc.	Amazon offers game studios and publishers a range of services to facilitate game development and distribution under the umbrella brand 'Amazon Game Tech'.	Global
Google LLC	Google offers game studios and publishers a range of services to facilitate game development and distribution under its Google Cloud for Games offering.	Global
IBM Corporation	IBM Gaming enables customers to build, host and develop smarter gaming solutions with strong servers, a solid global network, integrated analytics and AI.	Global
Microsoft Corp.	Microsoft offers game studios and publishers a range of services to facilitate game development and distribution under the umbrella brand 'Microsoft Game Stack' which brings together solutions from across Microsoft.	Global

### **Employees, Specialized Skills and Knowledge**

As of the date of this Prospectus, AMPD has no employees, consultants or contractors. The operations of AMPD are managed by its directors and officers.

As of the date of this Prospectus, AMPD Holdings engages six full-time employees. AMPD Holdings also relies on consultants and contractors to conduct its operations. The operations of AMPD Holdings are managed by its directors and officers.

At the completion of the Transaction, the Resulting Issuer expects to have six full-time employees. The Resulting Issuer will also rely on consultants and contractors to conduct its operations. The operations of the Resulting Issuer will be managed by its directors and officers.

The nature of the Company's business requires specialized knowledge and technical skill around the HPC technology, cloud computing/storage and gaming sectors. The required skills and knowledge to succeed in this industry are

available to the Company through certain members of the Company's management, directors, officers, and advisory teams.

## **Intellectual Property**

### ***Patents***

As of the date of this Prospectus, AMPD Holdings has not filed any patents.

### ***Trademarks***

As of the date of this Prospectus, AMPD Holdings has not filed any trademark applications. The Company intends to file trademark applications for its branding and other marks soon after the completion of the Transaction.

## **Environmental Initiatives**

AMPD Holdings has the following environmental initiatives built into its business framework:

- AMPD Data Centres repurpose the heat generated by the HPC architecture to heat the surrounding building(s).
- The condensing systems used to cool the data centre generate water which is captured and treated with reverse osmosis and ultra-violet light to make it drinkable.
- AMPD Holdings recycles used servers and workstations through an educational repurposing program where all the systems are cleaned, data is removed and then the systems are redeployed in K-12 schools across B.C.
- Systems that are broken or too old for the repurposing program are recycled to recapture precious metals without exposing the environment to damaging chemicals.

## **Future Developments**

### ***General***

The Company will continue to evaluate the changing HPC technology, cloud computing/storage and gaming sectors within Canada and abroad to expand operations in opportune locations. The Company will also evaluate new technologies which may be utilized in AMPD Data Centres in the future.

## **Partnerships and Memberships**

### ***Canada's Digital Technology Supercluster***

In February 2018, Canada's Digital Technology Supercluster ("CDTS"), headquartered in B.C., was one of five superclusters across Canada selected to share in \$950 million dedicated by the Government of Canada to the Innovation Supercluster Initiative<sup>11</sup>.

CDTS now boasts \$353 million in initial funding: \$153 million in federal funding over \$200 million from members, with 29 members representing 33 organizations, and over 500 associates<sup>12</sup>.

Data visualization, specifically XR, is one of the three key focus areas of CDTS and on a commercial basis, XR is the primary way in which data will be visualized in the era of the intelligent enterprise.

On April 25, 2018, AMPD Holdings became a founding member of CDTS. The federal government through Innovation Science Economic Development Canada (ISED) has contributed almost \$1 billion in matching funds across

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<sup>11</sup> <https://biv.com/article/2018/02/bc-lands-bid-950m-federal-supercluster-program>

<sup>12</sup> <https://www.digitalsupercluster.ca/canadas-digital-technology-supercluster-officially-launches-with-153m-in-funding-from-the-ministry-of-innovation-science-and-economic-development-and-funding-commitments-of-over-200m-from/>



all five Superclusters over five years. These funds are awarded to projects approved by each individual Supercluster and are matched by industry members of the projects.

As a founding member, AMPD Holdings sits on the board of CDTS, and the Company's CEO, Anthony Brown is also on the executive committee. To retain the rights and benefits of a founder, AMPD must pay a program management fee in cash and make general program investments in-kind to CDTS.<sup>13</sup> AMPD Holdings' financial commitment to CDTS for 2018/2019 is \$150,000 in program management fees. AMPD Holdings currently owes \$130,000 in program management fees for 2018/2019.

To retain its founder status in 2020 and for the subsequent three years thereafter, AMPD Holdings must pay \$300,000 per year in program management fees. Membership of CDTS is voluntary and AMPD has not yet renewed its membership for 2020.

To date, AMPD Holdings has participated in four project proposals with the CDTS.

On November 26, 2018, The Learning Factory Digital Twin Project, a \$6.6M project in conjunction with Avcorp, Llama Zoo, UBC, Convergent, and Boeing, was approved for \$2.1M in CDTS funding.<sup>14</sup> The project centres around the development of a Learning Factory at the UBC Innovation Precinct located at the Okanagan Campus in Kelowna, BC. The simulation of traditional factory processes in a virtual environment will create, in essence, a digital twin of a physical production facility. Sensors will be deployed to collect real-time data that will be used in combination with physics-based simulations of the production line to detect problems faster, predict results more accurately, and ultimately lead to the manufacturing of better products. AMPD is supplying the compute infrastructure for the project.

Three additional full proposals for projects were submitted at the end of June 2019. These new projects are being led by Teck Resources, which has submitted two projects (for predictive maintenance AI research, and new ore discovery visualization with applied deep learning), and by Terramera (for plant genome research). Details of these projects have yet to be publicly disclosed.

Full details of the application process are provided in the CDTS Technology Leadership Program Guide<sup>15</sup>.

### ***Capilano University Creative Technology Community***

On October 5, 2018, AMPD Holdings entered into an MOU with Capilano University, Greenstone Business Services Inc., and Hynes Developments through which AMPD, Greenstone and Hynes proposed a joint venture or other form of collaborative relationship through which to develop a space, currently known as The Creative Technology Community ("CTC"), at the University for collaboration amongst students, faculty and industry.<sup>16</sup> The goal of the MOU is to establish a framework for the parties to pursue further discussions and work on the CTC Project. The MOU is non-binding except for the Exclusivity and Confidentiality clauses which are binding.

The Creative Tech Community (CTC) is intended to be one of Canada's largest on-campus collaborations between education and industry. The collaboration is a joint effort to develop future generations of digital storytellers in technology-related areas such as animation, film, games, visual effects and emerging platforms. The CTC is intended to house a 3,000 square foot AMPD Data Centre.

## **USE OF AVAILABLE FUNDS**

### **Proceeds**

No proceeds will be raised, as no securities are being sold pursuant to this Prospectus.

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<sup>13</sup> As part of its membership, AMPD Holdings' makes "program investments", which are paid in-kind in the form of AMPD Holdings services provided to CDTS projects.

<sup>14</sup> [https://www.digitalsupercluster.ca/wp-content/uploads/2019/03/SuperclusterProjectSummaries\\_FirstCohort\\_2019.pdf](https://www.digitalsupercluster.ca/wp-content/uploads/2019/03/SuperclusterProjectSummaries_FirstCohort_2019.pdf)

<sup>15</sup> <https://www.digitalsupercluster.ca/wp-content/uploads/2019/03/B1-Technology-Leadership-Program-Guide-v1.2-UR.pdf>

<sup>16</sup> <https://www.capilanou.ca/about-capu/get-to-know-us/news/2019/title-146462-en.php>

## Funds Available

The gross proceeds paid to the Company from the sale of the Special Warrants pursuant to the Offering were \$186,195.10. The Company will not receive any additional proceeds from the Offering upon the exercise or deemed exercise of the Special Warrants. As at September 30, 2019, the Resulting Issuer had cash of approximately \$2,745,002 on a pro forma basis, giving effect to the Transaction.

The Resulting Issuer has used, or intends to use, the net proceeds of the Offering and its other available funds as follows:

Item	
<b>Funds Available</b>	
Consolidated cash of the Resulting Issuer as at September 30, 2019	<b>\$2,745,002</b>
<b>Principal Purposes for the Available Funds</b>	
Investor relations	\$250,000
Lease operating costs	\$240,000
Payment of CDTS fees	\$130,000
Research and product development <sup>(1)</sup>	\$480,000
Sales, Marketing and Travel <sup>(2)</sup>	\$665,000
General and Administrative Costs <sup>(3)</sup>	\$880,000
Unallocated working capital	\$100,002
<b>Total</b>	<b>\$2,745,002</b>

### Notes:

(1) See “*Business Objective and Milestones*” below.

(2) Sales, marketing, and travel are broken down as follows: (i) wages and salaries (\$545,000), (ii) travel and events (\$100,000), and (iii) marketing materials production (\$20,000).

(3) General and administrative costs are broken down as follows: (i) wages and salaries (\$480,000), (ii) professional fees, including for legal, accounting and regulatory fees related to closing of the Transaction (\$300,000), (iii) public company maintenance fees (\$50,000), and (iv) office and miscellaneous (\$50,000).

The Company has a negative operating cash flow for the year ended May 31, 2018.

The Company intends to allocate a certain percentage of the proceeds from the Offering to fund negative cash flow from its most recently completed financial year. To the extent that the Company has negative operating cash flow in future periods, it may need to allocate a portion of its cash reserves to fund such negative cash flow. The Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that the Company will be able to generate a positive cash flow from its operations, that additional capital or other types of financing will be available when needed or that these financings will be on terms favourable to the Company (see “*Risk Factors – the Company has negative cash flow for the year ended May 31 2018*”).

The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances however, where, for sound business reasons, a reallocation of funds may be necessary. While it is currently intended by management that the available funds will be expended as set forth above, actual expenditures may in fact differ from these amounts and allocations (see “*Risk Factors*”).

## Business Objectives and Milestones

The Company’s primary business objectives and milestones over the next 12 months are primarily encapsulated by the following objectives and milestones:

<b>Objectives</b>	<b>Timeline</b>	<b>Expected Cost</b>
Investor relations program	Nov 2019 to Apr 2020	\$250,000
Completion of AMPD HPC Cloud	Oct 2019 to Sep 2020	\$300,000
Completion of AMPD Lab	Oct 2019 to Feb 2020	\$60,000
Development of full remote render pipeline	Jan 2020 to June 2020	\$40,000
Extending cloud tool set to support spot instances	Jan 2020 to June 2020	\$40,000
Design and implement MVP of AMPD’s ‘Commodity Cloud Liberation Stack’	Jan 2020 to June 2020	\$40,000
Sales, Travel, and Marketing	Nov 2019 to Sep 2020	\$665,000

### ***Investor Relations***

The Company has set aside funds to engage the services of investor relations professionals to help provide market awareness of the Company, as well as fund in-channel marketing activities.

### ***Research and Product Development***

The Company intends to conduct the following activities as part of its ongoing research and product development strategy:

#### ***Completion of AMPD HPC Cloud***

The Company will build out an HPC Cloud node in DC1 to allow the Company to begin providing these services to existing and future clients attached to the Company’s metro area network.

#### ***Completion of the AMPD ‘Lab’***

The Company will acquire the required hardware and software to support a broad range of development and evaluation initiatives within the company.

#### ***Development of full remote render pipeline***

The Company intends to conduct an in-depth evaluation of market-leading rendering software to determine if integration or modification needs to take place to simplify the adoption of AMPD HPC Cloud via this channel. Once the analysis is complete, the development effort will be undertaken to ensure a simplified customer pipeline workflow.

#### ***Extending cloud tool set to support spot instances***

The Company intends to extend the capabilities of its cloud technology stack to support spot instances. It will evaluate offerings to develop a customer-to-customer marketplace for the sharing of compute resources.

#### ***Design and implement MVP of AMPD’s ‘Commodity Cloud Liberation Stack’***

The Company will develop solutions to complement the tool kits of third-party providers and offer a comprehensive solution to facilitate customers’ smooth transition away from current ‘commodity cloud’ providers.

The Company does not foresee any unusual risks associated with the above objectives other than cost overruns and delays customary for all start up businesses with significant research or development projects (See “*Risk Factors – There are factors which may prevent the Company from the realization of growth targets. The Company is currently in early development stage*”).

### **Sales, Travel, and Marketing**

The Company intends to increase its sales presence through the addition of up to five full- and part-time account executives. The Company expects to increase its attendance at trade shows and conferences in Canada, the U.S., and around the world, including the Reboot Red Conference in Banff, Alberta in October 2019, the G-Star Game Conference in Busan, South Korea, and India Joy 2019 in Hyderabad, India in November 2019, the annual Game Developers Conference in San Francisco, CA, in March 2020, and SigGraph 2020 in Washington, D.C., in July 2020. The Company’s efforts will be focussed on building general brand awareness for the Company and securing new business with companies in AMPD’s target sectors that attend these trade shows. Approximately In addition, the Company currently intends to update its website, and increase its social media presence and other marketing materials.

## **SELECTED FINANCIAL INFORMATION**

### **AMPD**

The following table sets forth the selected financial information for the period from June 27, 2018 (date of incorporation) to February 28, 2019 and the three month period ended May 31, 2019, and has been derived from the AMPD Financial Statements, prepared in accordance with IFRS and attached as Schedule “A” to this Prospectus. The selected financial information should be read in conjunction with the AMPD MD&A and the AMPD Financial Statements contained elsewhere in this Prospectus.

	<b>For the period from June 27, 2018 (date of incorporation) to February 28, 2019</b>	<b>For the 3 Months Ended May 31, 2019</b>
<b>Statement of Operations Data</b>		
Total revenues	\$0	\$0
Total expenses	\$94,942	\$65,140
Net loss	\$(94,942)	\$(65,140)
Net loss per Common Share (basic and diluted)	\$(0.37)	\$(0.01)
<b>Balance Sheet Data</b>		
Current assets	\$699,714	\$2,842,286
Total assets	\$699,714	\$2,842,286
Current liabilities	\$636,050 <sup>(1)</sup>	\$137,200 <sup>(2)</sup>
Total liabilities	\$636,050 <sup>(1)</sup>	\$137,200 <sup>(2)</sup>
Deficit	\$(94,942)	\$(160,082)

#### **Notes:**

- (3) As at February 28, 2019, AMPD owed \$3,680 to a shareholder of the Company for an overpayment of their equity purchase. This amount was repaid to the shareholder subsequent to February 28, 2019.
- (4) As at May 31, 2019, AMPD owed \$1,074 (February 28, 2019 - \$Nil) to a director of the Company for reimbursement of corporate expenses paid on behalf of the Company. This amount was paid subsequent to May 31, 2019.

## AMPD Holdings

The following table sets forth the selected financial information for the years ended May 31, 2019, 2018 and 2017, and has been derived from the AMPD Holdings Financial Statements and accompanying notes thereto, prepared in accordance with IFRS and attached as Schedule “C” to this Prospectus. The selected financial information should be read in conjunction with the AMPD Holdings MD&A and the AMPD Holdings Financial Statements contained elsewhere in this Prospectus.

	For the Year Ended May 31, 2017	For the Year Ended May 31, 2018	For the Year Ended May 31, 2019
<b>Statement of Operations Data</b>			
Total Revenues	\$868,698	\$993,687	\$1,343,082
Cost of Goods Sold	\$785,308	\$852,776	\$1,202,965
Gross Profit	\$83,390	\$140,911	\$140,117
Total Expenses	\$309,170	\$595,335	\$665,485
Net Loss	\$(225,780)	\$(465,527)	\$(605,383)
Net Loss per Common Share (basic and diluted)	\$(0.02)	\$(0.05)	\$(0.06)
Current Assets	\$175,567	\$123,434	\$140,799
Total Assets	\$178,709	\$124,848	\$141,809
Current Liabilities	\$58,191	\$383,774	\$894,593
Total Liabilities	\$58,191	\$383,774	\$894,593
Deficit	\$(179,568)	\$(645,095)	\$(1,250,478)

## Resulting Issuer

The following table contains certain unaudited pro forma consolidated financial information for the Company as at and for the period ended May 31, 2019 and gives effect to completion of the Transaction and the Offering as if they had occurred as of the beginning of the period. This information should be read together with the Pro Forma Financial Statements of the Company, attached as Schedule “E”, along with the AMPD Financial Statements and the AMPD Holdings Financial Statements contained elsewhere in this Prospectus.

	As at May 31, 2019
<b>Balance Sheet Data</b>	
Current assets	\$2,908,247
Total assets	\$3,084,257
Current liabilities	\$984,548
Total liabilities	\$984,548
Deficit	\$(6,881,387)

The Company has not, since its inception, declared or paid any dividends on its Common Shares. The declaration of dividends on our Common Shares is within the discretion of the Board and will depend on the assessment of, among other factors, capital requirements, earnings, and the operating and financial condition of the Company. At the present time, the Company's anticipated capital requirements are such that the Company follows a policy of retaining all available funds and any future earnings in order to finance Company technology advancement, business development and corporate growth. The Company does not intend to declare or pay cash dividends on its Common Shares within the foreseeable future. See "*Risk Factors*".

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### AMPD

The AMPD MD&A is attached to this Prospectus as Schedule "B". The Company's MD&A provides an analysis of AMPD's financial results for the period from June 27, 2018 (date of incorporation) to February 28, 2019 and the three-month period ended May 31, 2019, which should be read in conjunction with the AMPD Financial Statements and the notes thereto respectively.

Certain information included in the AMPD MD&A is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Caution Regarding Forward-Looking Statements*" for further details.

### AMPD Holdings

The AMPD Holdings MD&A is attached to this Prospectus as Schedule "D". The Company's MD&A provides an analysis of AMPD Holdings' financial results for the years ended May 31, 2019, 2018 and 2017, which should be read in conjunction with the AMPD Holdings Financial Statements and corresponding notes thereto respectively.

Certain information included in the AMPD Holdings MD&A is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Caution Regarding Forward-Looking Statements*" for further details.

## DESCRIPTION OF SHARE CAPITAL

### AMPD

AMPD is authorized to issue an unlimited number of Common Shares without par value. As of the date of this Prospectus, there were 16,606,954 Common Shares issued and outstanding as fully paid and non-assessable common shares.

### Common Shares

Holders of Common Shares are entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of AMPD, and each Common Share confers the right to one vote, provided that the shareholder is a holder on the applicable record date declared by the Board. The holders of Common Shares, subject to the prior rights, if any, of any other class of shares of AMPD with special rights as to dividends, are entitled to receive such dividends in any financial year as the Board may determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of AMPD, the remaining property and assets of AMPD. AMPD may, without prior notice to the holders, purchase, redeem or otherwise acquire for fair value any and all outstanding share fractions of any class or kind of shares in its authorized share structure as may exist at any time and from time to time. The Common Shares are not otherwise subject to any call or assessment rights, redemption rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights.

## AMPD Holdings

AMPD Holdings is authorized to issue an unlimited number of common shares without par value. As of the date of this Prospectus, there are 11,767,362 AMPD Holdings Shares issued and outstanding.

## Common Shares

Holders of AMPD Holdings Shares are entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of AMPD Holdings, and each AMPD Holdings Share confers the right to one vote, provided that the shareholder is a holder on the applicable record date declared by the Board. The holders of AMPD Holdings Shares, subject to the prior rights, if any, of any other class of shares of AMPD Holdings with special rights as to dividends, are entitled to receive such dividends in any financial year as the board of directors may determine. In the event of the liquidation, dissolution or winding-up of AMPD Holdings, whether voluntary or involuntary, the holders of the AMPD Holdings Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of AMPD Holdings, the remaining property and assets of AMPD Holdings. Subject to the special rights and restrictions attached to any class or series of shares, AMPD Holdings is authorized to purchase or otherwise acquire any of its shares. The AMPD Holdings Shares are not otherwise subject to any call or assessment rights, redemption rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights.

## Resulting Issuer

On closing of the Transaction, the Resulting Issuer will have the same share capital structure as AMPD (see above “Description of Share Capital – AMPD”).

### CONSOLIDATED CAPITALIZATION

The following table sets forth the Resulting Issuer’s capitalization after giving effect to the Offering and the Transaction. This table should be read in conjunction with the financial statements and notes thereto included elsewhere in this Prospectus.

Description of the Security	Securities Authorized	As at the date of this Prospectus	After giving effect to the Offering and the Transaction <sup>(1)</sup>
Common Shares	Unlimited	16,606,954	37,138,940

#### Note:

- (1) Gives effect to 16,606,954 Common Shares currently outstanding, 20,000,000 Common Shares to be issued pursuant to the Transaction and 531,986 Common Shares to be issued as Qualified Shares pursuant to the Offering, but excludes any Common Shares issuable upon the exercise of any Replacement Warrants or the conversion of any AMPD Holdings Convertible Loan, or portion thereof, after the Closing Date (see “Corporate Structure – Acquisition of AMPD Holdings”).

## Fully Diluted Share Capital

The following table sets out the anticipated fully diluted share capital of the Resulting Issuer after giving effect to the Transaction:

Shares to be Issued	Number of Securities as at the date of this Prospectus	% of total issued and outstanding
Common Shares issued at the date of Prospectus	16,606,954 <sup>(1)</sup>	44.72%
Common Shares to be issued on closing of the Transaction	20,000,000 <sup>(2)</sup>	53.85%
Common Shares to be issued on conversion of outstanding Special Warrants	531,986 <sup>(3)</sup>	1.43%
<b>Total Resulting Issuer Shares (non-diluted)</b>	<b>37,138,940</b>	<b>100%</b>

Shares to be Issued	Number of Securities as at the date of this Prospectus	% of total issued and outstanding
Common Shares to be issued on exercise of Replacement Warrants issued upon exchange of AMPD Holdings Warrants	424,900	0.95%
Common Shares to be issued on exercise of Replacement Warrants issued upon exchange of AMPD Holdings Options	5,000,000 <sup>(4)</sup>	11.19%
Common Shares to be issued on conversion of the AMPD Holdings Convertible Loans	898,058 <sup>(5)</sup>	2.01%
Common Shares to be issued pursuant to exercise of Finder's Warrants	279,591	0.63%
Common Shares to be issued on exercise of Resulting Issuer Options	900,000	2.01%
<b>Total Resulting Issuer Shares reserved for issuance</b>	<b>7,502,549</b>	<b>16.79%</b>
<b>Fully Diluted Securities</b>	<b>44,691,489</b>	<b>100%</b>

**Notes:**

- (1) For further details see "Prior Sales".
- (2) For further details see "Corporate Structure – Acquisition of AMPD Holdings".
- (3) For further details see "Face Page".
- (4) 2,000,000 of which will be issued to each of Anthony Brown (proposed CEO and Director of the Resulting Issuer) and Don Bustin (proposed CTO and Director of the Resulting Issuer) and 1,000,000 will be issued to James Hursthouse (proposed CSO of the Resulting Issuer).
- (5) Includes 606,796 Common Shares and 291,262 Common Shares issuable at a deemed price of \$0.412 per Common Share upon conversion of the full amount of debt under the Brown Loan (\$250,000) and the Hynes Loan (\$120,000), respectively, excluding interest.

## OPTIONS TO PURCHASE SECURITIES

### AMPD

AMPD currently does not have any options outstanding nor does it have an option plan.

### AMPD Holdings

AMPD Holdings currently has 2,941,840 Options outstanding, which will be deemed immediately cancelled on the Closing Date and replaced by Replacement Warrants pursuant to the Transaction.

See "Corporate Structure – Acquisition of AMPD Holdings".

### Resulting Issuer

The Resulting Issuer intends to adopt a rolling stock option plan (the "Option Plan"), which provides for a total of 10% of the issued and outstanding Common Shares of the Resulting Issuer available for issuance thereunder.

The purpose of the Option Plan is to allow the Resulting Issuer to grant stock options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of the Resulting Issuer. The granting of such Options is intended to align the interests of such persons with that of the Resulting Issuer's shareholders.

The tables below summarize information about the options expected to be issued at Listing:



	Shares under Option	Exercise Price	Expiry Date
Executive Officers <sup>(1)</sup>	100,000	\$0.35	5 years from Listing
Directors <sup>(2)</sup>	400,000	\$0.35	5 years from Listing
Employees <sup>(3)</sup>	400,000	\$0.35	5 years from Listing
Consultants	Nil	N/A	N/A

**Notes:**

- (1) Consists of John Ross.
- (2) Consists of Markus Windelen and Howard Donaldson.
- (3) Consists of Paul Mari and Mark Taylor.

***Terms of the Plan***

The full text of the Option Plan will be available upon written request made directly to the Resulting Issuer at its registered head office located at Suite 2900 – 550 Burrard Street, Vancouver, British Columbia V6C 0A3 Attention: Chief Financial Officer.

Administration

The Option Plan shall be administered by the Board, a special committee of the Board (the “**Committee**”) or by an administrator appointed by the Board or the Committee (the “**Administrator**”) either of which will have full and final authority with respect to the granting of all Options thereunder. Options may be granted under the Option Plan to such directors, officers, employees or consultants of the Resulting Issuer, as the Board, the Committee or the Administrator may from time to time designate.

Number of Common Shares Reserved

Subject to adjustment as provided for in the Option Plan, the aggregate number of Common Shares which will be available for purchase pursuant to Options granted under the Option Plan will not exceed 10% of the number of Common Shares which are issued and outstanding on the particular date of grant. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Common Shares in respect of such expired or terminated Option shall again be available for the purposes of granting Options pursuant to this Option Plan.

Exercise Price

The exercise price at which an Option holder may purchase a Common Share upon the exercise of an Option shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option. The exercise price shall not be less than the price determined in accordance with CSE policies while, and if, the Company’s Common Shares are listed on the CSE.

Maximum Term of Options

The term of any Option granted under the Option Plan (the “**Term**”) shall be determined by the Board, the Committee or the Administrator, as applicable, at the time the Option is granted but, subject to earlier termination in the event of termination, or in the event of death or disability of the Option holder. In the event of death or disability, the Option shall expire on the earlier of the date which is six months following the date of disability or death and the applicable expiry date of the Option. Options granted under the Option Plan are not to be transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

Termination

Subject to such other terms or conditions that may be attached to Options granted under the Option Plan, an Option holder may exercise an Option in whole or in part at any time and from time to time during the Term. Any Option or part thereof not exercised within the Term shall terminate and become null, void and of no effect as of the date of expiry of the Option. The expiry date of a Option shall be the date so fixed by the Committee at the time the Option

is granted as set out in the Option Certificate or, if no such date is set out in for the Option Certificate the applicable circumstances, the date established, if applicable, in paragraphs (a) or (b) below or in the event of death or disability (as discussed above under “Maximum Term of Options”) or in the event of certain triggering events occurring, as provided for under the Option Plan:

- (a) *Ceasing to Hold Office* - In the event that the Option holder holds his or her Option as an executive and such Option holder ceases to hold such position other than by reason of death or disability, the expiry date of the Option shall be, unless otherwise expressly provided for in the Option certificate, the 90th day following the date the Option holder ceases to hold such position unless the Option holder ceases to hold such position as a result of:
- (i) ceasing to meet the qualifications set forth in the corporate legislation applicable to the Resulting Issuer;
  - (ii) a special resolution having been passed by the shareholders of the Resulting Issuer removing the Option holder as a director of the Resulting Issuer or any subsidiary; or
  - (iii) an order made by any regulatory authority having jurisdiction to so order;

in which case the expiry date shall be the date the Option holder ceases to hold such position; or

- (b) *Ceasing to be Employed or Engaged* - In the event that the Option holder holds his or her Option as an employee or consultant, other than a Option holder who is engaged in investor relations activities, and such Option holder ceases to hold such position other than by reason of death or disability, the expiry date of the Option shall be, unless otherwise expressly provided for in the Option certificate, the 90th day following the date the Option holder ceases to hold such position, or, in the case of a Option holder that is engaged in investor relations activities, the 30th day after the date such Option holder ceases to hold such position, unless the Option holder ceases to hold such position as a result of:
- (i) termination for cause;
  - (ii) resigning or terminating his or her position; or
  - (iii) an order made by any regulatory authority having jurisdiction to so order;

in which case the expiry date shall be the date the Option holder ceases to hold such position.

In the event that the Option holder ceases to hold the position of executive, employee or consultant for which the Option was originally granted, but comes to hold a different position as an executive, employee or consultant prior to the expiry of the Option, the Committee, the Board or the Administrator, as applicable, may, in its sole discretion, choose to permit the Option to stay in place for that Option holder with such Option then to be treated as being held by that Option Holder in his or her new position and such will not be considered to be an amendment to the Option in question requiring the consent of the Option Holder. Notwithstanding anything else contained in the Option Plan, in no case will an Option be exercisable later than the expiry date of the Option.

## PRIOR SALES

### AMPD

This table sets out particulars of the Common Shares that have been issued or sold since incorporation.

Date of Issuance	Security Type	Number of Securities	Issue/Exercise Price
June 27, 2018	Common Shares	1 <sup>(1)</sup>	\$0.01
June 27, 2018	Common Shares	100	\$0.01
February 20, 2019	Common Shares	7,487,000	\$0.015

February 22, 2019	Common Shares	435,000	\$0.04
March 20, 2019	Special Warrants	578,000 <sup>(2)</sup>	\$0.05
May 9, 2019	Special Warrants	8,106,854 <sup>(3)</sup>	\$0.35
September 18, 2019	Special Warrants	531,986 <sup>(4)</sup>	\$0.35

**Notes:**

- (1) Incorporator's share was issued and subsequently repurchased on June 27, 2018.
- (2) These special warrants were deemed to be exercised for common shares on July 21, 2019 in accordance with their terms.
- (3) These special warrants were deemed to be exercised for common shares on September 10, 2019 in accordance with their terms.
- (4) The Company issued an aggregate of 531,986 Special Warrants in connection with the Offering. See "*Plan of Distribution*".

This table sets out particulars of the AMPD securities exercisable for or exchangeable into Common Shares issued within the 12 months prior to the date of this Prospectus.

<b>Date of Issuance</b>	<b>Security Type</b>	<b>Number of Securities</b>	<b>Issue/Exercise Price</b>
September 18, 2019	Special Warrants	531,986 <sup>(1)</sup>	\$0.35

**Notes:**

- (1) Issued in connection with the Offering (see "*Plan of Distribution*").

**AMPD Holdings**

This table sets out particulars of the AMPD Holdings Shares that have been issued or sold within the 12 months prior to the date of this Prospectus.

<b>Date of Issuance</b>	<b>Security Type</b>	<b>Number of Securities</b>	<b>Issue/Exercise Price</b>
June 1, 2019	AMPD Holdings Common Shares	1,285,716	\$0.001
June 1, 2019	AMPD Holdings Common Shares	450,000	\$0.50

**Notes:**

This table sets out particulars of the AMPD Holdings securities exercisable for or exchangeable into AMPD Holdings Shares issued within the 12 months prior to the date of this Prospectus.

<b>Date of Issuance</b>	<b>Security Type</b>	<b>Number of Securities</b>	<b>Issue/Exercise Price</b>
May 1, 2019	AMPD Holdings Convertible Loan	357,143 <sup>(1)(2)</sup>	\$0.70
May 1, 2019	AMPD Holdings Convertible Loan	171,429 <sup>(1)</sup>	\$0.70
June 2, 2019	AMPD Holdings Options <sup>(3)</sup>	1,765,104	\$0.001
July 2, 2019	AMPD Holdings Options <sup>(3)</sup>	1,176,736	\$0.001

**Notes:**

- (1) Number of securities based on principle balance and assumes conversion.
- (2) This convertible note was a restatement of a convertible note issued on August 29, 2018
- (3) Convertible into AMPD Holdings Shares under the AMPD Holdings Option Plan.

**DESCRIPTION OF SECURITIES BEING QUALIFIED FOR DISTRIBUTION**

This Prospectus is being filed for the purpose of qualifying the distribution of 531,986 Qualified Shares issuable upon the exercise or deemed exercise of the Special Warrants.

The Qualified Shares issuable upon the exercise or deemed exercise of the Special Warrants will have the same rights as the Common Shares.

See “*Description of Share Capital*” for a description of the rights of holders of Qualified Shares.

## **ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER**

### **Escrow Agreements**

Following completion of the Listing, 16,170,456 Common Shares are expected to be held in escrow (the “**Escrow Shares**”).

The Escrow Shares are expected to be held in escrow pursuant to an escrow agreement entered into on closing of the Transaction among the Resulting Issuer, the Transfer Agent and certain shareholders pursuant to which the Escrow Shares will be held in escrow (the “**Escrow Agreement**”). The Escrow Shares are held in escrow as required by CSE policy on completion of the listing of the Common Shares on the CSE.

The Escrow Shares are expected to be subject to the release schedule set out in the form of escrow required by Policy 2 – *Qualifications for Listing of the CSE*. Ten (10%) percent of the Escrow Shares are expected to be released upon the date of listing on the CSE and an additional 15% are expected to be released every 6 months thereafter until all Escrow Shares have been released (36 months following the date of listing on the CSE).

<b>Name</b>	<b>Designation of Class</b>	<b>Securities held in Escrow <sup>(1)</sup></b>	<b>Percentage of Class <sup>(2)</sup></b>
Anthony Brown	Common Shares	3,632,886	9.77%
Don Bustin	Common Shares	3,632,884	9.77%
Mark Taylor	Common Shares	3,632,884	9.77%
Paul Mari	Common Shares	3,632,884	9.77%
James Hursthouse	Common Shares	1,638,918	4.41%

**Notes:**

- (1) It is anticipated that the escrow agent under the escrow agreement will be Computershare.
- (2) Based on 37,138,940 issued and outstanding Common Shares, giving effect to the Transaction and the Offering but excluding any Common Shares issuable upon the exercise of any Replacement Warrants or the conversion of any AMPD Holdings Convertible Loan, or portion thereof, after the Closing Date (see “*Corporate Structure – Acquisition of AMPD Holdings*”).

## **PRINCIPAL SHAREHOLDERS**

There is no person or company who, as at the date of the Prospectus, owned of record, or who, to our knowledge, owned beneficially, directly or indirectly, 10% or more of any class of series of Resulting Issuer voting securities.

## **EXECUTIVE OFFICERS AND DIRECTORS**

The following table sets out the name, jurisdiction of residence of the Resulting Issuer’s directors and executive officers as well as their positions with the Resulting Issuer and principal occupation for the previous five years, and the number and percentage of the Common Shares owned, directly or indirectly, or over which control or direction is exercised, by each of our directors and executive officers. All officers and employees are required to sign standard confidentiality and non-disclosure agreements with the Resulting Issuer.

Name and Municipality of Residence <sup>(1)</sup>	Position to be held with the Resulting Issuer <sup>(2)</sup>	Principal Occupation for the Past Five Years <sup>(3)</sup>	Number of Common Shares	Percentage of class <sup>(4)</sup>
Anthony Brown, White Rock, B.C., Canada	CEO, Chairman and Director	CEO	3,632,886 <sup>(6)</sup>	9.77%
Don Bustin, Saint John, NB, Canada	CTO & Director	CTO	3,632,884 <sup>(7)</sup>	9.77%
James Hursthouse, West Vancouver, B.C., Canada	CSO	Independent Consultant	1,638,918 <sup>(8)</sup>	4.41%
Mark Taylor, Surrey, B.C., Canada	Vice President Sales	Independent Contractor	3,632,884	9.77%
Paul Mari, Surrey, B.C., Canada	Vice President Operations	Independent Contractor	3,632,884	9.77%
John Ross, North York, ON, Canada	CFO & Corporate Secretary	CFO	Nil <sup>(11)</sup>	0%
Howard Donaldson, Santa Monica, CA, USA	Director	CEO	Nil <sup>(5) (12)</sup>	0%
Markus Windelen, Berlin, Germany	Director	Managing Director	Nil <sup>(5) (13)</sup>	0%
Ravinder Kang <sup>(5)</sup> , Vancouver, B.C., Canada	Director	Independent Consultant	166,000	0.45%

**Notes:**

- (1) Information as to municipality of residence, principal occupation, securities beneficially owned or over which a director or officer exercises control or direction has been furnished by the respective individuals as of the date of this Prospectus.
- (2) The term of office of each of the directors expires on the earlier of the Company's next annual general meeting or upon resignation. The term of office of the officers expires at the discretion of the directors.
- (3) See "Management and Key Personnel" for additional information regarding the principal occupations of the Resulting Issuer's directors and officers.
- (4) Based on 37,138,940 issued and outstanding Common Shares, without giving effect to any Common Shares issuable upon the exercise of any Replacement Warrants or the conversion of any AMPD Holdings Convertible Loan, or portion thereof, after the Closing Date (see "Corporate Structure – Acquisition of AMPD Holdings").
- (5) Member of the Audit Committee.
- (6) In addition, Mr. Brown holds 2,000,000 AMPD Holdings Warrants exercisable to acquire up to 2,000,000 AMPD Holdings Shares at a price of \$0.0006 per share. The AMPD Holdings Warrants are convertible into Replacement Warrants (see "Corporate Structure – Acquisition of AMPD Holdings").
- (7) In addition, Mr. Bustin holds 2,000,000 AMPD Holdings Warrants exercisable to acquire up to 2,000,000 AMPD Holdings Shares at a price of \$0.0006 per share. The AMPD Holdings Warrants are convertible into Replacement Warrants (see "Corporate Structure – Acquisition of AMPD Holdings").
- (8) In addition, Mr. Hursthouse holds 1,000,000 AMPD Holdings Warrants exercisable to acquire up to 1,000,000 AMPD Holdings Shares at a price of \$0.0006 per share. The AMPD Holdings Warrants are convertible into Replacement Warrants (see "Corporate Structure – Acquisition of AMPD Holdings").
- (9) Mr. Taylor is expected to be granted 200,000 Options under the Resulting Issuer Option Plan.
- (10) Mr. Mari is expected to be granted 200,000 Options under the Resulting Issuer Option Plan.
- (11) Mr. Ross is expected to be granted 100,000 Options under the Resulting Issuer Option Plan.
- (12) Mr. Donaldson is expected to be granted 200,000 Options under the Resulting Issuer Option Plan.

(13) Mr. Windelen is expected to be granted 200,000 Options under the Resulting Issuer Option Plan.

### ***Biographies***

The following are brief profiles of our executive officers and directors, including a description of each individual's principal occupation within the past five years.

#### ***Anthony Brown (Age 48) – Chief Executive Officer and Director***

Anthony Brown has been an entrepreneur with a focus in technology and digital media for nearly two decades. In 2001, Mr. Brown co-founded Seven Group, a technology integrator with a focus in supercomputing, data management, and digital media. By 2007, Seven Group had become a leading integrator for technology infrastructure for animation, visual effects, and video game studios with a who's who of clientele.

Mr. Brown is now the CEO and co-founder of AMPD Holdings, a technology infrastructure company with a focus in video games and HPC which was founded in April 2015.

At the completion of the Transaction, Mr. Brown will become an employee of the Resulting Issuer and will enter into a non-competition or confidentiality agreement with the Resulting Issuer. It is expected that he will devote 80% of his time to the business of the Resulting Issuer to effectively fulfill his duties as the CEO of the Resulting Issuer.

#### ***Don Bustin (Age 47) – Chief Technology Officer and Director***

Don Bustin is a life-long technology enthusiast, having more than 20 years of experience working with a range of companies from start-ups to the Fortune 500. He has a proven track record across the spectrum of technology disciplines, ranging from development and DevOps<sup>17</sup> to solution and enterprise architecture.

As the co-founder and CTO of Infinite Game Publisher, Mr. Bustin built the team and oversaw the construction of a full publishing platform for their inaugural three titles during the first year of operation, while standing up the production infrastructure required to support major launch events without incident.

In his capacity as co-founder and CTO of AMPD Holdings, Mr. Bustin continues to apply his expertise and insights to expand the Company's team and product offerings required for AMPD Holdings to emerge as a global brand, synonymous with high-performance-computing expertise.

At the completion of the Transaction, Mr. Bustin will become an employee of the Resulting Issuer and will enter into a non-competition or confidentiality agreement with the Resulting Issuer. It is expected that he will devote 60% of his time to the business of the Resulting Issuer to effectively fulfill his duties as the CTO of the Resulting Issuer.

#### ***James Hursthouse (Age 49) – Chief Strategy Officer***

James Hursthouse is a twenty-year veteran of the global games, digital media and technology sectors. He has experience and proven success across content development and publishing, infrastructure and technology for 'games as a service', and more recently with new technologies such as mixed reality, blockchain and artificial intelligence. After spending the first half of his career in Asia and Silicon Valley, Mr. Hursthouse moved to Vancouver, B.C. in 2010 to co-found and be the CEO of Roadhouse Interactive, a mobile gaming studio that grew to 180 people at its peak.

