FORM 2A

LISTING STATEMENT

ALPHA ESPORTS TECH INC.

May 12th, 2021

NOTE TO READER

This Listing Statement contains a copy of the final long form prospectus (the "**Prospectus**") of Alpha Esports Tech Inc. ("**Alpha**" or the "**Corporation**") dated May 10, 2021. Certain sections of the Canadian Securities Exchange (the "**Exchange**") form of Listing Statement have been included following the Prospectus to provide additional disclosure on the Corporation required by the Exchange, as well as updating certain information contained in the Prospectus.

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SCHEDULE "A" – Final Long Form Prospectus dated May 10, 2021

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SCHEDULE A

Final Long Form Prospectus dated May 10, 2021

See attached.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This non-offering prospectus does not constitute a public offering of securities.

PROSPECTUS

NON-OFFERING PROSPECTUS May 10, 2021

ALPHA ESPORTS TECH INC.
(the "Corporation")

No securities are being offered pursuant to this non-offering prospectus (the "**Prospectus**"). This Prospectus is being filed with the securities regulatory authorities in the Provinces of British Columbia, Ontario and Alberta for the purpose of complying with the listing requirements of the Canadian Securities Exchange (the "**Exchange**"). As no securities are being offered pursuant to this Prospectus, no proceeds will be raised in connection with this Prospectus and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Corporation.

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.

There is no market through which the securities of the Corporation may be sold. This may affect the pricing of the Corporation's securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Corporation's securities and the extent of issuer regulation. See "*Risk Factors*".

The Exchange has conditionally approved the listing (the "**Listing**") of the Corporation's common shares (the "**Common Shares**"). The Listing will be subject to the Corporation fulfilling all of the listing requirements of the Exchange, including meeting all minimum listing requirements, which cannot be guaranteed. As of the date of this Prospectus, the Corporation 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 TSX Venture Exchange, the Toronto Stock Exchange, a United States marketplace, or a market place outside Canada and the United States.

Mr. Jonathan Anastas, director of the Corporation, resides outside of Canada and will be providing a certificate under Part 5 of National Instrument 41-101 – General Prospectus Requirements. Mr. Anastas has appointed Cassels Brock & Blackwell LLP located at Suite 2200, HSBC Building, 885 West Georgia St., Vancouver, BC V6C 3E8, as his agent for service of process in Canada. The Corporation advises that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

An investment in the securities of the Corporation is speculative and involves a high degree of risk. In reviewing this Prospectus, you should carefully consider the matters described under the heading "*Risk Factors*".

ALPHA ESPORTS TECH INC.

#1930 – 1177 West Hastings Street
Vancouver, British Columbia
V6E 4T5
Canada

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IMPORTANT INFORMATION ABOUT THIS PROSPECTUS

No person has been authorized to provide any information or to make any representation not contained in this Prospectus, and, if provided or made, such information or representation should not be relied upon. You should assume that the information contained in this Prospectus is accurate only as of the date of this Prospectus. No securities are being offered pursuant to this Prospectus.

Capitalized terms, except as otherwise defined herein, are defined in the section entitled "*Glossary of Terms*".

Except as otherwise indicated or the context otherwise requires in this Prospectus, references to "the Corporation", "we", "us" and "our" refer to the Corporation.

Unless otherwise indicated, all currency amounts in this Prospectus are stated in Canadian dollars and references to "$" are to Canadian dollars.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Prospectus contains certain statements that may constitute forward-looking information under applicable securities laws. All statements, other than those of historical fact, which address activities, events, outcomes, results, developments, performance or achievements that the Corporation anticipates or expects, may, or will occur in the future (in whole or in part) should be considered forward-looking information. Such information may involve, but is not limited to, comments with respect to strategies, expectations, planned operations and future actions of the Corporation. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements formed in the future tense or indicating that certain actions, events or results "may", "could", "would", "might" or "will" (or other variations of the forgoing) be taken, occur, be achieved, or come to pass. Forward-looking information is based on currently available competitive, financial and economic data and operating plans, strategies or beliefs as of the date of this Prospectus, but involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Corporation, as applicable, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors may be based on information currently available to the Corporation, including information obtained from third-party industry analysts and other third-party sources, and are based on management's current expectations or beliefs regarding future growth, results of operations, future capital (including the amount, nature and sources of funding thereof) and expenditures. Any and all forward-looking information contained in this Prospectus is expressly qualified by this cautionary statement.