Mr. Hursthouse is currently a board member at DigiBC – the Interactive and Digital Media Industry Association of British Columbia where he has a special focus on international outreach and partnerships, helping to promote the broader B.C. games and digital media industry around the world. Mr. Hursthouse was previously Executive Director of DigiBC, and in this capacity traveled to South Korea with Premier John Horgan in January 2018 to sign a three-year collaboration agreement between DigiBC and the Gyeonggi Contents Agency as part of the overall economic action plan between the B.C. provincial government and Gyeonggi province.

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<sup>17</sup> DevOps is a set of software development practices that combines [software development \(Dev\)](#) and [information technology operations \(Ops\)](#) to shorten the [systems development life cycle](#) while [delivering features, fixes, and updates frequently](#) in close alignment with business objectives

Mr. Hursthouse founded Greenstone Initiatives in September of 2016 through which he consults with several companies in the digital media content and technology space. His current primary focus is the strategic development of AMPD Holdings, working closely with the CEO to implement an expanded high-performance computing strategy, including establishing AMPD Holdings as a founder of the Canada Digital Technology Supercluster, and fundraising in anticipation of rapid growth in 2019 and beyond.

In October 2017, Mr. Hursthouse co-founded Cooper's New Reality Garage, an augmented reality mobile game studio, rapidly establishing the company as a leading artificial reality games studio. Cooper's was acquired in November 2018 by Truly Social Games (Portland, Oregon) to form the basis of its Truly Social Games Vancouver studio, poised for rapid growth. Mr. Hursthouse continued to advise TSG after the acquisition.

At the completion of the Transaction, Mr. Hursthouse will become an employee of the Resulting Issuer and will enter into a non-competition or confidentiality agreement with the Resulting Issuer. It is expected that he will devote 60% of his time to the business of the Resulting Issuer to effectively fulfill his duties as the Chief Strategy Officer of the Resulting Issuer.

***Mark Taylor (Age 56) – Vice President of Client Services***

Mark Taylor is a twenty-five-year veteran of the technology industry. Specializing in building and leading high performing account management and project management teams, he has proven himself to be a successful member of the senior executive of companies including AMPD Holdings, MonkeyMedia Software, Best Buy Canada, Tantalus Communications and Moli Energy Inc. With a broad understanding of both software and hardware technology, research and development, Mr. Taylor provides a vast range of experience and appreciation of the challenges and expectations of the technology industry.

Mr. Taylor is currently a board member of B.C. Technology for Learning Society, a registered charity that collects donated computers, trains and hires youth to refurbish the computers, and then distributes the computers to schools, non-profits, libraries, First Nations groups, and students.

At the completion of the Transaction, Mr. Taylor will become an employee of the Resulting Issuer and will enter into a non-competition or confidentiality agreement with the Resulting Issuer. It is expected that he will devote 100% of his time to the business of the Resulting Issuer to effectively fulfill his duties as the Vice President of Client Services of the Resulting Issuer.

***Paul Mari (Age 68) – Vice President of Operations***

Paul Mari has been an executive for technology companies for over 20 years. In 1999, Mr. Mari was CEO of KazooteK Technologies, a game and financial transaction developer where he successfully focused on reducing overhead and resolving long-standing development issues.

In 2001, Mr. Mari co-founded Seven Group, a technology systems integrator specializing in data management and high-performance computing. Seven Group disrupted the technology infrastructure market by concentrating on specific solutions rather than generalizing in geographic markets. This strategy proved to be extremely effective and the company quickly and profitably grew to become a leading force in the industry.

A few years later, Seven Group shifted focus to the animation, visual effects and game development sectors and achieved dominant market share in Canada in these sectors. Seven Group's clientele consisted of some of the most famous and recognizable names in the industry. The company continued to expand to markets in the US, Europe and Australia.

In 2015, Mr. Mari came out of retirement to co-found AMPD Holdings, a technology infrastructure company specializing in the video game sector and has focused on providing top quality service and solutions to clients. The company has been successfully introducing custom solutions to fulfill specific market needs and has proven the viability and profitability of these solutions.

At the completion of the Transaction, Mr. Mari will become an employee of the Resulting Issuer and will enter into a non-competition or confidentiality agreement with the Resulting Issuer. It is expected that he will devote 100% of his

time to the business of the Resulting Issuer to effectively fulfill his duties as the Vice President of Operations of the Resulting Issuer.

***John Ross (Age 60) – Chief Financial Officer and Corporate Secretary***

John Ross is a senior financial management professional with more than 30 years of private and public company experience. He is currently the interim CEO (since May 2019) and CFO (Since February 2017) of Hempco Food and Fiber Inc. (TSXV), part time CFO of U3O8 Corp. (TSX) since June 2010, and part-time CFO of Buccaneer Gold Corp. (since September 2016).

Mr. Ross holds a Master of Business Administration degree from the University of Western Ontario which he received in 1984, and he obtained his CA designation in 1987.

At the completion of the Transaction, Mr. Ross will become a consultant of the Resulting Issuer and will enter into a non-competition or confidentiality agreement with the Resulting Issuer. It is expected that he will devote 60% of his time to the business of the Resulting Issuer to effectively fulfill his duties as the CFO of the Resulting Issuer.

***Howard Donaldson (Age 66) Director***

Howard Donaldson has over 20 years' experience as a senior operating and financial executive at global entertainment and technology companies including Disney Interactive, Electronic Arts Canada, McGraw-Hill Education Group and Vanedge Capital (Venture Capital).

Mr. Donaldson is a proven leader and has demonstrated success as a business partner to executive management teams improving operating and financial performance. He was instrumental in setting up new interactive studios, directing strategic plans, pursuing business development opportunities and implementing best practices.

Most recently, Mr. Donaldson was a Partner and CFO for Vanedge Capital in Vancouver. The Fund is a successful venture capital company investing in technology companies and has achieved a superior track record of company exits and investment returns. Although Howard accomplished and learned a lot, his passion is to help companies reach their full potential and achieve success.

Mr. Donaldson was previously Vice President of Studio Operations for Disney Interactive with general oversight for internal studios. Mr. Donaldson developed strategic plans, established new studios and implemented studio best practices. He also co-founded Propaganda Games in Vancouver which was later sold to The Walt Disney Company. Propaganda Games developed and released Turok and Tron console games.

Mr. Donaldson was previously Vice President and CFO for Electronic Arts Canada. As a business partner and active member of the executive team, he was responsible for directing strategic business plans that resulted in annual double-digit growth in revenue to almost \$1 billion, creating the largest interactive studio in the world. Much of this growth resulted from excellent execution of sports titles such as FIFA and development of new ideas for such titles as NFS, SSX and Fight Night.

Mr. Donaldson earned a BBA from the University of Michigan and an MBA from the University of Detroit. He also earned a CPA designation with work experience at PricewaterhouseCoopers (PwC).

At the completion of the Transaction, Mr. Donaldson will become a director of the Resulting Issuer and will enter into a non-competition or confidentiality agreement with the Resulting Issuer. It is expected that he will devote approximately 5% of his time to the business of the Resulting Issuer to effectively fulfill his duties as a director of the Resulting Issuer.

***Markus Windelen (Age 57) Director***

Markus Windelen is a games industry professional with more than 20 years management experience in executive leadership roles and a proven and successful track record from global entertainment companies including Atari, Gameforge and Six Foot. He combines strategic thinking and commercial acumen to leadership skills. Mr. Windelen repeatedly demonstrated the ability to advocate, secure and deliver to market forward thinking projects both in traditional and online free-to-play business models.



Mr. Windelen has excellent interpersonal, intercultural communication, and cross-departmental relationship skills with specific experience as a key interface between developers and publishers. He has experience negotiating product acquisition and numerous software development, intellectual property license and technology agreements. His functional disciplines include business development, general management, team building, product planning, implementing best practices, key-accounting, strategy and acquisitions.

Currently Mr. Windelen is Managing Director of the European subsidiary of Six Foot, a transmedia entertainment company with offices in Houston, Los Angeles and Berlin. He founded the European entity in Berlin, built up an international team of publishing experts and successfully drove publishing initiatives into the European, Russian and Chinese speaking markets.

Mr. Windelen was previously COO of Gameforge, a leading European online games publisher in Karlsruhe/Germany. He was instrumental in key-account management with Asian licensing partners and re-negotiation of license or product acquisition agreements. He took responsibility for the resurgence of third-party development initiatives including the shift of content planning towards more Western content.

Previously, Mr. Windelen was COO of dtp entertainment, a Hamburg based publishing house. Under his leadership, dtp expanded its publishing portfolio to comprise personal computer, console, handheld and mobile platforms. Product acquisitions, merger & acquisitions of development studios and implementing best practices throughout the publishing organization were key activities during his successful tenure.

Mr. Windelen has also held various senior and executive management roles within Atari Germany (Frankfurt/Germany), Atari Europe (Lyon/France) and Atari Melbourne House (Melbourne/Australia) in production, publishing and marketing.

Mr. Windelen graduated from Friedrich Wilhelm University Bonn/Germany with a Master of Arts.

At the completion of the Transaction, Mr. Windelen will become a director of the Resulting Issuer and will enter into a non-competition or confidentiality agreement with the Resulting Issuer. It is expected that he will devote approximately 5% of his time to the business of the Resulting Issuer to effectively fulfill his duties as a director of the Resulting Issuer.

#### ***Ravinder Kang (Age 53) – Director***

Mr. Kang has been self-employed since April 2015. He was the director of Listed Issuer Services and held other positions with TMX Group from March 1992 to March 2015. He is a corporate finance professional who is experienced in all aspects of CSE policy, corporate governance and public company obligations. Mr. Kang is currently the principal of RSJ Consulting Inc., a firm that provides corporate finance advice. Mr. Kang received a Bachelor of Commerce degree from the University of British Columbia in 1988 and obtained his C.A. designation at Ernst and Young. See “Other Reporting Issuer Experience”.

At the completion of the Transaction, Mr. Kang will become a director of the Resulting Issuer and will enter into a non-competition or confidentiality agreement with the Resulting Issuer. It is expected that he will devote 5% of his time to the business of the Resulting Issuer to effectively fulfill his duties as the director of the Resulting Issuer.

#### **Share Ownership by Directors and Officers**

At the completion of the Transaction, the Resulting Issuer’s directors and officers as a group, will beneficially own, directly and indirectly, or exercise control or direction over, 16,336,456 Common Shares, not including Options or Conditional Warrants, representing 43.99% of the issued and outstanding Common Shares.

#### **Corporate Cease Trade Orders or Bankruptcies**

Except as disclosed below, to the Company’s knowledge, no director, officer, promoter or other member of management of the Company has, within the past ten years, been a director, officer, insider or promoter of any other issuer that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities law, for a period of more than 30 consecutive days; or
- (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

On May 18, 2012, The Seven Group Data Management Company Inc. (“**Seven Group**”), a wholly owned subsidiary of 7G Entertainment Inc. (“**7G**”) as of July 2011, entered bankruptcy (BIA Estate Number 11-1624378). Grant Thornton Limited was appointed as the licensed insolvency trustee. Anthony Brown was employed by 7G as CEO between July 2011 and March 2012, and as President between March 2012 and October 2013, and was a director of 7G from July 2011 until December 2012.

Donald Bustin was employed by 7G as Chief Information Officer between July 2011 and December 2012, and as VP of Technology between December 2012 and April 2013.

On June 25, 2014, the trustee filed its discharge as trustee of Seven Group.

On August 31, 2016, Roadhouse Holdings Ltd., Roadhouse Interactive Limited and Roadhouse Productions Limited, a corporation of which James Hursthouse was the Chief Executive Officer, was ordered into receivership and assigned itself into bankruptcy under Action Number S-167840. The discharge of the Receiver was officially recorded on December 5, 2017. On August 10, 2018, the Trustee filed its discharge as Trustee.

#### **Penalties or Sanctions**

To the Company’s knowledge, no existing or proposed director, officer or promoter of the Company, or a securityholder anticipated to hold sufficient securities of the Company to affect materially the control of the Company, has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body that would be likely to be considered important to a reasonable securityholder making a decision in regards to the Company.

#### **Personal Bankruptcies**

To the Company’s knowledge, no existing or proposed director, officer or promoter of the Company, or a securityholder anticipated to hold sufficient securities of the Company to affect materially the control of the Company, or a personal holding company of such persons has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to holder the assets of the director, officer or promoter.

#### **Conflicts of Interest**

Members of management are, and may in future be, associated with other firms involved in a range of business activities. Consequently, there are potential inherent conflicts of interest in their acting as officers and directors of the Company. Although the officers and directors are engaged in other business activities, the Company anticipates they will devote an important amount of time to our affairs.

The Company’s officers and directors are now and may in the future become shareholders, officers or directors of other companies, which may be formed for the purpose of engaging in business activities similar to the Company’s. Accordingly, additional direct conflicts of interest may arise in the future with respect to such individuals acting on behalf of us or other entities. Moreover, additional conflicts of interest may arise with respect to opportunities which come to the attention of such individuals in the performance of their duties or otherwise. Currently, the Company does

not have a right of first refusal pertaining to opportunities that come to their attention and may relate to our business operations.

The Company’s directors and officers are subject to fiduciary obligations to act in the best interest of the Company. Conflicts, if any, will be subject to the procedures and remedies of the BCBCA or CBCA, as applicable, or other applicable corporate legislation, securities law, regulations and policies. See “*Risk Factors*”.

## EXECUTIVE COMPENSATION

Prior to obtaining a receipt for this Prospectus from securities regulatory authority in British Columbia, neither AMPD, AMPD Holdings nor the Resulting Issuer were a reporting issuer in any jurisdiction. As a result, certain information required by Form 51-102F6 – *Statement of Executive Compensation* (“**Form 51-102F6**”) has been omitted pursuant to Section 1.3(8) of Form 51-102F6.

### Compensation of Named Executive Officers

Securities legislation requires the disclosure of the compensation received by each Named Executive Officer of the Company. “Named Executive Officer” is defined by securities legislation to mean: (i) the CEO; (ii) the CFO; (iii) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually more than \$150,000 for that financial year; and (iv) each individual who would be a “Named Executive Officer” under paragraph (iii) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in similar capacity, at the end of the most recently completed financial year. At the completion of the Transaction, the Company will have the following Named Executive Officers (collectively, the “**Named Executive Officers**” or “**NEOs**”):

- Anthony Brown, Chief Executive Officer of the Resulting Issuer; and
- John Ross, Chief Financial Officer of the Resulting Issuer.

### Director and Named Executive Officer Compensation, Excluding Compensation Securities

The Company was not a reporting issuer at any time during its most recently completed financial year. Accordingly, the following table sets forth information with respect to the anticipated compensation of each Named Executive Officer and director of AMPD for the 12-month period subsequent to becoming a reporting issuer:

**Table of Compensation Excluding Compensation Securities**

Name and Principal Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Long-term incentive plans (\$)	Value of all other compensation (\$)	Total compensation (\$)
Anthony Brown, CEO / Director	2019	120,000	-	-	-	-	-	120,000
Donald Bustin, CTO / Director	2019	120,000	-	-	-	-	-	120,000
John Ross, CFO	2019	90,000	-	-	-	-	-	90,000
Howard Donaldson, Director	2019	12,000	-	-	-	-	-	12,000

### Table of Compensation Excluding Compensation Securities

Name and Principal Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Long-term incentive plans (\$)	Value of all other compensation (\$)	Total compensation (\$)
Markus Windelen, Director	2019	12,000	-	-	-	-	-	12,000
Ravinder Kang, Director	2019	Nil	-	-	-	-	-	Nil

The anticipated compensation set out above is based on current conditions in the high-performance computing industry and on the associated approximate allocation of time for each Named Executive Officer and director and is subject to adjustments based on changing market conditions and corresponding changes to required time commitments. Following the listing of the Common Shares on the Exchange, the Company will review its compensation policies and may adjust them if warranted by factors such as market conditions.

### Stock Options and Other Compensation Securities

The Company was not a reporting issuer at any time during its most recently completed financial year. The following table discloses all anticipated compensation securities the Company expects to grant or issue to each Named Executive Officer and director once the Company becomes a reporting issuer:

#### Compensation Securities

Name and Position	Type of compensation security	Number of compensation securities and percentage of class	Date of issue or grant	Issue conversion of exercise price	Expiry Date
Anthony Brown, CEO / Director	Options	Nil	-	-	-
Donald Bustin, CTO / Director	Options	Nil	-	-	-
John Ross, CFO	Options	100,000	Listing	\$0.35	5 years from Listing
Howard Donaldson, Director	Options	200,000	Listing	\$0.35	5 years from Listing
Markus Windelen, Director	Options	200,000	Listing	\$0.35	5 years from Listing

### Stock Option Plans and Other Incentive Plans

See “Options to Purchase Securities”.

### Employment, Consulting and Management Agreements

AMPD Holdings has entered into the following employment and consulting agreements with officers of AMPD Holdings (each, an “Executive”):

- i. employment agreement dated July 1, 2019 among Anthony Brown and AMPD Holdings (the “**CEO Senior Executive Employment Agreement**”);
- ii. employment agreement dated June 1, 2019 among Donald Bustin and AMPD Holdings (the “**CTO Senior Executive Employment Agreement**”);
- iii. employment agreement dated June 1, 2019 among James Hursthouse and AMPD Holdings (the “**CSO Senior Executive Employment Agreement**”);
- iv. employment agreement dated July 15, 2019 among Mark Taylor and AMPD Holdings (the “**VP of Client Services Employment Agreement**”);
- v. employment agreement dated July 15, 2019 among Paul Mari and AMPD Holdings (the “**VP of Operations Employment Agreement**”);
- vi. consulting agreement dated July 15, 2019 among John C. Ross and AMPD Holdings (the “**CFO Consulting Agreement**”)

On closing of the Transaction, or shortly thereafter, the Resulting Issuer will enter into employment and consulting agreements with each Executive on terms similar to the AMPD Holdings employment and consulting agreements.

#### *Compensation*

Pursuant to the CEO Senior Executive Employment Agreement, Mr. Brown will be paid a gross annual salary of CAD \$120,000. 1,176,736 AMPD Holdings Options that were issued to Mr. Brown in relation to the CEO Senior Executive Employment Agreement with AMPD Holdings, will be exchanged for 2,000,000 Replacement Warrants, as per the Share Exchange Ratio, in connection with the Transaction. See “*Stock Options and Other Compensation Securities*” above.

Pursuant to the CTO Senior Executive Employment Agreement, Mr. Bustin will be paid a gross annual salary of CAD \$120,000. 1,176,736 AMPD Holdings Options that were issued to Mr. Bustin in relation to the CTO Senior Executive Employment Agreement with AMPD Holdings, will be exchanged for 2,000,000 Replacement Warrants, as per the Share Exchange Ratio, in connection with the Transaction. See “*Stock Options and Other Compensation Securities*” above.

Pursuant to the CSO Senior Executive Employment Agreement, Mr. Hursthouse will be paid a gross annual salary of CAD \$120,000. 964,287 Common Shares, that were issued to Hursthouse in relation to the CSO Senior Executive Employment Agreement with AMPD Holdings will be exchanged for 1,638,918 Common Shares of the Resulting Issuer, as per the Share Exchange Ratio, in connection with the Transaction. 588,368 AMPD Holdings Options that were issued to Hursthouse in relation to his CSO Senior Executive Employment Agreement with AMPD Holdings, will be exchanged for 1,000,000 Replacement Warrants, as per the Share Exchange Ratio, in connection with the Transaction. See “*Stock Options and Other Compensation Securities*” above.

Pursuant to the VP of Client Services Employment Agreement, Mr. Taylor will be paid a gross annual salary of CAD \$120,000. It is expected that Mr. Taylor will be issued an aggregate of 200,000 Options by the Resulting Issuer under the terms of the Option Plan. See “*Stock Options and Other Compensation Securities*” above.

Pursuant to the VP of Operations Employment Agreement, Mr. Mari will be paid a gross annual salary of CAD \$120,000. It is expected that Mr. Taylor will be issued an aggregate of 200,000 options by the Resulting Issuer under the terms of the Option Plan. See “*Stock Options and Other Compensation Securities*” above.

Pursuant to the CFO Consulting Agreement, Mr. Ross will be paid a daily rate of CAD \$750. It is expected that Mr. Ross will be issued an aggregate of 100,000 options by the Resulting Issuer under the terms of the Option Plan. See “*Stock Options and Other Compensation Securities*” above.

### *Termination by the Company Without Cause*

Under the CEO Senior Executive Employment Agreement, the CTO Senior Executive Employment Agreement, the CSO Senior Executive Employment Agreement, the VP of Client Services Employment Agreement and the VP of Operations Employment Agreement, the Company may terminate the agreement and the engagement of the Executive without cause at any time by giving 30 days written notice. In such event, the Company shall pay the respective Executive a lump sum equal to the Executive's annual base salary. Additionally, the Executive will receive continuation of health and other benefits for a period of 12 months.

Under the CFO Consulting Agreement, the Company may terminate the Agreement and the engagement of the Executive without cause at any time by giving 30 days written notice without penalty.

### *Termination by the Company for Cause*

Under the CEO Senior Executive Employment Agreement, the CTO Senior Executive Employment Agreement, the CSO Senior Executive Employment Agreement, the VP of Client Services Employment Agreement, the VP of Operations Employment Agreement, and the CFO Consulting Agreement, if the Company terminates the agreement with cause, the Executive is not entitled to any termination payment from the Company.

### **Oversight and Description of Director and Named Executive Officer Compensation**

The Company does not have a compensation committee or a formal compensation policy. The Company relies solely on the directors to determine the compensation of the Named Executive Officers. In determining compensation, the directors consider industry standards and the Company's financial situation, but the Company does not have any formal objectives or criteria. The performance of each executive officer is informally monitored by the directors, having in mind the business strengths of the individual and the purpose of originally appointing the individual as an officer.

In establishing compensation for executive officers, the Board as a whole seeks to accomplish the following goals:

- To recruit and subsequently retain highly qualified executive officers by competitive offering overall compensation;
- To motivate executives to achieve important corporate and personal performance objectives and reward them when such objectives are met; and
- To align the interests of executive officers with the long-term interests of shareholders through participation in the Option Plan.

When considering the appropriate executive compensation to be paid to our officers, the Board have regard to a number of factors including: (i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and the Company's shareholders; (iv) rewarding performance, both on an individual basis and with respect to operations generally; and (v) available financial resources.

The Company's President and Chief Executive Officer, Mr. Anthony Brown, is compensated solely by way of base annual salary (see above "*Employment, Consulting and Management Agreements*").

The Company's Chief Financial Officer, Mr. John Ross, is compensated by way of consulting fees (\$750 per day) and Stock Options (see above "*Employment, Consulting and Management Agreements*").

The Board did not use any formal peer group evaluation to determine these officers' compensation payments.

### **DIRECTOR COMPENSATION**

As of the date hereof, no compensation has been paid to directors.

The Company contemplates that each independent director, if any, will be entitled to participate in any security based compensation arrangement or other plan adopted by the Resulting Issuer with the approval of the Board and/or the Resulting Issuer 's shareholders, as may be required by applicable law or CSE policies.

### **Directors' and Officers' Liability Insurance**

The Company does not carry directors' and officers' liability insurance for any of our directors or officers. We anticipate obtaining directors' and officers' liability insurance prior to becoming a reporting issuer.

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As at the date of this Prospectus none of the directors and executive officers of AMPD or AMPD Holdings, proposed directors and officers for the Resulting Issuer, or associates of such persons is indebted to AMPD, AMPD Holdings or another entity where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by AMPD or AMPD Holdings.

## **PLAN OF DISTRIBUTION**

This Prospectus is being filed in the Qualifying Jurisdiction to qualify the distribution of 531,986 Qualified Shares.

On September 18, 2019, the Company completed the Offering pursuant to prospectus exemptions under applicable securities legislation. In connection with the Offering, the Company issued the Special Warrants in the Qualifying Jurisdiction on a private placement basis at a price of \$0.35 per Special Warrant.

Subject to the terms and conditions of the certificates representing the Special Warrants, each of the Special Warrants entitles the holder thereof to acquire, upon voluntary exercise prior to, or deemed exercise on, the Qualification Date, one Qualified Share, subject to adjustment in certain circumstances, without payment of any additional consideration.

The Special Warrants will be deemed to be exercised on the date that is the earlier of (a) the Deemed Exercise Date, and (b) the third business day following the date on which Final Receipt has been issued, at which time each Special Warrant shall be automatically exercised for one Qualified Share, subject to adjustment in certain circumstances, without payment of any additional consideration and without further action on the part of the holder.

In the event that a holder of Special Warrants exercises such securities prior to the earlier of the Qualification Date, the Qualified Shares issued upon exercise of such Special Warrants will be subject to statutory hold periods under applicable securities legislation and shall bear such legends as required by securities laws.

No additional proceeds will be received by the Company in connection with the issuance of the Qualified Shares upon exercise or deemed exercise of the Special Warrants.

A commission of up to 7% in cash and 7% in finder's warrants was paid and issued to third parties in connection with the Offering. The Company paid an aggregate of \$6,069.70 and issued an aggregate of 17,342 finder's warrants in connection with the Offering (Mackie Research Capital Corporation was paid \$4,179.70 and issued 11,942 finder's warrants and InvestX Financial (Canada) Ltd. was paid \$1,890 and issued 5,400 finder's warrants).

In the event of certain alterations of the outstanding Common Shares, including any subdivision, consolidation or reclassification, an adjustment shall be made to the terms of the Special Warrants such that the holders shall, upon the exercise or deemed exercise of the Special Warrants following the occurrence of any of those events, be entitled to receive the same number and kind of securities that they would have been entitled to receive had they exercised their Special Warrants prior to the occurrence of those events. No fractional Qualified Shares will be issued upon the exercise or deemed exercise of the Special Warrants. The holding of Special Warrants does not make the holder thereof a shareholder of AMPD or entitle the holder to any right or interest granted to shareholders.

In the event that a holder of Special Warrants exercises such securities prior to the earlier of the Qualification Date, the Qualified Shares issued upon exercise of such Special Warrants will be subject to statutory hold periods under applicable securities legislation and shall bear such legends as required by securities laws.

The Exchange has conditionally accepted the listing of the Company’s Common Shares. The listing of the Common Shares will be subject to the Company fulfilling all of the listing requirements of the Exchange, which cannot be guaranteed.

As at the date of this Prospectus, AMPD and AMPD Holdings do not have any of their securities listed or quoted, have not applied to list or quote any of its securities, and do not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside Canada and the United States.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the U.S. or to, or for the account or benefit of, U.S. Persons. None of the Qualified Shares have been or will be registered under the U.S. Securities Act or the securities laws of any state of the U.S. and may not be offered or sold within the U.S. or to, or for the account or benefit of, U.S. Persons, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.

The Special Warrants may not be exercised by or on behalf of a U.S. Person or a person in the U.S. unless an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available. Accordingly, the Qualified Shares will bear appropriate legends evidencing the restrictions on the offering, sale and transfer of such securities.

## AUDIT COMMITTEE

### Audit Committee

Upon the Company becoming a reporting issuer in a jurisdiction in Canada, the Company will form the audit committee (the “**Audit Committee**”). The Audit Committee will be comprised as follows:

Member	Independence	Financially Literacy
Markus Windelen	Independent <sup>(1)</sup>	Financially Literate
Howard Donaldson	Independent <sup>(1)</sup>	Financially Literate
Ravinder Kang	Independent <sup>(1)</sup>	Financially Literate

**Notes:**

(1) Within the meaning of National Instrument 52-110 – Audit Committees (“**NI 51-110**”).

A description of the education and experience of each Audit Committee member that is relevant to the performance of their responsibilities as an Audit Committee member may be found above under the heading “*Executive Officers and Directors*”.

### Audit Committee’s Charter

The full text of the Audit Committee’s charter is attached as Schedule “F” to this Prospectus.

### Mandate and Responsibilities of the Audit Committee

The Audit Committee’s mandate and responsibilities include: (i) reviewing and recommending for approval to the Board the financial statements, accounting policies that affect the statements, annual MD&A and associated press releases; (ii) being satisfied that adequate procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements and periodically assessing those procedures; (iii) establishing and maintaining complaint procedures regarding accounting, internal accounting controls, or auditing matters and the confidential, anonymous submission by employees of the Company of concerns



regarding questionable accounting or auditing matters; (iv) overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing such other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting; (v) pre-approving all non-audit services to be provided to the Company or its subsidiary entities by the external auditor; (vi) reviewing and monitoring the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company; and (vii) reviewing and approving the Company’s hiring policies regarding partners, employees, and former partners and employees of the present and former external auditor of the Company.

The Audit Committee is to meet at least quarterly to review financial statements and MD&A and to meet with the Company’s external auditors at least once a year.

### **Audit Committee Oversight**

On June 27, 2018, the sole shareholder of AMPD elected to waive the appointment of an auditor pursuant to section 203(2) of the BCBCA. Under section 223 of the BCBCA, AMPD has not appointed an audit committee at this time.

The Resulting Issuer intends to ensure that all recommendations of the Audit Committee of the Resulting Issuer to nominate or compensate an external auditor will be adopted by the Board.

### **Reliance on Certain Exemptions**

At no time since AMPD Holdings’ date of incorporation on April 8, 2015 or since AMPD’s date of incorporation on June 27, 2018 has either company relied on the exemption in section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. It is not anticipated that the Resulting Issuer will rely on any of the above exemptions.

### **Pre-Approval Policies and Procedures**

The audit committees of AMPD Holdings (or AMPD) have not adopted specific policies and procedures for the engagement of non-audit services but all such services are subject to the prior approval of their respective audit committees. It is not anticipated that the Resulting Issuer will adopt specific policies and procedures for the Audit Committee.

### **External Auditor Service Fees by Category**

The aggregate audit fees incurred by AMPD from its date of incorporation (June 27, 2018) to February 28, 2019 and by AMPD Holdings for its years ended May 31, 2017 and 2018 are set out in the table below. Following closing of the Transaction, the Resulting issuer intends to use AMPD Holdings’ auditor Hay & Watson Chartered Professional Accountants (“**Hay & Watson**”). See “*Auditors, Transfer Agent and Registrars*”.

<b>Entity</b>	<b>Financial Year Ended</b>	<b>Audit Fees<sup>(1)</sup> (\$)</b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
<b>AMPD <sup>(5)</sup></b>	Incorporation to February 28, 2019	\$15,000	\$Nil	\$Nil	\$Nil
<b>AMPD Holdings <sup>(6)</sup></b>	May 31, 2017	\$32,500	\$Nil	\$4,500	\$Nil
	May 31, 2018	\$32,500	\$15,000	\$4,500	\$44,500
<b>Total</b>		\$80,000	\$15,000	\$9,000	\$44,500

#### **Notes:**

- (1) “Audit Fees” includes fees necessary to perform the annual audit of AMPD Holdings and AMPD financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

- (2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include review of the Prospectus and all other non-audit services.
- (5) DMCL LLP is the auditor of AMPD. DMCL LLP has not yet billed AMPD.
- (6) Hay & Watson is the auditor of AMPD Holdings. Services rendered by Hay & Watson for the years ended May 31, 2017 and 2018 have not yet been billed or paid.

## **CORPORATE GOVERNANCE**

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making. The Board is of the view that the Company’s general approach to corporate governance, summarized below, is appropriate and substantially consistent with objectives reflected in the guidelines for improved corporate governance in Canada adopted by the Canadian Securities Administrators (the “**Governance Policy**”).

### **Board of Directors**

The Board will be composed of five directors.

The Governance Policy suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as “unrelated”, or “independent”, directors. An “unrelated” director is a director who is independent of management and is free from any interest and any business or other relationship which could or could reasonably be perceived to materially interfere with the director’s ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. In addition, where a company has a significant shareholder, the Governance Policy suggests that the Board of Directors should include a number of directors who do not have interests in either the company or the significant shareholder.

The Company will have three “unrelated” directors within the meaning of the Governance Policy: Mr. Howard Donaldson, Mr. Ravinder Kang, and Mr. Markus Windelen. The two remaining directors are not considered “unrelated” within the meaning of the Governance Policy: Mr. Anthony Brown (CEO), and Mr. Don Bustin (CTO). In assessing the Governance Policy and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors.

Directors are expected to attend Board meetings and meetings of committees on which they serve and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities.

### **Board Mandate**

The Board will facilitate independent supervision of management through meetings of the Board and through frequent informal discussions among independent members of the Board and management. In addition, the Board will have access to the Company’s external auditors, legal counsel and to any of the Company’s officers.

The Board will have a stewardship responsibility to supervise the management of and oversee the conduct of the business of the Company, provide leadership and direction to management, evaluate management, set policies appropriate for the business of the Company and approve corporate strategies and goals.

The day-to-day management of the business and affairs of the Company will be delegated by the Board to the senior officers of the Company. The Board will give direction and guidance through the CEO to management and will keep management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

The Board will recommend nominees to the shareholders for election as directors, and immediately following each annual general meeting will appoint an Audit Committee.

The Board will exercise its independent supervision over management by its policies that (a) periodic meetings of the Board be held to obtain an update on significant corporate activities and plans; and (b) all material transactions of the Company are subject to prior approval of the Board. To facilitate open and candid discussion among its independent directors, such directors will be encouraged to communicate with each other directly to discuss ongoing issues pertaining to the Company.

### **Position Description**

Because the Board is a small, working board, it has not developed written position descriptions and does not have a process for assessing the performance of the directors or the chair of the Board committees. It is not anticipated that the board of the Company will perform formal assessments of its members in the 12 months following completion of the Transaction.

### **Other Reporting Issuer Experience**

None of the proposed directors, officers and promoters of the Company are, or have been within the last five years, directors, officers or promoters of other issuers that are or were reporting issuers in any Canadian jurisdiction.

### **Orientation and Continuing Education**

The Board has not adopted formal policies respecting continuing education for Board members. Board members are encouraged to communicate with management, legal counsel, auditors and consultants of the Company, to keep themselves current with industry trends and developments and changes in legislation with management's assistance, and to attend related industry seminars and visit the Company's operations. Board members will have full access to the Company's records. It is not anticipated that the board of the Company will adopt formal guidelines in the 12 months following completion of the Transaction.

### **Ethical Business Conduct**

The Board has not adopted formal guidelines to encourage and promote a culture of ethical business conduct but does promote ethical business conduct by nominating board members it considers ethical, by avoiding or minimizing conflicts of interest and by having a sufficient number of its board members independent of corporate matters. It is not anticipated that the board of the Company will adopt formal guidelines in the 12 months following completion of the Transaction.

The Board has found that the fiduciary duties placed on individual directors by governing corporate legislation and the common law, and the restrictions placed by the BCBCA and/or CBCA, as applicable, on an individual director's participation in decisions of the Board in which the director has an interest, have helped to ensure that the Board operates independently of management and in the best interests of the Company.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of a company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, if a director of a company also serves as a director or officer of another company engaged in similar business activities to the first company, that director must comply with the conflict of interest provisions of the BCBCA and/or CBCA, as applicable, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors that evoke such a conflict.

### **Nomination of Directors**

The Company will not have a stand-alone nomination committee. The full Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the industry

are consulted for possible candidates. It is not anticipated that the nomination committee of the Company will adopt a formal process to determine new nominees in the 12 months following completion of the Transaction.

### **Compensation**

The Board will conduct reviews with regard to directors' and officers' compensation at least once a year. For information regarding the steps taken to determine compensation for the directors and the executive officers, see "*Executive Compensation*" herein.

### **Other Board Committees**

The Board has no other committees other than the Audit Committee. It is not anticipated that the Board of the Company will establish any committee other than its Audit Committee in the 12 months following completion of the Transaction.

### **Assessments**

The Board will monitor the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees. On an ongoing annual basis, the Board will assess the performance of the Board as a whole, each of the individual directors and each committee of the Board in order to satisfy itself that each is functioning effectively.

## **RISK FACTORS**

An investment in the Company involves a high degree of risk and should be considered speculative. An investment in the Company should only be undertaken by those persons who can afford the total loss of their investment. You should carefully consider the risks and uncertainties described below, as well as other information contained in this Prospectus, including the financial statements and accompanying notes, appearing elsewhere in this Prospectus, before investing in the Company. The risks and uncertainties below are not the only ones the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company believes to be immaterial may also adversely affect the Company's business. If any of the following risks occur, the Company's business, financial condition and results of operations could be seriously harmed, and you could lose all or part of your investment.

### **Risks Related to the Company**

***The Company is a development stage company with little operating history, a history of losses and the Company cannot assure profitability.***

As the Company has yet to begin to generate revenue, it is extremely difficult to make accurate predictions and forecasts of its finances. This is compounded by the fact the Company intends to operate in the technology, cloud storage/computing and gaming sectors, which is rapidly transforming. There is no guarantee that the Company's products or services will be attractive to potential consumers.

***Uncertainty about the Company's ability to continue as a going concern.***

AMPD is in the development stage and is currently seeking mergers, acquisitions, joint ventures, partnerships and other business arrangements to expand its product offerings in the technology, cloud storage/computing and gaming sectors, and grow its revenue. AMPD's ability to continue as a going concern is dependent upon its ability in the future to grow its revenue and achieve profitable operations and, in the meantime, to ensure it has the necessary financing to meet its obligations and repay its liabilities when they become due. These conditions indicate the existence of material uncertainties that may cast significant doubt about the AMPD's ability to continue as a going concern.

***The Company has negative cash flow for the year ended May 31, 2018.***

The Company has a negative operating cash flow for the year ended May 31, 2018. To the extent that the Company has negative operating cash flow in future periods, it may need to allocate a portion of its cash reserves to fund such negative cash flow. The Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that the Company will be able to generate a positive cash flow from its operations, that additional capital or other types of financing will be available when needed or that these financings will be on terms favourable to the Company. The Company's actual financial position and results of operations may differ materially from the expectations of the Company's management.

***The Company's actual financial position and results of operations may differ materially from the expectations of the Company's management.***

The Company's actual financial position and results of operations may differ materially from management's expectations. As a result, the Company's revenue, net income and cash flow may differ materially from the Company's projected revenue, net income and cash flow. The process for estimating the Company's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

***There are factors which may prevent the Company from the realization of growth targets. The Company is currently in the expansion from early development stage.***

The Company's growth strategy contemplates opening additional AMPD Data Centres. There is a risk that this will not be achieved on time, on budget, or at all, as it can be adversely affected by a variety of factors, including some that are discussed elsewhere in these "Risk Factors" and the following:

- Delays or failures in obtaining an appropriate location and/or space for the AMPD Data Centres;
- data centre design errors;
- environmental pollution; non-performance by third party contractors; increases in materials or labour costs; construction performance falling below expected levels of output or efficiency;
- breakdown, aging or failure of equipment or processes;
- contractor or operator errors;
- operational inefficiencies;
- labour disputes, disruptions or declines in productivity; inability to attract sufficient numbers of qualified workers; disruption in the supply of energy and utilities; and
- major incidents and/or catastrophic events such as fires, explosions or storms.

***The Company may face significant competition.***

The Company is engaged in an industry that is highly competitive. Because its industry is evolving and characterized by technological change, it is difficult for the Company to predict whether, when and by whom new competing technologies may be introduced or when new competitors may enter the market. The Company faces increased competition from companies with strong positions in certain markets the Company intends to serve and in new markets and regions it may enter. Many of the Company's competitors have significantly greater financial and other resources than the Issuer currently possesses and may spend significant amounts of resources to gain market share. The Company cannot assure investors that it will be able to compete effectively against current and future competitors. In addition, increased competition or other competitive pressures may result in price reductions, reduced margins or loss of market share, any of which could have a material adverse effect on the Company's business, financial condition or results of operations. Competitors may be able to respond to new or emerging technologies and changes in customer

requirements more effectively than the Issuer can, or devote greater resources to the development, promotion and sale of products than the Issuer can. Current and potential competitors may establish cooperative relationships among themselves or with third parties, including through mergers or acquisitions, to increase the ability of their products to address the needs of the Company's prospective customers. If these competitors were to acquire significantly increased market share, it could have a material adverse effect on the Company's business, financial condition or results of operations. The Company's competitors may also establish or strengthen co-operative relationships with systems integrators, third party consulting firms or other parties with whom the Company has relationships, thereby limiting its ability to promote its products.