Forward-looking information contained in this Prospectus includes statements about: the Corporation's ability to execute its business plan; expectations regarding the continued growth of the Esports industry; the Corporation's ability to attract and retain key personnel, including sponsored Esports athletes; the Corporation's ability to compete with other companies that are developing or selling services and products that are competitive with the Corporation's services and products; satisfying the requirements of the Exchange with respect to the Prospectus; meeting the minimum listing requirements of the Exchange; and anticipated and unanticipated costs and other factors referenced in this Prospectus, including, but not limited to, those set forth under the caption "*Risk Factors*".

A number of risks, uncertainties and other factors could cause actual results to differ materially from the results discussed in the forward-looking information, including the factors discussed in the section entitled "*Risk Factors*" in this Prospectus.

Forward-looking information reflects the Corporation's current beliefs and is based on information currently available to the Corporation and on assumptions it believes to be not unreasonable in light of all of the circumstances. In some instances, material factors or assumptions are discussed in this Prospectus in connection with statements containing forward-looking information. Such material factors and assumptions include, but are not limited to: the Corporation's ability to compete with other companies that are developing or selling products and services that are competitive with the Corporation's products and services; the continued growth of the Esports industry and the continued popularity of certain Esports games; the Corporation's ability to attract and retain key personnel, including sponsored Esports athletes; the Corporation's ability to access the capital markets; meeting the minimum listing requirements of the

Exchange; and anticipated and unanticipated costs and other factors referenced in this Prospectus, including, but not limited to, those set forth under the caption "Risk Factors". Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein is made as of the date of this Prospectus and, other than as required by law, the Corporation disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking information 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 information.

This Prospectus also contains statistical data, estimates and forecasts that are based on independent industry publications or other publicly available information, while other information is based on the Corporation's internal sources. Although the Corporation believes that these third-party sources referred to in this Prospectus are reliable, the Corporation has not independently verified the information provided by these third parties. While the Corporation is not aware of any misstatements regarding any third-party information presented in this Prospectus, their estimates, in particular, as they relate to projections, involve numerous assumptions, are subject to risks and uncertainties, and are subject to change based on various factors, including those discussed under "*Risk Factors*".

GLOSSARY OF TERMS

In this Prospectus, the following terms have the meanings set forth below, unless otherwise indicated. Terms and abbreviations appearing in the documents attached as appendices to this Prospectus may be defined separately and the terms and abbreviations defined below may not be used therein, except where otherwise indicated. Words importing the singular include the plural and vice versa and words importing any gender include all genders.

"**$**" means Canadian dollars.

"**$0.02 Financing**" has the meaning ascribed thereto in the section of this Prospectus titled "*Description of Business – Three Year History*".

"**$0.25 Financing**" has the meaning ascribed thereto in the section of this Prospectus titled "*Description of Business – Three Year History*".

"**$0.50 Financing**" has the meaning ascribed thereto in the section of this Prospectus titled "*Description of Business – Three Year History*".

"**$0.35 Financing**" has the meaning ascribed thereto in the section of this Prospectus titled "*Description of Business – Three Year History*".

"**Alchemy**" means Alchemy Technologies Ltd.

"**Alpha**" or "**Corporation**" means Alpha Esports Tech Inc.

"**Audit Committee**" means the audit committee of the Corporation.

"**Award**" has the meaning ascribed thereto in the section of this Prospectus titled "*Options to Purchase Securities*".

"**BCBCA**" means the *Business Corporations Act* (British Columbia) S.B.C. 2002 c.57, as amended, including the regulations promulgated thereunder.

"**Board**" means the board of directors of the Corporation.

"**Bonus Shares**" has the meaning ascribed thereto in the section of this Prospectus titled "*Options to Purchase Securities*".

"**Centric Gaming**" means Centric Gaming LLC, a corporation incorporated under the laws of the Delaware.