***The Company may be subject to additional regulatory burden resulting from its public listing on the CSE.***

The Company has not been subject to the continuous and timely disclosure requirements of Canadian securities laws or other rules, regulations and policies of the CSE. The Company is working with its legal, accounting and financial advisors to identify those areas in which changes should be made to the Company's financial management control systems to manage its obligations as a public company listed on the CSE. These areas include corporate governance, corporate controls, disclosure controls and procedures and financial reporting and accounting systems. The Company has made, and will continue to make, changes in these and other areas, including the Company's internal controls over financial reporting. However, the Company cannot assure holders of Company's shares that these and other measures that the Company might take will be sufficient to allow us to satisfy the Company's obligations as a public company listed on the CSE on a timely basis. In addition, compliance with reporting and other requirements applicable to public companies listed on the CSE will create additional costs for the Company and will require the time and attention of management. The Company cannot predict the amount of the additional costs that the Company might incur, the timing of such costs or the impact that management's attention to these matters will have on the Company's business.

***There is no assurance that the Company will turn a profit or generate immediate revenues.***

There is no assurance as to whether the Company will be profitable, earn revenues, or pay dividends. The Company has incurred and anticipates that it will continue to incur substantial expenses relating to the development and initial operations of its business.

The payment and amount of any future dividends will depend upon, among other things, the Company's results of operations, cash flow, financial condition, and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

***The Company may not be able to effectively manage its growth and operations, which could materially and adversely affect its business.***

If the Company implements its business plan as intended, it may in the future experience rapid growth and development in a relatively short period of time. The management of this growth will require, among other things, continued development of the Company's financial and management controls and management information systems, stringent control of costs, the ability to attract and retain qualified management personnel and the training of new personnel. The Company intends to utilize outsourced resources, and hire additional personnel, to manage its expected growth and expansion. Failure to successfully manage its possible growth and development could have a material adverse effect on the Company's business and the value of the Common Shares.

***Failure to Innovate***

The Company's success depends upon its ability to design, develop, test, market, license and support new software products and enhancements of current products on a timely basis in response to both competitive threats and marketplace demands. In addition, software products and enhancements must remain compatible with the other software products and systems used by its customers. Often, the Company must integrate software licensed or acquired from third parties with its proprietary software to create or improve its products. If the Issuer is unable to successfully integrate third party software to develop new software products and enhancements to existing products, or to complete products currently under development, its operating results will materially suffer. In addition, if the integrated or new products or enhancements do not achieve acceptance by the marketplace, the Company's operating results will materially suffer. Also, if new industry standards emerge that the Company does not anticipate or adapt to, its software

products could be rendered obsolete and, as a result, its business and operating results, as well as its ability to compete in the marketplace, would be materially harmed.

### ***The Company may be unable to adequately protect its proprietary and intellectual property rights***

The Company's ability to compete may depend on the superiority, uniqueness and value of any intellectual property and technology that it may develop. To the extent the Company is able to do so, to protect any proprietary rights of the Company, the Company intends to rely on a combination of patent, trademark, copyright and trade secret laws, confidentiality agreements with its employees and third parties, and protective contractual provisions. Despite these efforts, any of the following occurrences may reduce the value of any of the Company's intellectual property:

- the market for the Company's products and services may depend to a significant extent upon the goodwill associated with its trademarks and trade names, and its ability to register certain of its intellectual property;
- patents in the technology, cloud storage/computing and gaming sectors involve complex legal and scientific questions and patent protection may not be available for some or any products; the Company's applications for trademarks and copyrights relating to its business may not be granted and, if granted, may be challenged or invalidated;
- issued patents, trademarks and registered copyrights may not provide the Company with competitive advantages; the Company's efforts to protect its intellectual property rights may not be effective in preventing misappropriation of any its products or intellectual property;
- the Company's efforts may not prevent the development and design by others of products or marketing strategies similar to or competitive with, or superior to those the Company develops;
- another party may assert a blocking patent and the Company would need to either obtain a license or design around the patent in order to continue to offer the contested feature or service in its products; or
- the expiration of patent or other intellectual property protections for any assets owned by the Company could result in significant competition, potentially at any time and without notice, resulting in a significant reduction in sales. The effect of the loss of these protections on the Company and its financial results will depend, among other things, upon the nature of the market and the position of the Company's products in the market from time to time, the growth of the market, the complexities and economics of manufacturing a competitive product and regulatory approval requirements but the impact could be material and adverse.

### ***Intellectual Property Infringement***

Other companies may claim that the Company has infringed their intellectual property, which could materially increase costs and materially harm the Company's ability to generate future revenue and profits. Claims of infringement are becoming increasingly common as the software industry develops and as related legal protections, including patents are applied to software products. Although the Company does not believe that its products infringe on the rights of third parties, third parties may assert infringement claims against the Company in the future. Although most of the Company's technology is proprietary in nature, the Company does include significant amounts of third-party software in its products. In these cases, this software is licensed from the entity holding the intellectual property rights. Although the Company believes that it has secured proper licenses for all third-party software that is integrated into its products, third parties may assert infringement claims against the Company in the future. Any such assertion may result in litigation or may require the Company to obtain a license for the intellectual property rights of third parties. Such licenses may not be available, or they may not be available on reasonable terms. In addition, such litigation could be disruptive to the Company's ability to generate revenue or enter into new market opportunities and may result in significantly increased costs as a result of the Company's efforts to defend against those claims or its attempt to license the patents or rework its products to ensure they comply with judicial decisions. Any of the foregoing could have a significant adverse impact on the Company's business and operating results as well as its ability to generate future revenue and profits. The loss of licenses to use third-party software or the lack of support or enhancement of such software could materially adversely affect the Issuer's business. The Company could also be forced to do one or more of the following: (i) stop selling, incorporating or using its products that use the challenged

intellectual property; (ii) obtain from the owner of the infringed intellectual property right a license to sell or use the relevant technology, which license may not be available on reasonable terms, or at all; (iii) redesign those products that use allegedly infringing technology which may be costly or time-consuming; or (iv) refund license fees and other amounts received, and make payments of additional amounts in damages or settlement payments, for allegedly infringing technology or products.

***The Company may be forced to litigate to defend its intellectual property rights, or to defend against claims by third parties against the Company relating to intellectual property rights.***

The Company may be forced to litigate to enforce or defend its intellectual property rights, to protect its trade secrets or to determine the validity and scope of other parties' proprietary rights. Any such litigation could be very costly and could distract its management from focusing on operating the Company's business. The existence and/or outcome of any such litigation could harm the Company's business. Further, because of the nature of the Company's technology the Company may face additional difficulties in defending its intellectual property rights.

***The Company may become subject to litigation, which may have a material adverse effect on the Company's reputation, business, results from operations, and financial condition.***

The Company may be named as a defendant in a lawsuit or regulatory action. The Company may also incur uninsured losses for liabilities which arise in the ordinary course of business, or which are unforeseen, including, but not limited to, employment liability and business loss claims. Any such losses could have a material adverse effect on the Company's business, results of operations, sales, cash flow or financial condition.

***Reliance on Third Party Software***

The Company currently depends upon third party software products to develop its products. If in future such reliance existed and the software products were not available, the Company might experience delays or increased costs in the development of its products. The Company currently does not rely on software products that it licenses from third parties. Should the Company in the future rely upon third-party software licenses that may not continue to be available to the Company, and the related software may not continue to be appropriately supported, maintained, or enhanced by the licensors, the loss by the Company of the license to use, or the inability by licensors to support, maintain, and enhance any of such software, could result in increased costs or in delays or reductions in product shipments until equivalent software is developed or licensed and integrated with internally developed software. Such increased costs or delays or reductions in product shipments could materially adversely affect its business. The loss of the Company's rights to use software licensed to it by third parties could increase its operating expenses by forcing the Company to seek alternative technology and materially adversely affect its ability to compete. In addition, the Company's web-based software applications depend on the stability, functionality and scalability of the underlying infrastructure software including application servers, databases, java platform software and operating systems produced by IBM, Microsoft and others. If weaknesses in such infrastructure software exist, the Issuer may not be able to correct or compensate for such weaknesses. If the Issuer is unable to address weaknesses resulting from problems in the infrastructure software such that its products do not meet customer needs or expectations, its reputation, and consequently, its business may be significantly harmed.

***Use of Open Source Software***

The Company's software makes use of and incorporates open source software components. These components are developed by third parties over whom the Company has no control. There are no assurances that those components do not infringe upon the intellectual property rights of others. The Company could be exposed to infringement claims and liability in connection with the use of those open source software components, and the Company may be forced to replace those components with internally developed software or software obtained from another supplier, which may increase its expenses. The developers of open source software are usually under no obligation to maintain or update that software, and the Company may be forced to maintain or update such software itself or replace such software with internally developed software or software obtained from another supplier, which may increase its expenses. Making such replacements could also delay enhancements to its products. Certain open source software licenses provide that the licensed software may be freely used, modified and distributed to others provided that any modifications made to such software, including the source code to such modifications, are also made available under the same terms and conditions. As a result, any modifications the Company makes to such software will be available



to all downstream users of the software, including its competitors. In addition, certain open source licenses provide that if the Company wishes to combine the licensed software, in whole or in part, with its proprietary software, and distribute copies of the resulting combined work, the Company may only do so if such copies are distributed under the same terms and conditions as the open source software component of the work was licensed to the Company, including the requirement to make the source code to the entire work available to recipients of such copies. The types of combinations of open source software and proprietary code that are covered by the requirement to release the source code to the entire combined work are uncertain and much debated by users of open source software. An incorrect determination as to whether a combination is governed by such provisions will result in non-compliance with the terms of the open source license. Such non-compliance could result in the termination of the Company's license to use, modify and distribute copies of the affected open source software and the Company may be forced to replace such open source software with internally developed software or software obtained from another supplier, which may increase its expenses. In addition to terminating the affected open source license, the licensor of such open source software may seek to have a court order that the proprietary software that was combined with the open source software be made available to others, including its competitors, under the terms and conditions of the applicable open source license.

#### ***Disruption of Information Technology Systems.***

The Company relies on information technology in virtually all aspects of our business. A significant disruption or failure of our information technology systems could result in service interruptions, safety failures, security violations, regulatory compliance failures, and inability to protect information and assets against intruders, and other operational difficulties. Attacks perpetrated against its information systems could result in loss of assets and critical information and exposes us to remediation costs and reputational damage. Although the Company has taken steps intended to mitigate these risks, including business continuity planning, disaster recovery planning and business impact analysis, a significant disruption or cyber intrusion could lead to misappropriation of assets or data corruption and could adversely affect its results of operations, financial condition and liquidity. Additionally, if the Company is unable to acquire or implement new technology, it may suffer a competitive disadvantage, which could also have an adverse effect on its results of operations, financial condition and liquidity.

Cyber-attacks could further adversely affect the Company's ability to operate facilities, information technology and business systems, or compromise confidential customer and employee information. Political, economic, social or financial market instability or damage to or interference with its operation assets, or its customers or suppliers may result in business interruptions, lost revenue, higher commodity prices, disruption in fuel supplies, lower energy consumption, unstable markets, increased security and repair or other costs, any of which may materially affect its consolidated financial results. Furthermore, instability in the financial markets as a result of terrorism, sustained or significant cyber-attacks, or war could also materially adversely affect the Issuer's ability to raise capital.

#### ***Dependence on Internet Infrastructure; Risk of System Failures, Security Risks and Rapid Technological Change***

The Company's success in the technology, cloud computing/storage and gaming sectors will depend by and large upon the continued development of a stable public infrastructure, with the necessary speed, data capacity and security, and the timely development of complementary products such as high-speed modems for providing reliable internet access and services. These sectors have experienced and are expected to continue to experience significant growth in the number of users, amount of content and bandwidth availability. It cannot be assured that the associated infrastructure will continue to be able to support the demands placed upon it by this continued growth or that the performance or reliability of the technology will not be adversely affected by this continued growth.

#### ***If the Company is unable to attract and retain key personnel, it may not be able to compete effectively in the technology, cloud storage/computing and gaming sectors.***

The Company's success has depended and continues to depend upon its ability to attract and retain key management, including the Company's Chief Financial Officer, Chief Operating Officer, and technical experts. The Company will attempt to enhance its management and technical expertise by continuing to recruit qualified individuals who possess desired skills and experience in certain targeted areas. The Company's inability to retain employees and attract and retain sufficient additional employees or engineering and technical support resources could have a material adverse effect on the Company's business, results of operations, sales, cash flow or financial condition. Shortages in qualified personnel or the loss of key personnel could adversely affect the financial condition of the Company, results of

operations of the business and could limit the Company's ability to develop and market its cannabis-related products. The loss of any of the Company's senior management or key employees could materially adversely affect the Company's ability to execute the Company's business plan and strategy, and the Company may not be able to find adequate replacements on a timely basis, or at all. The Company does not maintain key person life insurance policies on any of the Company's employees.

***There is no assurance that the Company will secure strategic relationships in jurisdictions in which the Company considers important***

The Company intends to form various strategic relationships. The Company believes it has a business strategy irrespective of any outside support it gains through such strategic relationships. Many of the Company's potential products and/or services could be developed with or without a strategic partner, although securing the appropriate partnership may help improve the Company's ability to further its research on and development of its products and services. There is no guarantee that the Company will be successful in forming a partnership with another entity on terms satisfactory to the Company or at all. Should the Company fail to form a partnership with an entity the Company considers important, or should the Company form a partnership with an entity on different or less favourable terms than anticipated, the business, financial condition and results of the operation of the Company could be materially adversely affected.

***Failure to successfully integrate acquired businesses, its products and other assets into the Company, or if integrated, failure to further the Company's business strategy, may result in the Company's inability to realize any benefit from such acquisition.***

The Company expects to grow by acquiring businesses. The consummation and integration of any acquired business, product or other assets into the Company may be complex and time consuming and, if such businesses and assets are not successfully integrated, the Company may not achieve the anticipated benefits, cost-savings or growth opportunities. Furthermore, these acquisitions and other arrangements, even if successfully integrated, may fail to further the Company's business strategy as anticipated, expose the Company to increased competition or other challenges with respect to the Company's products or geographic markets, and expose the Company to additional liabilities associated with an acquired business, technology or other asset or arrangement.

***The Company will be reliant on information technology systems and may be subject to damaging cyberattacks.***

The Company has entered into agreements with third parties for hardware, software, telecommunications and other information technology ("IT") services in connection with its operations. The Company's operations depend, in part, on how well it and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

The Company has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

***The Company's officers and directors may be engaged in a range of business activities resulting in conflicts of interest.***

Although certain officers and board members of the Company are expected to be bound by anticircumvention agreements limiting their ability to enter into competing and/or conflicting ventures or businesses, the Company may

be subject to various potential conflicts of interest because some of its officers and directors (and consequently, some of the officers and directors of the Company may be engaged in a range of business activities. In addition, the Company's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers and directors.

In addition, the Company may also become involved in other transactions which conflict with the interests of its directors and the officers who may from time to time deal with persons, firms, institutions or companies with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company. In addition, from time to time, these persons may be competing with the Company for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, if such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

***In certain circumstances, the Company's reputation could be damaged.***

Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views regarding the Company and its activities, whether true or not. Although the Company believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, the Company does not ultimately have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects.

***No guarantee on the use of available funds by the Company.***

The Company cannot specify with certainty the particular uses of available funds. Management has broad discretion in the application of its proceeds. Accordingly, a holder of Common Shares will have to rely upon the judgment of management with respect to the use of available funds, with only limited information concerning management's specific intentions. The Company's management may spend a portion or all of the available funds in ways that the Company's shareholders might not desire, that might not yield a favourable return and that might not increase the value of a purchaser's investment. The failure by management to apply these funds effectively could harm the Company's business. Pending use of such funds, the Company might invest the available funds in a manner that does not produce income or that loses value.

***Risks Related to the Company's Securities***

The Company cannot assure you that a market will continue to develop or exist for the Common Shares or what the market price of the Common Shares will be.

The Company cannot assure that a market will continue to develop or be sustained once the Company's shares are listed on the CSE. If a market does not continue to develop or is not sustained, it may be difficult for investors to sell the Common Shares at an attractive price or at all. The Company cannot predict the prices at which the Common Shares will trade.

The market price for the Company's shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control.

The market price for the Company's shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following:

- actual or anticipated fluctuations in the Company's quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which the Company operates;
- addition or departure of the Company's executive officers and other key personnel;
- release or expiration of lock-up or other transfer restrictions on outstanding Common Shares;
- sales or perceived sales of additional Common Shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving us or the Company's competitors;
- operating and share price performance of other companies that investors deem comparable to us; fluctuations to the costs of vital production materials and services;
- changes in global financial markets and global economies and general market conditions, such as interest rates and product price volatility;
- operating and share price performance of other companies that investors deem comparable to the Company or from a lack of market comparable companies;
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets; and
- regulatory changes in the industry.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which might result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely affected, and the trading price of the Common Shares might be materially adversely affected.

***The Company does not anticipate paying cash dividends.***

The Company's current policy is to retain earnings to finance the development and enhancement of its products and to otherwise reinvest in the Company. Therefore, the Company does not anticipate paying cash dividends on the Company's shares in the foreseeable future. The Company's dividend policy will be reviewed from time to time by the Company's board in the context of its earnings, financial condition and other relevant factors. Until the time that the Company pays dividends, which the Company might never do, Company shareholders will not be able to receive a return on their Common Shares unless they sell them.

***Future sales of Common Shares by existing shareholders could reduce the market price of the Common Shares.***

Sales of a substantial number of Common Shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of Common Shares intend to sell Common Shares, could reduce the market price of the Common Shares. Additional Common Shares may be available for sale into the public market, subject to applicable securities laws, which could reduce the market price for Common Shares. Holders of Options or Warrants will have an immediate income inclusion for tax purposes when they exercise their Options or Warrants (that is, tax is not deferred until they sell the underlying Common Shares). As a result, these holders may need to sell Common Shares purchased on the exercise of Options or Warrants in the same year that they exercise their options.

This might result in a greater number of Common Shares being sold in the public market, and fewer long-term holds of Common Shares by the Company's management and employees.

### **CERTAIN FEDERAL INCOME TAX CONSIDERATIONS**

The Company encourages each security holder to consult with its own tax or professional advisor to under the tax considerations generally applicable with purchasing or owning the Qualified Shares.

### **PROMOTERS**

Anthony Brown may be considered to be a Promoter of the Company for the purposes of applicable securities laws, as Mr. Brown has taken the initiative in reorganizing and financing the Company. Mr. Brown owns 3,632,886 (9.77%) Common Shares, and 2,000,000 warrants as of the date hereof. Mr. Brown also holds a \$250,000 convertible note exercisable at \$0.412 per Common Share, representing 606,796 Common Shares if converted. Mr. Brown is the proposed Chief Executive Officer of the Resulting Issuer. See "*Directors and Officers*", "*Principal Shareholders*", "*Consolidated Capitalization*", "*Options to Purchase Securities*" and "*Prior Sales*".

Karamveer Thakur may be considered to be a Promoter of the Company for the purposes of applicable securities laws, as Mr. Thakur has taken the initiative in reorganizing and financing the Company. Mr. Thakur owns 875,100 (2.35%) Common Shares as of the date hereof. Mr. Thakur was the former President and director of AMPD. See "*Directors and Officers*", "*Principal Shareholders*", "*Consolidated Capitalization*", "*Options to Purchase Securities*" and "*Prior Sales*".

Other than as disclosed elsewhere in this Prospectus, no person who was a promoter of the Company within the last two years:

- received anything of value directly or indirectly from the Company or a subsidiary;
- sold or otherwise transferred any asset to the Company or a subsidiary within the last two years;
- has been a director, chief executive officer or chief financial officer of any company that during the past 10 years was the subject of a cease trade order or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets;
- has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority;
- has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision; or
- has within the past 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets.

### **LEGAL PROCEEDINGS**

The Company is not aware of any material legal proceedings involving the Company nor are any such proceedings known by the Company to be contemplated.

### **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Other than as set forth in this Prospectus, none of (i) the directors or executive officers of the Company, (ii) the shareholders who beneficially own or control or direct, directly or indirectly, more than ten (10%) percent of the Company's outstanding voting securities, or (iii) any Associate or Affiliate of the foregoing Persons, has had any

material interest in any transaction in which the Company has participated within the three years before the date of this Prospectus, that has materially affected or is reasonably expected to materially affect the Company.

#### **AUDITORS, TRANSFER AGENTS AND REGISTRARS**

The auditor of AMPD is Dale Matheson Carr-Hilton Labonte (“**DMCL**”) LLP, Chartered Professional Accountants, located at 1500 – 1140 West Pender Street, Vancouver, British Columbia V6E 4G1. AMPD currently does not have a Transfer Agent.

The auditor for AMPD Holdings is Hay & Watson LLP, located at 900 – 1450 Creekside Drive, Vancouver, B.C., V6J 5B3. AMPD Holdings currently does not have a transfer and registrar agent.

The Resulting Issuer will maintain the same auditor and Transfer Agent (once appointed) as AMPD.

#### **ENFORCEMENT OF JUDGEMENTS AGAINST FOREIGN PERSONS**

Howard Donaldson and Markus Windelen, directors of the Company, reside outside of Canada. Although Mr. Donaldson and Mr. Windelen have appointed the Company as their agent for service of process in Canada, it may not be possible for shareholders to enforce against such persons judgments obtained in Canadian courts predicated on the civil liability provisions of applicable securities laws in Canada.

Shareholders are advised that it may not be possible for them to enforce judgments obtained in Canada against any person who resides outside of Canada, even if the party has appointed an agent for service of process.

#### **MATERIAL CONTRACTS**

Other than contracts entered into in the ordinary course of business, the Share Exchange Agreement and the Escrow Agreement are the only material contracts entered into by the Company within two years prior to the date of this Prospectus which is currently in effect and considered to be currently material.

A copy of the above agreements or redacted version thereof can be inspected at AMPD’s head office during regular business hours for a period of 30 days after a final receipt is issued for this Prospectus and are also available electronically at [www.sedar.com](http://www.sedar.com).

#### **LEGAL MATTERS**

Certain legal matters in connection with this Prospectus have been passed upon by McMillan LLP, on behalf of AMPD. As of the date hereof, the partners and associates of McMillan LLP, as a group, beneficially own, directly or indirectly, in the aggregate, less than one percent of the outstanding securities of the Company.

Certain Canadian legal matters in connection with this Prospectus will be passed upon by Forooghian & Company Law Corporation, on behalf of AMPD Holdings. As at the date hereof, the partners and associates of Forooghian & Company Law Corporation, as a group, beneficially own, directly or indirectly, in the aggregate, less than one percent of the outstanding Common Shares of the Company.

#### **EXPERTS**

No person or company whose profession or business gives authority to a report, valuation, statement or opinion made by such person or company and who is named in this Prospectus as having prepared or certified a part of this Prospectus, or a report, valuation, statement or opinion described in this Prospectus, has received or shall receive a direct or indirect interest in any securities or other property of the Company or any associate or affiliate of the Company. The following are persons or companies whose profession or business gives authority to a statement made in this Prospectus as having prepared or certified a part of that document or report described in the Prospectus:

- Hay & Watson is the external auditor of AMPD Holdings and reported on AMPD Holdings’ audited financial statements as at May 31, 2018 and 2017, attached as Schedule “C”; and

- DMCL is the external auditor of AMPD and reported on AMPD's audited financial statements for the period from June 27, 2018 (date of incorporation) to February 28, 2019 and for the 3-month interim period ended May 31, 2019 attached as Schedule "A".

DMCL are independent auditors with respect to AMPD within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

Hay & Watson are independent auditors with respect to AMPD Holdings within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

Certain legal matters in respect of this Prospectus have been passed upon on behalf of AMPD by McMillan LLP and on behalf of AMPD Holdings by Forooghian & Company Law Corporation. As of the date hereof, the partners and associates of McMillan LLP, as a group, own, directly or indirectly, in the aggregate, less than one percent of the outstanding securities of the Company.

### **PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RECISSION**

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment thereto. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

However, in light of the fact that this prospectus is being filed to allow the Company to qualify securities on exercise of Special Warrants, the Company believes that the remedies described in the foregoing paragraph are not applicable to the transactions described in this Prospectus.

### **OTHER MATERIAL FACTS**

To management's knowledge, there are no other material facts relating to the Transaction that are not otherwise disclosed in this Prospectus or are necessary for the Prospectus to contain full, true and plain disclosure of all material facts relating to the Transaction.

#### **Financial Statement Disclosure**

SCHEDULE "A" AMPD VENTURES INC. (FORMERLY E-GAMING VENTURES CORP.) AUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM JUNE 27, 2018 (DATE OF INCORPORATION) TO FEBRUARY 28, 2019, AND AUDITED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MAY 31, 2019

SCHEDULE "B" AMPD VENTURES INC. (FORMERLY E-GAMING VENTURES CORP.) MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE PERIOD FROM JUNE 27, 2018 (DATE OF INCORPORATION) TO FEBRUARY 28, 2019, AND FOR THE THREE-MONTH PERIOD ENDED MAY 31, 2019

SCHEDULE "C" AMPD HOLDINGS CORP. AUDITED FINANCIAL STATEMENTS AS AT MAY 31, 2019, 2018 AND 2017 AND FOR THE YEARS ENDED MAY 31, 2019, 2018 AND 2017

SCHEDULE "D" AMPD HOLDINGS CORP. MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED MAY 31, 2019 AND 2018

SCHEDULE "E" AMPD VENTURES INC. (FORMERLY E-GAMING VENTURES CORP.) AND AMPD HOLDINGS CORP. PRO FORMA FINANCIAL STATEMENTS AS AT MAY 31, 2019

**SCHEDULE "A"**

AMPD VENTURES INC. (FORMERLY E-GAMING VENTURES CORP.) AUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM JUNE 27, 2018 (DATE OF INCORPORATION) TO FEBRUARY 28, 2019, AND AUDITED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MAY 31, 2019



**AMPD VENTURES INC.**  
(FORMERLY E-GAMING VENTURES CORP.)

Financial Statements

For the three months ended May 31, 2019

Expressed in Canadian Dollars

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**AMPD VENTURES INC.**  
(FORMERLY E-GAMING VENTURES CORP.)

<b>Index</b>	<b>Page</b>
Independent Auditor's Report	3-4
<b>Financial Statements</b>	
Statements of Financial Position	5
Statement of Changes in Equity	6
Statement of Loss and Comprehensive Loss	7
Statement of Cash Flows	8
Notes to the Financial Statements	9-18



DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Directors of AMPD Ventures Inc. (formerly E-Gaming Ventures Corp.):

### Opinion

We have audited the financial statements of AMPD Ventures Inc. (formerly E-Gaming Ventures Corp.) (the "Company"), which comprise the statement of financial position as at May 31, 2019 and February 28, 2019, and the statement of loss and comprehensive loss, statement of changes in equity and cash flows for the three months ended May 31, 2019, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2019, and its financial performance and its cash flows for the three months ended May 31, 2019 in accordance with International Financial Reporting Standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

We draw attention to Note 1 to the financial statements, which indicates that the Company incurred a net loss of \$65,140 during the three months ended May 31, 2019. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

DMCL

**DALE MATHESON CARR-HILTON LABONTE LLP**  
**CHARTERED PROFESSIONAL ACCOUNTANTS**  
Vancouver, BC

October 11, 2019

**AMPD VENTURES INC.**  
(FORMERLY E-GAMING VENTURES CORP.)

Statement of Financial Position  
(Expressed in Canadian Dollars)

	Notes	May 31, 2019	February 28, 2019
<b>Assets</b>			
Current assets:			
Cash	4	\$ 2,842,286	\$ 699,714
		\$ 2,842,286	\$ 699,714
<b>Liabilities and Shareholders' Equity</b>			
Current liabilities:			
Trades payables		\$ 88,876	\$ 27,083
Due to related party	6	1,074	-
Subscription receipts	5	47,250	608,967
		137,200	636,050
Shareholders' equity:			
Capital stock	5	129,706	129,706
Special warrants	5	2,710,375	-
Subscription receipts	5	-	28,900
Reserves	5	25,087	
Deficit		(160,082)	(94,942)
		2,705,086	63,664
		\$ 2,842,286	\$ 699,714

Nature of business (Note 1)  
Proposed business transaction (Note 11)  
Subsequent event (Note 12)

Approved on behalf of the board of directors:

"Karamveer Thakur"

**Karamveer Thakur, Director**

"Hari Varshney"

**Hari Varshney, Director**

The accompanying notes form an integral part of these financial statements.

**AMPD VENTURES INC.**  
(FORMERLY E-GAMING VENTURES CORP.)

Statement of Changes in Equity  
(Expressed in Canadian Dollars)

	Notes	Share capital						Total Equity
		Shares	Amount	Special warrants	Subscription receipts	Reserves	Deficit	
<b>Balance, June 27, 2018 (date of incorporation)</b>		-	\$ -	\$ -	\$ -	\$ -	\$ -	-
Common shares issued for cash	5	7,922,100	129,706	-	-	-	-	129,706
Subscription receipts	5	-	-	-	28,900	-	-	28,900
Net loss for the period		-	-	-	-	-	(94,942)	(94,942)
<b>Balance, February 28, 2019</b>		<b>7,922,100</b>	<b>129,706</b>	<b>-</b>	<b>28,900</b>	<b>-</b>	<b>(94,942)</b>	<b>63,664</b>
Special warrants issued for cash	5	-	-	2,866,300	(28,900)	-	-	2,837,400
Share issuance costs	5	-	-	(130,838)	-	-	-	(130,838)
Fair value of agent's warrants	5	-	-	(25,087)	-	25,087	-	-
Net loss for the period		-	-	-	-	-	(65,140)	(65,140)
<b>Balance, May 31, 2019</b>		<b>7,922,100</b>	<b>\$ 129,706</b>	<b>\$ 2,710,375</b>	<b>\$ -</b>	<b>\$ 25,087</b>	<b>\$ (160,082)</b>	<b>\$ 2,705,086</b>

The accompanying notes form an integral part of these financial statements

**AMPD VENTURES INC.**  
(FORMERLY E-GAMING VENTURES CORP.)

Statement of Loss and Comprehensive Loss  
For the three months ended May 31, 2019  
(Expressed in Canadian Dollars)

		<b>2019</b>
Expenses:		
Marketing and promotion	\$	880
Office and administration		7,165
Professional fees		56,373
Travel		722
<b>Net and comprehensive loss</b>	<b>\$</b>	<b>(65,140)</b>
Loss per common share		
– basic and diluted	\$	(0.01)
Weighted average number of common shares outstanding		
– basic and diluted		7,922,100

The accompanying notes form an integral part of these financial statements.

**AMPD VENTURES INC.**  
(FORMERLY E-GAMING VENTURES CORP.)

Statement of Cash Flows  
For the three months ended May 31, 2019  
(Expressed in Canadian Dollars)

	<b>2019</b>
<b>Cash provided by (used in):</b>	
<b>Operating activities</b>	
Net loss for the period	\$ (65,140)
Changes in non-cash working capital:	
Trades payables and accrued liabilities	61,793
Due to related party	1,074
Subscriptions receipts	(561,717)
	<b>(563,990)</b>
<b>Financing activities</b>	
Proceeds from special warrant issuances	2,706,562
	<b>2,706,562</b>
Change in cash	2,142,572
Cash, beginning of period	699,714
Cash, end of period	\$ 2,842,286

The accompanying notes form an integral part of these financial statements.



**AMPD VENTURES INC.**  
(FORMERLY E-GAMING VENTURES CORP.)  
Notes to the Financial Statements  
For the three months ended May 31, 2019  
(Expressed in Canadian Dollars)

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**1. NATURE OF BUSINESS**

AMPD Ventures Inc. (formerly E-Gaming Ventures Corp.) (the "Company") was incorporated under the laws of the Province of British Columbia on June 27, 2018. The Company changed its name from 1169750 B.C. Ltd. to CannaGlobe Therapeutics Corp. on August 2, 2018, then to E-Gaming Ventures Corp. on January 28, 2019 and subsequently to AMPD Ventures Inc. on July 25, 2019.

The Company's head office and principal address is Suite 2050-1055 W. Georgia Street, Vancouver BC, V6E 3P3. The registered and records office is 1500-1055 West Georgia Street, Vancouver, BC, V6E 4N7.

On July 15, 2019, the Company entered into a share exchange agreement ("SEA") with AMPD Holdings Corp. ("AMPD"), a private company incorporated under the Canada Business Corporations Act. AMPD is a technology company building high performance computing infrastructure, cloud computing and next-gen content to gaming developers and publishers.

Pursuant to the SEA, the Company will acquire 100% of the issued and outstanding common shares of AMPD (the "Transaction") resulting in AMPD becoming a wholly owned subsidiary of the Company and the Company will continue on the business of AMPD. Upon completion of the Transaction, the security holders of AMPD will become shareholders of the combined entity (the "Resulting Issuer") (Note 11).

These financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuation as a going concern is dependent upon the successful identification of a viable business project, its ability to raise equity capital, to obtain loans from related parties, and to attain profitable operations to generate funds and meet current and future obligations. These conditions cast significant doubt on the Company's ability to continue as a going concern. During the period ended May 31, 2019, the Company reported a net loss of \$64,150. As at May 31, 2019, the Company had working capital of \$2,705,086 (February 28, 2019 - \$63,664).

**2. BASIS OF PRESENTATION**

These financial statements were authorized for issue on October 11, 2019 by the directors of the Company.

***Statement of compliance***

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

***Basis of presentation***

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

**2. BASIS OF PRESENTATION (cont'd)**

**Significant estimates and assumptions**

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments and the recoverability and measurement of deferred tax assets.

**Significant judgments**

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

**3. SIGNIFICANT ACCOUNTING POLICIES**

***Share capital***

Common shares issued for non-monetary consideration are recorded at their fair value on the measurement date and classified as equity. The measurement date is defined as the earliest of the date at which the commitment for performance by the counterparty to earn the common shares is reached or the date at which the counterparty's performance is complete.

Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

***Earnings (loss) per share***

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

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

***Income taxes***

Income tax expense is comprised of current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the asset and liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it provides a valuation allowance against that excess.

***Share-based compensation***

The fair value of share-based compensation to non-employees is measured at the date the goods or services are received, at either the fair value of the goods or services received or the fair value of the equity instruments issued using the Black-Scholes Option Pricing Model, if the fair value of the goods or services received cannot be readily measured.

The fair value is recognized as an expense with a corresponding increase in reserves. The amount recognized as expense is adjusted to reflect the number of share options expected to vest. For share options granted with vesting terms conditional upon the achievement of a performance condition, and the performance condition is not a market condition, the Company revises its estimates of the length of the vesting period, if necessary, when information arises that indicates that the length of the vesting period differs from previous estimates. When this occurs, the change in estimate is accounted for prospectively.

Compensation expense is recorded in the statement of loss and comprehensive loss as share-based compensation expense with a corresponding credit to equity reserves. When stock options are exercised, the proceeds, together with the amount recorded in equity reserves, are recorded in share capital.

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

***Financial instruments – recognition and measurement***

The following is the Company's accounting policy for financial instruments under IFRS 9:

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL.

For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

(ii) Measurement

**Financial assets and liabilities at amortized cost**

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

**Financial assets and liabilities at FVTPL**

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net (loss) income in the period in which they arise.

**Debt investments at FVTOCI**

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss

**Equity investments at FVTOCI**

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of net (loss) income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

The Company classifies cash as FVTPL.

***Recent accounting pronouncements***

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

***Adoption of new accounting standards***

The Company has adopted the following new standard, with a date of initial application of March 1, 2019 and have been applied in preparing these financial statements:

IFRS 16, Leases ("IFRS 16") IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. This standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The standard is effective for annual periods beginning on or after January 1, 2019.

**AMPD VENTURES INC.**  
(FORMERLY E-GAMING VENTURES CORP.)  
Notes to the Financial Statements  
For the three months ended May 31, 2019  
(Expressed in Canadian Dollars)

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

The Company's management has assessed the impact of IFRS 16 on its leases which are short-term and fall under the exemptions of IFRS 16. The adoption of this amendment did not have a significant impact on the financial statements.

**4. Cash**

	May 31, 2019		February 28, 2019	
Cash in bank	\$	548,965	\$	48,995
Funds held in trust		2,293,321		621,819
Undeposited funds <sup>(1)</sup>		–		28,900
	\$	2,842,286	\$	699,714

<sup>(1)</sup> Funds were deposited in the bank subsequent to February 28, 2019.

**5. SHARE CAPITAL**

**a. Authorized**

Unlimited number of common shares without par value.

**b. Issued and outstanding**

During the period ended May 31, 2019, there were no transactions affecting share capital.

During the period ended February 28, 2019, the Company completed the following transactions:

- i) On June 27, 2018, 100 common share was issued to a director of the Company for \$1.
- ii) On February 20, 2019, 7,487,000 common shares were issued for aggregate gross proceeds of \$112,305.
- iii) On February 22, 2019, 435,000 common shares were issued for aggregate gross proceeds of \$17,400.

**c. Special warrants**

- i) The Company issued 578,000 special warrants ("Special Warrant") at a price of \$0.05 per Special Warrant for total gross proceeds of \$28,900. Each Special Warrant will entitle the holder to receive one common share of the Company (each a "Share") on the exercise or deemed exercise of each Special Warrant. Any Special Warrant exercised before the deemed exercise contemplated herein, will be subject to a hold period, the later of: (a) four months and a day following the date of issuance of the Special Warrants, and (b) the date the Company becomes a reporting issuer in a jurisdiction of Canada. The Special Warrants will be exercisable by the holders thereof at any time after the Closing for no additional consideration and all unexercised Special Warrants will be deemed to be exercised on the earlier of: (a) the date that is four months and a day following the closing date, and (b) the third business day after a receipt is issued for a (final) prospectus by the securities regulatory authorities in each of the Provinces of Canada where the Special Warrants are sold qualifying the Shares to be issued upon the exercise of the Special Warrants. On July 25, 2019, the 578,000 Special Warrants were converted into 578,000 common shares of the Company.

**AMPD VENTURES INC.**  
(FORMERLY E-GAMING VENTURES CORP.)  
Notes to the Financial Statements  
For the three months ended May 31, 2019  
(Expressed in Canadian Dollars)

**5. SHARE CAPITAL (cont'd)**

**c. Special warrants (cont'd)**

- ii) In connection to the Transaction with AMPD (Note 11), the Company issued 8,106,854 special warrants for the Company's concurrent financing at a price of \$0.35 per special warrant for total gross proceeds of \$2,837,400 for its first tranche closed during the period ended May 31, 2019. Each special warrant entitles the holder to one common share at no additional consideration and will be deemed to be exercised on the earlier of (i) the third business day after a receipt for a final prospectus qualifying the distribution of the shares; and (ii) four months and one day after issue date of the special warrants. The Company paid share issuance costs totaling \$130,838 in cash and issued 262,249 in agent's warrants. On September 10, 2019, 8,106,854 special warrants converted into 8,106,854 common shares of the Company.

The Company also received gross proceeds of \$47,250 as at May 31, 2019 for its second tranche of the concurrent financing. If the Transaction does not close, the funds received will be returned to the subscribers. As at May 31, 2019, \$47,250 was received by the Company and was classified as a liability.

**d. Agent's Warrants**

In connection to the concurrent financing, 262,249 agent's warrants were issued on completion of the first tranche of the concurrent financing. Each agent warrant is exercisable at a price of \$0.35 expiring on the date the Company's common shares are listed for trading on a national Canadian securities exchange or trading system. The agent's warrants are subject to a hold period expiring four month and one day from the date the Company becomes a reporting issuer.

During the period ended May 31, 2019, the Company recorded a fair value of \$25,087 on the agent's warrants.

Warrant transactions are summarized as follows:

	Warrants	
	Number	Weighted Average Exercise Price
Outstanding, February 28, 2019	-	\$ -
Granted	262,249	\$ 0.35
Outstanding, May 31, 2019	262,249	\$ 0.35
Number currently exercisable	262,249	\$ 0.35

The Company applied the fair value method in accounting for its warrants using the Black-Scholes Option Pricing Model using the following estimates:

May 31, 2019	Warrants
Risk free rate	1.61%
Expected dividend yield	0%
Expected stock price volatility	68%
Weighted average expected life	1 year

**AMPD VENTURES INC.**  
(FORMERLY E-GAMING VENTURES CORP.)  
Notes to the Financial Statements  
For the three months ended May 31, 2019  
(Expressed in Canadian Dollars)

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Weighted average fair value \$0.10

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**6. RELATED PARTY TRANSACTIONS**

As at May 31, 2019, the company owed \$1,074 (February 28, 2019 - \$Nil) to a director of the Company for reimbursement of corporate expenses paid on behalf of the Company. This amount was paid subsequent to May 31, 2019.

**7. COMMITMENTS**

On December 1, 2018, the Company entered into a sublease agreement with a company (the "Sublandlord") for a portion of the office premises for a period of one year, expiring November 30, 2020, in exchange for \$2,000 per month plus applicable taxes.

**8. INCOME TAXES**

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2019
Loss for the period	\$ (65,140)
Statutory rate	27%
Expected income tax recovery at statutory rate	(17,588)
Change in unrecognized benefit of non-capital loss	17,588
Income tax recovery	\$ -

The Company has accumulated non-capital losses of approximately \$160,082 which may be deducted in the calculation of taxable income in future years. The losses expire in 2039 and 2040.

**9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

As at May 31, 2019, the fair value of cash held by the Company was based on level 1 inputs of the fair value hierarchy.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

*Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

*Liquidity risk*

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



**AMPD VENTURES INC.**  
(FORMERLY E-GAMING VENTURES CORP.)  
Notes to the Financial Statements  
For the three months ended May 31, 2019  
(Expressed in Canadian Dollars)

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**9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)**

As at May 31, 2019, the Company had cash on hand of \$2,842,286, which is sufficient to settle its current liabilities of \$137,200.

*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

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's cash is held in an account with a major Canadian financial institution. The funds may be withdrawn at any time without penalty.

(b) Foreign currency risk

The Company does not have assets or liabilities in a foreign currency and therefore is not exposed to foreign currency risk.

(c) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potentially adverse impact on the Company's ability to obtain equity financing due to movements in individual equity prices. The Company closely monitors individual equity movements to determine the appropriate course of action to be taken by the Company.

**10. CAPITAL MANAGEMENT**

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at May 31, 2019, the Company's shareholders' equity was \$2,705,086 (February 28, 2019 - \$63,664) and it had current liabilities of \$137,200 (February 28, 2019 - \$636,050). The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its future liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels. The Company currently is not subject to externally imposed capital requirements.

**11. PROPOSED BUSINESS TRANSACTION**

The Company entered into a SEA dated July 15, 2019 with AMPD pursuant to which the Company proposes to acquire all of the issued and outstanding securities of AMPD in exchange for the issuance of securities of the Company, which will result in AMPD becoming a wholly owned subsidiary of the Company. In conjunction with the Transaction, the Company will file a non-offering prospectus that will result in it becoming a reporting issuer and will apply to list (the "Listing") its common shares on the Canadian Securities Exchange (the "Exchange"). Upon completion of the Transaction, the Company will carry on the business of AMPD.

**AMPD VENTURES INC.**  
(FORMERLY E-GAMING VENTURES CORP.)  
Notes to the Financial Statements  
For the three months ended May 31, 2019  
(Expressed in Canadian Dollars)

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**11. PROPOSED BUSINESS TRANSACTION**

The Transaction

In consideration of the Transaction, the Company shall, upon completion of the Transaction, issue 20 million of its shares to the then existing shareholders of AMPD at a price of \$0.35 per share. At closing, each of the AMPD optionholders and warrant holders shall receive replacement securities, if not exercised, of their holdings multiplied by the share exchange ratio. The replacement security will maintain the same expiration date.

Further, at closing, the convertible loans in AMPD, if not converted prior to closing, will be exchanged into the Company's common shares multiplied by the share exchange ratio.

Concurrent Financing

In conjunction with, and prior to the closing of the Transaction, the Company will complete a private placement of special warrants with each subscription receipt being convertible upon the Listing closing into a minimum of 11,428,571 shares at a price of \$0.35 per receipt for total gross proceeds of up to \$4,000,000. Each special warrant entitles the holder to one common share at no additional consideration and will be deemed to be exercised on the earlier of (i) the third business day after a receipt for a final prospectus qualifying the distribution of the shares; and (ii) four months and one day after issue date of the special warrants.

The concurrent financing may be increased to up to \$5,000,000 in gross proceeds. A commission of 7% cash and 7% agent's warrants may be payable and issuable to third parties on a portion of the financing. Each agent's warrant will entitle the holder to purchase one common share at a price of \$0.35 at any time on or before the date of Company's common shares are listed for trading on the Exchange.

During the three months ended May 31, 2019, the Company closed its first tranche of the concurrent financing by issuing 8,106,853 special warrants for total gross proceeds of \$2,837,400 (Note 5(c)). On September 10, 2019, 8,106,853 special warrants were converted into 8,106,853 common shares of the Company. The Company paid \$130,838 in share issuance costs and issued 262,249 agent's warrants on a portion of the financing.

On September 18, 2019, the Company closed its second tranche of the concurrent financing by issuing 531,986 special warrants for total gross proceeds of \$186,195. The Company paid \$6,070 in share issuance costs and issued 17,342 in agent's warrants in connection with this second tranche.

## **AMPD VENTURES INC.**

(FORMERLY E-GAMING VENTURES CORP.)

Notes to the Financial Statements

For the three months ended May 31, 2019

(Expressed in Canadian Dollars)

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### **12. SUBSEQUENT EVENT**

On July 30, 2019, the Company entered into a Loan Agreement with AMPD whereby the Company has agreed to lend \$100,000 (the "Loan") to AMPD for the purpose of funding the operating expenses of AMPD and not for settlement of outstanding debts or liabilities unless agreed upon by the Company.

The Loan will bear interest at 8% per annum and will mature at the earlier of (a) the listing of the common shares of the Company on a recognized Canadian securities exchange; or (b) December 31, 2019, unless sooner determined due to the occurrence of a default event as defined in the Loan Agreement. The term of the Loan may be extended on the Company's authorization. The Loan is secured by a General Security Agreement ("GSA") dated July 30, 2019.

**AMPD VENTURES INC.**  
(FORMERLY E-GAMING VENTURES CORP.)

Financial Statements

For the period from June 27, 2018 (date of incorporation) to February 28, 2019

Expressed in Canadian Dollars

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**AMPD VENTURES INC.**  
(FORMERLY E-GAMING VENTURES CORP.)

<b>Index</b>	<b>Page</b>
Independent Auditor's Report	3-4
<b>Financial Statements</b>	
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Loss and Comprehensive Loss	7
Statement of Cash Flows	8
Notes to the Financial Statements	9-17



DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Directors of AMPD Ventures Inc. (formerly E-Gaming Ventures Corp.):

### Opinion

We have audited the financial statements AMPD Ventures Inc. (formerly E-Gaming Ventures Corp.) (the "Company"), which comprise the statement of financial position as at February 28, 2019, and the statement of loss and comprehensive loss, statement of changes in equity and cash flows for the period from incorporation on June 27, 2018 to February 28, 2019, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2019, and its financial performance and its cash flows for the period from incorporation on June 27, 2018 to February 28, 2019 in accordance with International Financial Reporting Standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

We draw attention to Note 1 to the financial statements, which indicates that the Company incurred a net loss of \$94,942 during the period from incorporation on June 27, 2018 to February 28, 2019. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

DMCL

**DALE MATHESON CARR-HILTON LABONTE LLP**  
**CHARTERED PROFESSIONAL ACCOUNTANTS**  
Vancouver, BC

October 11, 2019



**MOORE**

An independent firm  
associated with Moore  
Global Network Limited

**AMPD VENTURES INC.**  
(FORMERLY E-GAMING VENTURES CORP.)

Statement of Financial Position  
(Expressed in Canadian Dollars)

	Notes	February 28, 2019
<b>Assets</b>		
Current assets:		
Cash	4	\$ 699,714
		<b>\$ 699,714</b>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Trades payables		\$ 27,083
Subscription receipts	5	608,967
		<b>636,050</b>
Shareholders' equity:		
Capital stock	5	129,706
Subscription receipts	5	28,900
Deficit		(94,942)
		<b>63,664</b>
		<b>\$ 699,714</b>

Nature of business (Note 1)  
Proposed business transaction (Note 10)  
Subsequent event (Note 11)

Approved on behalf of the board of directors:

*"Karamveer Thakur"*

**Karamveer Thakur, Director**

*"Hari Varshney"*

**Hari Varshney, Director**

The accompanying notes form an integral part of these financial statements.



**AMPD VENTURES INC.**  
(FORMERLY E-GAMING VENTURES CORP.)

Statement of Changes in Equity  
(Expressed in Canadian Dollars)

	Notes	Share capital		Subscription receipts	Deficit	Total Equity
		Shares	Amount			
<b>Balance, June 27, 2018 (date of incorporation)</b>		-	\$ -	\$ -	\$ -	-
Common shares issued for cash	5	7,922,100	129,706	-	-	129,706
Subscription receipts	5	-	-	28,900	-	28,900
Net loss for the period		-	-	-	(94,942)	(94,942)
<b>Balance, February 28, 2019</b>		<b>7,922,100</b>	<b>\$ 129,706</b>	<b>\$ 28,900</b>	<b>\$ (94,942)</b>	<b>\$ 63,664</b>

The accompanying notes form an integral part of these financial statements

**AMPD VENTURES INC.**  
(FORMERLY E-GAMING VENTURES CORP.)

Statement of Loss and Comprehensive Loss  
For the period from June 27, 2018 (date of incorporation) to February 28, 2019  
(Expressed in Canadian Dollars)

	<b>2019</b>
Expenses:	
Marketing and promotion	\$ 2,522
Office and administration	7,740
Professional fees	64,982
Travel	19,698
<b>Net and comprehensive loss</b>	<b>\$ (94,942)</b>
Loss per common share	
– basic and diluted	\$ (0.37)
Weighted average number of common shares outstanding	
– basic and diluted	254,175

The accompanying notes form an integral part of these financial statements.

**AMPD VENTURES INC.**  
(FORMERLY E-GAMING VENTURES CORP.)

Statement of Cash Flows  
For the period from June 27, 2018 (date of incorporation) to February 28, 2019  
(Expressed in Canadian Dollars)

	<b>2019</b>
Cash provided by:	
Operating activities	
Net loss for the period	\$ (94,942)
Changes in non-cash working capital:	
Trades payables and accrued liabilities	27,083
	<b>(67,859)</b>
Financing activities	
Proceeds from share issuances	129,706
Proceeds from subscription receipts	637,867
	<b>767,573</b>
Change in cash, being cash at the end of the period	<b>\$ 699,714</b>

The accompanying notes form an integral part of these financial statements.

# **AMPD VENTURES INC.**

(FORMERLY E-GAMING VENTURES CORP.)

Notes to the Financial Statements

For the period from June 27, 2018 (date of incorporation) to February 28, 2019

(Expressed in Canadian Dollars)

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## **1. NATURE OF BUSINESS**

AMPD Ventures Inc. (formerly E-Gaming Ventures Corp.) (the "Company") was incorporated under the laws of the Province of British Columbia on June 27, 2018. The Company changed its name from 1169750 B.C. Ltd. to CannaGlobe Therapeutics Corp. on August 2, 2018, then to E-Gaming Ventures Corp. on January 28, 2019 and subsequently to AMPD Ventures Inc. on July 25, 2019.

The Company's head office and principal address is Suite 2050-1055 W. Georgia Street, Vancouver BC, V6E 3P3. The registered and records office is 1500-1055 West Georgia Street, Vancouver, BC, V6E 4N7.

On July 15, 2019, the Company entered into a share exchange agreement ("SEA") with AMPD Holdings Corp. ("AMPD"), a private company incorporated under the Canada Business Corporations Act. AMPD is a technology company building high performance computing infrastructure, cloud computing and next-gen content to gaming developers and publishers.

Pursuant to the SEA, the Company will acquire 100% of the issued and outstanding common shares of AMPD (the "Transaction") resulting in AMPD becoming a wholly owned subsidiary of the Company and the Company will continue on the business of AMPD. Upon completion of the Transaction, the security holders of AMPD will become shareholders of the combined entity (the "Resulting Issuer") (Note 11).

These financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuation as a going concern is dependent upon the successful identification of viable business project, its ability to raise equity capital, to obtain loans from related parties, and to attain profitable operations to generate funds and meet current and future obligations. These conditions cast significant doubt on the Company's ability to continue as a going concern. During the period ended February 28, 2019, the Company reported a net loss of \$94,942. As at February 28, 2019, the Company had working capital of \$63,664.

## **2. BASIS OF PRESENTATION**

These financial statements were authorized for issue on October 11, 2019 by the directors of the Company.

### ***Statement of compliance***

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

## **AMPD VENTURES INC.**

(FORMERLY E-GAMING VENTURES CORP.)

Notes to the Financial Statements

For the period from June 27, 2018 (date of incorporation) to February 28, 2019

(Expressed in Canadian Dollars)

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### **2. BASIS OF PRESENTATION (cont'd)**

#### ***Basis of presentation***

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

#### **Significant estimates and assumptions**

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments and the recoverability and measurement of deferred tax assets.

#### **Significant judgments**

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

#### ***Share capital***

Common shares issued for non-monetary consideration are recorded at their fair value on the measurement date and classified as equity. The measurement date is defined as the earliest of the date at which the commitment for performance by the counterparty to earn the common shares is reached or the date at which the counterparty's performance is complete.

Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

## **AMPD VENTURES INC.**

(FORMERLY E-GAMING VENTURES CORP.)

Notes to the Financial Statements

For the period from June 27, 2018 (date of incorporation) to February 28, 2019

(Expressed in Canadian Dollars)

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### **3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

#### ***Earnings (loss) per share***

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

#### ***Income taxes***

Income tax expense is comprised of current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the asset and liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it provides a valuation allowance against that excess.

#### ***Financial instruments – recognition and measurement***

The following is the Company's accounting policy for financial instruments under IFRS 9:

##### **(i) Classification**

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt

## **AMPD VENTURES INC.**

(FORMERLY E-GAMING VENTURES CORP.)

Notes to the Financial Statements

For the period from June 27, 2018 (date of incorporation) to February 28, 2019

(Expressed in Canadian Dollars)

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### **3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL.

For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

#### **(ii) Measurement**

##### **Financial assets and liabilities at amortized cost**

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

##### **Financial assets and liabilities at FVTPL**

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

##### **Debt investments at FVOCI**

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss

##### **Equity investments at FVOCI**

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

#### **(iii) Impairment of financial assets at amortized cost**

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

## AMPD VENTURES INC.

(FORMERLY E-GAMING VENTURES CORP.)

Notes to the Financial Statements

For the period from June 27, 2018 (date of incorporation) to February 28, 2019

(Expressed in Canadian Dollars)

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### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (iv) Derecognition

##### Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

##### Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

The Company classifies cash as FVTPL.

#### ***Recent accounting pronouncements***

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

### 4. Cash

	February 28, 2019	
Cash in bank	\$	48,995
Funds held in trust		621,819
Undeposited funds <sup>(1)</sup>		28,900
	\$	699,714

<sup>(1)</sup> Funds were deposited in the bank subsequent to February 28, 2019.

### 5. SHARE CAPITAL

#### a. Authorized

Unlimited number of common shares without par value.



## **AMPD VENTURES INC.**

(FORMERLY E-GAMING VENTURES CORP.)

Notes to the Financial Statements

For the period from June 27, 2018 (date of incorporation) to February 28, 2019

(Expressed in Canadian Dollars)

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### **5. SHARE CAPITAL (cont'd)**

#### **b. Issued and outstanding**

During the period ended February 28, 2019, the Company completed the following transactions:

- i) On June 27, 2018, 100 common share was issued to a director of the Company for \$1.
- ii) On February 20, 2019, 7,487,000 common shares were issued for aggregate gross proceeds of \$112,305.
- iii) On February 22, 2019, 435,000 common shares were issued for aggregate gross proceeds of \$17,400.

#### **c. Special warrants**

- i) The Company received subscription receipts for 578,000 special warrants ("Special Warrant") at a price of \$0.05 per Special Warrant for total gross proceeds of \$28,900. Each Special Warrant will entitle the holder to receive one common share of the Company (each a "Share") on the exercise or deemed exercise of each Special Warrant. Any Special Warrant exercised before the deemed exercise contemplated herein, will be subject to a hold period, the later of: (a) four months and a day following the date of issuance of the Special Warrants, and (b) the date the Company becomes a reporting issuer in a jurisdiction of Canada. The Special Warrants will be exercisable by the holders thereof at any time after the Closing for no additional consideration and all unexercised Special Warrants will be deemed to be exercised on the earlier of: (a) the date that is four months and a day following the closing date, and (b) the third business day after a receipt is issued for a (final) prospectus by the securities regulatory authorities in each of the Provinces of Canada where the Special Warrants are sold qualifying the Shares to be issued upon the exercise of the Special Warrants. On July 25, 2019, the 578,000 Special Warrants were converted into 578,000 common shares of the Company.

As at February 28, 2019, \$28,900 was received by the Company. The financing for Special Warrants was closed subsequent to February 28, 2019.

- ii) In connection to the Transaction with AMPD (Note 11), the Company received subscription receipts for the Company's concurrent financing at a price of \$0.35 per share for total gross proceeds of \$608,967 as at February 28, 2019. Each special warrant entitles the holder to one common share at no additional consideration and will be deemed to be exercised on the earlier of (i) the third business day after a receipt for a final prospectus qualifying the distribution of the shares; and (ii) four months and one day after issue date of the special warrants. If the Transaction does not close, the funds received will be returned to the subscribers.

As at February 28, 2019, \$608,967 was received by the Company and was classified as a liability.

## AMPD VENTURES INC.

(FORMERLY E-GAMING VENTURES CORP.)

Notes to the Financial Statements

For the period from June 27, 2018 (date of incorporation) to February 28, 2019

(Expressed in Canadian Dollars)

### 6. COMMITMENTS

On December 1, 2018, the Company entered into a sublease agreement with a company (the "Sublandlord") for a portion of the office premises for a period of one year, expiring November 30, 2020, in exchange for \$2,000 per month plus applicable taxes.

The Company has the following rent commitments on its subleased premises:

Fiscal Year	Amount
2019	\$ 6,000
2020	18,000
	<u>\$ 24,000</u>

### 7. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2019
Loss for the period	\$ (94,942)
Statutory rate	27%
Expected income tax recovery at statutory rate	(25,634)
Change in unrecognized benefit of non-capital loss	25,634
Income tax recovery	\$ -

The Company has accumulated non-capital losses of approximately \$94,942 which may be deducted in the calculation of taxable income in future years. The losses expire in 2039.

### 8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at February 28, 2019, the fair value of cash held by the Company was based on level 1 inputs of the fair value hierarchy.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

#### *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

#### *Liquidity risk*

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

## **AMPD VENTURES INC.**

(FORMERLY E-GAMING VENTURES CORP.)

Notes to the Financial Statements

For the period from June 27, 2018 (date of incorporation) to February 28, 2019

(Expressed in Canadian Dollars)

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### **8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)**

As at February 28, 2019, the Company had cash on hand of \$699,714, which is sufficient to settle its current liabilities of \$636,050.

#### *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

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's cash is held in an account with a major Canadian financial institution. The funds may be withdrawn at any time without penalty.

#### (b) Foreign currency risk

The Company does not have assets or liabilities in a foreign currency and therefore is not exposed to foreign currency risk.

#### (c) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potentially adverse impact on the Company's ability to obtain equity financing due to movements in individual equity prices. The Company closely monitors individual equity movements to determine the appropriate course of action to be taken by the Company.

### **9. CAPITAL MANAGEMENT**

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at February 28, 2019, the Company's shareholders' equity was \$63,664 and it had current liabilities of \$636,050. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its future liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels. The Company currently is not subject to externally imposed capital requirements.

### **10. PROPOSED BUSINESS TRANSACTION**

The Company entered into a SEA dated July 15, 2019 with AMPD pursuant to which the Company proposes to acquire all of the issued and outstanding securities of AMPD in exchange for the issuance of securities of the Company, which will result in AMPD becoming a wholly owned subsidiary of the Company. In conjunction with the Transaction, the Company will file a non-offering prospectus that will result in it becoming a reporting issuer and will apply to list (the "Listing") its common shares on the Canadian Securities Exchange (the "Exchange"). Upon completion of the Transaction, the Company will carry on the business of AMPD.

## **AMPD VENTURES INC.**

(FORMERLY E-GAMING VENTURES CORP.)

Notes to the Financial Statements

For the period from June 27, 2018 (date of incorporation) to February 28, 2019

(Expressed in Canadian Dollars)

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### **10. PROPOSED BUSINESS TRANSACTION (cont'd)**

#### The Transaction

In consideration of the Transaction, the Company shall, upon completion of the Transaction, issue 20 million of its shares to the then existing shareholders of AMPD at a price of \$0.35 per share. At closing, each of the AMPD optionholders and warrant holders shall receive replacement securities, if not exercised, of their holdings multiplied by the share exchange ratio. The replacement security will maintain the same expiration date.

Further, at closing, the convertible loans in AMPD, if not converted prior to closing, will be exchanged into the Company's common shares multiplied by the share exchange ratio.

#### Concurrent Financing

In conjunction with, and prior to the closing of the Transaction, the Company will complete a private placement of special warrants with each special warrant being convertible upon the Listing closing into a minimum of 11,428,571 shares at a price of \$0.35 per receipt for total gross proceeds of up to \$4,000,000. Each special warrant entitles the holder to one common share at no additional consideration and will be deemed to be exercised on the earlier of (i) the third business day after a receipt for a final prospectus qualifying the distribution of the shares; and (ii) four months and one day after issue date of the special warrants.

The concurrent financing may be increased to up to \$5,000,000 in gross proceeds. A commission of 7% cash and 7% agent's warrants may be payable and issuable to third parties on a portion of the financing. Each agent's warrant will entitle the holder to purchase one common share at a price of \$0.35 at any time on or before the date of Company's common shares are listed for trading on the Exchange.

Subsequent to February 28, 2019, the Company completed the first tranche of private placement and issued 8,106,853 special warrants for total gross proceeds of \$2,837,400. On September 10, 2019, 8,106,853 special warrants were converted into 8,106,853 common shares of the Company. The Company paid \$130,838 in share issuance costs and issued 262,249 agent's warrants on a portion of the financing.

On September 18, 2019, the Company closed its second tranche of the concurrent financing by issuing 531,986 special warrants for total gross proceeds of \$186,195. The Company paid \$6,070 in share issuance costs and issued 17,342 in agent's warrants in connection with this second tranche.

### **11. SUBSEQUENT EVENT**

On July 30, 2019, the Company entered into a Loan Agreement with AMPD whereby the Company has agreed to lend \$100,000 (the "Loan") to AMPD for the purpose of funding the operating expenses of AMPD and not for settlement of outstanding debts or liabilities unless agreed upon by the Company.

The Loan will bear interest at 8% per annum and will mature at the earlier of (a) the listing of the common shares of the Company on a recognized Canadian securities exchange; or (b) December 31, 2019, unless sooner determined due to the occurrence of a default event as defined in the Loan Agreement. The term of the Loan may be extended on the Company's authorization. The Loan is secured by a General Security Agreement dated July 30, 2019.

**SCHEDULE "B"**

AMPD VENTURES INC. (FORMERLY E-GAMING VENTURES CORP.) MANAGEMENT'S DISCUSSION  
AND ANALYSIS FOR THE PERIOD FROM JUNE 27, 2018 (DATE OF INCORPORATION) TO FEBRUARY  
28, 2019, AND FOR THE THREE-MONTH PERIOD ENDED MAY 31, 2019

**AMPD VENTURES INC.**  
(FORMERLY E-GAMING VENTURES CORP.)

MANAGEMENT DISCUSSION AND ANALYSIS  
May 31, 2019

## **1.1 Date**

This Management Discussion and Analysis (“MD&A”) of AMPD Ventures Inc. (formerly E-Gaming Ventures Corp.) (or the “Company”) has been prepared by management as of October 11, 2019 and should be read in conjunction with the audited financial statements and related notes thereto of the Company for the three months ended May 31, 2019 and the audited financial statements and related notes thereto of the Company for the period from incorporation date (June 28, 2018) to February 28, 2019, which was prepared in accordance with International Accounting Standards using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and International Financial Reporting Interpretations Committee (“IFRIC”).

This MD&A contains forward-looking information which reflects management's expectations regarding the Company's growth, results of operation, performance and business prospects and opportunities. The use of words such as “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “believe”, “outlook”, “forecast” and similar expressions are intended to identify forward-looking statements.

Forward-looking statements in this MD&A include, but not limited to, the Company's expectation of future activities and results, of its working capital needs and its ability to identify, evaluate and pursue suitable business opportunity. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results of events to differ materially from those anticipated in these forward-looking statements. Readers should not put undue reliance on forward-looking information.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

## **1.2 Over-all Performance**

AMPD Ventures Inc. was incorporated under the laws of the Province of British Columbia on June 27, 2018. The Company changed its name from 1169750 B.C. Ltd. to CannaGlobe Therapeutics Corp. on August 2, 2018, then to E-Gaming Ventures Corp. on January 28, 2019 and subsequently to AMPD Ventures Inc. on July 25, 2019.

On July 15, 2019, the Company entered into a share exchange agreement (“SEA”) with AMPD Holdings Corp. (“AMPD”), a private company incorporated under the Canada Business Corporations Act. AMPD is a technology company building high performance computing infrastructure, cloud computing and next-gen content to gaming developers and publishers.

Pursuant to the SEA, the Company will acquire 100% of the issued and outstanding common shares of AMPD (the “Transaction”) resulting in AMPD becoming a wholly owned subsidiary of the Company and the Company will continue on the business of AMPD. Upon completion of the Transaction, the security holders of AMPD will become shareholders of the combined entity (the “Resulting Issuer”) See *1.11 Proposed Transaction*.

### 1.3 Selected Annual Information

	Date of Incorporation (June 27, 2018) to February 28, 2019
Net Loss	\$ (94,942)
Loss per share	\$ (0.37)
Total assets	\$ 669,714
Total long-term liabilities	Nil
Cash dividends declared per share for each class of share	Nil

### 1.4 Results of Operations

*Three months ended May 31, 2019*

During the three months ended May 31, 2019, the Company reported a net loss of \$65,140 or \$0.01 per share which consisted of marketing and promotion of \$880, office and administration of \$7,165, professional fees of \$56,373, and travel of \$722.

Travel and marketing and promotion in relation to meetings with potential investors.

Office and administration included rent and general office costs.

Professional fees included an accrual for the Company's interim period audit and legal services in connection to the Company's private placement financings, Canadian Securities Exchange listing, and matters related to the acquisition of AMPD.

During the period, the Company completed:

- a private placement and issued 578,000 non-transferrable Special Warrants of the Company for total gross proceeds of \$28,900 to be used towards working capital and the completion of the Transaction.
- its first tranche of the concurrent financing for total gross proceeds of \$2,837,400. The Company paid \$130,838 in share issuance costs and issued 262,249 agent's warrants on a portion of the financing. Each agent's warrant will entitle the holder to one common share at no additional consideration and will be deemed to be exercised on the earlier of (i) the third business day after a receipt for a final prospectus qualifying the distribution of the shares; and (ii) four months and one day after issue date of the agent's warrants. See 1.11 Proposed Transactions.

### 1.5 Summary of Quarterly Results

The following is a summary of financial information concerning the Company for each of the reported quarters since its incorporation.

Quarter ended	Expenses	Loss	Loss per share
May 31, 2019	\$ (65,140)	\$ (65,140)	\$ (0.01)
February 28, 2019	(12,664)	(12,664)	(0.02)
November 30, 2018	(34,464)	(34,464)	(344.64)
August 31, 2018	(47,814)	(47,814)	(1,071.70)

\*The Company was incorporated on June 27, 2018



The Company has no active business operations to date. Most of the costs incurred to date (75%) have been professional fees associated with preparing the prospectus and payments made to the Canadian Securities Exchange. Given its limited history there are no trends in the expenses or any seasonality related to operations.

## **1.6 Liquidity and Capital Resources**

The Company reported a working capital of \$2,705,086 at May 31, 2019 (February 28, 2019 - \$63,664). As at May 31, 2019, the Company had cash on hand of \$2,842,286 (February 28, 2019 - \$699,714), trade payables of \$88,876 (February 28, 2019 - \$27,083), due to related party of \$1,074 (February 28, 2019 - \$Nil), and subscription receipts of \$47,250 (February 28, 2019 - \$608,967).

In connection with the Transaction, the Company will complete a private placement of subscription receipts for proceeds of up to \$4,000,000. See 1.11 *Proposed Transactions*.

The Company may continue to have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

## **1.7 Off-Balance Sheet Arrangements**

The Company does not utilize off-balance sheet arrangements.

## **1.8 Risk and Uncertainties**

The Company's financial performance is likely to be subject to the following risks:

- Although management of the Company is working diligently to complete the business transaction, there is no assurance that a definitive agreement will be entered into nor completed.
- The Company has not generated any significant revenue and has incurred significant losses since inception.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

### *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

### *Liquidity risk*

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

**AMPD VENTURES INC.**  
(FORMERLY E-GAMING VENTURES CORP.)  
Management Discussion & Analysis  
May 31, 2019

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As at May 31, 2019, the Company had cash on hand of \$2,842,286, which is sufficient to settle its current liabilities of \$137,200.

*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

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's cash is held in an account with a major Canadian financial institution. The funds may be withdrawn at any time without penalty.

(b) Foreign currency risk

The Company does not have assets or liabilities in a foreign currency and therefore is not exposed to foreign currency risk.

(c) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potentially adverse impact on the Company's ability to obtain equity financing due to movements in individual equity prices. The Company closely monitors individual equity movements to determine the appropriate course of action to be taken by the Company.

## **1.9 Transactions with Related Parties**

As at May 31, 2019, the company owed \$1,074 (February 28, 2019 - \$Nil) to Hari Varshney, a director of the Company for reimbursement of corporate expenses paid on behalf of the Company. This amount was paid subsequent to May 31, 2019.

## **1.10 Subsequent event**

On July 30, 2019, the Company entered into a Loan Agreement ("Loan Agreement") with AMPD whereby the Company has agreed to lend \$100,000 (the "Loan") to AMPD for the purpose of funding the operating expenses of AMPD and not for settlement of outstanding debts or liabilities unless agreed upon by the Company.

The Loan will bear interest at 8% per annum and will mature at the earlier of (a) the listing of the common shares of the Company on a recognized Canadian securities exchange; or (b) December 31, 2019, unless sooner determined due to the occurrence of a default event as defined in the Loan Agreement. The term of the Loan may be extended on the Company's authorization. The Loan is secured by a General Security Agreement dated July 30, 2019.

Please also see *1.11 Proposed Transactions*

## **1.11 Proposed Transactions**

The Company entered into a SEA dated July 15, 2019 with AMPD pursuant to which the Company proposes to acquire all of the issued and outstanding securities of AMPD in exchange for the issuance of securities of the Company, which will result in AMPD becoming a wholly owned subsidiary of the Company. In conjunction with the Transaction, the Company will file a non-offering prospectus that will result in it becoming a reporting issuer and will apply to list (the "Listing") its common shares on the Canadian Securities Exchange (the "Exchange"). Upon completion of the Transaction, the Company will carry on the business of AMPD.

### The Transaction

In consideration of the Transaction, the Company shall, upon completion of the Transaction, issue 20 million of its shares to the then existing shareholders of AMPD at a price of \$0.35 per share. At closing, each of the AMPD optionholders and warrant holders shall receive replacement securities, if not exercised, of their holdings multiplied by the share exchange ratio. The replacement security will maintain the same expiration date.

Further, at closing, the convertible loans in AMPD, if not converted prior to closing, will be exchanged into the Company's common shares multiplied by the share exchange ratio.

### Concurrent Financing

In conjunction with, and prior to the closing of the Transaction, the Company will complete a private placement of special warrants with each special warrant being convertible upon the Listing closing into a minimum of 11,428,571 shares at a price of \$0.35 per receipt for total gross proceeds of up to \$4,000,000. Each special warrant entitles the holder to one common share at no additional consideration and will be deemed to be exercised on the earlier of (i) the third business day after a receipt for a final prospectus qualifying the distribution of the shares; and (ii) four months and one day after issue date of the special warrants.

The concurrent financing may be increased to up to \$5,000,000 in gross proceeds. A commission of 7% cash and 7% agent's warrants may be payable and issuable to third parties on a portion of the financing. Each agent's warrant will entitle the holder to purchase one common share at a price of \$0.35 at any time on or before the date of Company's common shares are listed for trading on the a national Canadian securities exchange or trading system ("Expiry Date").

During the three months ended May 31, 2019, the Company closed its first tranche of the concurrent financing by issuing 8,106,853 special warrants for total gross proceeds of \$2,837,400. On September 10, 2019, 8,106,853 special warrants were converted into 8,106,853 common shares of the Company.

The Company paid \$130,838 in share issuance costs and issued 262,249 agent's warrants on a portion of the financing.

On September 18, 2019, the Company closed its second tranche of the concurrent financing by issuing 531,986 special warrants for total gross proceeds of \$186,195. The Company paid \$6,070 in share issuance costs and issued 17,342 in agent's warrants in connection with this second tranche.

### 1.12 Critical Accounting Estimates

Not applicable to venture issuers.

### 1.13 Changes in Accounting Policies including Initial Adoption

The financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards. Our significant accounting policies are set out in Note 3 of the financial statements of the Company, as at and for the period ended May 31, 2019.

### 1.14 Financial Instruments and Other Instruments

The Company's financial instruments at May 31, 2019 are as follows:

	<i>Fair Value through</i>	
	<i>Profit or Loss</i>	<i>Amortized Cost</i>
<b>Financial assets</b>		
Cash	\$ 2,842,286	\$ –
Trades payable	–	88,876
Due to related party	–	1,074
Subscriptions receipts	–	47,250
	<b>\$ 2,842,286</b>	<b>\$ 137,200</b>

### 1.15 Other Requirements

Summary of Outstanding Share Data as of October 11, 2019:

Authorized: Unlimited number of common shares without par value.

Issued and outstanding: 16,606,954

Special warrants: 531,986

Agent's warrants: 279,591

On behalf of the Board of Directors, thank you for your continued support.

*"Karamveer Thakur"*

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**Karamveer Thakur**  
Director

**AMPD VENTURES INC.**  
(FORMERLY E-GAMING VENTURES CORP.)

MANAGEMENT DISCUSSION AND ANALYSIS  
February 28, 2019

## **1.1 Date**

This Management Discussion and Analysis (“MD&A”) of AMPD Ventures Inc. (formerly E-Gaming Ventures Corp.) (or the “Company”) has been prepared by management as of October 11, 2019 and should be read in conjunction with the audited financial statements and related notes thereto of the Company for the period from incorporation date (June 27, 2018) to February 28, 2019, which was prepared in accordance with International Accounting Standards using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and International Financial Reporting Interpretations Committee (“IFRIC”).

This MD&A contains forward-looking information which reflects management's expectations regarding the Company's growth, results of operation, performance and business prospects and opportunities. The use of words such as “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “believe”, “outlook”, “forecast” and similar expressions are intended to identify forward-looking statements.

Forward-looking statements in this MD&A include, but not limited to, the Company's expectation of future activities and results, of its working capital needs and its ability to identify, evaluate and pursue suitable business opportunity. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results of events to differ materially from those anticipated in these forward-looking statements. Readers should not put undue reliance on forward-looking information.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

## **1.2 Over-all Performance**

AMPD Ventures Inc. was incorporated under the laws of the Province of British Columbia on June 27, 2018. The Company changed its name from 1169750 B.C. Ltd. to CannaGlobe Therapeutics Corp. on August 2, 2018, then to E-Gaming Ventures Corp. on January 28, 2019 and subsequently to AMPD Ventures Inc. on July 25, 2019.

On July 15, 2019, the Company entered into a share exchange agreement (“SEA”) with AMPD Holdings Corp. (“AMPD”), a private company incorporated under the Canada Business Corporations Act. AMPD is a technology company building high performance computing infrastructure, cloud computing and next-gen content to gaming developers and publishers.

Pursuant to the SEA, the Company will acquire 100% of the issued and outstanding common shares of AMPD (the “Transaction”) resulting in AMPD becoming a wholly owned subsidiary of the Company and the Company will continue on the business of AMPD. Upon completion of the Transaction, the security holders of AMPD will become shareholders of the combined entity (the “Resulting Issuer”). See *1.11 Proposed Transaction*.

### 1.3 Selected Annual Information

	Date of Incorporation (June 27, 2018) to February 28, 2019
Net Loss	\$ (94,942)
Loss per share	\$ (0.37)
Total assets	\$ 669,714
Total long-term liabilities	Nil
Cash dividends declared per share for each class of share	Nil

### 1.4 Results of Operations

*From Date of Incorporation (June 27, 2018) to February 28, 2019*

During the period from June 27, 2018 (date of incorporation) to February 28, 2019, the Company reported a net loss of \$94,942 or \$0.37 per share which consisted of marketing and promotion of \$2,522, office and administration of \$7,740, professional fees of \$64,982, and travel of \$19,698.

Travel and marketing and promotion consisted of director meetings for potential business opportunities locally and internationally and services for preparing marketing materials.

Office and administration included rent, foreign exchange loss, and general office costs.

Professional fees included an accrual for the Company's fiscal end audit and legal services for incorporating the Company, handling its private placement financings, name change, to review a business opportunity overseas in which the Company did not proceed with, Canadian Securities Exchange listing, and matters related to the acquisition of AMPD.

The Company entered into a sublease agreement dated December 1, 2018 which pays \$2,000 per month plus applicable taxes for its corporate office.

During the period, the Company completed two financings for total gross proceeds of \$129,705 which will be used towards working capital:

<b>Date</b>	<b>Common shares issued</b>	<b>Gross Proceeds</b>
February 20, 2019	7,487,000	\$ 112,305
February 22, 2019	435,000	17,400
Total	7,922,000	\$ 129,705

### 1.5 Summary of Quarterly Results

Quarterly financial for interim periods preceding the date of this MD&A have been omitted as the Company was incorporated on June 27, 2018.

### 1.6 Liquidity and Capital Resources

The Company reported a working capital of \$63,664 at February 28, 2019. As at February 28, 2019, the Company had cash on hand of \$699,714, trade payables of \$27,083, and subscription receipts of \$608,967.



On March 20, 2019, the Company completed a private placement of 578,000 non-transferrable Special Warrants of the company for total gross proceeds of \$28,900. The proceeds will be used for working capital and towards the completion of the Transaction.

In connection with the Transaction, the Company will complete a private placement of subscription receipts for proceeds of up to \$4,000,000. See 1.11 *Proposed Transactions*.

The Company may continue to have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

### **1.7 Off-Balance Sheet Arrangements**

The Company does not utilize off-balance sheet arrangements.

### **1.8 Risk and Uncertainties**

The Company's financial performance is likely to be subject to the following risks:

- Although management of the Company is working diligently to complete the business transaction, there is no assurance that a definitive agreement will be entered into nor completed.
- The Company has not generated any significant revenue and has incurred significant losses since inception.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

#### *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

#### *Liquidity risk*

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

As at February 28, 2019, the Company had cash on hand of \$699,714, which is sufficient to settle its current liabilities of \$636,050.

#### *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

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's cash is held in an account with a major Canadian financial institution. The funds may be withdrawn at any time without penalty.

(b) Foreign currency risk

The Company does not have assets or liabilities in a foreign currency and therefore is not exposed to foreign currency risk.

(c) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potentially adverse impact on the Company's ability to obtain equity financing due to movements in individual equity prices. The Company closely monitors individual equity movements to determine the appropriate course of action to be taken by the Company.

## **1.9 Transactions with Related Parties**

None

### **1.10 Fourth Quarter and Subsequent Event**

The Company completed its first fiscal year on February 28, 2019. Please refer to *1.4 Results of Operations* and *1.11 Proposed Transactions*.

On July 30, 2019, the Company entered into a Loan Agreement ("Loan Agreement") with AMPD whereby the Company has agreed to lend \$100,000 (the "Loan") to AMPD for the purpose of funding the operating expenses of AMPD and not for settlement of outstanding debts or liabilities unless agreed upon by the Company.

The Loan will bear interest at 8% per annum and will mature at the earlier of (a) the listing of the common shares of the Company on a recognized Canadian securities exchange; or (b) December 31, 2019, unless sooner determined due to the occurrence of a default event as defined in the Loan Agreement. The term of the Loan may be extended on the Company's authorization. The Loan is secured by a General Security Agreement dated July 30, 2019.