"**Centric Gaming Letter Agreement**" means the binding letter agreement, dated as of April 26, 2021, entered into between Centric Gaming and the Corporation.

"**CEO**" means Chief Executive Officer.

"**CFO**" means Chief Financial Officer.

"**Common Shares**" means the Class A common shares in the capital of the Corporation.

"**Current Market Price**" means in respect of SARs which are exercised: (i) the closing price of the Common Shares on the Exchange on the date the notice of exercise in respect thereof is received by the Corporation, if such day is a trading day and the notice of exercise is received by the Corporation after regular trading hours; or (ii) the closing price of the Common Shares on the Exchange on the trading day immediately prior to the date the notice of exercise in respect thereof is received by the Corporation, if the notice of exercise is received by the Corporation during regular trading hours, or on a non-trading day.

"**DSUs**" has the meaning ascribed thereto in the section of this Prospectus titled "*Options to Purchase Securities*".

"**DTI**" means Dailey Training International.

“**Eligible Person**” has the meaning ascribed thereto in the section of this Prospectus titled “*Options to Purchase Securities*”.

“**Escrow Agent**” means Odyssey Trust Company, the registrar and transfer agent of the Corporation.

“**Escrowed Securities**” has the meaning ascribed thereto in the section of this Prospectus titled “*Escrowed Securities*”.

“**Esports**” has the meaning ascribed thereto in the section of this Prospectus titled “*Description of the Business*”.

“**Esports Enterprises**” means Esports Enterprises, Inc., a corporation incorporated under the laws of Delaware.

“**Exchange**” or “**CSE**” means the Canadian Securities Exchange.

“**Free-Standing SARs**” has the meaning ascribed thereto in the section of this Prospectus titled “*Options to Purchase Securities*”.

“**Gamer**” means an individual that actively plays video games.

“**GamerzArena**” means GamerzArena, LLC, a corporation incorporated under the laws of Delaware.

“**GamerzArena Acquisition**” has the meaning ascribed thereto in “*Description of the Business – Significant Acquisitions*.”

“**GamerzArena Acquisition Agreement**” has the meaning ascribed thereto in the section of this Prospectus titled “*Description of the Business*”.

“**GDPR**” means General Data Protection Regulation.

“**HypeX**” means HypeX.gg, a corporation incorporated under the laws of Canada.

“**HypeX LOI**” means the binding letter of intent, dated as of November 10, 2020, entered into between HypeX and the Corporation.

“**Imprint**” means Imprint Entertainment LLC.

“**IFRS**” means International Financial Reporting Standards.

“**Listing**” means the listing of the Common Shares on the Exchange for trading.

“**MD&A**” means management’s discussion and analysis as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*, of the Canadian Securities Administrators.

“**NEO**” or “**named executive officer**” means each of the following individuals of an entity:

(a) the CEO;

(b) the CFO;

(c) each of the three most highly compensated executive officers of an entity, 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, as determined in accordance with subsection 1.3(6) of Form 51-102F6 *Statement of Executive Compensation*, for that financial year; and

(d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of an entity or its subsidiaries, nor acting in a similar capacity, at that financial year.

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

“**NI 58-101**” means National Instrument 58-101 – *Disclosure of Corporate Governance Practices,* of the Canadian Securities Administrators.

“**Non-Voting Shares**” means the Class B common non-voting shares in the capital of the Corporation.

“**Option**” means a stock option right issuable under the Corporation’s Share-Based Compensation Plan.

“**Option Expiry Date**” has the meaning ascribed thereto in the section of this Prospectus titled “*Options to Purchase Securities*”.

“**Paradise City**” means Paradise City Games Inc., a corporation incorporated under the laws of the Province of British Columbia.

“**Paradise City Asset Purchase Agreement**” means the asset purchase agreement, dated as of December 8, 2020, entered into between Paradise City and the Corporation.

“**Participants**” has the meaning ascribed thereto in the section of this Prospectus titled “*Options to Purchase Securities*”.

“**Performance Warrants**” means 7,000,000 performance warrants to acquire up to 7,000,000 Common Shares in accordance with their terms.

“**Person**” includes any natural person, partnership, limited partnership, joint venture, syndicate, sole proprietorship, body corporate with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative.