Please also see *1.11 Proposed Transactions*

### **1.11 Proposed Transactions**

The Company entered into a SEA dated July 15, 2019 with AMPD pursuant to which the Company proposes to acquire all of the issued and outstanding securities of AMPD in exchange for the issuance of securities of the Company, which will result in AMPD becoming a wholly owned subsidiary of the Company. In conjunction with the Transaction, the Company will file a non-offering prospectus that will result in it becoming a reporting issuer and will apply to list (the "Listing") its common shares on the Canadian Securities Exchange (the "Exchange"). Upon completion of the Transaction, the Company will carry on the business of AMPD.

#### The Transaction

In consideration of the Transaction, the Company shall, upon completion of the Transaction, issue 20 million of its shares to the then existing shareholders of AMPD at a price of \$0.35 per share. At closing, each of the AMPD optionholders and warrant holders shall receive replacement securities, if not exercised, of their holdings multiplied by the share exchange ratio. The replacement security will maintain the same expiration date.

Further, at closing, the convertible loans in AMPD, if not converted prior to closing, will be exchanged into the Company's common shares multiplied by the share exchange ratio.

#### Concurrent Financing

In conjunction with, and prior to the closing of the Transaction, the Company will complete a private placement of special warrants with each special warrant being convertible upon the Listing closing into a minimum of 11,428,571 shares at a price of \$0.35 per receipt for total gross proceeds of up to \$4,000,000. Each special warrant entitles the holder to one common share at no additional consideration and will be deemed to be exercised on the earlier of (i) the third business day after a receipt for a final prospectus qualifying the distribution of the shares; and (ii) four months and one day after issue date of the special warrant.

The concurrent financing may be increased to up to \$5,000,000 in gross proceeds. A commission of 7% cash and 7% agent's warrants may be payable and issuable to third parties on a portion of the financing. Each agent's warrant will entitle the holder to purchase one common share at a price of \$0.35 at any time on or before the date of Company's common shares are listed for trading on the Exchange ("Expiry Date").

Subsequent to February 28, 2019, the Company closed its first tranche of the concurrent financing by issuing 8,106,853 special warrant for total gross proceeds of \$2,837,400. On September 10, 2019, 8,106,853 special warrant were converted into 8,106,853 common shares of the Company.

The Company paid \$130,838 in share issuance costs and issued 262,249 agent's warrants on a portion of the financing.

On September 18, 2019, the Company closed its second tranche of the concurrent financing by issuing 531,986 special warrants for total gross proceeds of \$186,195. The Company paid \$6,070 in share issuance costs and issued 17,342 in agent's warrants in connection with this second tranche.

#### **1.12 Critical Accounting Estimates**

Not applicable to venture issuers.

#### **1.13 Changes in Accounting Policies including Initial Adoption**

The financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards. Our significant accounting policies are set out in Note 3 of the financial statements of the Company, as at and for the period ended February 28, 2019.

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

The Company's financial instruments at February 28, 2019 are as follows:

	<i>Fair Value through</i>	
	<i>Profit or Loss</i>	<i>Amortized Cost</i>
<b>Financial assets</b>		
Cash	\$ 699,714	\$ –
Trades payable	–	27,083
Subscriptions receipts	–	608,967
	<b>\$ 699,714</b>	<b>\$ 636,050</b>

#### **1.15 Other Requirements**

Summary of Outstanding Share Data as of October 11, 2019:

Authorized: Unlimited number of common shares without par value.

Issued and outstanding: 16,606,954

Special warrants: 531,986

Agent's warrants: 279,591

On behalf of the Board of Directors, thank you for your continued support.

*"Karamveer Thakur"*

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**Karamveer Thakur**  
Director

**SCHEDULE "C"**

AMPD HOLDINGS CORP. AUDITED FINANCIAL STATEMENTS AS AT MAY 31, 2019, 2018 AND 2017  
AND FOR THE YEARS ENDED MAY 31, 2019, 2018 AND 2017

# **AMPD HOLDINGS CORP.**

**Consolidated Financial Statements  
Years Ended May 31, 2019 and 2018**

**(Expressed in Canadian dollars)**

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of AMPD Holdings Corp.

### Opinion

We have audited the consolidated financial statements of AMPD Holdings Corp. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at May 31, 2019 and 2018, the consolidated statements of loss and comprehensive loss, of changes in equity and of cash flows for the years ended May 31, 2019 and 2018, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at May 31, 2019 and 2018, and its consolidated financial performance and cash flows for the years ended May 31, 2019 and 2018 in accordance with International Financial Reporting Standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has incurred losses since inception and has a working capital deficit and accumulated deficit as at May 31, 2019. As stated in Note 1, these conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other Information

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis for the year ended May 31, 2019, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such

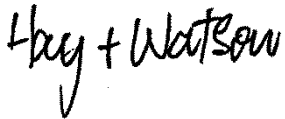


disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

A handwritten signature in black ink that reads "Hay + Watson". The signature is written in a cursive, slightly slanted style.

Chartered Professional Accountants  
Vancouver, BC, Canada  
October 11, 2019

**AMPD HOLDINGS CORP.**

## Consolidated Statements of Financial Position

May 31, 2019 and 2018

(Expressed in Canadian dollars)

	May 31, 2019	May 31, 2018
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 106,176	\$ 71,934
Accounts receivable	34,423	37,055
Prepaid expenses	200	200
Inventory (Note 5)	-	14,245
	<b>140,799</b>	<b>123,434</b>
<b>Equipment (Note 6)</b>	<b>1,010</b>	<b>1,414</b>
	<b>\$ 141,809</b>	<b>\$ 124,848</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 361,611	\$ 190,467
Convertible debt (Note 7)	379,515	-
Current portion of long term debt (Note 7)	153,467	193,307
	<b>894,593</b>	<b>383,774</b>
<b>SHAREHOLDERS' DEFICIENCY</b>		
<b>Share capital (Note 8)</b>	<b>325,086</b>	<b>300,086</b>
<b>Share option reserve</b>	<b>172,615</b>	<b>86,250</b>
<b>Foreign currency translation adjustment</b>	<b>(7)</b>	<b>(167)</b>
<b>Deficit</b>	<b>(1,250,478)</b>	<b>(645,095)</b>
	<b>(752,784)</b>	<b>(258,926)</b>
	<b>\$ 141,809</b>	<b>\$ 124,848</b>

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

Approved by the Directors

/s/ "Anthony Brown"

Director

/s/ "Paul Mari"

Director

**AMPD HOLDINGS CORP.**

## Consolidated Statements of Loss and Comprehensive Loss

Years ended May 31, 2019 and 2018

(Expressed in Canadian dollars)

	2019	2018
<b>SALES (Note 9)</b>	<b>\$ 1,343,082</b>	<b>\$ 993,687</b>
<b>COST OF SALES (Note 5)</b>	<b>1,202,965</b>	<b>852,776</b>
<b>GROSS PROFIT</b>	<b>140,117</b>	<b>140,911</b>
<b>EXPENSES</b>		
Advertising and promotion	18,593	3,236
Amortization (Note 6)	919	1,728
Bank charges	6,664	5,142
Consulting fees	303,432	298,000
Dues and subscriptions	159,676	44,006
Insurance	7,121	3,384
Office and miscellaneous	26,475	21,065
Professional fees	51,960	110,988
Share based payments (Note 8)	53,750	86,250
Travel and entertainment	36,895	21,536
	<b>665,485</b>	<b>595,335</b>
<b>OPERATING LOSS</b>	<b>(525,368)</b>	<b>(454,424)</b>
<b>FINANCE COSTS</b>		
Interest expense (Note 7)	(63,202)	(24,030)
Loss on loan modification (Note 7)	(13,318)	-
<b>OTHER INCOME (EXPENSES)</b>		
Other income	396	8,434
Foreign exchange gain (loss)	(3,891)	(3,316)
<b>NET LOSS BEFORE INCOME TAXES</b>	<b>(605,383)</b>	<b>(473,336)</b>
Current income tax recovery (Note 10)	-	7,809
<b>NET LOSS</b>	<b>(605,383)</b>	<b>(465,527)</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		
Foreign currency translation adjustment	160	(167)
<b>NET COMPREHENSIVE LOSS</b>	<b>\$ (605,223)</b>	<b>\$ (465,694)</b>
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING</b>	<b>9,511,011</b>	<b>9,909,589</b>
<b>BASIC AND DILUTED LOSS PER SHARE (Note 14)</b>	<b>\$ (0.06)</b>	<b>\$ (0.05)</b>

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

**AMPD HOLDINGS CORP.**  
Consolidated Statements of Changes in Equity  
Years ended May 31, 2019 and 2018  
(Expressed in Canadian dollars)

	<u>Common shares</u>		Share Option Reserve	Equity Component of Convertible Notes	Foreign Currency Translation Adjustment	Deficit	Total
	Number of Shares	Amount					
<b>Balance, May 31, 2017</b>	10,000,000	\$ 300,086	\$ -	\$ -	\$ -	\$ (179,568)	\$ 120,518
Net loss and comprehensive loss	-	-	-	-	(167)	(465,527)	(465,694)
Shares cancelled (Note 8)	(500,000)	-	-	-	-	-	-
Share-based payments (Note 8)	-	-	86,250	-	-	-	86,250
<b>Balance, May 31, 2018</b>	9,500,000	300,086	86,250	-	(167)	(645,095)	(258,926)
Net loss and comprehensive loss	-	-	-	-	160	(605,383)	(605,223)
Conversion feature of convertible debt (Note 7)	-	-	-	32,615	-	-	32,615
Shares issued (Note 8)	31,646	25,000	-	-	-	-	25,000
Share-based payments (Note 8)	-	-	53,750	-	-	-	53,750
<b>Balance, May 31, 2019</b>	9,531,646	\$ 325,086	\$ 140,000	\$ 32,615	\$ (7)	\$ (1,250,478)	\$ (752,784)

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

**AMPD HOLDINGS CORP.**  
Consolidated Statements of Cash Flows  
Years ended May 31, 2019 and 2018  
(Expressed in Canadian dollars)

	2019	2018
<b>OPERATING ACTIVITIES</b>		
Net loss	\$ (605,383)	\$ (465,527)
Adjustments for items not involving the use of cash:		
Amortization	919	1,728
Share based payments	53,750	86,250
Accrued interest and finance costs	43,393	1,324
Unrealized foreign exchange losses	603	69
	<b>(506,718)</b>	<b>(376,156)</b>
Changes in non-cash working capital items:		
Accounts receivable	2,632	13,994
Prepaid expenses	-	(200)
Inventory	14,245	(11,898)
Accounts payable and accrued liabilities	171,144	132,276
	<b>(318,697)</b>	<b>(241,984)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of equipment	(515)	-
<b>FINANCING ACTIVITIES</b>		
Shares issued for cash	25,000	-
Convertible debt proceeds	370,000	191,982
Repayment of long-term debt	(41,848)	-
	<b>353,152</b>	<b>191,982</b>
<b>INCREASE (DECREASE) IN CASH</b>	<b>33,940</b>	<b>(50,002)</b>
<b>EFFECT OF FOREIGN EXCHANGE ON CASH</b>	<b>302</b>	<b>(235)</b>
<b>CASH, BEGINNING OF THE YEAR</b>	<b>71,934</b>	<b>122,171</b>
<b>CASH, END OF THE YEAR</b>	<b>\$ 106,176</b>	<b>\$ 71,934</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Interest received	\$ -	\$ 34
Interest paid	30,654	22,706

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

# **AMPD HOLDINGS CORP.**

## Notes to the Consolidated Financial Statements

May 31, 2019 and 2018

(Expressed in Canadian dollars)

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### **1. NATURE OF OPERATIONS**

AMPD Holdings Corp. (“AMPD”), together with its subsidiary AMPD Game Technologies US Inc. (“AMPD US”) (collectively referred to as the “Company”), is a Canadian technology solutions provider specializing in high-performance computing (HPC).

AMPD was incorporated on April 8, 2015 under the British Columbia Corporations Act. Its registered office is located at Suite 2900 – 550 Burrard St., Vancouver, B.C., Canada V6C 0A3.

The Company has incurred losses since inception and as at May 31, 2019 has a working capital deficit of \$753,794 (2018 - \$260,340) and an accumulated deficit of \$1,250,478 (2018 - \$645,095). These consolidated financial statements have been prepared on the basis of a going concern which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. These consolidated financial statements do not reflect the adjustments or reclassifications which would be necessary if the Company were unable to continue its operations in the normal course of business.

The Company’s ability to continue as a going concern is dependent on being able to raise the necessary funding to continue operations, through public equity, debt financings, joint arrangements and other contractual arrangements, or being able to operate profitably in the future. There is no assurance that additional funding will be available on a timely basis or on terms acceptable to the Company. If the Company is unable to obtain sufficient funding, the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles of a going concern will be in doubt.

### **2. BASIS OF PREPARATION**

#### **(a) Statement of compliance**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

#### **(b) Basis of preparation**

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3.

#### **(c) Authorization**

These consolidated financial statements were approved and authorized for issue by the board of directors on October 11, 2019.

## **AMPD HOLDINGS CORP.**

### Notes to the Consolidated Financial Statements

May 31, 2019 and 2018

(Expressed in Canadian dollars)

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#### **3. SIGNIFICANT ACCOUNTING POLICIES**

##### **(a) Basis of consolidation**

These consolidated financial statements include the accounts of AMPD Holdings Corp. and its wholly owned subsidiary AMPD Game Technologies US Inc., which was incorporated on May 15, 2017.

The results of subsidiaries acquired or disposed of during a reporting period are included in the consolidated statements of loss and comprehensive loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. All intra-company transactions, balances, income and expenses are eliminated on consolidation.

##### **(b) Accounting estimates and judgments**

The preparation of these consolidated financial statements requires management to make estimates and judgments and to form assumptions that affect the reported amounts and other disclosures in these consolidated financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of these assumptions form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the revision affects both current and future periods.

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. Critical estimates used in the Company's preparation of these consolidated financial statements include, among others, the recoverability of accounts receivable, recoverability of the carrying value of inventory, valuation of deferred tax assets, and the measurement of share-based payments.

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. Critical accounting judgments used by the Company include the expected economic lives of assets, the classification of financial instruments, the estimated future operating results and the net cash flows from equipment.

## **AMPD HOLDINGS CORP.**

### Notes to the Consolidated Financial Statements

May 31, 2019 and 2018

(Expressed in Canadian dollars)

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#### **3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **(c) Foreign currencies**

###### **(i) Functional currency**

The reporting and functional currency of AMPD is the Canadian dollar and the functional currency of its subsidiary, AMPD US, is the US dollar.

###### **(ii) Transactions and balances**

Transactions in foreign currencies are initially recorded in the functional currency at the date of the transaction. At each statement of financial position date, monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate of the functional currency as at the period ending date. Non-monetary items measured in terms of historical cost in a foreign currency are translated using exchange rates as at the initial transaction dates. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at date when the fair value was measured. All foreign currency translation gains and losses are included in the consolidated statement of loss.

###### **(iii) Foreign operations**

The results of foreign operations are translated to Canadian dollars at an appropriate monthly average rate of exchange during the period. The assets and liabilities of foreign operations are translated to Canadian dollars at rates of exchange in effect at the end of the period. Gains or losses arising on translation of foreign operation's assets and liabilities to Canadian dollars at period end are recorded in other comprehensive income as a foreign currency translation adjustment. When a foreign operation is sold, the net cumulative exchange differences are recorded in the statement of loss as part of the gain or loss on sale of the foreign operation.

##### **(d) Financial instruments**

Financial instruments consist of financial assets and financial liabilities and are initially recognized at fair value, plus transaction costs if the financial instrument is not subsequently measured at fair value through profit and loss.

Financial assets are measured subsequently at amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit and loss ("FVTPL") based on the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. Financial assets which are investments in equity instruments are measured subsequently at FVTPL unless they are not held for trading and are designated as FVOCI. Financial liabilities are measured subsequently at amortized cost, except for derivatives and certain other specified exceptions measured FVTPL



## AMPD HOLDINGS CORP.

### Notes to the Consolidated Financial Statements

May 31, 2019 and 2018

(Expressed in Canadian dollars)

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#### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (d) Financial instruments (continued)

The Company classifies its financial instruments as follows:

<u>Financial instrument</u>	<u>Classification</u>
Cash	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Convertible debt	Amortized cost
Long-term debt	Amortized cost

Fair value measurements are determined based on quoted prices or appropriate valuation methods. The Company classifies and discloses fair value measurements based on a three-level hierarchy:

- Level 1 – inputs are unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability that are not based on observable market data.

Financial instruments classified as amortized cost are measured at amortized cost using the effective interest method, adjusted as required for credit-impaired financial assets.

Financial assets measured at amortized cost are subject to a loss allowance for expected credit losses resulting from default events that are possible within 12 months after the reporting date, or an allowance for lifetime expected losses for certain trade receivables, contract assets and lease receivables, and for financial assets where credit risk has increased significantly since initial recognition. Changes in the amount of expected credit losses are recognized as an impairment gain or loss in profit and loss.

Financial assets are derecognized when the contractual rights to the cash flows expire, for certain transfers, or when there is no reasonable expectation of recovering the financial asset. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

##### (e) Cash and cash equivalents

Cash is composed of cash at held at financial institutions and on hand and short-term deposits which have an original maturity of three months or less or are readily convertible into a known amount of cash.

##### (f) Inventory

Inventory includes computer hardware and computer software licenses and subscriptions and are recorded at the lower of cost and net realizable value.

##### (g) Equipment

Property and equipment is recorded at cost less accumulated depreciation and accumulated impairment write-downs. These assets are depreciated using the declining balance method at the following rates: Computer equipment 55%

## **AMPD HOLDINGS CORP.**

### Notes to the Consolidated Financial Statements

May 31, 2019 and 2018

(Expressed in Canadian dollars)

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#### **3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **(h) Impairment of non-financial assets**

At the end of each reporting period, the Company reviews the carrying amounts of its property and equipment to determine whether there is an indication of impairment. If any such indication exists, the extent of the impairment charge is determined based on the estimated recoverable amount of the asset.

The recoverable amount of the asset used for this purpose is the higher of the fair value less costs to sell and the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assignments of the time value of money and the risks specific to the asset.

If the recoverable amount of the asset is estimated to be less than its recorded amount, the recorded amount of the asset is reduced to its recoverable amount. An impairment charge is recognized immediately in the statement of loss and comprehensive loss, unless the asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to a maximum amount equal to the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

##### **(i) Provisions**

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset when it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably. There were no provisions recorded for the years presented in these consolidated financial statements.

##### **(j) Revenue recognition**

The Company sells computer hardware and software and provides technological services to customers in the United States of America and Canada, under fixed price contracts for a specified period of time. Service contracts are typically for the initial setup and ongoing technological services over a specified period of time at specified fees for each service. When collectability is reasonably assured, fees relating to the initial setup are recorded when the setup is complete and the ongoing technological service fees are billed monthly and recorded as revenue on a monthly basis, over the term of the contract.

## **AMPD HOLDINGS CORP.**

### Notes to the Consolidated Financial Statements

May 31, 2019 and 2018

(Expressed in Canadian dollars)

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#### **3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **(j) Revenue recognition (continued)**

Credits are offered to customers for service outages and are based on rates specified in the customer's contracts. When the Company can reliably estimate the amount of credits to be issued for service outages, these credits are recorded as a reduction in revenue when issued.

Interest from cash and short-term investments is recorded on an accrual basis when collection is reasonably assured.

##### **(k) Comprehensive income or loss**

Other comprehensive income or loss is the change in net assets arising from transactions and other events and circumstances from non-owner sources. Comprehensive income is composed of net income or loss and other comprehensive income or loss. Financial assets that are classified as FVOCI will have revaluation gains and losses included in other comprehensive income or loss until the asset is removed from the statement of financial position. Gains and losses arising on translation of foreign operation's assets and liabilities to Canadian dollars at period end are also recorded in other comprehensive income or loss as a foreign currency translation adjustment.

##### **(l) Share-based payments**

From time to time, the Company may grant common share purchase options to directors, officers, employees and consultants. The Company accounts for its share-based compensation plan using the fair-value method. Compensation costs, equal to the fair value of the options on the date of grant for options issued to employees and fair value of goods or services received for options issued to non-employees, are recognized in operations, with an offsetting credit to the share option reserve, over the vesting period of the related options. The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. Consideration received upon exercise of share purchase options, along with the related amount previously recorded in the share option reserve, is credited to share capital.

No expense is recognized for awards that do not ultimately vest. Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the fair value of the award as measured on the date of modification.

##### **(m) Income taxes**

The provision for income taxes consists of current and deferred tax expense and is recorded in operations. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the period, adjusted for amendments to tax payable for previous years.

Deferred tax assets and liabilities are computed using the asset and liability method on temporary differences between the carrying amounts of assets and liabilities on the statement of financial position and their corresponding tax values, using the enacted or substantially enacted, income tax rates at each statement of financial position date.

## AMPD HOLDINGS CORP.

### Notes to the Consolidated Financial Statements

May 31, 2019 and 2018

(Expressed in Canadian dollars)

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#### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (m) Income taxes (continued)

Deferred tax assets also result from unused losses and other deductions carried forward. The valuation of deferred tax assets is reviewed on a regular basis and adjusted to the extent that it is not probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized by use of a valuation allowance to reflect the estimated realizable amount.

#### 4. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

##### Adoption of New Accounting Pronouncements

The following is a summary of new standards or amendments to standards that are effective for annual periods beginning on or after June 1, 2018. Adoption of these new standards or amendments did not have a material impact on the consolidated financial statements.

##### *Amendments to IFRS 2 – Share-based payment (“IFRS 2”)*

The amendments to IFRS 2 clarify the accounting treatment of certain net settlement features, modifications that change the classification of payments from cash-settled to equity-settled, and the effects of vesting/non-vesting conditions on cash-settled share-based payments.

##### *IFRIC 22 – Foreign currency transactions and advance consideration (“IFRIC 22”)*

IFRIC 22 clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency by requiring the date of the transaction for the purpose of determining the exchange rate to be the date of initial recognition of the non-monetary prepayment asset or deferred income liability.

##### Accounting Standards and Amendments Issued But Not Yet Effective

##### *IFRS 16 – Leases (“IFRS 16”)*

IFRS 16 was issued on January 13, 2016, and will be effective for accounting periods beginning on or after January 1, 2019. Early adoption is permitted, provided the Company has adopted IFRS 15. This standard sets out a new model for lease accounting. The Company is currently evaluating the impact this standard may have on its financial statements.

##### *IFRIC 23 - Uncertainty Over Income Tax Treatments (“IFRIC 23”)*

IFRIC 23 clarifies application of the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. It is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The Company is currently evaluating the impact this standard may have on its financial statements.

#### 5. INVENTORY

	<u>2019</u>	<u>2018</u>
Computer software licenses and subscriptions	<u>\$ -</u>	<u>\$ 14,245</u>

Inventory purchases included in cost of sales during the year amounted to \$955,180 (2018 - \$734,323).

**AMPD HOLDINGS CORP.**

## Notes to the Consolidated Financial Statements

May 31, 2019 and 2018

(Expressed in Canadian dollars)

**6. EQUIPMENT**

	<u>Computer Equipment</u>
<b>Cost</b>	
Balance, May 31, 2017 and 2018	\$ 4,334
Additions	<u>515</u>
Balance, May 31, 2019	<b><u>\$ 4,849</u></b>
<b>Accumulated amortization</b>	
Balance, May 31, 2017	\$ (1,192)
Amortization	<u>(1,728)</u>
Balance, May 31, 2018	(2,920)
Amortization	<u>(919)</u>
Balance, May 31, 2019	<b><u>\$ (3,839)</u></b>
<b>Carrying amounts</b>	
Balance, May 31, 2018	\$ 1,414
Balance, May 31, 2019	<b><u>\$ 1,010</u></b>

**7. LONG-TERM AND CONVERTIBLE DEBT****(a) Long-term debt**

On October 13, 2017 the Company entered into a three-year \$200,000 non-revolving credit facility agreement (the "Loan") with Runway Finance Group Inc. (the "Lender"). The Loan bears interest at 16% per annum and matures on October 18, 2020. The Company paid \$8,018 in financing fees in connection with obtaining the Loan.

The Company is required to make interest plus monthly principal repayments of the greater of \$7,250 or 45% of proceeds received from customers of assigned contracts, as defined in the agreement, in a given month, except for an interest-only payment period which was extended until November 2018.

The Company provided the Lender with a general security agreement charging all of the Company's assets and assigned the Company's May 31, 2018 and 2019 SRED refund claims and certain of the Company's sales contracts.

The reconciliation of the carrying amount of the Loan is:

	<u>May 31, 2019</u>	May 31, 2018
Carrying value, beginning of year	\$ 193,307	\$ -
Net loan proceeds (repayments)	(41,848)	191,983
Interest expense at effective interest rate	32,662	20,892
Interest paid	<u>(30,654)</u>	<u>(19,568)</u>
Carrying value, end of year	<b><u>\$ 153,467</u></b>	<b><u>\$ 193,307</u></b>

## AMPD HOLDINGS CORP.

### Notes to the Consolidated Financial Statements

May 31, 2019 and 2018

(Expressed in Canadian dollars)

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#### 7. LONG-TERM AND CONVERTIBLE DEBT (continued)

##### (a) Long-term debt (continued)

The Company is required to meet certain covenants imposed by the Lender which includes a financial covenant to maintain a minimum net worth, defined as its share capital plus retained earnings. As at May 31, 2019 and 2018, the Company was not in compliance with this financial covenant and accordingly the balance of the Loan has been classified as a current liability on the statement of financial position.

##### (b) Convertible debt

On August 29, 2018, the Company issued a \$250,000 unsecured convertible promissory note to the Company's CEO (the "Convertible Debt"). The Convertible Debt accrues interest at 12% per annum, compounded monthly in arrears. The principal and accrued interest are due and payable on August 29, 2021. The principal and accrued interest are convertible to common shares of the Company at any time prior to the maturity date, at the holder's discretion, at a conversion price of \$0.79 per common share.

On May 1, 2019, the Company amended the maturity date of the unsecured convertible promissory note to May 1, 2020 and the conversion price to \$0.70 per common share, and issued an additional \$120,000 unsecured convertible promissory note to an unrelated party under the same terms (collectively, the "Convertible Debt").

The reconciliation of the carrying amount of the Convertible Debt is:

	<b>May 31, 2019</b>
Balance, beginning of year	\$ -
Net proceeds from issue	368,271
Equity component - value of conversion rights	(32,615)
Interest expense at effective interest rate	30,541
Loss on modification	13,318
Balance, end of year	<u>\$ 379,515</u>

#### 8. SHARE CAPITAL

##### Common Shares

Authorized	Unlimited number of common voting shares without par value.
Issued and Outstanding	9,531,646 common shares

(a) During the year ended May 31, 2017, the Company issued 500,000 royalty units at a price of \$0.50 per unit for gross proceeds of \$250,000. Each royalty unit is comprised of one common share and one non-transferrable special warrant. Holders of the special warrants are entitled to receive a pro-rata share of 0.83% of the Company's annualized gross sales, to a maximum of 80% of net profit for that year, so long as the Company maintains a positive annual EBITDA. Once holders of the special warrants have received an amount equal to the aggregate purchase price of the royalty units, the Company may at its sole discretion convert each special warrant to one-half of one share purchase warrant.

## **AMPD HOLDINGS CORP.**

### Notes to the Consolidated Financial Statements

May 31, 2019 and 2018

(Expressed in Canadian dollars)

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#### **8. SHARE CAPITAL (continued)**

##### **Common Shares (continued)**

Each whole share purchase warrant issued on conversion of the special warrants will entitle the holder to purchase one common share at a price of \$0.60 per share for a period of 12 months following conversion.

Following conversion of the special warrants, provided that the Company maintains a positive annual EBTIDA and receives board of director approval, the Company will pay to all holders of common shares an annual dividend of no less than 5% of the Company's annualized gross sales in excess of \$5 million.

The purchase price of the royalty units has been allocated to the common shares issued and no value has been allocated to the special warrants as the Company has incurred a net loss for the years ended May 31, 2019 and 2018 and there is no certainty that the Company will achieve positive annual earnings in future years.

Subsequent to May 31, 2019, the special warrants were replaced with 250,000 common share purchase warranted (Note 16(g)).

- (b) On March 26, 2018, the Company entered into an agreement to repurchase and cancel 500,000 common shares from an officer of the Company for \$5 in consideration.
- (c) On October 5, 2018, the Company issued 31,646 common shares at a price of \$0.79 per common share for gross proceeds of \$25,000.

##### **Share Purchase Option Plan**

Pursuant to a share purchase option plan dated March 26, 2018, a maximum of 2,000,000 unissued common shares are available for share purchase options that may be granted from time to time. Share purchase options are granted at an exercise price not less than the estimated market value of the Company's common shares on the date of the grant and generally vest over four years from the grant date.

On March 27, 2018, the Company granted 1,000,000 common share purchase options with an exercise price of \$0.25 per share and a term to expiry of six years to an officer and a consultant of the Company. 50% of the options vested immediately and 50% vested on January 1, 2019. The weighted average grant date fair value of the share purchase options granted during the year ended May 31, 2018 was estimated at \$0.14, using the Black-Scholes option pricing model and the following inputs and assumptions: share price, \$0.25; exercise price, \$0.25; risk-free interest rate, 2.07%; expected volatility, 58.25%; and expected years of option life, six years.

The effects of early exercise were incorporated into the estimate of the expected life of the share purchase options. Expected volatility was estimated by reference to public companies operating in a similar industry, commensurate with the expected life of the options. No other features of the options granted affected the calculation of grant date fair value.

During the year ended May 31, 2019, \$53,750 was recognized as share-based compensation for these options (year ended May 31, 2018 - \$86,250).

On May 15, 2019, the officer and consultant to whom the 1,000,000 share purchase options were granted consented to their cancellation. There are no share purchase options outstanding as at May 31, 2019.

**AMPD HOLDINGS CORP.**

## Notes to the Consolidated Financial Statements

May 31, 2019 and 2018

(Expressed in Canadian dollars)

**9. SALES AND RELIANCE ON MAJOR CUSTOMERS**

The Company's sales by category are:

	<u>2019</u>	<u>2018</u>
Hardware sales and installation	\$ 703,631	\$ 673,771
Software licensing fees	111,432	108,387
Hosting fees	211,583	209,636
Support and maintenance	246,735	332
Other	69,701	1,561
	<u>\$ 1,343,082</u>	<u>\$ 993,687</u>

During the year ended May 31, 2019, sales to two of the Company's customers amounted to 47% and 11% for a combined total of 58% of sales. During the year ended May 31, 2018, sales to three of the Company's customers amounted to 50%, 12% and 12%, for a combined total of 74% of sales.

The Company's outstanding accounts receivable from one of these customers was \$10,799 at May 31, 2018. The digital media and computer technology industry is highly competitive and there is no guarantee that the Company could easily replace these customers should it cease selling products and services to them. One of these customers cancelled their contract with the Company in December 2018.

**10. INCOME TAXES**

The Company's deferred income tax assets are:

	<u>2019</u>	<u>2018</u>
<b>Deferred income tax assets</b>		
Tax losses carried forward	\$ 290,798	\$ 141,443
Financing costs	-	5,928
	<u>290,798</u>	<u>147,371</u>
Valuation allowance	<u>(290,798)</u>	<u>(147,371)</u>
	<u>\$ -</u>	<u>\$ -</u>

Deferred income tax assets have not been recognized on the consolidated statements of financial position as there is no certainty that the Company will generate the taxable income required to utilize them in the future.



**AMPD HOLDINGS CORP.**

## Notes to the Consolidated Financial Statements

May 31, 2019 and 2018

(Expressed in Canadian dollars)

**10. INCOME TAXES (continued)**

The reconciliation of the provision for income taxes to the amount based on statutory income tax rates is:

	<u>2019</u>	<u>2018</u>
Net loss before income taxes	<b>\$ 605,383</b>	\$ 473,336
Combined federal and provincial statutory income tax rate	<u>27%</u>	<u>27%</u>
Income tax recovery (expense) based on the combined statutory income tax rate	<b>163,453</b>	127,801
Net effect of items that are not taxable or deductible	<b>(16,533)</b>	(25,066)
Net effect of items that are tax deductible	<b>2,434</b>	2,900
Current year tax losses not recognized	<b>(149,354)</b>	(105,393)
Losses carried back	-	7,809
Other	-	(242)
Income tax recovery	<u>\$ -</u>	<u>\$ 7,809</u>

As at May 31, 2019, the Company has \$1,069,316 in Canadian non-capital losses and \$7,712 in U.S. net operating losses for income tax purposes that may be used to offset future taxable income. If unused, the Canadian non-capital losses and \$3,649 of the U.S. net operating losses will expire between 2037 and 2039. The remaining \$4,063 U.S. net operating losses may be carried forward indefinitely.

**11. RELATED PARTY TRANSACTIONS**

During the year ended May 31, 2019, the Company incurred consulting fees and commission expenses of \$221,127 for management services provided by its directors and officers (2018 - \$234,000). The Company also recognized share-based payments related to the vesting of share purchase options held by an officer of \$26,875 during the year ended May 31, 2019 (2018 - \$43,125).

**12. OPERATING SEGMENT DISCLOSURES**

The Company operates in one industry segment in both Canada and the United States of America. The Company's assets are solely located in Canada. The breakdown of the Company's revenues from customers by geographical area is as follows:

	<u>Canada</u>	<u>United States</u>	<u>Total</u>
Year ended May 31, 2019	<b>\$ 1,289,727</b>	<b>\$ 53,355</b>	<b>\$ 1,343,082</b>
Year ended May 31, 2018	984,527	9,160	993,687

## **AMPD HOLDINGS CORP.**

### Notes to the Consolidated Financial Statements

May 31, 2019 and 2018

(Expressed in Canadian dollars)

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#### **13. MANAGEMENT OF CAPITAL**

The Company's capital management objectives are to safeguard the Company's ability to continue as a going concern in order to continue its technology services to its customers. The Company's capital is composed of its shareholders' equity, convertible debt and long-term debt.

The Company manages and adjusts its capital structure whenever changes to the risk characteristics of the underlying assets or changes in economic conditions occur. To maintain or adjust the capital structure, the Company may issue new shares or acquire, dispose of or jointly operate certain of its assets. In order to facilitate the management of its capital requirements, the Company actively monitors its liquidity and short and long-term funding requirements.

#### **14. LOSS PER SHARE**

The Company has outstanding share purchase options and warrants as described in Note 8 that could potentially dilute earnings per share in the future. The potential common shares from these options were not included in calculation of diluted earnings per share because they are antidilutive for the years presented.

#### **15. FINANCIAL INSTRUMENT RISKS**

The Company classifies and discloses its fair value measurements using the three-level hierarchy as described in Note 3(d). As at May 31, 2019 and 2018, all of the Company's financial instruments are measured at amortized cost and their carrying values approximate fair value.

The Company's financial instruments are exposed to certain risks, which include credit risk, liquidity risk and market risks such as interest rate risk and other market price risks.

##### **(a) Credit risk**

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash is held at a large Canadian financial institution and credit risk for cash is considered to be minimal.

Accounts receivable consists of trade receivables due from customers. The Company performs ongoing credit evaluations and monitors the receivable balances and payments received from its customers in order to determine if any allowance for estimated credit losses is required. Accounts overdue more than 30 days are presumed to be subject to expected credit losses. When determining the allowance for estimated credit losses the Company will consider historical experience with the customer, current market and industry conditions and specific collection issues. As at May 31, 2019 and 2018, no amounts were past due and the Company has not provided for an allowance for expected credit losses on its accounts receivable.

##### **(b) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Accounts payable and accrued liabilities are due within the current operating period. The Company's long-term debt matures in 2020 but has been classified as a current liability as at May 31, 2019 and 2018, as described in Note 7. The Company manages liquidity risk through the management of its capital structure as described in Note 13.

## **AMPD HOLDINGS CORP.**

### Notes to the Consolidated Financial Statements

May 31, 2019 and 2018

(Expressed in Canadian dollars)

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#### **15. FINANCIAL INSTRUMENT RISKS (continued)**

##### **(c) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed from time to time to interest rate risk as a result of interest-bearing debt. As the interest rate on the Company's convertible debt and long-term debt is fixed, the sensitivity of the Company's loss before tax to a reasonably possible change in interest rates is not significant.

##### **(d) Currency risk**

Currency risk is the risk of loss due to fluctuation of foreign exchange rates and the effects of these fluctuations on foreign currency denominated monetary assets and liabilities. A change in value of the U.S. dollar by 5% relative to the Canadian dollar would affect the Company's U.S. dollar monetary assets and liabilities and statement of loss and comprehensive loss by approximately \$457 (2018 - \$300). The Company does not take any steps to mitigate this risk.

#### **16. EVENTS AFTER THE REPORTING PERIOD**

- (a) On June 1, 2019, the Company issued 964,287 common shares to an officer of the Company and 321,429 common shares to a consultant of the Company as employment sign-on incentives at a price of \$0.001 per share for total proceeds of \$1,286.
- (b) On June 1, 2019, the Company issued 100,000 common shares for consulting services at a deemed value of \$0.50 per share or \$50,000.
- (c) On June 2 and July 2, 2019, the Company issued 2,941,840 common share purchase options with an exercise price of \$0.001 to certain directors and officers. The options are subject to the following vesting conditions and expiry dates:
  - i. 1,765,104 vest immediately and expire in five years;
  - ii. 294,184 vest after the Company generates not less than \$750,000 in total revenues in a single fiscal year, and expire in two years;
  - iii. 294,184 vest after the Company generates not less than \$1.5 million in total revenues in a single fiscal year, and expire in three years;
  - iv. 294,184 vest after the Company generates not less than \$4 million in total revenues in a single fiscal year, and expire in five years; and
  - v. 294,184 vest after the Company closes a single recurring revenue deal in which the aggregate top-line value exceeds \$2 million, and expire in five years.
- (d) On July 1, 2019, the Company entered into an agreement for the purchase of computing equipment. The Company issued 350,000 common shares at a deemed value of \$0.50 per share (for a purchase price of \$175,000) as consideration for the purchase of the equipment.
- (e) On July 3, 2019, the Company rescinded the agreement dated March 26, 2018 to repurchase 500,000 common shares from a director and officer of the Company for \$5 (Note 8b).

## **AMPD HOLDINGS CORP.**

Notes to the Consolidated Financial Statements

May 31, 2019 and 2018

(Expressed in Canadian dollars)

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### **16. EVENTS AFTER THE REPORTING PERIOD (continued)**

- (f) On July 15, 2019, the Company entered into a share exchange agreement (the "Transaction") with AMPD Ventures Inc. (formerly E-Gaming Ventures Corp.) ("AMPD Ventures") whereby AMPD Ventures will acquire all of the issued and outstanding shares of the Company in exchange for 20 million common shares of AMPD Ventures at a deemed value of \$0.35 per share. As a result of the Transaction, the former shareholders of the Company will hold approximately 53.85% of the shares of the resulting entity and the Transaction will be accounted for as a reverse acquisition of a non-operating entity with the Company identified as the acquirer and the continuing entity for accounting purposes. Completion of the Transaction is subject to shareholder and regulatory approval. AMPD Ventures intends to obtain a listing on the Canadian Securities Exchange in connection with the Transaction.
- (g) In connection with the Transaction, the Company replaced the outstanding special warrants (Note 8a) with 250,000 common share purchase warrants. The common share purchase warrants will be exercisable at \$0.60 per share for a period of 12 months once the holders of the previous special warrants have received royalty payments equal to the purchase price of the royalty units under the same conditions as described in Note 8a.
- (h) On July 30, 2019 the Company received a \$100,000 secured loan from AMPD Ventures with an interest rate of 8% per year, compounded annually, and maturing on the date that is the earlier of the listing of the common shares of AMPD Ventures on a recognized Canadian securities exchange, or December 31, 2019. On September 25, 2019, the Company received an additional \$500,000 secured loan from AMPD Ventures under the same terms.

# **AMPD HOLDINGS CORP.**

**Consolidated Financial Statements  
Years Ended May 31, 2018 and 2017**

**(Expressed in Canadian dollars)**

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of AMPD Holdings Corp.