“**PGL**” means ProGamingLeague.com.

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

“**Prospectus**” means this non-offering prospectus dated as of the date on the cover page.

“**PSUs**” has the meaning ascribed thereto in the section of this Prospectus titled “*Options to Purchase Securities*”.

“**RSUs**” has the meaning ascribed thereto in the section of this Prospectus titled “*Options to Purchase Securities*”.

“**SARs**” has the meaning ascribed thereto in the section of this Prospectus titled “*Options to Purchase Securities*”.

“**SAR Exercise Price**” has the meaning ascribed thereto in the section of this Prospectus titled “*Options to Purchase Securities*”.

“**SAR Expiry Date**” has the meaning ascribed thereto in the section of this Prospectus titled “*Options to Purchase Securities*”.

“**SEDAR**” means System for Electronic Document Analysis and Retrieval being the official website that provides access to most public securities documents and information filed by Issuers and investment funds with the Canadian Securities Administrators at www.sedar.com.

“**Share-Based Compensation Plan**” means the share-based compensation plan adopted by the Corporation on May 31, 2019, as amended and restated on December 17, 2020.

“**Share Premium**” has the meaning ascribed thereto in the section of this Prospectus titled “*Options to Purchase Securities*”.

“**Tandem SARs**” has the meaning ascribed thereto in the section of this Prospectus titled “*Options to Purchase Securities*”.

“**Tranche 1 $0.25 Financing**” has the meaning ascribed thereto in the section of this Prospectus titled “*Description of Business – Three Year History*”.

“**Tranche 1 $0.50 Financing**” has the meaning ascribed thereto in the section of this Prospectus titled “*Description of Business – Three Year History*”.

"**Tranche 2 $0.25 Financing**" has the meaning ascribed thereto in the section of this Prospectus titled "*Description of Business – Three Year History*".

"**Tranche 2 $0.50 Financing**" has the meaning ascribed thereto in the section of this Prospectus titled "*Description of Business – Three Year History*".

"**Warrants**" means the common share purchase warrants of the Corporation.

"**World Gaming**" means World Gaming Network.

SUMMARY OF PROSPECTUS

The following is a summary of the principal features of this Prospectus and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus.

The Corporation

The Corporation is governed by the BCBCA, having been incorporated on March 1, 2019 as 1199515 B.C. Ltd. On May 14, 2019, the Corporation changed its name to "Alpha North Esports & Entertainment Inc."; on August 19, 2020, changed its name to "Alpha Esports Inc."; and on December 1, 2020, changed its name to "Alpha Esports Tech Inc." The Corporation's head office is located at #1930 – 1177 West Hastings Street, Vancouver, British Columbia V6E 4T5, and its registered and records office is located at Suite 2200 HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

The Corporation has two wholly-owned subsidiaries: Esports Enterprises, Inc. ("**Esports Enterprises**"), a private corporation incorporated under Delaware law and GamerzArena, LLC ("**GamerzArena**"), a private corporation incorporated under Delaware law, indirectly held through Esports Enterprises.

Principal Business

Alpha is a multi-fold, vertically-integrated Esports company with a core focus on competitive social gaming. Alpha's ecosystem is home to operations across several sub-sectors, with the aim of meeting the emerging requirements and opportunities inherent to of the Esports industry. The Corporation's operations encompass intellectual property creation, production & broadcasting, charity fundraising, celebrity and industry influencer agreements, and publishing.

The Corporation's principal business is the operation of a dedicated online Esports arena and platform in North America and worldwide, designed and created to help Gamers achieve a sense of competition while gaming on a social platform designed to encourage interaction and inclusiveness. The Corporation's platform permits Gamers to play games alongside their peers and to compete in daily tournaments to earn prizes, all while live-streaming their gameplay for others to view around the world. The Corporation aims to further expand upon its current community of Gamers and to be at the center of the rising Esports industry in North America and across the globe.

See "*General Development of the Business*" and "*Description of the Business*".