### Opinion

We have audited the consolidated financial statements of AMPD Holdings Corp. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at May 31, 2018 and 2017 and June 1, 2016, the consolidated statements of loss and comprehensive loss, of changes in equity and of cash flows for the years ended May 31, 2018 and 2017, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at May 31, 2018 and 2017 and June 1, 2016, and its consolidated financial performance and its consolidated cash flows for the years ended May 31, 2018 and 2017 in accordance with International Financial Reporting Standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has incurred losses since inception and has a working capital deficit and accumulated deficit as at May 31, 2018. As stated in Note 1, these conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other Information

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis for the year ended May 31, 2018, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

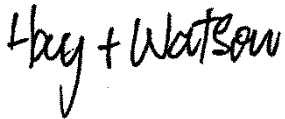
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such

disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

A handwritten signature in black ink that reads "Hay + Watson". The signature is written in a cursive, slightly slanted style.

Chartered Professional Accountants  
Vancouver, BC, Canada  
October 11, 2019



**AMPD HOLDINGS CORP.**

## Consolidated Statements of Financial Position

May 31, 2018 and 2017 and June 1, 2016

(Expressed in Canadian dollars)

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	May 31, 2018		May 31, 2017		June 1, 2016 (Note 2)
<b>ASSETS</b>					
<b>Current</b>					
Cash	\$ 71,934	\$	122,171	\$	149,946
Accounts receivable	37,055		51,049		21,457
Prepaid expenses	200		-		-
Inventory (Note 5)	14,245		2,347		-
	<b>123,434</b>		<b>175,567</b>		<b>171,403</b>
<b>Equipment (Note 6)</b>	<b>1,414</b>		<b>3,142</b>		<b>-</b>
	<b>\$ 124,848</b>	\$	<b>178,709</b>	\$	<b>171,403</b>
<b>LIABILITIES</b>					
<b>Current</b>					
Accounts payable and accrued liabilities	\$ 190,467	\$	58,191	\$	67,296
Income taxes payable	-		-		7,809
Current portion of long term debt (Note 7)	193,307		-		-
	<b>383,774</b>		<b>58,191</b>		<b>75,105</b>
<b>SHAREHOLDERS' DEFICIENCY</b>					
Share capital (Note 8)	300,086		300,086		50,086
Share option reserve	86,250		-		-
Foreign currency translation adjustment	(167)		-		-
<b>(Deficit) retained earnings</b>	<b>(645,095)</b>		<b>(179,568)</b>		<b>46,212</b>
	<b>(258,926)</b>		<b>120,518</b>		<b>96,298</b>
	<b>\$ 124,848</b>	\$	<b>178,709</b>	\$	<b>171,403</b>

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

Approved by the Directors

/s/ "Anthony Brown"

Director

/s/ "Paul Mari"

Director

**AMPD HOLDINGS CORP.**

## Consolidated Statements of Loss and Comprehensive Loss

Years ended May 31, 2018 and 2017

(Expressed in Canadian dollars)

	<u>2018</u>	<u>2017</u>
<b>SALES (Note 9)</b>	<b>\$ 993,687</b>	<b>\$ 868,698</b>
<b>COST OF SALES (Note 5)</b>	<b>852,776</b>	<b>785,308</b>
<b>GROSS PROFIT</b>	<b>140,911</b>	<b>83,390</b>
<b>EXPENSES</b>		
Advertising and promotion	3,236	14,332
Amortization (Note 6)	1,728	1,192
Bad debts	-	1,049
Bank charges	5,142	2,435
Consulting fees	298,000	225,153
Dues and subscriptions	44,006	-
Insurance	3,384	-
Office and miscellaneous	21,065	5,915
Professional fees	110,988	36,290
Share based payments (Note 8)	86,250	-
Travel and entertainment	21,536	46,162
	<b>595,335</b>	<b>332,528</b>
<b>OPERATING LOSS</b>	<b>(454,424)</b>	<b>(249,138)</b>
<b>FINANCE COSTS</b>		
Interest expense (Note 7)	(24,030)	-
<b>OTHER INCOME (EXPENSES)</b>		
Other income	8,434	22,313
Foreign exchange (losses) gains	(3,316)	1,045
<b>NET LOSS BEFORE INCOME TAXES</b>	<b>(473,336)</b>	<b>(225,780)</b>
Current income tax recovery (Note 10)	7,809	-
<b>NET LOSS</b>	<b>(465,527)</b>	<b>(225,780)</b>
<b>OTHER COMPREHENSIVE LOSS</b>		
Foreign currency translation adjustment	(167)	-
<b>NET COMPREHENSIVE LOSS</b>	<b>\$ (465,694)</b>	<b>\$ (225,780)</b>
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING</b>	<b>9,909,589</b>	<b>9,747,945</b>
<b>BASIC AND DILUTED LOSS PER SHARE (Note 14)</b>	<b>\$ (0.05)</b>	<b>\$ (0.02)</b>

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

**AMPD HOLDINGS CORP.**

## Consolidated Statements of Changes in Equity

Years ended May 31, 2018 and 2017

(Expressed in Canadian dollars)

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	<u>Common Shares</u>		Share Option Reserve	Foreign Currency Translation Adjustment	Deficit	Total
	Number of Shares	Amount				
<b>Balance, June 1, 2016 (Note 2)</b>	9,500,000	\$ 50,086	\$ -	\$ -	\$ 46,212	\$ 96,298
Net loss and comprehensive loss	-	-	-	-	(225,780)	(225,780)
Common shares issued for cash	500,000	250,000	-	-	-	250,000
<b>Balance, May 31, 2017</b>	10,000,000	300,086	-	-	(179,568)	120,518
Net loss and comprehensive loss	-	-	-	(167)	(465,527)	(465,694)
Shares cancelled	(500,000)	-	-	-	-	-
Share based payments	-	-	86,250	-	-	86,250
<b>Balance, May 31, 2018</b>	9,500,000	\$ 300,086	\$ 86,250	\$ (167)	\$ (645,095)	\$ (258,926)

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

**AMPD HOLDINGS CORP.**  
Consolidated Statements of Cash Flows  
Years ended May 31, 2018 and 2017  
(Expressed in Canadian dollars)

	<u>2018</u>	<u>2017</u>
<b>OPERATING ACTIVITIES</b>		
Net loss	\$ (465,527)	\$ (225,780)
Adjustments for items not involving the use of cash:		
Amortization	1,728	1,192
Share based payments	86,250	-
Accretion of financing fees	1,324	-
Unrealized foreign exchange losses	69	(1,928)
	<b>(376,156)</b>	<b>(226,516)</b>
Changes in non-cash working capital items:		
Accounts receivable	13,994	(29,592)
Prepaid expenses	(200)	-
Inventory	(11,898)	(2,347)
Accounts payable and accrued liabilities	132,276	(9,105)
Income taxes payable	-	(7,809)
	<b>(241,984)</b>	<b>(275,369)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of equipment	-	(4,334)
<b>FINANCING ACTIVITIES</b>		
Shares issued for cash	-	250,000
Net loan proceeds	191,982	-
	<b>191,982</b>	<b>250,000</b>
<b>DECREASE IN CASH</b>	<b>(50,002)</b>	<b>(29,703)</b>
<b>EFFECT OF FOREIGN EXCHANGE ON CASH</b>	<b>(235)</b>	<b>1,928</b>
<b>CASH, BEGINNING OF THE YEAR</b>	<b>122,171</b>	<b>149,946</b>
<b>CASH, END OF THE YEAR</b>	<b>\$ 71,934</b>	<b>\$ 122,171</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Interest received	\$ 34	\$ -
Interest paid	22,706	-
Income taxes paid	-	7,809

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

# AMPD HOLDINGS CORP.

## Notes to the Consolidated Financial Statements

May 31, 2018 and 2017

(Expressed in Canadian dollars)

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### 1. NATURE OF OPERATIONS

AMPD Holdings Corp. (“AMPD”), together with its subsidiary company AMPD Game Technologies US Inc. (“AMPD US”) (collectively referred to as the “Company”), is a Canadian technology solutions provider specializing in high-performance computing (HPC).

AMPD was incorporated on April 8, 2015 under the British Columbia Corporations Act. Its registered office is located at Suite 2900 – 550 Burrard St., Vancouver, B.C., Canada V6C 0A3.

The Company has incurred losses since inception and as at May 31, 2018 has a working capital deficit of \$260,340 and an accumulated deficit of \$645,095. These consolidated financial statements have been prepared on the basis of a going concern which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. These consolidated financial statements do not reflect the adjustments or reclassifications which would be necessary if the Company were unable to continue its operations in the normal course of business.

The Company’s ability to continue as a going concern is dependent on being able to raise the necessary funding to continue operations, through public equity, debt financings, joint arrangements and other contractual arrangements, or being able to operate profitably in the future. There is no assurance that additional funding will be available on a timely basis or on terms acceptable to the Company. If the Company is unable to obtain sufficient funding, the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles of a going concern will be in doubt.

### 2. BASIS OF PREPARATION

#### (a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

#### (b) First-time adoption of IFRS

The Company previously prepared its annual financial statements in accordance with Canadian Accounting Standards for Private Enterprises (“ASPE”).

The Company adopted IFRS with an effective date and transition date of June 1, 2016. Under IFRS 1 *First-time Adoption of International Financial Reporting Standards* the IFRS are applied retrospectively at the transition date with all adjustments to assets and liabilities included in retained earnings unless certain exemptions are applied. None of the exemptions which could be applied on the transition to IFRS were applicable to the Company.

The Company also early-adopted IFRS 9 *Financial instruments* and IFRS 15 *Revenue from contracts with customers* and applied those standards on the date of adoption of IFRS.

On conversion from ASPE to IFRS there were no significant changes that required adjustments to the Company’s financial statements as at June 1, 2016 and for the year ending May 31, 2017.

## **AMPD HOLDINGS CORP.**

### Notes to the Consolidated Financial Statements

May 31, 2018 and 2017

(Expressed in Canadian dollars)

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#### **2. BASIS OF PREPARATION (Continued)**

##### **(c) Basis of preparation**

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3.

##### **(d) Authorization**

These consolidated financial statements were approved and authorized for issue by the board of directors on October 11, 2019.

#### **3. SIGNIFICANT ACCOUNTING POLICIES**

##### **(a) Basis of consolidation**

These consolidated financial statements include the accounts of AMPD Holdings Corp. and its wholly owned subsidiary AMPD Game Technologies US Inc., which was incorporated on May 15, 2017.

The results of subsidiaries acquired or disposed of during a reporting period are included in the consolidated statements of loss and comprehensive loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. All intra-company transactions, balances, income and expenses are eliminated on consolidation.

##### **(b) Accounting estimates and judgments**

The preparation of these consolidated financial statements requires management to make estimates and judgments and to form assumptions that affect the reported amounts and other disclosures in these consolidated financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of these assumptions form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. Critical estimates used in the Company's preparation of these consolidated financial statements include, among others, the recoverability of accounts receivable, recoverability of the carrying value of inventory, valuation of deferred tax assets, and the measurement of share-based payments.

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. Critical accounting judgments used by the Company include the expected economic lives of assets, the classification of financial instruments, the estimated future operating results and the net cash flows from equipment.

## **AMPD HOLDINGS CORP.**

### Notes to the Consolidated Financial Statements

May 31, 2018 and 2017

(Expressed in Canadian dollars)

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#### **3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **(c) Foreign currencies**

###### **(i) Functional currency**

The reporting and functional currency of AMPD is the Canadian dollar and the functional currency of its subsidiary, AMPD US, is the US dollar.

###### **(ii) Transactions and balances**

Transactions in foreign currencies are initially recorded in the functional currency at the date of the transaction. At each statement of financial position date, monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate of the functional currency as at the period ending date. Non-monetary items measured in terms of historical cost in a foreign currency are translated using exchange rates as at the initial transaction dates. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at date when the fair value was measured. All foreign currency translation gains and losses are included in the consolidated statement of loss.

###### **(iii) Foreign operations**

The results of foreign operations are translated to Canadian dollars at an appropriate monthly average rate of exchange during the period. The assets and liabilities of foreign operations are translated to Canadian dollars at rates of exchange in effect at the end of the period. Gains or losses arising on translation of foreign operation's assets and liabilities to Canadian dollars at period end are recorded in other comprehensive income as a foreign currency translation adjustment. When a foreign operation is sold, the net cumulative exchange differences are recorded in the statement of loss as part of the gain or loss on sale of the foreign operation.

##### **(d) Financial instruments**

Financial instruments consist of financial assets and financial liabilities and are initially recognized at fair value, plus transaction costs if the financial instrument is not subsequently measured at fair value through profit and loss.

Financial assets are measured subsequently at amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit and loss ("FVTPL") based on the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. Financial assets which are investments in equity instruments are measured subsequently at FVTPL unless they are not held for trading and are designated as FVOCI. Financial liabilities are measured subsequently at amortized cost, except for derivatives and certain other specified exceptions measured FVTPL

## AMPD HOLDINGS CORP.

### Notes to the Consolidated Financial Statements

May 31, 2018 and 2017

(Expressed in Canadian dollars)

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#### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (d) Financial instruments (continued)

The Company classifies its financial instruments as follows:

<u>Financial instrument</u>	<u>Classification</u>
Cash	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Long-term debt	Amortized cost

Fair value measurements are determined based on quoted prices or appropriate valuation methods. The Company classifies and discloses fair value measurements based on a three-level hierarchy:

- Level 1 – inputs are unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability that are not based on observable market data.

Financial instruments classified as amortized cost are measured at amortized cost using the effective interest method, adjusted as required for credit-impaired financial assets.

Financial assets measured at amortized cost are subject to a loss allowance for expected credit losses resulting from default events that are possible within 12 months after the reporting date, or an allowance for lifetime expected losses for certain trade receivables, contract assets and lease receivables, and for financial assets where credit risk has increased significantly since initial recognition. Changes in the amount of expected credit losses are recognized as an impairment gain or loss in profit and loss.

Financial assets are derecognized when the contractual rights to the cash flows expire, for certain transfers, or when there is no reasonable expectation of recovering the financial asset. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

##### (e) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position are composed of cash at banks and on hand and short-term deposits which have an original maturity of three months or less or are readily convertible into a known amount of cash.

##### (f) Inventory

Inventory includes computer hardware and computer software licenses and subscriptions and are recorded at the lower of cost and net realizable value.

##### (g) Equipment

Property and equipment is recorded at cost less accumulated depreciation and accumulated impairment write-downs. These assets are depreciated using the declining balance method at the following rates:

Computer equipment	55%
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## **AMPD HOLDINGS CORP.**

### Notes to the Consolidated Financial Statements

May 31, 2018 and 2017

(Expressed in Canadian dollars)

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#### **3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **(h) Impairment of non-financial assets**

At the end of each reporting period, the Company reviews the carrying amounts of its property and equipment to determine whether there is an indication of impairment. If any such indication exists, the extent of the impairment charge is determined based on the estimated recoverable amount of the asset.

The recoverable amount of the asset used for this purpose is the higher of the fair value less costs to sell and the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assignments of the time value of money and the risks specific to the asset.

If the recoverable amount of the asset is estimated to be less than its recorded amount, the recorded amount of the asset is reduced to its recoverable amount. An impairment charge is recognized immediately in the statement of loss and comprehensive loss, unless the asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to a maximum amount equal to the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

##### **(i) Provisions**

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset when it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably. There were no provisions recorded for the years presented in these consolidated financial statements.

##### **(j) Revenue recognition**

The Company sells computer hardware and software and provides technological services to customers in the United States of America and Canada, under fixed price contracts for a specified period of time. Service contracts are typically for the initial setup and ongoing technological services over a specified period of time at specified fees for each service. When collectability is reasonably assured, fees relating to the initial setup are recorded when the setup is complete and the ongoing technological service fees are billed monthly and recorded as revenue on a monthly basis, over the term of the contract.

## **AMPD HOLDINGS CORP.**

### Notes to the Consolidated Financial Statements

May 31, 2018 and 2017

(Expressed in Canadian dollars)

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#### **3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **(j) Revenue recognition (continued)**

Credits are offered to customers for service outages and are based on rates specified in the customer's contracts. When the Company can reliably estimate the amount of credits to be issued for service outages, these credits are recorded as a reduction in revenue when issued.

Interest from cash and short-term investments is recorded on an accrual basis when collection is reasonably assured.

##### **(k) Comprehensive income or loss**

Other comprehensive income or loss is the change in net assets arising from transactions and other events and circumstances from non-owner sources. Comprehensive income is composed of net income or loss and other comprehensive income or loss. Financial assets that are classified as FVOCI will have revaluation gains and losses included in other comprehensive income or loss until the asset is removed from the statement of financial position. Gains and losses arising on translation of foreign operation's assets and liabilities to Canadian dollars at period end are also recorded in other comprehensive income or loss as a foreign currency translation adjustment.

##### **(l) Share-based payments**

From time to time, the Company grants common share purchase options to directors, officers, employees and consultants. The Company accounts for its share-based compensation plan using the fair-value method. Compensation costs, equal to the fair value of the options on the date of grant for options issued to employees and fair value of goods or services received for options issued to non-employees, are recognized in operations, with an offsetting credit to the share option reserve, over the vesting period of the related options. The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. Consideration received upon exercise of share purchase options, along with the related amount previously recorded in the share option reserve, is credited to share capital.

No expense is recognized for awards that do not ultimately vest. Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the fair value of the award as measured on the date of modification.

##### **(m) Income taxes**

The provision for income taxes consists of current and deferred tax expense and is recorded in operations. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the period, adjusted for amendments to tax payable for previous years.

Deferred tax assets and liabilities are computed using the asset and liability method on temporary differences between the carrying amounts of assets and liabilities on the statement of financial position and their corresponding tax values, using the enacted or substantially enacted, income tax rates at each statement of financial position date.

## **AMPD HOLDINGS CORP.**

### Notes to the Consolidated Financial Statements

May 31, 2018 and 2017

(Expressed in Canadian dollars)

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#### **3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **(m) Income taxes (continued)**

Deferred tax assets also result from unused losses and other deductions carried forward. The valuation of deferred tax assets is reviewed on a regular basis and adjusted to the extent that it is not probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized by use of a valuation allowance to reflect the estimated realizable amount.

#### **4. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS**

##### **Adoption of New Accounting Pronouncements**

The following is a summary of new standards or amendments to standards that are effective for annual periods beginning on or after June 1, 2017. Adoption of these new standards or amendments did not have a material impact on the consolidated financial statements.

##### *Amendments to IAS 7 – Statement of Cash Flows (“IAS 7”)*

The amendments in IAS 7 require additional disclosure of changes in liabilities arising from financing activities.

##### *Amendments to IAS 12 – Income Taxes (“IAS 12”)*

The amendments to IAS 12 clarify the recognition of deferred tax assets for unrealized losses.

##### **Accounting Standards and Amendments Issued But Not Yet Effective**

##### *IFRS 2 – Share-based Payment (“IFRS 2”)*

The amendments to IFRS 2 provide further clarification on treatment of vesting conditions, cash settled share-based payment transactions and share-based payment transactions with a net settlement feature for withholding tax obligations and with cash alternatives. The effective date is annual periods beginning on or after January 1, 2018, with earlier adoption permitted. The Company is currently evaluating the impact this standard may have on its financial statements.

##### *IFRS 7 – Financial instruments: Disclosure (“IFRS 7”)*

IFRS 7 was amended to require additional disclosures on transition from IAS 39 to IFRS 9. The standard is effective on adoption of IFRS 9, which is effective for annual periods commencing on or after January 1, 2018. In connection with the adoption of IFRS 9, the Company adopted these amendments on June 1, 2016.

##### *IFRS 16 – Leases (“IFRS 16”)*

IFRS 16 was issued on January 13, 2016, and will be effective for accounting periods beginning on or after January 1, 2019. Early adoption is permitted, provided the Company has adopted IFRS 15. This standard sets out a new model for lease accounting. The Company is currently evaluating the impact this standard may have on its financial statements.

##### *IFRIC 23 - Uncertainty Over Income Tax Treatments (“IFRIC 23”)*

IFRIC 23 clarifies application of the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. It is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The Company is currently evaluating the impact this standard may have on its financial statements.

**AMPD HOLDINGS CORP.**

## Notes to the Consolidated Financial Statements

May 31, 2018 and 2017

(Expressed in Canadian dollars)

**5. INVENTORY**

	<u>2018</u>	<u>2017</u>
Computer hardware	\$ -	\$ 2,347
Computer software licenses and subscriptions	<u>14,245</u>	<u>-</u>
	<u>\$ 14,245</u>	<u>\$ 2,347</u>

Inventory purchases included in cost of sales during the year amounted to \$734,323 (2017 - \$679,560).

**6. EQUIPMENT**

	<u>Equipment</u>
<b>Cost</b>	
Balance, June 1, 2016	\$ -
Additions	<u>4,334</u>
Balance, May 31, 2017 and 2018	<u>\$ 4,334</u>
<b>Accumulated amortization</b>	
Balance, June 1, 2016	\$ -
Amortization	<u>(1,192)</u>
Balance, May 31, 2017	<u>(1,192)</u>
Amortization	<u>(1,728)</u>
Balance, May 31, 2018	<u>\$ (2,920)</u>
<b>Carrying amounts</b>	
Balance, June 1, 2016	\$ -
Balance, May 31, 2017	<u>\$ 3,142</u>
Balance, May 31, 2018	<u>\$ 1,414</u>

**7. LONG-TERM DEBT**

On October 13, 2017 the Company entered into a three-year \$200,000 non-revolving credit facility agreement (the "Loan") with Runway Finance Group Inc. (the "Lender"). The Loan bears interest at 16% per annum and matures on October 13, 2020. The Company paid \$8,018 in financing fees in connection with obtaining the Loan.

For the first three months of the Loan term the Company was required to make interest only payments and subsequently, interest plus monthly principal repayments of the greater of \$7,250 or 45% of proceeds received from customers of assigned contracts, as defined in the agreement, in a given month. The interest only payment period was subsequently extended until November 2018.

The Company provided the following as security:

- General security agreement charging all of the Company's assets;
- Assignment of the Company's May 31, 2018 and 2019 SRED refund claims; and
- Assignment of certain of the Company's sales contracts.

## AMPD HOLDINGS CORP.

### Notes to the Consolidated Financial Statements

May 31, 2018 and 2017

(Expressed in Canadian dollars)

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#### 7. LONG-TERM DEBT (Continued)

The reconciliation of the carrying amount of the Loan is:

	<b>May 31, 2018</b>
Balance, beginning of year	\$ -
Net loan proceeds	<b>191,983</b>
Interest expense at effective interest rate	<b>24,030</b>
Interest paid	<b>(22,706)</b>
	<hr/>
Balance, end of year	<b>\$ 193,307</b>

The Company is required to meet certain covenants imposed by the Lender which includes a financial covenant to maintain a minimum net worth, defined as its share capital plus retained earnings. As at May 31, 2018, the Company was not in compliance with this financial covenant and accordingly the balance of the Loan has been classified as a current liability on the statement of financial position.

#### 8. SHARE CAPITAL

##### Common Shares

Authorized	Unlimited number of common voting shares without par value.
Issued and Outstanding	9,500,000 common shares

- (a) During the year ended May 31, 2017, the Company issued 500,000 royalty units at a price of \$0.50 per unit for gross proceeds of \$250,000. Each royalty unit is comprised of one common share and one non-transferrable special warrant. Holders of the special warrants are entitled to receive a pro-rata share of 0.83% of the Company's annualized gross sales, to a maximum of 80% of net profit for that year, so long as the Company maintains a positive annual EBITDA. Once holders of the special warrants have received an amount equal to the aggregate purchase price of the royalty units, the Company may at its sole discretion convert each special warrant to one-half of one share purchase warrant. Each whole share purchase warrant issued on conversion of the special warrants will entitle the holder to purchase one common share at a price of \$0.60 per share for a period of 12 months following conversion.

Following conversion of the special warrants, provided that the Company maintains a positive annual EBITDA and receives board of director approval, the Company will pay to all holders of common shares an annual dividend of no less than 5% of the Company's annualized gross sales in excess of \$5 million.

The purchase price of the royalty units has been allocated to the common shares issued and no value has been allocated to the special warrants as the Company has incurred a net loss for the years ended May 31, 2018 and 2017 and there is no certainty that the Company will achieve positive annual earnings in future years.

Subsequent to May 31, 2018, the special warrants were replaced with 250,000 common share purchase warranted (Note 16(k)).

## AMPD HOLDINGS CORP.

### Notes to the Consolidated Financial Statements

May 31, 2018 and 2017

(Expressed in Canadian dollars)

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#### 8. SHARE CAPITAL (continued)

- (b) On March 26, 2018, the Company entered into an agreement (the "Share Repurchase Agreement") to repurchase and cancel 500,000 common shares from an officer of the Company for \$5 in consideration.

##### Share Purchase Option Plan

Pursuant to a share purchase option plan dated March 26, 2018, a maximum of 2,000,000 unissued common shares are available for share purchase options that may be granted from time to time. Share purchase options are granted at an exercise price not less than the estimated market value of the Company's common shares on the date of the grant and generally vest over four years from the grant date.

On March 27, 2018, the Company granted 1,000,000 common share purchase options with an exercise price of \$0.25 per share and a term to expiry of 6 years to an officer and a consultant of the Company. 50% of the options vest immediately and 50% vest on January 1, 2019. The weighted average grant date fair value of the share purchase options granted during the year ended May 31, 2018 was estimated at \$0.14, using the Black-Scholes option pricing model and the following inputs and assumptions: share price, \$0.25; exercise price, \$0.25; risk-free interest rate, 2.07%; expected volatility, 58.25%; and expected years of option life, six years.

The effects of early exercise were incorporated into the estimate of the expected life of the share purchase options. Expected volatility was estimated by reference to public companies operating in a similar industry, commensurate with the expected life of the options. No other features of the options granted affected the calculation of grant date fair value.

During the year ended May 31, 2018, \$86,250 was recognized as share-based compensation for these options.

As at May 31, 2018, the following share purchase options were outstanding:

<u>Weighted Average Exercise Price</u>	<u>Outstanding Options</u>	<u>Weighted Average Remaining Life (Years)</u>	<u>Exercisable Options</u>
\$ 0.25	1,000,000	5.83	500,000

On May 15, 2019, the officer and consultant to whom the 1,000,000 share purchase options were granted consented to their cancellation.

#### 9. SALES AND RELIANCE ON MAJOR CUSTOMERS

The Company's sales by category are:

	<u>2018</u>	<u>2017</u>
Hardware sales	\$ 673,771	\$ 593,828
Software licensing fees	108,387	114,490
Hosting fees	209,636	98,921
Support and other	1,893	61,459
	<u>\$ 993,687</u>	<u>\$ 868,698</u>

**AMPD HOLDINGS CORP.**

## Notes to the Consolidated Financial Statements

May 31, 2018 and 2017

(Expressed in Canadian dollars)

**9. SALES AND RELIANCE ON MAJOR CUSTOMERS (continued)**

During the year ended May 31, 2018, sales to three of the Company's customers amounted to 50%, 12% and 12%, for a combined total of 74% of sales. During the year ended May 31, 2017, sales to three of the Company's customers amounted 32%, 22%, and 22%, for a combined total of 76% of sales.

The Company's outstanding accounts receivable from one of these customers was \$10,799 at May 31, 2018 (2017 - \$13,424). The digital media and computer technology industry is highly competitive and there is no guarantee that the Company could easily replace these customers should it cease selling products and services to them. One of these customers cancelled their contract with the Company in December 2018.

**10. INCOME TAXES**

The Company's deferred income tax assets are:

	<u>2018</u>	<u>2017</u>
<b>Deferred income tax assets</b>		
Tax losses carried forward	\$ 141,443	\$ 34,953
Financing costs	5,928	8,004
	<u>147,371</u>	<u>42,957</u>
Valuation allowance	(147,371)	(42,957)
	<u>\$ 0</u>	<u>\$ -</u>

Deferred income tax assets have not been recognized on the consolidated statements of financial position as there is no certainty that the Company will generate the taxable income required to utilize them in the future.

The reconciliation of the provision for income taxes to the amount based on statutory income tax rates is:

	<u>2018</u>	<u>2017</u>
Net loss before income taxes	\$ 473,336	\$ 225,780
Combined federal and provincial statutory income tax rate	<u>27%</u>	<u>26%</u>
Income tax recovery (expense) based on the combined statutory income tax rate	127,801	58,703
Net effect of items that are not taxable or deductible	(25,066)	(12,593)
Net effect of items that are tax deductible	2,900	2,237
Current year tax losses not recognized	(105,393)	(48,686)
Losses carried back	7,809	-
Other	(242)	339
Income tax recovery	<u>\$ 7,809</u>	<u>\$ -</u>

**AMPD HOLDINGS CORP.**

## Notes to the Consolidated Financial Statements

May 31, 2018 and 2017

(Expressed in Canadian dollars)

**10. INCOME TAXES (continued)**

The combined tax rate applied in the table above increased during the year ended May 31, 2018 due to an increase in the BC provincial tax rate.

As at May 31, 2018, the Company has \$517,544 in Canadian non-capital losses and \$6,320 in U.S. net operating losses for income tax purposes that may be used to offset future taxable income. If unused, the Canadian non-capital losses and \$2,257 of the U.S. net operating losses will expire between 2037 and 2038. The remaining \$4,063 U.S. net operating losses may be carried forward indefinitely.

**11. RELATED PARTY TRANSACTIONS**

The Company's directors and officers are its key management personnel. The following amounts were incurred for key management personnel compensation during the years ended May 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Consulting fees	\$ 234,000	\$ 175,000
Share-based payments	43,125	-
	<u>\$ 277,125</u>	<u>\$ 175,000</u>

The Company also reimburses key management personnel for travel and other expenses incurred during the course of business. As at May 31, 2018, no amount is due to management for expense reimbursements (2017 - \$4,801).

**12. OPERATING SEGMENT DISCLOSURES**

The Company operates in one industry segment in both Canada and the United States of America. The Company's assets are solely located in Canada. The breakdown of the Company's operations by geographical area is as follows:

	<b>For the year ended May 31, 2018</b>		
	<u>Canada</u>	<u>United States</u>	<u>Total</u>
Sales	\$ 984,527	\$ 9,160	\$ 993,687
Cost of sales	<u>(841,373)</u>	<u>(11,403)</u>	<u>(852,776)</u>
Gross profit	<u>\$ 143,154</u>	<u>\$ (2,243)</u>	<u>\$ 140,911</u>

	<b>For the year ended May 31, 2017</b>		
	<u>Canada</u>	<u>United States</u>	<u>Total</u>
Sales	\$ 595,852	\$ 272,846	\$ 868,698
Cost of sales	<u>(552,843)</u>	<u>(232,465)</u>	<u>(785,308)</u>
	<u>\$ 43,009</u>	<u>\$ 40,381</u>	<u>\$ 83,390</u>



## **AMPD HOLDINGS CORP.**

### Notes to the Consolidated Financial Statements

May 31, 2018 and 2017

(Expressed in Canadian dollars)

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#### **13. MANAGEMENT OF CAPITAL**

The Company's capital management objectives are to safeguard the Company's ability to continue as a going concern in order to continue its technology services to its customers. The Company's capital is composed of its shareholders' equity and long-term debt.

The Company manages and adjusts its capital structure whenever changes to the risk characteristics of the underlying assets or changes in economic conditions occur. To maintain or adjust the capital structure, the Company may issue new shares or acquire, dispose of or jointly operate certain of its assets. In order to facilitate the management of its capital requirements, the Company actively monitors its liquidity and short and long-term funding requirements.

#### **14. LOSS PER SHARE**

The Company has outstanding share purchase options and warrants as described in Note 8 that could potentially dilute earnings per share in the future. The potential common shares from these options were not included in calculation of diluted earnings per share because they are antidilutive for the years presented.

#### **15. FINANCIAL INSTRUMENT RISKS**

The Company classifies and discloses its fair value measurements based using the three-level hierarchy as described in Note 3(d). As at May 31, 2018 and 2017, all of the Company's financial instruments are measured at amortized cost and their carrying values approximate fair value.

The Company's financial instruments are exposed to certain risks, which include credit risk, liquidity risk and market risks such as interest rate risk and other market price risks.

##### **Credit risk**

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash is held at a large Canadian financial institution and credit risk for cash is considered to be minimal.

Accounts receivable consists of trade receivables due from customers. The Company performs ongoing credit evaluations and monitors the receivable balances and payments received from its customers in order to determine if any allowance for estimated credit losses is required. Accounts overdue more than 30 days are presumed to be subject to expected credit losses. When determining the allowance for estimated credit losses the Company will consider historical experience with the customer, current market and industry conditions and specific collection issues. As at May 31, 2018 and 2017 and June 1, 2016, no amounts were past due and the Company has not provided for an allowance for expected credit losses on its accounts receivable.

##### **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Accounts payable and accrued liabilities are due within the current operating period. The Company's long-term debt matures in 2020 but has been classified as a current liability as at May 31, 2018, as described in Note 7. The Company manages liquidity risk through the management of its capital structure as described in Note 13.

## **AMPD HOLDINGS CORP.**

### Notes to the Consolidated Financial Statements

May 31, 2018 and 2017

(Expressed in Canadian dollars)

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#### **15. FINANCIAL INSTRUMENT RISKS (continued)**

##### **Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed from time to time to interest rate risk as a result of interest-bearing debt. As the interest rate on the Company's long-term debt is fixed, the sensitivity of the Company's loss before tax to a reasonably possible change in interest rates is minimal.

##### **Currency risk**

Currency risk is the risk of loss due to fluctuation of foreign exchange rates and the effects of these fluctuations on foreign currency denominated monetary assets and liabilities. A change in value of the U.S. dollar by 5% relative to the Canadian dollar would affect the Company's U.S. dollar monetary assets and liabilities and statement of loss and comprehensive loss by approximately \$300 (2017 - \$4,300). The Company does not take any steps to mitigate this risk.

#### **16. EVENTS AFTER THE REPORTING PERIOD**

- (a) On August 29, 2018, the Company issued a \$250,000 unsecured convertible promissory note to one of its principal shareholders who is also an officer and director of the Company. The note bears interest at 12% per annum, compounded monthly in arrears, matures on August 29, 2021, and is convertible to common shares at any time at the option of the holder at a conversion price of \$0.79 per common share. On May 1, 2019, the Company amended the maturity date of the note to May 1, 2020 and the conversion price to \$0.70 per common share.
- (b) On October 5, 2018, the Company issued 31,646 common shares at a price of \$0.79 per common share for gross proceeds of \$25,000.
- (c) On May 1, 2019, the Company issued a \$120,000 unsecured convertible loan to an unrelated party. The note bears interest at 12% per annum, compounded monthly in arrears, matures on May 1, 2020, and is convertible to common shares at any time at the option of the holder at a conversion price of \$0.70 per common share.
- (d) On May 15, 2019, the Company cancelled 1,000,000 fully vested issued and outstanding common share purchase options which were exercisable at \$0.25 per share.
- (a) On June 1, 2019, the Company issued 964,287 common shares to an officer of the Company and 321,429 common shares to a consultant of the Company as employment sign-on incentives at a price of \$0.001 per share for total proceeds of \$1,286.
- (e) On June 1, 2019, the Company issued 100,000 common shares for consulting services at a deemed value of \$0.50 per share or \$50,000.
- (f) On June 2 and July 2, 2019, the Company issued 2,941,840 common share purchase options with an exercise price of \$0.001 to certain directors and officers. The options are subject to the following vesting conditions and expiry dates:

## AMPD HOLDINGS CORP.

### Notes to the Consolidated Financial Statements

May 31, 2018 and 2017

(Expressed in Canadian dollars)

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#### 16. EVENTS AFTER THE REPORTING PERIOD (continued)

- i. 1,765,104 vest immediately and expire in 5 years;
  - ii. 294,184 vest after the Company generates not less than \$750,000 in total revenues in a single fiscal year, and expire in 2 years;
  - iii. 294,184 vest after the Company generates not less than \$1.5 million in total revenues in a single fiscal year, and expire in 3 years;
  - iv. 294,184 vest after the Company generates not less than \$4 million in total revenues in a single fiscal year, and expire in 5 years; and
  - v. 294,184 vest after the Company closes a single recurring revenue deal in which the aggregate top-line value exceeds \$2 million, and expire in 5 years.
- (g) On July 1, 2019, the Company entered into an agreement for the purchase of computing equipment. The Company issued 350,000 common shares at a deemed value of \$0.50 per share for a purchase price of \$175,000 as consideration for the purchase of the equipment.
- (h) On July 3, 2019, the Company rescinded the agreement dated March 26, 2018 to repurchase 500,000 common shares from a director and officer of the Company for \$5 in consideration (see Note 8b).
- (i) On July 15, 2019, the Company entered into a share exchange agreement (the "Transaction") with AMPD Ventures Inc. (formerly E-Gaming Ventures Corp.) ("AMPD Ventures") whereby AMPD Ventures will acquire all of the issued and outstanding shares of the Company in exchange for 20,000,000 common shares of AMPD Ventures at a deemed value of \$0.35 per share. As a result of the Transaction, the former shareholders of the Company will hold approximately 53.85% of the shares of the resulting entity and the Transaction will be accounted for as a reverse acquisition of a non-operating entity with the Company identified as the acquirer for accounting purposes and the continuing entity. The Transaction is subject to shareholder and regulatory approval. AMPD Ventures intends to obtain a listing on the Canadian Securities Exchange in connection with the Transaction.
- (j) In connection with the Transaction, the Company replaced the outstanding special warrants (Note 8a) with 250,000 common share purchase warrants. The common share purchase warrants will be exercisable at \$0.60 per share for a period of 12 months once the holders of the previous special warrants have received royalty payments equal to the purchase price of the royalty units under the same conditions as described in Note 8a.
- (k) On July 30, 2019 the Company received a \$100,000 secured loan from AMPD Ventures Inc. with an interest rate of 8% per year, compounded annually, and maturing on the date that is the earlier of the listing of the Common Shares of AMPD Ventures on a recognized Canadian securities exchange, or December 31, 2019. On September 25, 2019, the Company received an additional \$500,000 secured loan from AMPD Ventures under the same terms.

**SCHEDULE “D”**

AMPD HOLDINGS CORP. MANAGEMENT’S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED  
MAY 31, 2019 AND 2018

# **AMPD HOLDINGS CORP.**

**Management's Discussion and Analysis**  
For the years ended May 31, 2019 and 2018

## **AMPD HOLDINGS CORP.**

### Management's Discussion and Analysis

For the years ended May 31, 2019 and 2018

(Expressed in Canadian dollars)

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#### **GENERAL**

The following is management's discussion and analysis ("MD&A") of AMPD Holdings Corp.'s ("AMPD" or the "Company") operating and financial results for the years ended May 31, 2019 and 2018, as well as information and expectations concerning the Company's outlook based on currently available information. This report is dated October 11, 2019.

This MD&A should be read in conjunction with the Company's audited consolidated financial statements for the years ended May 31, 2019 and 2018.

The audited consolidated financial statements of the Company for the years ended May 31, 2019 and 2018 were prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All inter-company balances and transactions have been eliminated. All amounts are expressed in Canadian dollars unless otherwise indicated.

Management is responsible for the preparation and integrity of the consolidated financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the consolidated financial statements and MD&A, is complete and reliable. The Company's Board of Directors follows recommended corporate governance guidelines to ensure transparency and accountability to shareholders.

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

#### **CAUTION REGARDING FORWARD-LOOKING INFORMATION**

This MD&A contains forward-looking information including the Company's future plans. The use of any of the words "target", "plans", "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. Such forward looking information, including but not limited to statements pertaining to Company's future plans and management's belief as to the Company's potential involve known and unknown risks, uncertainties and other factors which may cause the actual results of the Company and its operations to be materially different from estimated costs or results expressed or implied by such forward-looking statements. Forward looking information is based on management's expectations regarding future growth, results of operations, future capital and other expenditures (including the amount, nature and sources of funding for such expenditures), business prospects and opportunities. Forward looking information involves significant known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risks include, but are not limited to: the risks associated with the commercial viability of any technologies the Company is in the process of developing or deploying, delays or changes in plans with respect to any technologies, costs and expenses, the risk of foreign exchange rate fluctuations, risks associated with securing the necessary regulatory approvals and financing to proceed with any planned business venture, product development or deployment, and risks and uncertainties regarding the potential to economically scale and bring to profitability any of the Company's current or planned endeavors. Although the Company has attempted to take into account important factors that could cause actual costs or results to differ materially, there may be other factors that cause the results of the Company's business to not to be as anticipated, estimated or intended.

There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. See the Risk Management section of this MD&A for a further description of these risks. The forward-looking information included in this MD&A is expressly qualified in its entirety by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking information.

## **AMPD HOLDINGS CORP.**

### Management's Discussion and Analysis

For the years ended May 31, 2019 and 2018

(Expressed in Canadian dollars)

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#### **1. DESCRIPTION OF BUSINESS**

AMPD is an industry leading technology integrator providing hardware, software, hosting and support solutions to game developers and publishers as well as a range of other emerging sectors. AMPD has partnered with some of the top technology companies in the industry to provide customers with the advanced Cloud and IT Infrastructure solutions

AMPD was formed on April 8, 2015 under the British Columbia Corporations Act and its wholly owned subsidiary company, AMPD Game Technologies US Inc. ("AMPD US"), was incorporated on May 15, 2017 under the Secretary of State of Washington.

The founders of AMPD have been architecting high-performance computing ("HPC") infrastructure for nearly two decades. At their previous company, Seven Group, the team initially applied their expertise to solutions for banks, governments and academia, and subsequently focused on building out technology infrastructure for digital media companies.

AMPD continues to address the needs of these sectors, and is also applying high-performance computing principles to the low-latency requirements of multiplayer video game publishing, as well as the intense computation requirements of digital media production and distribution, where massive amounts of high-performance computing resources are required for the development, rendering and distribution of products. As gaming continues to transition from the basement to the sports arena, AMPD intends to increase its focus on providing infrastructure for latency-sensitive eSports games across North America and Europe.

#### **2. SUMMARY OF KEY EVENTS AND FUTURE PLANS**

AMPD intends to complete a transaction and financing which will allow the Company to continue to expand its operations. See Item 11 "Proposed Transaction" below. The Company also has the following projects which it is currently developing and which will require additional funds to complete but which have not yet generated significant revenues:

##### *Canada's Digital Technology Supercluster*

The Company is a founding member of Canada's Digital Technology Supercluster ("CDTS"), a business-led innovation consortium centred in Vancouver, British Columbia. CDTS aims to position Canada as a global leader in digital technologies by bringing together small, medium-sized and large companies, post-secondary institutions, research organizations and not-for-profits. CDTS manages the investments provided by the Government of Canada and the public and private organizations which constitute its membership.

As a founding member, the Company sits on the board of CDTS, and the Company's CEO, Anthony Brown is also on the executive committee. To retain the rights and benefits of a founder, AMPD must pay a program management fee in cash and make general program investments in-kind to CDTS. AMPD's financial commitment to CDTS for the 2019 fiscal year is \$150,000 in program management fees. To retain its founder status in 2020 and for the subsequent three years thereafter, AMPD must pay \$300,000 per year in program management fees. Membership of CDTS is voluntary and AMPD has not yet renewed its membership for 2020.

##### *AMPD Data Centers*

The Company intends to operate AMPD Data Centres in urban locations across North America and Europe. AMPD Data Centres are intended to host customers in each location requiring low connection latency which can be achieved through proximity to the large urban population base. As at the date of this MD&A, the first AMPD Data Centre, DC1, is currently operational at 1540 West 2nd Avenue, Vancouver, B.C. AMPD is currently working in conjunction with Hynes Developments on the early phases of a second AMPD Data Centre at 1502 West 2nd Avenue, Vancouver, B.C., and a third AMPD Data Centre at Capilano University in North Vancouver, B.C. In each case, it is anticipated that the buildings will be owned by Hynes Developments, with the data centre spaces being leased and managed by the Company.

## AMPD HOLDINGS CORP.

### Management's Discussion and Analysis

For the years ended May 31, 2019 and 2018

(Expressed in Canadian dollars)

### 3. SELECTED ANNUAL INFORMATION

Year ended May 31,	2019	2018	2017
Revenue	\$ 1,343,082	\$ 993,687	\$ 868,698
Operating expenses	665,485	595,335	332,528
Finance costs	75,520	24,030	-
Other income (expenses)	(3,495)	5,118	23,358
Net income (loss)	(605,383)	(465,527)	(225,780)
Loss per share, basic and fully diluted	(0.06)	(0.05)	(0.02)
Operating cash	106,176	71,934	122,171
Working capital (deficiency)	(753,794)	(260,340)	117,376
Total assets	141,809	124,848	178,709
Total long-term liabilities	-	-	-
Shareholders' equity (deficiency)	\$ (752,784)	\$ (258,926)	\$ 120,518

The Company presently does not pay and does not anticipate paying any dividends on its common shares, as all available funds will be used to develop the Company's business for the foreseeable future. See Discussion of Operations below for a discussion of factors which have contributed to period to period variations.

### 4. DISCUSSION OF OPERATIONS

Following is a discussion of the Company's financial results for the twelve months ended May 31, 2019, compared to the same period in the prior fiscal year.

#### Revenue

	Year ended May 31		Variance from 2019 to 2018	
	2019	2018		
Hardware sales	\$ 703,631	\$ 673,771	\$ 29,860	4%
Software licensing fees	111,432	108,387	3,045	3%
Hosting fees	211,583	209,636	1,947	1%
Support and maintenance and other	316,436	1,893	314,543	16616%
	\$			
Total	1,343,082	\$ 993,687	\$ 349,395	35%

Consolidated revenues for the year ended May 31, 2019 increased by \$349,395 compared to the prior year. The increase in revenues can be attributed primarily to an increase in support and maintenance services provided to new and existing customers.

#### Revenues and Cost of Sales

	Year ended May 31		Variance from 2019 to 2018	
	2019	2018		
Revenue	\$ 1,343,082	\$ 993,687	\$ 349,395	35%
Cost of sales	1,202,965	852,776	350,189	41%
Gross profit	\$ 140,117	\$ 140,911	\$ (794)	(1%)

The Company's cost of sales increased by \$350,189, or 41%, over the prior year and the Company's gross margin on revenues decreased from 14% to 10% compared to the prior year. The decrease in gross margin is primarily the result of the lower margin on an increase in support and maintenance services provided to customers.



**AMPD HOLDINGS CORP.**

## Management's Discussion and Analysis

For the years ended May 31, 2019 and 2018

(Expressed in Canadian dollars)

*Revenue by geographic region*

	Year ended May 31		Variance from 2019 to 2018	
	2019	2018		
Canada	\$ 1,289,727	\$ 984,527	\$ 305,200	31%
United States	53,355	9,160	44,195	482%
Total	\$ 1,343,082	\$ 993,687	\$ 349,395	35%

During the year ended May 31, 2019, total revenues in Canada increased by \$305,200 compared to revenues in Canada during the year ended May 31, 2018 and revenues in the United States increased by \$44,195. The increases are due to increased support and maintenance services provided to customers in Canada and the acquisition of a US-based customer.

*Selling and Marketing*

	Year ended May 31		Variance from 2019 to 2018	
	2019	2018		
Advertising and promotion	\$ 18,593	\$ 3,236	\$ 15,357	475%
Travel and entertainment	36,895	21,536	15,359	71%
Total	\$ 55,488	\$ 24,772	\$ 30,716	124%

During the year ended May 31, 2019, selling and marketing expenses increased by \$30,716 compared to the prior year due to increased travel and promotion of the Company's business and growth strategy.

*Operating, General and Administrative ("G&A") Expenses*

	Year ended May 31		Variance from 2019 to 2018	
	2019	2018		
Amortization	\$ 919	\$ 1,728	\$ (809)	(47%)
Bank charges	6,664	5,142	1,522	30%
Consulting fees	303,432	298,000	5,432	2%
Dues and subscriptions	159,676	44,006	115,670	263%
Insurance	7,121	3,384	3,737	110%
Office and miscellaneous	26,475	21,065	5,410	26%
Professional fees	51,960	110,988	(59,028)	(53%)
Share based payments	53,750	86,250	(32,500)	(38%)
Total G&A expenses	\$ 609,997	\$ 570,563	\$ 39,434	7%

During the year ended May 31, 2019, G&A expenses increased by 7% or by \$39,434 to \$609,997 from \$570,563 during the prior year. The increase in G&A expenses is primarily due to an increase in dues and subscriptions related to the Company's membership in Canada's Digital Technology Supercluster, offset by a decrease in professional fees and share-based compensation incurred during the year.

The Company's consulting fees consist of amounts paid to its key management personnel for management services during the year ended May 31, 2019 of \$221,127 (2018 - \$234,000) (see Item 9 "Related Party Transactions") and payments for other services related to its operations which are provided to the Company under contract as the Company does not currently have employees.

**AMPD HOLDINGS CORP.**

## Management's Discussion and Analysis

For the years ended May 31, 2019 and 2018

(Expressed in Canadian dollars)

*Interest and financing costs*

	Year ended May 31		Variance from 2019 to 2018	
	2019	2018		
Interest expense	\$ 63,202	\$ 24,030	\$ 39,172	163%
Financing fees	13,318	-	13,318	100%
Total	\$ 76,520	\$ 24,030	\$ 52,490	218%

Interest and financing costs for the year ended May 31, 2019 increased by \$52,490 from \$24,030 during the prior year. The increase is due to the Company issuing additional unsecured convertible promissory notes in August 2018 and May 2019.

*Net Loss*

	Year ended May 31		Variance from 2019 to 2018	
	2019	2018		
Net Loss from operations	\$ 525,368	\$ 454,424	\$ 70,944	16%
Net Loss	605,383	465,527	139,856	30%
Net comprehensive loss	605,223	465,694	139,529	30%
Net Loss per share	\$ 0.06	\$ 0.05	\$ 0.01	20%
Basic and diluted weighted average number of shares outstanding	9,511,011	9,909,989		

Loss from operations during the year ended May 31, 2019 increased by \$70,944 or 16% to \$525,368 from a loss of \$454,424 in the prior year. The increase is mainly due to the increase in dues and subscriptions and selling and marketing costs as noted above. Net loss and other net comprehensive loss during the year ended May 31, 2019 increased by \$139,856 and \$139,529, respectively, due to operations as well as interest associated with the additional credit facility noted above.

**5. SUMMARY OF QUARTERLY RESULTS**

The following table presents unaudited selected consolidated financial information for each of the previous eight quarters.

Quarter ended	May 31, 2019	Feb 28, 2019	Nov 30, 2018	Aug 31, 2018
Revenues	\$ 326,080	\$ 726,463	\$ 155,330	\$ 135,209
Operating expenses	197,760	174,618	161,223	131,884
Net Loss from operations	(192,370)	(85,295)	(135,886)	(111,817)
Net loss	(227,480)	(104,919)	(147,717)	(125,267)
Net loss per share	\$ (0.02)	\$ (0.01)	\$ (0.01)	\$ (0.01)

Quarter ended	May 31, 2018	Feb 28, 2018	Nov 30, 2017	Aug 31, 2017
Revenues	\$ 350,667	\$ 220,702	\$ 295,690	\$ 126,628
Operating expenses	308,550	94,691	104,637	87,457
Net income (loss) from operations	(259,309)	(58,697)	(66,573)	(69,845)
Net income (loss)	(272,399)	(60,073)	(74,478)	(58,577)
Net loss per share	\$ (0.02)	\$ (0.01)	\$ (0.01)	\$ (0.01)

The Company's revenues are generally consistent on a quarterly basis with the exception of Q3 2019 which is significantly greater due to the acquisition of a new customer and the completion of a sale to that customer. Individual sales to the Company's major customers may represent a significant portion of the Company's revenues in a quarter and the timing of closing these sales may cause variation in revenues from quarter to quarter. The Company intends to continue to expand its services which generate recurring revenue in the form of monthly fees for multi-year contracts or utilization-based billing which it expects will smooth variations in quarterly revenues.

## **AMPD HOLDINGS CORP.**

### **Management's Discussion and Analysis**

**For the years ended May 31, 2019 and 2018**

**(Expressed in Canadian dollars)**

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#### **6. LIQUIDITY**

As at May 31, 2019, the Company had a working capital deficit of \$753,794. This is a decrease of \$493,454 over the working capital deficit of \$260,340 as at May 31, 2018. The decrease is primarily due to the Company's ongoing expansion activity and the Company expects to continue to operate at deficit for the next year.

The Company experiences significant fluctuations in liquidity due to the timing of sales to major customers whereas operating expenses are generally incurred evenly throughout the fiscal year. All of the Company's liabilities are due within the current year. The Company does not have significant levels of inventory or constraints on its working capital other than regular operating expenses.

The Company is in the process of completing an investment round (see Item 11 "Proposed Transaction" below) that would provide it with capital to meet current obligations and finance future operations and would allow it to scale its ability to identify and execute new deals. AMPD intends to do this in parallel with expanding its effective reach to a global audience while expanding its product portfolio.

#### **7. CAPITAL RESOURCES**

The Company expects to acquire capital resources to expand operations through the completion of the Proposed Transactions as described below. Additional sources of financing and share issues are as follows:

During the 2018 fiscal year, the Company entered into a \$200,000 credit facility bearing 16% interest and maturing October 13, 2020. The Company is required to meet certain covenants imposed by the lender which includes a financial covenant to maintain a minimum net worth, defined as its share capital plus retained earnings. As at May 31, 2019, the Company was not in compliance with this financial covenant and accordingly the balance of the loan has been classified as a current liability on the statement of financial position.

On August 29, 2018, the Company issued a \$250,000 unsecured convertible promissory note to one of its principal shareholders who is also an officer and director of the Company. The note bears interest at 12% per annum, compounded monthly in arrears, matures on August 29, 2021, and is convertible to common shares at any time at the option of the holder at a conversion price of \$0.79 per common share. On May 1, 2019, the Company amended the maturity date of the note to May 1, 2020 and the conversion price to \$0.70 per common share.

On October 5, 2018, the Company issued 31,646 common shares at \$0.79 per common share for gross proceeds of \$25,000.

On May 1, 2019, the Company issued a \$120,000 unsecured convertible loan to an unrelated party. The note bears interest at 12% per annum, compounded monthly in arrears, matures on May 1, 2020, and is convertible to common shares at any time at the option of the holder at a conversion price of \$0.70 per common share.

Subsequent to May 31, 2019, the Company arranged the following sources of financing:

- (a) On June 1, 2019, the Company issued 964,287 common shares to an officer of the Company and 321,429 common shares to a consultant as employment sign-on incentives at a price of \$0.001 per share for gross proceeds of \$1,286.
- (b) On June 1, 2019, the Company issued 100,000 common shares at a deemed value of \$0.50 per share for consulting services.
- (c) On July 1, 2019, the Company entered into an asset purchase agreement for the purchase of computing equipment. The Company issued 350,000 common shares at a deemed value of \$0.50 per share for a purchase price of \$175,000 as consideration for the purchase of the equipment.
- (d) On July 30, 2019 the Company received a \$100,000 secured loan from AMPD Ventures Inc., and on September 25, and additional amount of \$500,000, at an interest rate of 8% per year, compounded annually, and maturing on the date that is the earlier of the listing of the Common Shares of AMPD Ventures Inc. on a recognized Canadian securities exchange, or December 31, 2019.

## AMPD HOLDINGS CORP.

### Management's Discussion and Analysis

For the years ended May 31, 2019 and 2018

(Expressed in Canadian dollars)

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## 8. OFF-BALANCE SHEET AND OTHER ARRANGEMENTS

During the year ended May 31, 2017, the Company issued 500,000 royalty units at \$0.50 per unit for gross proceeds of \$250,000. Each royalty unit is comprised of one common share and one non-transferrable special warrant. Holders of the special warrants are entitled to receive a pro-rata share of 0.83% of the Company's annualized gross sales, to a maximum of 80% of net profit for that year, so long as the Company maintains a positive annual EBITDA. Once holders of the special warrants have received an amount equal to the aggregate purchase price of the royalty units, the Company may at its sole discretion convert each special warrant to one-half of one share purchase warrant. Each whole share purchase warrant issued on conversion of the special warrants will entitle the holder to purchase one common share at \$0.60 per share for a period of 12 months following conversion.

Following conversion of the special warrants, provided that the Company maintains a positive annual EBTIDA and receives board of director approval, the Company will pay to all holders of common shares an annual dividend of no less than 5% of the Company's annualized gross sales in excess of \$5 million.

In connection with the Proposed Transaction (Item 11), the Company replaced the outstanding special warrants with 250,000 common share purchase warrants exercisable at \$0.60 per share once the holders of the previous special warrants have received royalty payments equal to the purchase price of the royalty units under the same conditions as set out above.

## 9. RELATED PARTY TRANSACTIONS

During the year ended May 31, 2019, the Company paid consulting fees for management services provided by key management personnel of \$222,127 and recorded share-based compensation for stock options granted to key management personnel of \$26,875 as follows:

2019	President	Chief Executive Officer	Chief Operating Officer	Chief Strategy Officer	Total
Consulting fees	\$ 78,000	\$ 54,000	\$ 54,000	\$ 36,127	\$ 222,127
Share-based compensation	-	-	-	26,875	26,875

During the year ended May 31, 2018, the Company paid consulting fees for management services provided by key management personnel of \$234,000 and recorded share-based compensation for stock options granted to key management personnel of \$43,125 as follows:

2018	President	Chief Executive Officer	Chief Operating Officer	Chief Strategy Officer	Total
Consulting fees	\$ 70,000	\$ 62,000	\$ 62,000	\$ 40,000	\$ 234,000
Share-based compensation	-	-	-	43,125	43,125

## 10. FOURTH QUARTER

The Company's revenues in the fourth quarter of fiscal year 2019 were generally consistent with the prior year but were lower than Q3 2019 due to the impact of the timing of completing sales to the Company's major customers. The Company's net loss in the fourth quarter decreased over the prior year due to lower professional fees and share-based compensation expense. The Company also completed a financing for a convertible loan during the fourth quarter as noted above under "Capital Resources" which was intended to provide the Company with working capital to continue the Company's growth strategy while completing the proposed transactions described below.

## **AMPD HOLDINGS CORP.**

### Management's Discussion and Analysis

For the years ended May 31, 2019 and 2018

(Expressed in Canadian dollars)

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#### **11. PROPOSED TRANSACTION**

On July 15, 2019, the Company entered into a Share Exchange Agreement (the "Transaction") whereby AMPD Ventures Inc. (formerly E-Gaming Ventures Corp.) ("AMPD Ventures") will acquire all of the Company's issued and outstanding shares in exchange for issuing 20 million common shares of AMPD Ventures at a deemed value of \$0.35 per share. As a result of the Transaction, the former shareholders of the Company will hold approximately 53.85% of the shares of the resulting entity and the Transaction will be accounted for as a reverse acquisition of a non-operating entity with the Company identified as the acquirer and the continuing entity for accounting purposes. Completion of the Transaction is subject to shareholder and regulatory approval. AMPD Ventures intends to obtain a listing on the Canadian Securities Exchange in connection with the Transaction.

The Company intends to use the capital raised to expand its sales reach and product portfolio and the projects described under Item 2 above, as well as other initiatives. This initial expansion is expected to increase AMPD's operating deficit in the short- to medium-term.

#### **12. CHANGES IN ACCOUNTING POLICIES**

##### *Adoption of International Financial Reporting Standards*

The Company previously prepared its annual financial statements in accordance with Canadian Accounting Standards for Private Enterprises ("ASPE").

The Company adopted International Financial Reporting Standards ("IFRS") with an effective date and transition date of June 1, 2016. Under IFRS 1 First-time Adoption of International Financial Reporting Standards the IFRS are applied retrospectively at the transition date with all adjustments to assets and liabilities included in retained earnings unless certain exemptions are applied. None of the exemptions which could be applied on the transition to IFRS were applicable to the Company.

The Company also early-adopted IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with customers and applied those standards on the date of adoption of IFRS.

On conversion from ASPE to IFRS there were no significant changes that required adjustments to the Company's financial statements as at June 1, 2016 and for the year ending May 31, 2017.

#### **13. FINANCIAL INSTRUMENT RISKS**

The Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, convertible debt and long-term debt. These financial instruments are exposed to certain risks, including credit risk, interest rate risk, liquidity risk and other market risk.

##### *Credit Risk*

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held through large Canadian financial institutions. The Company considers credit risk on its cash to be minimal.

The Company's accounts receivable consist of Goods and Services Tax due from the Federal Government of Canada and amounts receivable from customers. The Company's maximum exposure to credit risk as at May 31, 2019 is \$34,424 (May 31, 2018 - \$37,055), representing accounts receivable.

For amounts due from customers, the Company performs ongoing credit evaluations of its customers and monitors the receivable balance and the payments made in order to determine if an allowance for estimated credit losses is required.

## **AMPD HOLDINGS CORP.**

### Management's Discussion and Analysis

For the years ended May 31, 2019 and 2018

(Expressed in Canadian dollars)

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When determining the allowance for estimated credit losses the Company will consider historical experience with the customer, current market and industry conditions and any specific collection issues. As at May 31, 2019 and 2018, the Company did not have any material overdue accounts.

#### *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Accounts payable and accrued liabilities are due within the current operating period. The Company's accounts payable and accrued liabilities and convertible debt as due within the next operating period, except that convertible debt may be converted to common shares at the option of the holders prior to the maturity date. The Company's long-term debt is classified as a current liability as at May 31, 2019 because the Company is not in compliance with a financial covenant. The Company manages its liquidity risk through its operating budgets and financing activities.

#### *Interest Rate Risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk from its secured loans and convertible debentures. The Company's interest rates on these loans are fixed and the sensitivity of the Company's loss before tax to a reasonably possible change in market interest rates is considered minimal.

#### *Other Market Risk*

Other market risk that the Company is exposed to includes currency risk. Currency risk is the risk of loss due to fluctuation of foreign exchange rates and the effects of these fluctuations on foreign currency denominated monetary assets and liabilities. The Company is not exposed to significant currency risk as the parent entity and subsidiaries primarily transact in their functional currencies.

## **14. BUSINESS RISK FACTORS**

The Company is exposed to a number of "Risk Factors", which are summarized below:

- The Company is a development stage company with little operating history, a history of losses and the Company cannot assure profitability.
- Uncertainty about the Company's ability to continue as a going concern.
- The Company's actual financial position and results of operations may differ materially from the expectations of the Company's management.
- There are factors which may prevent the Company from the realization of growth targets. The Company is currently in the expansion from early development stage.
- The Company may face significant competition.
- The Company may be subject to additional regulatory burden resulting from its public listing on the CSE.
- There is no assurance that the Company will turn a profit or generate immediate revenues.
- The Company may not be able to effectively manage its growth and operations, which could materially and adversely affect its business.
- The Company may fail to successfully market and develop its brand.
- Failure to Innovate.
- The Company may be unable to adequately protect its proprietary and intellectual property rights.
- Intellectual Property Infringement.
- The Company may be forced to litigate to defend its intellectual property rights, or to defend against claims by third parties against the Company relating to intellectual property rights.
- The Company may become subject to litigation, which may have a material adverse effect on the Company's reputation, business, results from operations, and financial condition.
- Reliance on Third Party Software.
- Use of Open Source Software.

## AMPD HOLDINGS CORP.

### Management's Discussion and Analysis

For the years ended May 31, 2019 and 2018

(Expressed in Canadian dollars)

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- Disruption of Information Technology Systems.
- Dependence on Internet Infrastructure; Risk of System Failures, Security Risks and Rapid Technological Change.
- If the Company is unable to attract and retain key personnel, it may not be able to compete effectively in the technology, cloud storage/computing and gaming sectors.
- There is no assurance that the Company will secure strategic partnerships jurisdictions in which the Company considers important.
- Failure to successfully integrate acquired businesses, its products and other assets into the Company, or if integrated, failure to further the Company's business strategy, may result in the Company's inability to realize any benefit from such acquisition.
- The Company will be reliant on information technology systems and may be subject to damaging cyberattacks.
- The Company's officers and directors may be engaged in a range of business activities resulting in conflicts of interest.
- In certain circumstances, the Company's reputation could be damaged.
- No guarantee on the use of available funds by the Company.
- Risks Related to the Company's Securities.
- The Company does not anticipate paying dividends to common shareholders in the foreseeable future.
- Future sales of Common Shares by existing shareholders could reduce the market price of the Common Shares.

#### 15. DISCLOSURE OF OUTSTANDING SHARE DATA

As at May 31, 2019 and October 11, 2019, the Company's issued and outstanding common shares were:

	May 31, 2019	October 11, 2019
Common shares issued and outstanding	9,531,646	11,767,362

As at May 31, 2019 and October 11, 2019, the following common share purchase options and convertible instruments were issued and outstanding:

	Maximum potential common shares	
	May 31, 2019	October 11, 2019
Common share purchase options exercisable at \$0.001 per share	-	2,941,840
Special warrants potentially convertible to common shares	250,000	-
Common share purchase warrants exercisable at \$0.60 per share	-	250,000
Convertible debt - \$250,000 convertible to common shares at \$0.70 per share <sup>[1]</sup>	357,143	357,143
Convertible debt - \$120,000 convertible to common shares at \$0.70 per share <sup>[1]</sup>	171,429	171,429

*[1] Estimated maximum potential common shares excludes the effect of converting accrued interest payable*

# **AMPD HOLDINGS CORP.**

**Management's Discussion and Analysis**  
For the years ended May 31, 2018 and 2017



## **AMPD HOLDINGS CORP.**

### Management's Discussion and Analysis

For the years ended May 31, 2018 and 2017

(Expressed in Canadian dollars)

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#### **GENERAL**

The following is management's discussion and analysis ("MD&A") of AMPD Holdings Corp.'s ("AMPD" or the "Company") operating and financial results for the years ended May 31, 2018 and 2017, as well as information and expectations concerning the Company's outlook based on currently available information. This report is dated October 11, 2019.

This MD&A should be read in conjunction with the Company's audited consolidated financial statements for the years ended May 31, 2018 and 2017.

The audited consolidated financial statements of the Company for the years ended May 31, 2018 and 2017 were prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All inter-company balances and transactions have been eliminated. All amounts are expressed in Canadian dollars unless otherwise indicated.

Management is responsible for the preparation and integrity of the consolidated financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the consolidated financial statements and MD&A, is complete and reliable. The Company's Board of Directors follows recommended corporate governance guidelines to ensure transparency and accountability to shareholders.

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

#### **CAUTION REGARDING FORWARD-LOOKING INFORMATION**

This MD&A contains forward-looking information including the Company's future plans. The use of any of the words "target", "plans", "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. Such forward looking information, including but not limited to statements pertaining to Company's future plans and management's belief as to the Company's potential involve known and unknown risks, uncertainties and other factors which may cause the actual results of the Company and its operations to be materially different from estimated costs or results expressed or implied by such forward-looking statements. Forward looking information is based on management's expectations regarding future growth, results of operations, future capital and other expenditures (including the amount, nature and sources of funding for such expenditures), business prospects and opportunities. Forward looking information involves significant known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risks include, but are not limited to: the risks associated with the commercial viability of any technologies the Company is in the process of developing or deploying, delays or changes in plans with respect to any technologies, costs and expenses, the risk of foreign exchange rate fluctuations, risks associated with securing the necessary regulatory approvals and financing to proceed with any planned business venture, product development or deployment, and risks and uncertainties regarding the potential to economically scale and bring to profitability any of the Company's current or planned endeavors. Although the Company has attempted to take into account important factors that could cause actual costs or results to differ materially, there may be other factors that cause the results of the Company's business to not to be as anticipated, estimated or intended.

There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. See the Risk Management section of this MD&A for a further description of these risks. The forward-looking information included in this MD&A is expressly qualified in its entirety by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking information.

## **AMPD HOLDINGS CORP.**

Management's Discussion and Analysis

For the years ended May 31, 2018 and 2017

(Expressed in Canadian dollars)

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### **1. DESCRIPTION OF BUSINESS**

AMPD is an industry leading technology integrator providing hardware, software, hosting and support solutions to game developers and publishers as well as a range of other emerging sectors. AMPD has partnered with some of the top technology companies in the industry to provide customers with the advanced Cloud and IT Infrastructure solutions

AMPD was formed on April 8, 2015 under the British Columbia Corporations Act and its wholly owned subsidiary company, AMPD Game Technologies US Inc. ("AMPD US"), was incorporated on May 15, 2017 under the Secretary of State of Washington.

The founders of AMPD have been architecting high-performance computing ("HPC") infrastructure for nearly two decades. At their previous company, Seven Group, the team initially applied their expertise to solutions for banks, governments and academia, and subsequently focused on building out technology infrastructure for digital media companies.

AMPD continues to address the needs of these sectors, and is also applying high-performance computing principles to the low-latency requirements of multiplayer video game publishing, as well as the intense computation requirements of digital media production and distribution, where massive amounts of high-performance computing resources are required for the development, rendering and distribution of products. As gaming continues to transition from the basement to the sports arena, AMPD intends to increase its focus on providing infrastructure for latency-sensitive eSports games across North America and Europe.

### **2. SUMMARY OF KEY EVENTS AND FUTURE PLANS**

AMPD intends to complete a transaction and financing which will allow the Company to continue to expand its operations. See Item 11 "Proposed Transaction" below.

The Company has the following projects which it is currently developing and which will require additional funds to complete but which have not yet generated significant revenues:

#### *Canada's Digital Technology Supercluster*

The Company is a founding member of Canada's Digital Technology Supercluster, a business-led innovation consortium centred in Vancouver, British Columbia. The Supercluster aims to position Canada as a global leader in digital technologies by bringing together small, medium-sized and large companies, post-secondary institutions, research organizations and not-for-profits. Canada's Digital Technology Supercluster manages the investments provided by the Government of Canada and the public and private organizations which constitute its membership.

As at the date of this MD&A, the Company has signed the first major Supercluster master project agreement for a 'Digital Twinning Project' and is participating in three additional Supercluster proposals that have passed the full project proposal stage.

#### *AMPD Data Centers*

The Company intends to operate AMPD Data Centres in urban locations across North America and Europe. AMPD Data Centres are intended to host customers in each location requiring low connection latency which can be achieved through proximity to the large urban population base.

As at the date of this MD&A, the first AMPD Data Centre, DC1, is currently operational at 1540 West 2nd Avenue, Vancouver, B.C. AMPD is currently working in conjunction with Hynes Developments on the early phases of a second AMPD Data Centre at 1502 West 2nd Avenue, Vancouver, B.C., and a third AMPD Data Centre at Capilano University in North Vancouver, B.C. In each case, it is anticipated that the buildings will be owned by Hynes Developments, with the data centre spaces being leased and managed by the Company.

**AMPD HOLDINGS CORP.**

## Management's Discussion and Analysis

For the years ended May 31, 2018 and 2017

(Expressed in Canadian dollars)

**3. SELECTED ANNUAL INFORMATION**

Year ended May 31,	2018	2017	2016
Revenue	\$ 993,687	\$ 868,698	\$ 1,262,160
Operating expenses	595,335	332,528	234,413
Finance costs	24,030	-	-
Other income (expenses)	5,118	23,358	-
Net income (loss)	(465,527)	(225,780)	46,233
Loss per share, basic and fully diluted	(0.05)	(0.02)	0.00
Operating cash	71,934	122,171	149,946
Working capital (deficiency)	(260,340)	117,376	96,298
Total assets	124,848	178,709	171,403
Total long-term liabilities	-	-	-
Shareholders' equity (deficiency)	\$ (258,926)	\$ 120,518	\$ 96,298

The Company presently does not pay and does not anticipate paying any dividends on its common shares, as all available funds will be used to develop the Company's business for the foreseeable future. See Discussion of Operations below for a discussion of factors which have contributed to period to period variations.

**4. DISCUSSION OF OPERATIONS**

Following is a discussion of the Company's financial results for the twelve months ended May 31, 2018, compared to the same period in the prior fiscal year.

*Revenue*

	Year ended May 31		Variance from 2018 to 2017	
	2018	2017		
Hardware sales	\$ 673,771	\$ 593,828	\$ 79,943	13%
Software licensing fees	108,387	114,490	(6,103)	-5%
Hosting fees	209,636	98,92	110,715	112%
Support and other	1,893	61,459	(59,566)	-97%
<b>Total</b>	<b>\$ 993,687</b>	<b>\$ 868,698</b>	<b>\$ 124,989</b>	<b>14%</b>

Consolidated revenues for the year ended May 31, 2018 increased by \$124,989 compared to the prior year. The increase in revenues can be attributed to an increase in hardware sales and hosting fees, \$79,943 and \$110,715, respectively, offset by decline in software and support. These increases are primarily due to increased sales activities in the Company's preferred segments while maintaining its current customer base.

*Revenues and Cost of Sales*

	Year ended May 31		Variance from 2018 to 2017	
	2018	2017		
Revenue	\$ 993,687	\$ 868,698	\$ 124,989	14%
Cost of sales	852,776	785,308	67,468	9%
<b>Gross profit</b>	<b>\$ 140,911</b>	<b>\$ 83,390</b>	<b>\$ 57,521</b>	<b>69%</b>

Gross profit for the year ended May 31, 2018 increased by 69% compared to the prior year, primarily due to the increase in hosting fees earned during the current year.

**AMPD HOLDINGS CORP.**

## Management's Discussion and Analysis

For the years ended May 31, 2018 and 2017

(Expressed in Canadian dollars)

*Revenue by geographic region*

	Year ended May 31		Variance from 2018 to 2017	
	2018	2017		
Canada	\$ 984,527	\$ 595,852	\$ 388,675	65%
United States	9,160	272,846	(263,686)	-97%
Total	\$ 993,687	\$ 868,698	\$ 124,989	14%

During the year ended May 31, 2018, total revenues in Canada increased by \$388,675 compared to revenues in Canada during the year ended May 31, 2017. The increase is mainly due to an increase in overall sales activities. During the year ended May 31, 2018, total revenues in the United States decreased by \$263,686 which can be attributed to the loss of a US-based customer and the Company's focus on sales activities in Canada.

*Selling and Marketing*

	Year ended May 31		Variance from 2018 to 2017	
	2018	2017		
Advertising and promotion	\$ 3,236	\$ 14,332	\$ (11,096)	-77%
Travel and entertainment	21,536	46,162	(24,626)	-53%
Total	\$ 24,772	\$ 60,494	\$ (35,722)	-59%

During the year ended May 31, 2018, selling and marketing expenses decreased by \$35,772 compared to the prior year. The decline can be attributed to cash constraints and the Company preparing for a new marketing campaign related to future prospectus.

*Operating, General and Administrative ("G&A") Expenses*

	Year ended May 31		Variance from 2018 to 2017	
	2018	2017		
Amortization	\$ 1,728	\$ 1,192	\$ 536	45%
Bad debts	-	1,049	(1,049)	-100%
Bank charges	5,142	2,435	2,707	111%
Consulting fees	298,000	225,153	72,847	32%
Dues and subscriptions	44,006	-	44,006	100%
Insurance	3,384	-	3,384	100%
Office and miscellaneous	21,065	5,915	15,150	256%
Professional fees	110,988	36,290	74,698	206%
Share based payments	86,250	-	86,250	100%
Total G&A expenses	\$ 570,563	\$ 272,034	\$ 298,529	110%

During the year ended May 31, 2018, G&A expenses increased by 110% or by \$298,529 to \$570,563 from \$272,034 during the prior year. The increase in G&A expenses is primarily due to an increase in compensation to the Company's key personnel through consulting fees and share-based compensation, an increase in dues and subscriptions related to the Company's membership in Canada's Digital Technology Supercluster, and professional fees for audit, tax and related services which were not required in the prior year.

The Company's consulting fees consist of amounts paid to its key management personnel for management services during the year ended May 31, 2018 of \$234,000 (2017 - \$175,000) (see Item 9 "Related Party Transactions") and payments for other services related to its operations which are provided to the Company under contract as the Company does not currently have employees.

**AMPD HOLDINGS CORP.**

## Management's Discussion and Analysis

For the years ended May 31, 2018 and 2017

(Expressed in Canadian dollars)

*Interest and financing costs*

	Year ended May 31		Variance from 2018 to 2017	
	2018	2017		
Interest expense	\$ 24,030	\$ -	\$ 24,030	100%
Total	\$ 24,030	\$ -	\$ 24,030	100%

Interest and financing costs for the year ended May 31, 2018 increased by \$24,030 from \$nil during the prior year. The increase is due to the Company entering into a three-year, \$200,000 non-revolving credit facility during the year ended May 31, 2018.

*Net Loss*

	Year ended May 31		Variance from 2018 to 2017	
	2018	2017		
Net Loss from operations	\$ 454,424	\$ 249,138	\$ 205,286	82%
Net Loss	465,527	225,780	239,747	106%
Net comprehensive loss	465,694	225,780	239,914	106%
Net Loss per share	\$ 0.05	\$ 0.02	\$ 0.03	150%
Basic and diluted weighted average number of shares outstanding	9,909,989	9,747,945		

Loss from operations during the year ended May 31, 2018 increased by \$205,286 or 82% to \$454,424 from a loss of \$249,138 in the prior year. The increase is mainly due to increase in consulting fees paid to AMPD's key personnel and share-based payments as well as dues and subscriptions, professional fees and other general and administrative costs. Net loss and other net comprehensive loss during the year ended May 31, 2018 increased by \$239,747 and \$239,914, respectively, due to operations as well as interest associated with the credit facility as noted above.

**5. SUMMARY OF QUARTERLY RESULTS**

The following table presents unaudited selected consolidated financial information for each of the previous eight quarters.

Quarter ended	May 31, 2018	Feb 28, 2018	Nov 30, 2017	Aug 31, 2017
Revenues	\$ 350,667	\$ 220,702	\$ 295,690	\$ 126,628
Operating expenses	308,550	94,691	104,637	87,457
Net Loss from operations	(259,309)	(58,697)	(66,573)	(69,845)
Net loss	(272,399)	(60,073)	(74,478)	(58,577)
Net loss per share	\$ (0.02)	\$ (0.01)	\$ (0.01)	\$ (0.01)

Quarter ended	May 31, 2017	Feb 28, 2017	Nov 30, 2016	Aug 31, 2016
Revenues	\$ 224,250	\$ 357,488	\$ 177,876	\$ 109,084
Operating expenses	102,744	132,978	31,555	65,251
Net income (loss) from operations	(114,285)	(79,985)	10,356	(65,224)
Net income (loss)	(114,317)	(79,644)	10,356	(42,175)
Net loss per share	\$ (0.01)	\$ (0.01)	\$ 0.00	\$ (0.00)

The Company's revenues have generally increased on a quarterly basis due to the acquisition of new customers during the Company's initial operating phase since incorporation and the Company's increase in sales activities. Individual sales to the Company's major customers may represent a significant portion of the Company's revenues in a quarter and the timing of closing these sales may cause variation in revenues from quarter to quarter. The Company intends to continue to expand its services which generate recurring revenue in the form of monthly fees for multi-year contracts or utilization-based billing which it expects will smooth variations in quarterly revenues.

## **AMPD HOLDINGS CORP.**

### Management's Discussion and Analysis

For the years ended May 31, 2018 and 2017

(Expressed in Canadian dollars)

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#### **6. LIQUIDITY**

As at May 31, 2018, the Company had a working capital deficit of \$260,340. This was a decrease of \$377,716 over the working capital surplus of \$117,376 as at May 31, 2017. The decrease in working capital is primarily due to the Company's ongoing expansion activity and the Company expects to continue to operate at deficit for the next year.

The Company experiences significant fluctuations in liquidity due to the timing of sales to major customers whereas operating expenses are generally incurred evenly throughout the fiscal year. All of the Company's liabilities are due within the current year. The Company does not have significant levels of inventory or constraints on its working capital other than regular operating expenses.

The Company is in the process of completing an investment round (see "Proposed Transaction" below) that would provide it with capital to meet current obligations and finance future operations and would allow it to scale its ability to identify and execute new deals. AMPD intends to do this in parallel with expanding its effective reach to a global audience while expanding its product portfolio.

#### **7. CAPITAL RESOURCES**

The Company expects to acquire capital resources to expand operations through the completion of the Proposed Transactions as described below.

Additional sources of financing and share issues are as follows:

During the year ended May 31, 2018, the Company entered into a \$200,000 credit facility bearing 16% interest and maturing October 13, 2020. The Company is required to meet certain covenants imposed by the lender which includes a financial covenant to maintain a minimum net worth, defined as its share capital plus retained earnings. As at May 31, 2018, the Company was not in compliance with this financial covenant and accordingly the balance of the loan has been classified as a current liability on the statement of financial position.