Business Objectives

The Corporation's business objectives over the next 12 months are to:

- receive the Exchange's final acceptance of the Listing, and to complete the Listing;
- identify acquisition and partnership opportunities;
- launch a significant marketing campaign to increase awareness of the Corporation and GamerzArena online platform, including through increased collaboration with its significant roster of influencers;
- increase the number of unique users of the GamerzArena online platform by 100%;
- convert 4% of the current GamerzArena online platform user base to GamerzArena Plus;
- secure additional sponsorships from brands connected to the Esports industry as well as those with a more general appeal;
- continue to partner with new major influencers in the industry to focus on the social gaming aspect of Esports;
- secure additional contracts with celebrities and influencers with the intention to generate revenue through live streams, merchandise, and professional/celebrity camps;
- secure additional sponsors for broadcasting live streaming of celebrity matches and live events;
- continue to schedule bi-weekly tournaments and events for social Gamers that includes cash prizing; and
- evaluate strategic business transactions in the Esports industry.

See "*Use of Proceeds – Business Objectives and Milestones*".

Listing

The Corporation intends to apply to list the Common Shares on the Exchange prior to filing the final prospectus with the Principal Regulator.

Summary of Selected Financial Information

The table below summarizes the financial information for the periods or as at the dates indicated. The summary financial information should be read in conjunction with (i) the Corporation's audited consolidated financial statements and corresponding management's discussion and analysis for the year ended June 30, 2020, (ii) the Corporation's unaudited condensed interim consolidated financial statements and corresponding management's discussion and analysis for the six months ended December 31, 3020, and (iii) the audited financial statements of Esports Enterprises and corresponding management's discussion and analysis included in this Prospectus under Appendices A, B, E and F. The selected financial information set out below may not be indicative of the Corporation's future performance.

Financial Positions	**For the six months ended December 31, 2020 ($)**	**For the year ended June 30, 2020 ($)**
Current assets	4,834,820	97,625
Total assets	7,268,063	1,244,284
Current liabilities	818,377	816,624
Share capital	10,502,629	2,986,893
Reserves	675,431	8,100
Deficit	(4,450,049)	(2,580,200)

Financial Results	**For the six months ended December 31, 2020 ($)**	**For the year ended June 30, 2020 ($)**
Revenue	3,469	Nil
Expenses	(1,869,079)	(1,426,314)
Net loss	(1,869,849)	(2,322,577)
Net loss per share – basic and diluted	(0.05)	(0.07)

As of the date of this Prospectus, the Corporation had total funds available and working capital of $3,991,419.

The Corporation's estimated use of funds for the next 12 months is as follows:

Use of Available Funds	Amount
Net Funds Available[(1)]	**$3,991,419**
Expenditures:	
Estimated cost of the Prospectus and Listing	$200,000
Continued development and achievement of milestones[(2)]	$1,199,500
Operating expenses for 12 months[(3)]	$2,520,000
Subtotal	**$3,919,500**
Net Working Capital	**$71,919**

Notes:

(1) Net funds available of $3,991,419 consists of: cash of $3,242,547; prepaid expenses of $1,005,477; and accounts receivable of $124,320 less accounts payable and accrued Liabilities of $380,925.

(2) See "*Use of Proceeds – Business Objectives and Milestones*".

(3) Estimated operating expenses for the next 12 months include:

Operating Expenses 2020-2021 Budget	
Wages and Salaries	$690,000
Software Maintenance	$180,000
Marketing and Promotional Activities	$1,500,000
Overhead Costs	$50,000
Professional Service Fees	$100,000
Total	**$2,520,000**

See "*Financial Statement Disclosure*" and "*Management Discussion & Analysis*"

The Corporation intends to spend the funds available to it as stated in this Prospectus. However, there may be circumstances where, for sound business reasons, a re-allocation of the funds may be necessary. The amounts set forth above may increase if, for instance, the Corporation is required to carry out due diligence investigations in regard to any prospective investment or business opportunity or if the costs of the Prospectus or Listing, or negotiating an applicable transaction, are greater than anticipated.

RISK FACTORS

Risks Relating to the Business of the Corporation:

Due to the nature of the Corporation's business, the legal and economic climate in which it operates and its present stage of development, the Corporation is subject to significant risks. The Corporation's future development and operating results may be very different from those expected as at the date of this Prospectus. Readers should carefully consider all such risks. Risk factors relating to the Corporation include, but are not limited to, the following:

- the Corporation has a limited operating history and uncertainty of future revenues;
- the loss of one or more of the Corporation's key personnel, or its failure to attract and retain other highly qualified personnel in the future, could harm its business;
- reputational risk;
- reliance on participation by well-known professional players and teams;
- reliance on advertisers for revenue;
- new and evolving industry;
- limited long-term agreements for advertising revenue;
- brand development;
- disruption from failure of website or third-party streaming;
- the Corporation depends on third parties, including users and content providers;
- the necessity of user base growth;
- the Corporation's intellectual property may be subject to misappropriation;
- the Corporation's business is highly competitive - competition presents an ongoing threat to the success of its business;
- complexity of regulations and cost of complying therewith;
- publisher authorization;
- the Corporation's management team has limited experience managing a public company, and regulatory compliance may divert its attention from the day-to-day management of its business;
- the requirements of being a public company may strain the Corporation's resources, divert management's attention and affect its ability to attract and retain executive management and qualified board members;
- reliance on third party owned communication networks;
- security of the Corporation's digital media and physical properties;
- the price of the securities of the Corporation may fluctuate significantly, which may make it difficult for holders of securities of the Corporation to sell their securities at a time or price they find attractive;
- the Corporation does not know whether an active, liquid and orderly trading market will develop for the securities of the Corporation or what the market price of the securities of the Corporation will be and as a result it may be difficult for investors to sell their securities of the Corporation;
- the Corporation does not intend to pay dividends on the Common Shares for the foreseeable future;
- if research analysts do not publish research about the Corporation's business or if they issue unfavourable commentary or downgrade the Common Shares, the Corporation's stock price and trading volume could decline;
- the market price of the Corporation's Common Shares may decline due to the large number of outstanding common shares eligible for future sale;

- the Corporation may issue additional equity securities, or engage in other transactions that could dilute its book value or affect the priority of the Common Shares, which may adversely affect the market price of the Common Shares;
- the Corporation may invest or spend the proceeds of any future financing in ways with which investors may not agree or in ways which may not yield a return;
- conflicts of interest;
- currency fluctuations;
- historical losses and negative operating cash flow;
- tax considerations applicable to an investment in the Common Shares; and
- the impact of the global COVID-19 pandemic on the Corporation's operations;

For further details, please see the discussion under the heading "*Risk Factors*".

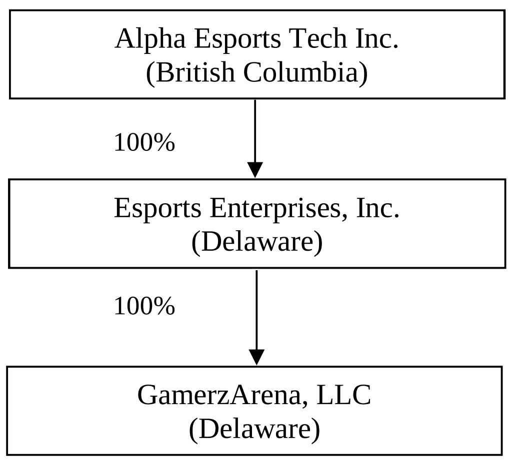
CORPORATE STRUCTURE

Name, Address and Incorporation

The Corporation is a company governed by the BCBCA and was incorporated on March 1, 2019 as 1199515 B.C. Ltd. On May 14, 2019, the Corporation changed its name to Alpha North Esports & Entertainment Inc. On August 19. 2020, the Corporation changed its name to Alpha Esports Inc. On December 1, 2020, the Corporation changed its name to "Alpha Esports Tech Inc." The Corporation's head office is located #1930 – 1177 West Hastings Street, Vancouver, British Columbia V6C 3E8, and it's registered and records office is located at Suite 2200 HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, V6E 4T5.

Intercorporate Relationships

The Corporation has two wholly-owned subsidiaries: Esports Enterprises, a private corporation incorporated under Delaware law; and GamerzArena, a private corporation incorporated under Delaware law, indirectly held through Esports Enterprises.