Subsequent to May 31, 2018, the Company arranged the following sources of financing:

- (a) On August 29, 2018, the Company issued a \$250,000 unsecured convertible promissory note to one of its principal shareholders who is also an officer and director of the Company. The note bears interest at 12% per annum, compounded monthly in arrears, matures on August 29, 2021, and is convertible to common shares at any time at the option of the holder at a conversion price of \$0.79 per common share. On May 1, 2019, the Company amended the maturity date of the note to May 1, 2020 and the conversion price to \$0.70 per common share.
- (b) On October 5, 2018, the Company issued 31,646 common shares at \$0.79 per common share for gross proceeds of \$25,000.
- (c) On May 1, 2019, the Company issued a \$120,000 unsecured convertible loan to an unrelated party. The note bears interest at 12% per annum, compounded monthly in arrears, matures on May 1, 2020, and is convertible to common shares at any time at the option of the holder at a conversion price of \$0.70 per common share.
- (d) On June 1, 2019, the Company issued 964,287 common shares to an officer of the Company and 321,429 common shares to a consultant as employment sign-on incentives at a price of \$0.001 per share for gross proceeds of \$1,286.
- (e) On June 1, 2019, the Company issued 100,000 common shares at a deemed value of \$0.50 per share for consulting services.
- (f) On July 1, 2019, the Company entered into an asset purchase agreement for the purchase of computing equipment. The Company issued 350,000 common shares at a deemed value of \$0.50 per share for a purchase price of \$175,000 as consideration for the purchase of the equipment.
- (g) On July 30, 2019 the Company received a secured loan from AMPD Ventures Inc. in the amount of \$100,000 at an interest rate of 8% per year, compounded annually, and maturing on the date that is the earlier of the listing of the Common Shares of AMPD Ventures Inc. on a recognized Canadian securities exchange, or December 31, 2019.

## AMPD HOLDINGS CORP.

### Management's Discussion and Analysis

For the years ended May 31, 2018 and 2017

(Expressed in Canadian dollars)

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## 8. OFF-BALANCE SHEET AND OTHER ARRANGEMENTS

During the year ended May 31, 2017, the Company issued 500,000 royalty units at \$0.50 per unit for gross proceeds of \$250,000. Each royalty unit is comprised of one common share and one non-transferrable special warrant. Holders of the special warrants are entitled to receive a pro-rata share of 0.83% of the Company's annualized gross sales, to a maximum of 80% of net profit for that year, so long as the Company maintains a positive annual EBITDA. Once holders of the special warrants have received an amount equal to the aggregate purchase price of the royalty units, the Company may at its sole discretion convert each special warrant to one-half of one share purchase warrant. Each whole share purchase warrant issued on conversion of the special warrants will entitle the holder to purchase one common share at \$0.60 per share for a period of 12 months following conversion.

Following conversion of the special warrants, provided that the Company maintains a positive annual EBTIDA and receives board of director approval, the Company will pay to all holders of common shares an annual dividend of no less than 5% of the Company's annualized gross sales in excess of \$5 million.

In connection with the Proposed Transaction (Item 11), the Company replaced the outstanding special warrants with 250,000 common share purchase warrants exercisable at \$0.60 per share once the holders of the previous special warrants have received royalty payments equal to the purchase price of the royalty units under the same conditions as set out above.

## 9. RELATED PARTY TRANSACTIONS

During the year ended May 31, 2018, the Company paid consulting fees for management services provided by key management personnel of \$234,000 and recorded share-based compensation for stock options granted to key management personnel of \$43,125 as follows:

2018	President	Chief Executive Officer	Chief Operating Officer	Chief Strategy Officer	Total
Consulting fees	\$ 70,000	\$ 62,000	\$ 62,000	\$ 40,000	\$ 234,000
Share-based compensation	-	-	-	43,125	43,125

During the year ended May 31, 2017, the Company paid consulting fees for management services provided by key management personnel of \$175,000 as follows:

2017	President	Chief Executive Officer	Chief Operating Officer	Chief Strategy Officer	Total
Consulting fees	\$ 48,000	\$ 46,000	\$ 46,000	\$ 35,000	\$ 175,000

## 10. FOURTH QUARTER

The Company experienced increased revenues during the fourth quarter of fiscal 2018, which were offset by share-based compensation, an increase in dues in subscriptions related to the Company's membership in Canada's Digital Technology Supercluster and amounts accrued for professional fees for services related to the 2018 fiscal year.

## 11. PROPOSED TRANSACTION

On July 15, 2019, the Company entered into a Share Exchange Agreement (the "Transaction") whereby AMPD Ventures Inc. (formerly E-Gaming Ventures Corp.) ("AMPD Ventures") will acquire all of the Company's issued and outstanding shares in exchange for issuing 20 million common shares of AMPD Ventures at a deemed value of \$0.35 per share. As a result of the Transaction, the former shareholders of the Company will hold approximately 53.85% of the shares of the resulting entity and the Transaction will be accounted for as a reverse acquisition of a non-operating entity with the Company identified as the acquirer and the continuing entity for accounting purposes. Completion of the Transaction is subject to shareholder and

## **AMPD HOLDINGS CORP.**

### Management's Discussion and Analysis

For the years ended May 31, 2018 and 2017

(Expressed in Canadian dollars)

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regulatory approval. AMPD Ventures intends to obtain a listing on the Canadian Securities Exchange in connection with the Transaction.

The Company intends to use the capital raised to expand its sales reach and product portfolio. This initial expansion will increase AMPD's operating deficit in the short- to medium-term. The company also intends to use these proceeds to acquire a cloud technology company and expand its data centers to accelerate these plans.

## **12. CHANGES IN ACCOUNTING POLICIES**

### *Adoption of International Financial Reporting Standards*

The Company previously prepared its annual financial statements in accordance with Canadian Accounting Standards for Private Enterprises ("ASPE").

The Company adopted International Financial Reporting Standards ("IFRS") with an effective date and transition date of June 1, 2016. Under IFRS 1 First-time Adoption of International Financial Reporting Standards the IFRS are applied retrospectively at the transition date with all adjustments to assets and liabilities included in retained earnings unless certain exemptions are applied. None of the exemptions which could be applied on the transition to IFRS were applicable to the Company.

The Company also early-adopted IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with customers and applied those standards on the date of adoption of IFRS.

On conversion from ASPE to IFRS there were no significant changes that required adjustments to the Company's financial statements as at June 1, 2016 and for the year ending May 31, 2017.

## **13. FINANCIAL INSTRUMENT RISKS**

The Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, and long-term debt. These financial instruments are exposed to certain risks, including credit risk, interest rate risk, liquidity risk and other market risk.

### *Credit Risk*

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held through large Canadian financial institutions. The Company considers credit risk on its cash to be minimal.

The Company's receivables consist of Goods and Services Tax due from the Federal Government of Canada and amounts receivable from customers. The Company's maximum exposure to credit risk as at May 31, 2018 is \$37,055 (May 31, 2017 - \$51,049), representing accounts receivable.

For amounts due from customers, the Company performs ongoing credit evaluations of its customers and monitors the receivable balance and the payments made in order to determine if an allowance for estimated credit losses is required.

When determining the allowance for estimated credit losses the Company will consider historical experience with the customer, current market and industry conditions and any specific collection issues. As at May 31, 2018, \$2,090 of customer receivables are past due (May 31, 2017 - \$nil).

As of the date of this Management Discussion and Analysis all of the customer receivables outstanding as at May 31, 2018 were received.

### *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due.



## **AMPD HOLDINGS CORP.**

### Management's Discussion and Analysis

For the years ended May 31, 2018 and 2017

(Expressed in Canadian dollars)

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Accounts payable and accrued liabilities are due within the current operating period. The Company's long-term debt is classified as a current liability as at May 31, 2018 due to the Company not being in compliance with a financial covenant of the loan. The Company manages its liquidity risk through its operating budgets and financing activities.

#### *Interest Rate Risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk from its secured loans and convertible debentures. As the interest rate on the Company's long-term debt is fixed, the sensitivity of the Company's loss before tax to a reasonably possible change in interest rates is minimal.

#### *Other Market Risk*

Other market risk that the Company is exposed to includes currency risk. Currency risk is the risk of loss due to fluctuation of foreign exchange rates and the effects of these fluctuations on foreign currency denominated monetary assets and liabilities. The Company is not exposed to significant currency risk as the parent entity and subsidiaries primarily transact in their functional currencies.

## **14. BUSINESS RISK FACTORS**

The Company is exposed to a number of "Risk Factors", which are summarized below:

- The Company is a development stage company with little operating history, a history of losses and the Company cannot assure profitability.
- Uncertainty about the Company's ability to continue as a going concern.
- The Company has negative cash flow for the year ended May 31, 2018.
- The Company's actual financial position and results of operations may differ materially from the expectations of the Company's management.
- There are factors which may prevent the Company from the realization of growth targets. The Company is currently in the expansion from early development stage.
- The Company may face significant competition.
- The Company may be subject to additional regulatory burden resulting from its public listing on the CSE.
- There is no assurance that the Company will turn a profit or generate immediate revenues.
- The Company may not be able to effectively manage its growth and operations, which could materially and adversely affect its business.
- The Company may fail to successfully market and develop its brand.
- Failure to Innovate
- The Company may be unable to adequately protect its proprietary and intellectual property rights
- The Company may be unable to adequately protect its proprietary and intellectual property rights
- Intellectual Property Infringement  
The Company may be forced to litigate to defend its intellectual property rights, or to defend against claims by third parties against the Company relating to intellectual property rights.
- The Company may become subject to litigation, which may have a material adverse effect on the Company's reputation, business, results from operations, and financial condition.
- Reliance on Third Party Software.
- Use of Open Source Software
- Disruption of Information Technology Systems.
- Dependence on Internet Infrastructure; Risk of System Failures, Security Risks and Rapid Technological Change.
- If the Company is unable to attract and retain key personnel, it may not be able to compete effectively in the technology, cloud storage/computing and gaming sectors.
- There is no assurance that the Company will secure strategic partnerships jurisdictions in which the Company considers important.

## AMPD HOLDINGS CORP.

### Management's Discussion and Analysis

For the years ended May 31, 2018 and 2017

(Expressed in Canadian dollars)

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- Failure to successfully integrate acquired businesses, its products and other assets into the Company, or if integrated, failure to further the Company's business strategy, may result in the Company's inability to realize any benefit from such acquisition.
- The Company will be reliant on information technology systems and may be subject to damaging cyberattacks.
- The Company's officers and directors may be engaged in a range of business activities resulting in conflicts of interest.
- In certain circumstances, the Company's reputation could be damaged.
- No guarantee on the use of available funds by the Company.
- Risks Related to the Company's Securities.
- The Company does not anticipate paying dividends to common shareholders in the foreseeable future.
- Future sales of Common Shares by existing shareholders could reduce the market price of the Common Shares.

#### 15. DISCLOSURE OF OUTSTANDING SHARE DATA

As at May 31, 2018 and October 11, 2019, the Company's issued and outstanding common shares were:

	May 31, 2018	October 11, 2019
Common shares issued and outstanding	9,500,000	11,767,362

As at May 31, 2018 and October 11, 2019, the following common share purchase options and convertible instruments were issued and outstanding:

	Maximum potential common shares	
	May 31, 2018	October 11, 2019
Common share purchase options exercisable at \$0.25 per share	1,000,000	-
Common share purchase options exercisable at \$0.001 per share	-	2,941,840
Special warrants potentially convertible to common shares	250,000	-
Common share purchase warrants exercisable at \$0.60 per share	-	250,000
Convertible debt - \$250,000 convertible to common shares at \$0.70 per share <sup>[1]</sup>	-	357,143
Convertible debt - \$120,000 convertible to common shares at \$0.70 per share <sup>[1]</sup>	-	171,429

*[1] Estimated maximum potential common shares excludes the effect of converting accrued interest payable*

**SCHEDULE "E"**

AMPD VENTURES INC. (FORMERLY E-GAMING VENTURES CORP.) AND AMPD HOLDINGS CORP.  
PRO FORMA FINANCIAL STATEMENTS AS AT MAY 31, 2019

**AMPD VENTURES INC.**

Pro Forma Consolidated Financial Statements

May 31, 2019

(Unaudited)

(Expressed in Canadian dollars)

**AMPD Ventures Inc.**  
**Pro Forma Consolidated Statement of Financial Position**  
**May 31, 2019**  
**(Unaudited)**  
**(Expressed in Canadian dollars)**

	AMPD Holdings Corp. May 31, 2019	AMPD Ventures Inc. May 31, 2019	Note 3	Pro Forma Adjustments	Pro Forma Consolidated
<b>ASSETS</b>					
<b>CURRENT</b>					
Cash	\$ 106,176	\$ 2,842,286	(a) (c) (j)	\$ 132,876 1,286 (209,000)	\$ 2,873,624
Accounts receivable	34,423	-		-	34,423
Prepaid expenses	200	-		-	200
Inventory	-	-		-	-
	140,799	2,842,286		(74,838)	2,908,247
<b>Equipment</b>	1,010	-	(d)	175,000	176,010
	\$ 141,809	\$ 2,842,286		\$ 100,162	\$ 3,084,257
<b>LIABILITIES</b>					
<b>CURRENT</b>					
Accounts payable and accrued liabilities	\$ 361,611	\$ 88,876	(b)	5	\$ 450,492
Due to related party	-	1,074		-	1,074
Convertible debt	379,515	-		-	379,515
Subscription receipts	-	47,250	(a)	(47,250)	-
Current portion of long term debt	153,467	-		-	153,467
	894,593	137,200		(47,245)	984,548
<b>SHAREHOLDERS' EQUITY</b>					
Share capital	325,086	129,706	(b) (c) (d) (e) (i) (i)	(5) 642,858 175,000 50,000 (129,706) 5,998,629	7,191,568
Special warrants	-	2,710,375	(a) (i)	178,475 (2,888,850)	-
Share option reserve	172,615	-	(g)	1,590,182	1,762,797
Share warrant reserve	-	25,087	(a)	1,651	26,738
Foreign currency translation adjustment	(7)	-		-	(7)
Deficit	(1,250,478)	(160,082)	(c) (e) (g) (i) (i) (j)	(641,572) (50,000) (1,590,182) 160,082 (3,140,155) (209,000)	(6,881,387)
	(752,784)	2,705,086		147,407	2,099,709
	\$ 141,809	\$ 2,842,286		\$ 100,162	\$ 3,084,257

**AMPD Ventures Inc.**  
**Pro Forma Consolidated Statement of Loss and Comprehensive Loss**  
**For the period ended May 31, 2019**  
**(Unaudited)**  
**(Expressed in Canadian dollars)**

	AMPD Holdings Corp. Year ended May 31, 2019	AMPD Ventures Inc. From incorporation on June 27, 2018 to May 31, 2019	Note 3	Pro Forma Adjustments	Pro Forma Consolidated
<b>SALES</b>	\$ 1,343,082	\$ -		\$ -	\$ 1,343,082
<b>COST OF SALES</b>	1,202,965	-		-	1,202,965
	140,117	-		-	140,117
<b>EXPENSES</b>					
Advertising and promotion	18,593	3,402		-	21,995
Amortization	919	-		-	919
Bank charges	6,664	-		-	6,664
Consulting fees	303,432	-		-	303,432
Dues and subscriptions	159,676	-		-	159,676
Insurance	7,121	-		-	7,121
Office and miscellaneous	26,475	14,905		-	41,380
Professional fees	51,960	121,355		-	173,315
Share based payments	53,750	-	(c)	641,572	2,335,504
			(e)	50,000	
			(g)	1,590,182	
Travel and entertainment	36,895	20,420		-	57,315
	665,485	160,082		2,281,754	3,107,321
<b>OPERATING LOSS</b>	(525,368)	(160,082)		(2,281,754)	(2,967,204)
<b>FINANCE COSTS</b>					
Interest expense	(63,202)	-		-	(63,202)
Loss on loan modification	(13,318)	-		-	(13,318)
<b>OTHER INCOME (EXPENSES)</b>					
Reverse acquisition transaction costs	-	-	(i)	(3,140,155)	(3,349,155)
			(j)	(209,000)	
Other income	396	-		-	
Foreign exchange losses	(3,891)	-		-	(3,891)
<b>NET LOSS AND COMPREHENSIVE LOSS</b>	\$ (605,383)	\$ (160,082)		\$ (5,630,909)	\$ (6,396,770)
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING</b>	9,511,011	2,341,213			37,138,940
<b>BASIC AND DILUTED LOSS PER SHARE</b>	(\$0.06)	(\$0.07)			(\$0.17)

# **AMPD VENTURES INC.**

## **Notes to the Pro Forma Consolidated Financial Statements**

**May 31, 2019**

(Expressed in Canadian dollars)

(Unaudited)

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### **1. BASIS OF PREPARATION**

The accompanying unaudited pro forma consolidated financial statements of AMPD Ventures Inc. (“AMPD”) (formerly E-Gaming Ventures Corp.) have been prepared by management for inclusion in the long-form preliminary prospectus of AMPD dated July 31, 2019, after giving effect to the acquisition of all of the issued and outstanding common shares of AMPD Holdings Corp. (“AMPD Holdings”) by AMPD in a share exchange transaction (the “Transaction”).

As a result of the Transaction, the former shareholders of AMPD Holdings will own approximately 53.85% of the issued and outstanding shares of AMPD. The substance of the transaction is a reverse acquisition of a non-operating company. The Transaction does not constitute a business combination as AMPD does not meet the definition of a business prior to the Transaction under International Financial Reporting Standard 3 *Business Combinations*. As a result, the Transaction is accounted for as a capital transaction where 1) AMPD Holdings is identified as the acquirer for accounting purposes; 2) equity consideration consisting of common shares and common share purchase warrants is deemed to have been issued to the equity holders of AMPD, measured at fair value; and 3) the resulting consolidated financial statements are reported as a continuance of AMPD Holdings.

These unaudited pro forma consolidated financial statements have been compiled from and include the audited financial statements of AMPD for the period from incorporation on June 27, 2018 to February 28, 2019, the unaudited interim financial statements of AMPD for the period from March 1, 2019 to May 31, 2019, and the audited consolidated financial statements of AMPD Holdings for the year ended May 31, 2019, each prepared in accordance with International Financial Reporting Standards (“IFRS”). The unaudited pro forma consolidated financial statements are prepared as if the Transaction had occurred as of May 31, 2019 for the purposes of the unaudited pro forma statement of financial position, and as of the beginning of the period presented for the purposes of the unaudited pro forma statement of loss and comprehensive loss. It is management’s opinion that these unaudited pro forma consolidated financial statements include all of the adjustments necessary for the fair presentation of the Transaction, as described in Note 3, in accordance with IFRS.

The unaudited pro forma consolidated financial statements are not intended to reflect the results of operations or the financial position of AMPD which would have actually resulted had the Transaction been effected on the dates indicated. Further, the unaudited pro forma consolidated financial statements are not necessarily indicative of the results of operations that may be obtained in the future. Actual amounts recorded once the Transaction is completed are likely to differ from those recorded in the unaudited pro forma consolidated financial statements. In addition, the impact of integration activities, the timing of completion of the Transaction and other changes in the net tangible and intangible assets prior to the completion of the Transaction which have not been incorporated into these unaudited pro forma financial statements could cause material differences in the information presented.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

The unaudited pro forma consolidated financial statements have been compiled using the significant accounting policies as set out in the audited consolidated financial statements of AMPD Holdings for the years ended May 31, 2019 and 2018 and should be read in conjunction with the historical financial statements and notes thereto of AMPD Holdings. In preparing the unaudited pro forma consolidated financial information, consideration was given to identifying accounting policy differences between AMPD and AMPD Holdings. No accounting policy differences where the impact was potentially material and could reasonably be estimated were identified.

# AMPD VENTURES INC.

## Notes to the Pro Forma Consolidated Financial Statements

May 31, 2019

(Expressed in Canadian dollars)

(Unaudited)

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### 3. PRO FORMA ADJUSTMENTS AND ASSUMPTIONS

- (a) AMPD issues 531,986 special warrants at a price of \$0.35 per special warrant and recognizes related issue costs of \$6,070 and the issue of 17,342 agent's warrants exercisable at \$0.35 per common share for a period of one year from the date that AMPD's common shares are listed for trading on a national Canadian securities exchange.
- (b) AMPD Holdings rescinds the repurchase of 500,000 common shares issued to a director and officer for consideration of \$5.
- (c) AMPD Holdings issues 1,285,716 common shares at a subscription price of \$0.001 per share for gross proceeds of \$1,286. The common shares are issued as employment sign-on incentives and recorded as share-based payments with a fair value of \$0.50 per share.
- (d) AMPD Holdings issues 350,000 common shares pursuant to an asset exchange agreement for the acquisition of computer equipment. The fair value assigned to the assets acquired is \$175,000, estimated on the basis of the deemed value of the common shares of AMPD Holdings of \$0.50 per share.
- (e) AMPD Holdings issues 100,000 common shares to a consultant as compensation for services rendered. The fair value of the consulting services received is \$50,000, estimated on the basis of the deemed value of the common shares of AMPD Holdings of \$0.50 per share.
- (f) AMPD Holdings cancels 1,000,000 fully vested issued and outstanding common share purchase options which were exercisable at a price of \$0.25 per share and expired March 27, 2024.
- (g) AMPD Holdings issues 2,941,840 common share purchase options with an exercise price of \$0.001 to certain directors and officers. The options are subject to the following vesting conditions and expiry dates:
- 1,765,104 vest immediately and expire in 5 years;
  - 294,184 vest any time after AMPD Holdings generates not less than \$750,000 in total revenues in a single fiscal year, and expire in 2 years;
  - 294,184 vest any time after AMPD Holdings generates not less than \$1.5 million in total revenues in a single fiscal year, and expire in 3 years;
  - 294,184 vest any time after AMPD Holdings generates not less than \$4 million in total revenues in a single fiscal year, and expire in 5 years; and
  - 294,184 vest any time after AMPD Holdings closes a single recurring revenue deal in which the aggregate top-line value exceeds \$2 million, and expire in 5 years.

Vesting is not conditional on the directors and officers remaining engaged with AMPD Holdings and therefore the vesting conditions have been included in the determination of the fair value of the options. The aggregate fair value of the options is estimated at \$1,590,182 based on the estimated probability of achieving each vesting condition and the Black-Scholes option pricing model using the following weighted average inputs and assumptions: Share price - \$0.60; Exercise price - \$0.001; Expected share price volatility - 68%; Risk-free rate - 1.51%; Expected life - 4.5 years.

- (h) AMPD Holdings replaces its outstanding special warrants with 250,000 common share purchase warrants exercisable at a price of \$0.60 per share for a period of 12 months once the previous holders of the special warrants have received royalty payments under the same conditions as attached to the previous special warrants.



# AMPD VENTURES INC.

## Notes to the Pro Forma Consolidated Financial Statements

May 31, 2019

(Expressed in Canadian dollars)

(Unaudited)

### 3. PRO FORMA ADJUSTMENTS AND ASSUMPTIONS (continued)

- (i) The Transaction is accounted for as a capital transaction in which AMPD Holdings is being identified as the acquirer of AMPD for accounting purposes. The resulting entity is reported as continuation of AMPD Holdings. The deemed equity consideration that will be issued by AMPD Holdings as a result of the acquisition of AMPD is measured at fair value and consists of the following:
- 17,138,940 common shares (including the conversion of 8,638,840 AMPD special warrants to common shares). The fair value of the common shares is estimated on the basis of the subscription price of the special warrants issued by AMPD in connection with the Transaction at a price of \$0.35 per common share for a total value of \$5,998,629.
  - 279,591 agent's warrants exercisable at \$0.35 per common share for a period of one year from the date that AMPD's common shares are listed for trading on a national Canadian securities exchange. The agent's warrants are subject to a hold period expiring four months and one day from the date that AMPD becomes a reporting issuer. The fair value of the agent's warrants is estimated at \$26,738 using the Black-Scholes option pricing model and the following inputs and assumptions: Share price - \$0.35; Exercise price - \$0.35; Expected share price volatility – 68%; Risk-free rate - \$1.61%; Expected life – 1 year.

Based on AMPD's statement of financial position as at May 31, 2019, as adjusted by the pro-forma adjustment under (a) above, the identifiable net assets that will be deemed to be acquired by AMPD Holdings are as follows:

#### Fair value of consideration

17,138,940 common shares	\$ 5,998,629
279,591 agent's warrants	26,738
	<u>\$ 6,025,367</u>

#### Identifiable net assets acquired

Cash	\$ 2,975,162
Accounts payable	(88,876)
Due to related party	<u>(1,074)</u>
Identifiable net assets acquired	2,885,212

Reverse acquisition transaction costs	<u>3,140,155</u>
	<u>\$ 6,025,367</u>

- (j) Payment of the remaining costs of the Transaction consisting of professional fees and other fees associated with obtaining a listing on a Canadian securities exchange, estimated at \$209,000.
- (k) AMPD issues 900,000 common share purchase options with an exercise price of \$0.35 per share, exercisable for a period of 5 years following listing on a national Canadian securities exchange and expected to vest over a period of 36 months.

**AMPD VENTURES INC.**  
**Notes to the Pro Forma Consolidated Financial Statements**  
**May 31, 2019**  
(Expressed in Canadian dollars)  
(Unaudited)

**4. PRO FORMA SHARE CAPITAL CONTINUITY**

Authorized: Unlimited number of common shares without par value

Issued and Outstanding:

	Number of shares	Amount
<b>Common shares of AMPD Holdings issued and outstanding, May 31, 2019</b>	<b>9,531,646</b>	<b>\$ 325,086</b>
Issued to rescind repurchase of common shares (Note 3b)	500,000	(5)
Issued as employment sign-on incentives (Note 3c)	1,285,716	642,858
Issued pursuant to asset purchase agreement (Note 3d)	350,000	175,000
Issued to consultant (Note 3e)	100,000	50,000
<b>Common shares of AMPD Holdings issued and outstanding, immediately preceding the acquisition of AMPD</b>	<b>11,767,362</b>	<b>1,192,939</b>
Exchange of AMPD Holdings common shares for 20,000,000 AMPD common shares	(11,767,362) 20,000,000	- -
Deemed issue of common shares on acquisition of AMPD (Note 3i)	17,138,940	5,998,629
<b>Pro forma common shares of AMPD issued and outstanding immediately after the acquisition</b>	<b>37,138,940</b>	<b>\$ 7,191,568</b>

**5. PRO FORMA COMMON SHARE PURCHASE OPTIONS**

The following is the continuity of common share purchase options:

	Number of Options	Weighted Average Exercise Price
<b>Common share purchase options of AMPD Holdings issued and outstanding, May 31, 2019</b>	-	\$ -
Options issued to directors and officers (Note 3g)	2,941,840	0.001
<b>Common share purchase options of AMPD Holdings issued and outstanding, immediately preceding the acquisition of AMPD</b>	<b>2,941,840</b>	<b>0.001</b>
Exchange of AMPD Holdings common share purchase options for AMPD common share purchase options	(2,941,840) 5,000,000	(0.001) 0.0006
Additional common share purchase options issued by the resulting issuer to directors, officers and employees	900,000	0.3500
<b>Pro forma common share purchase options of AMPD issued and outstanding immediately after the acquisition</b>	<b>5,900,000</b>	<b>\$ 0.0539</b>

After the completion of the Transaction the following options to purchase common shares of AMPD will be issued and outstanding:

# AMPD VENTURES INC.

## Notes to the Pro Forma Consolidated Financial Statements

May 31, 2019

(Expressed in Canadian dollars)

(Unaudited)

### 5. PRO FORMA COMMON SHARE PURCHASE OPTIONS (continued)

Number of options	Exercise price	Expiry date	Vesting Condition	Number of options vested
3,000,000	\$0.0006	June 2 and July 2, 2024	None	3,000,000
500,000	\$0.0006	June 2 and July 2, 2021	Any time after AMPD generates total revenues of not less than \$750,000 in a single fiscal year	-
500,000	\$0.0006	June 2 and July 2, 2022	Any time after AMPD generates total revenues of not less than \$1.5 million in a single fiscal year	-
500,000	\$0.0006	June 2 and July 2, 2024	Any time after AMPD generates total revenues of not less than \$4 million in a single fiscal year	-
500,000	\$0.0006	June 2 and July 2, 2024	Any time after AMPD closes a single recurring revenue deal in which the aggregate top-line value exceeds \$2 million	-
900,000	\$0.35000	5 years from Listing	Vest over a period of 36 months	-

### 6. PRO FORMA COMMON SHARE PURCHASE WARRANTS

The following is the continuity of common share purchase warrants:

	Number of Warrants	Weighted Average Exercise Price
<b>Common share purchase warrants of AMPD Holdings issued and outstanding, May 31, 2019</b>	-	\$ -
Warrants issued to replace special warrants (Note 3h)	250,000	0.60
<b>Common share purchase warrants of AMPD Holdings issued and outstanding, immediately preceding the acquisition of AMPD</b>	<b>250,000</b>	<b>0.60</b>
Exchange of AMPD Holdings common share purchase warrants for AMPD common share purchase warrants	(250,000)	(0.60)
Deemed issue of common share purchase warrants on acquisition of AMPD (Note 3i)	424,900	0.35
	279,591	0.35
<b>Pro forma common share purchase warrants of AMPD issued and outstanding immediately after the acquisition</b>	<b>704,491</b>	<b>\$ 0.35</b>

After the completion of the Transaction the following warrants to purchase common shares of AMPD will be issued and outstanding:

Number of warrants	Exercise price	Expiry date and restrictions
424,900	\$0.35	Exercisable for 12 months after the payment by AMPD of royalty payments equal to the purchase price of royalty units issued during the year ended May 31, 2017.
279,591	\$0.35	One year from the date that AMPD's common shares are listed for trading on a national Canadian securities exchange or trading system

# **AMPD VENTURES INC.**

## **Notes to the Pro Forma Consolidated Financial Statements**

**May 31, 2019**

(Expressed in Canadian dollars)

(Unaudited)

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### **7. PRO FORMA EARNINGS PER SHARE**

The weighted average shares outstanding have been adjusted to reflect the additional shares resulting from the transactions described in Note 3, effective as at the beginning of the period presented in the pro forma consolidated statement of loss and comprehensive loss. Potential common shares from outstanding common share purchase options and warrants and other convertible securities have not been recognized in the calculation of diluted earnings per share as their effect would be anti-dilutive for the period presented in the pro forma consolidated statement of loss and comprehensive loss.

### **8. INCOME TAXES**

The pro forma effective income tax rate applicable to the consolidated operations is approximately 27% for the period ended May 31, 2019.

## SCCHEDULE “F”

### AMPD VENTURES INC. CHARTER OF THE AUDIT COMMITTEE

#### PURPOSE AND PRIMARY RESPONSIBILITY

1. This charter sets out the Audit Committee’s purpose, composition, member qualification, member appointment and removal, responsibilities, operations, manner of reporting to the Board of Directors (the “**Board**”) of AMPD Ventures Inc. (the “**Company**”), annual evaluation and compliance with this charter.

2. The primary responsibility of the Audit Committee is that of oversight of the financial reporting process on behalf of the Board. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk and financial management control, and oversight responsibility for compliance with tax and securities laws and regulations as well as whistle blowing procedures. The Audit Committee is also responsible for the other matters as set out in this charter and/or such other matters as may be directed by the Board from time to time. The Audit Committee should exercise continuous oversight of developments in these areas.

#### MEMBERSHIP

3. At least a majority of the Audit Committee must be comprised of independent directors of the Company as defined in sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), provided that should the Company become listed on a more senior exchange, each member of the Audit Committee will also satisfy the independence requirements of such exchange.

4. The Audit Committee will consist of at least two members, all of whom shall be financially literate, provided that an Audit Committee member who is not financially literate may be appointed to the Audit Committee if such member becomes financially literate within a reasonable period of time following his or her appointment. Upon graduating to a more senior stock exchange, if required under the rules or policies of such exchange, the Audit Committee will consist of at least three members, all of whom shall meet the experience and financial literacy requirements of such exchange and of NI 52-110.

5. The members of the Audit Committee will be appointed annually (and from time to time thereafter to fill vacancies on the Audit Committee) by the Board. An Audit Committee member may be removed or replaced at any time at the discretion of the Board and will cease to be a member of the Audit Committee on ceasing to be an independent director.

6. The Chair of the Audit Committee will be appointed by the Board.

#### AUTHORITY

7. In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:

- (i) engage, set and pay the compensation for independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities, and any such consultants or professional advisors so retained by the Audit Committee will report directly to the Audit Committee;
- (ii) communicate directly with management and any internal auditor, and with the external auditor without management involvement; and
- (iii) incur ordinary administrative expenses that are necessary or appropriate in carrying out its duties, which expenses will be paid for by the Company.

## DUTIES AND RESPONSIBILITIES

8. The duties and responsibilities of the Audit Committee include:
- (i) recommending to the Board the external auditor to be nominated by the Board;
  - (ii) recommending to the Board the compensation of the external auditor to be paid by the Company in connection with (i) preparing and issuing the audit report on the Company's financial statements, and (ii) performing other audit, review or attestation services;
  - (iii) reviewing the external auditor's annual audit plan, fee schedule and any related services proposals (including meeting with the external auditor to discuss any deviations from or changes to the original audit plan, as well as to ensure that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditor or the reporting of their findings to the Audit Committee);
  - (iv) overseeing the work of the external auditor;
  - (v) ensuring that the external auditor is independent by receiving a report annually from the external auditors with respect to their independence, such report to include disclosure of all engagements (and fees related thereto) for non-audit services provided to the Company;
  - (vi) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board by receiving, at least annually, a report by the external auditor on the audit firm's internal quality control processes and procedures, such report to include any material issues raised by the most recent internal quality control review, or peer review, of the firm, or any governmental or professional authorities of the firm within the preceding five years, and any steps taken to deal with such issues;
  - (vii) ensuring that the external auditor meets the rotation requirements for partners and staff assigned to the Company's annual audit by receiving a report annually from the external auditors setting out the status of each professional with respect to the appropriate regulatory rotation requirements and plans to transition new partners and staff onto the audit engagement as various audit team members' rotation periods expire;
  - (viii) reviewing and discussing with management and the external auditor the annual audited and quarterly unaudited financial statements and related Management Discussion and Analysis ("MD&A"), including the appropriateness of the Company's accounting policies, disclosures (including material transactions with related parties), reserves, key estimates and judgements (including changes or variations thereto) and obtaining reasonable assurance that the financial statements are presented fairly in accordance with IFRS and the MD&A is in compliance with appropriate regulatory requirements;
  - (ix) reviewing and discussing with management and the external auditor major issues regarding accounting principles and financial statement presentation including any significant changes in the selection or application of accounting principles to be observed in the preparation of the financial statements of the Company and its subsidiaries;
  - (x) reviewing and discussing with management and the external auditor the external auditor's written communications to the Audit Committee in accordance with generally accepted auditing standards and other applicable regulatory requirements arising from the annual audit and quarterly review engagements;
  - (xi) reviewing and discussing with management and the external auditor all earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies prior to such information being disclosed;
  - (xii) reviewing the external auditor's report to the shareholders on the Company's annual financial statements;

- (xiii) reporting on and recommending to the Board the approval of the annual financial statements and the external auditor's report on those financial statements, the quarterly unaudited financial statements, and the related MD&A and press releases for such financial statements, prior to the dissemination of these documents to shareholders, regulators, analysts and the public;
- (xiv) satisfying itself on a regular basis through reports from management and related reports, if any, from the external auditors, that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements that such information is fairly presented;
- (xv) overseeing the adequacy of the Company's system of internal accounting controls and obtaining from management and the external auditor summaries and recommendations for improvement of such internal controls and processes, together with reviewing management's remediation of identified weaknesses;
- (xvi) reviewing with management and the external auditors the integrity of disclosure controls and internal controls over financial reporting;
- (xvii) reviewing and monitoring the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company and assessing, as part of its internal controls responsibility, the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board;
- (xviii) satisfying itself that management has developed and implemented a system to ensure that the Company meets its continuous disclosure obligations through the receipt of regular reports from management and the Company's legal advisors on the functioning of the disclosure compliance system, (including any significant instances of non-compliance with such system) in order to satisfy itself that such system may be reasonably relied upon;
- (xix) resolving disputes between management and the external auditor regarding financial reporting;
- (xx) establishing procedures for:
  - 1. the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practises relating thereto; and
  - 2. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- (xxi) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;
- (xxii) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor;
- (xxiii) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities;
- (xxiv) establishing procedures for:
  - 3. reviewing the adequacy of the Company's insurance coverage, including the Directors' and Officers' insurance coverage;

4. reviewing activities, organizational structure, and qualifications of the Chief Financial Officer (“CFO”) and the staff in the financial reporting area and ensuring that matters related to succession planning within the Company are raised for consideration at the Board;
5. obtaining reasonable assurance as to the integrity of the Chief Executive Officer (“CEO”) and other senior management and that the CEO and other senior management strive to create a culture of integrity throughout the Company;
6. reviewing fraud prevention policies and programs, and monitoring their implementation;
7. reviewing regular reports from management and others (e.g., external auditors, legal counsel) with respect to the Company’s compliance with laws and regulations having a material impact on the financial statements including:
  - (I) Tax and financial reporting laws and regulations;
  - (II) Legal withholding requirements;
  - (III) Environmental protection laws and regulations; and
  - (IV) Other laws and regulations which expose directors to liability;

9. A regular part of Audit Committee meetings involves the appropriate orientation of new members as well as the continuous education of all members. Items to be discussed include specific business issues as well as new accounting and securities legislation that may impact the organization. The Chair of the Audit Committee will regularly canvass the Audit Committee members for continuous education needs and in conjunction with the Board education program, arrange for such education to be provided to the Audit Committee on a timely basis.

10. On an annual basis the Audit Committee shall review and assess the adequacy of this charter taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Company has a reporting relationship and, if appropriate, recommend changes to the Audit Committee charter to the Board for its approval.

## MEETINGS

11. The quorum for a meeting of the Audit Committee is a majority of the members of the Audit Committee.

12. The Chair of the Audit Committee shall be responsible for leadership of the Audit Committee, including scheduling and presiding over meetings, preparing agendas, overseeing the preparation of briefing documents to circulate during the meetings as well as pre-meeting materials, and making regular reports to the Board. The Chair of the Audit Committee will also maintain regular liaison with the CEO, CFO, and the lead external audit partner.

13. The Audit Committee will meet in camera separately with each of the CEO and the CFO of the Company at least annually to review the financial affairs of the Company.

14. The Audit Committee will meet with the external auditor of the Company in camera at least once each year, at such time(s) as it deems appropriate, to review the external auditor’s examination and report.

15. The external auditor must be given reasonable notice of, and has the right to appear before and to be heard at, each meeting of the Audit Committee.

16. Each of the Chair of the Audit Committee, members of the Audit Committee, Chair of the Board, external auditor, CEO, CFO or secretary shall be entitled to request that the Chair of the Audit Committee call a



meeting which shall be held within 48 hours of receipt of such request to consider any matter that such individual believes should be brought to the attention of the Board or the shareholders.

## **REPORTS**

17. The Audit Committee will report, at least annually, to the Board regarding the Audit Committee's examinations and recommendations.

18. The Audit Committee will report its activities to the Board to be incorporated as a part of the minutes of the Board meeting at which those activities are reported.

## **MINUTES**

19. The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

## **ANNUAL PERFORMANCE EVALUATION**

20. The Board will conduct an annual performance evaluation of the Audit Committee, taking into account the Charter, to determine the effectiveness of the Committee.

**CERTIFICATE OF AMPD VENTURES INC. (FORMERLY E-GAMING VENTURES CORP.)**

Dated: October 11, 2019

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by AMPD Holdings Corp. as required by the securities legislation of British Columbia.

*“Anthony Brown”*  
Anthony Brown, Chief Executive Officer

*“John C. Ross”*  
John C. Ross, Chief Financial Officer

**ON BEHALF OF THE BOARD OF DIRECTORS**

*“Don Bustin”*  
Don Bustin, Director

*“Ravinder Kang”*  
Ravinder Kang, Director

## CERTIFICATE OF THE PROMOTER

Dated: October 11, 2019

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by AMPD Holdings Corp. as required by the securities legislation of British Columbia.

*“Anthony Brown”*

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**Anthony Brown**, Promoter

Dated: October 11, 2019

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by AMPD Ventures Inc. (formerly E-Gaming Ventures Corp.) as required by the securities legislation of British Columbia.

*“Karamveer Thakur”*

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**Karamveer Thakur**, Promoter