DESCRIPTION OF THE BUSINESS

Summary and Company Overview

The Corporation is a vertically integrated Esports organization, aiming for continued growth and to become a leader in the Esports sector, by bringing together a portfolio of companies and assets related to the Esports industry. The Corporation acquired its subsidiary, Esports Enterprises, via a share exchange agreement dated March 8, 2020, entered into by and among Esports Enterprises, the shareholders of Esports Enterprises, Steve Wilneff, and the Corporation (the "**GamerzArena Acquisition Agreement**"). For a summary of the terms of the GamerzArena Acquisition Agreement, please see "*Description of the Business – Significant Acquisitions*".

Esports Enterprises owns and operates GamerzArena, an online platform where Gamers can play and watch games alongside their peers, and compete in tournaments to earn prizes (website at www.gamerzarena.com). The platform hosts daily tournaments including leaderboards and payouts for top competitors. Through the power of streaming, Gamers are able to live stream games for users to view around the world, allowing casual Gamers to experience the world of competitive gaming. GamerzArena enables cross-platform competition, allowing Gamers on an Xbox®, Playstation®, Switch® or PC to compete against one another in the same game regardless of the gaming system they are using.

As an evolution of the platform, the Corporation launched GamerzArena Plus, a subscription-based service whereby players pay a fee to gain access to higher-paying tournaments along with unique and special events. The platform stores gameplay and statistical data on each of Alpha's Gamers. This allows players wishing to monitor and improve their skills, and who may desire to become professional Gamers, to showcase their abilities to a larger audience. GamerzArena Plus allows Gamers the possibility of being scouted by a number of universities and professional teams, as several of them utilize the GamerzArena platform for scouting players for scholarships and placements with their Esports teams. Examples of universities that have used the GamerzArena platform and which the Corporation has partnered with include Notre Dame University, Penn State University, Syracuse University, University of Rochester, University of British Columbia, Western Michigan University, and University of Albany, among others.

In addition to the GamerzArena online platform, the Corporation also hosts live events and tournaments across North America in partnership with different parties and venues, whereby Gamers and Esports teams can compete for the chance to win cash prizes. While the hosting of live events and tournaments has been impacted due to the continued health risks posed by COVID-19, the Corporation intends on resuming live events and tournaments in the future once such events are authorized to resume by the appropriate health authorities. Please see "*Description of the Business – Product Overview - Events and Tournaments*".

The Corporation also entered into the Paradise City Asset Purchase Agreement, pursuant to which the Corporation acquired substantially all of the assets formerly held by Paradise City in exchange for 4,500,000 Common Shares. In particular, the Corporation acquired certain intellectual property assets and contracts with different movie studios, providing it the right to utilize such intellectual property for developing mobile games, including intellectual property being developed for an upcoming animated film which is set to release in 2021. The Corporation issued an additional 800,000 Common Shares to certain finders as finders fees in connection with the transaction effected pursuant to the Paradise City Asset Purchase Agreement. A condition precedent to closing under the Paradise City Asset Purchase Agreement was the entering into by the Corporation of consulting agreements with each of Dean Buchanan, Michael Becker and Adrian Duke. However, to facilitate closing in an expedient manner, the parties mutually agreed to waive such condition and finalize such contractual arrangements as a post-closing matter. Messrs. Buchanan, Becker and Duke have each verbally agreed to provide their respective consulting and advisory services to the Corporation, and have been providing such services since the closing of the acquisition by the Corporation of Paradise City, but their respective contractual arrangements with the Corporation remain in progress. The Paradise City asset acquisition was completed on December 11, 2020. It is noted that Harwinder Parmar, a former director and officer of the Corporation, holds a 44% shareholding interest in Paradise City.

Paradise City is a Vancouver-based company that specializes in connecting film and television with the world of augmented reality mobile gaming. A significant challenge in mobile gaming development is attracting users to newly developed games; Paradise City sought to solve this issue by utilizing well established film and television intellectual property for the development of games with titles that consumers could easily recognize and adopt. To that end, Paradise City held certain intellectual property assets and contracts with different movie studios for the right to utilize such intellectual property for developing mobile games, which the Corporation has acquired pursuant to the Paradise City Asset Purchase Agreement. An initial contract has been executed with Imprint, an American media company based in in Los Angeles, California. Imprint specializes in film and television production, distribution, and publishing for scores, soundtracks and artists. The partnership with Imprint allowed Paradise City to secure certain film intellectual property being used for an upcoming animated film which is set to release in 2021. Please see "*Description of the Business – Product Overview – Mobile Gaming*".

The Corporation had also entered into the HypeX LOI, pursuant to which the Corporation proposed to acquire 100% of the issued and outstanding common shares of HypeX. The proposed transaction did not proceed and the HypeX LOI is no longer of any force or effect. The Corporation notes that the proposed acquisition of HypeX was not material to its development strategy nor future plans.

The Corporation has also entered into the Centric Gaming Letter Agreement, pursuant to which the Corporation and Centric Gaming have agreed to a strategic partnership for a one (1) year term commencing on May 1, 2021, and under which Centric Gaming will offer research and promotional services to the Corporation. Centric Gaming is a United States-based Esports corporation that owns a professional Esports team which competes globally and has a significant social media following, both through its team and through individual Esports athletes, on various platforms, including Twitch®, YouTube®, Twitter® and Instagram®. Centric Gaming also focuses on the promotion of its lifestyle brand related to Esports through apparel and clothing, including its recently-launched Esports merchandise collection, "ALL IN". Please see "*Description of the Business - Product Overview - Professional Gamers, Partnerships and Ambassadors*" for further details regarding Centric Gaming and details regarding the strategic partnership.

What is 'Esports'?

Esports bridges the gap between online video games and the phenomenon of spectator sports. Esports athletes from around the world compete against each other via various (primarily digital) games through organized leagues, amateur events, and professional tournaments. Individual players often compete on behalf of larger Esports organizations, with team rosters spanning across multiple game titles and geographic regions. Similar to traditional sports, fans can follow their favourite teams or individual players through digital streams, on traditional linear television broadcasts or in-person at live events. The Esports industry is unique in that viewers watch their favourite teams and athletes play video games rather than traditional physical sports.

The Esports ecosystem has grown to include various supporting pillars including analytics, event management, player representation, physical technology, and, perhaps most importantly, a vast influx of sophisticated investor capital. Esports' rise in popularity can be tied to its global accessibility and the enormous pool of casual players and enthusiasts.

A Growing Market

Esports turns competitive video gaming into a spectator sport. At major tournaments, thousands of viewers attend live events to watch professional Gamers compete on theatre sized screens. Additionally, these tournaments are often streamed online with viewers logging on to watch from their computers or mobile devices.

The industry is expected to continue growing with global Esports revenues to surpass US$1.5 billion in 2023 as reported by *Business Insider*[1].

Market Overview

The Esports industry has seen rapid growth from both an amateur and professional perspective. Esports enthusiasts are consumers of engaging unique digital content and demand opportunities to play and compete in their favourite Esports. With the COVID-19 pandemic, the Esports industry has seen significant growth, both in the terms of users playing video games, competitively and recreationally, and the number of individuals consuming and streaming online gaming content.

Product Overview

Alpha's principal business includes the operation of the GamerzArena online platform, further growth of GamerzArena Plus, and continuing development of its mobile gaming catalogue and licenses. GamerzArena provides an opportunity for Gamers worldwide to participate in Esports and monetize their gameplay through earning cash prizes, streaming content on social media platforms, and via GamerzArena Plus subscription service whereby Gamers have the ability to review gameplay statistics and receive personalized performance tips. These media make it possible for various brands and corporate partners to engage with Gamers in an organic fashion, in addition to facilitating the scouting of a larger Gamer base for professional Esports team recruitment.

The Corporation aims to be the leading online gaming platform hosting Esports tournaments and streaming gaming content, allowing Gamers to socialize casually, play competitively, train with gaming coaches, compete for prizes, and showcase their skills with a view to potential professional recruitment opportunities. To achieve this aim, the Corporation continues to be active in furthering its software development and maintenance to strengthen the offering of features and experiences of its online platform, as it grows both its free and subscription user bases. The Corporation's website can be found at www.alphaesports.com. The GamerzArena platform can be found at www.gamerzarena.com.

History and Development of Alpha

Since incorporation, Alpha's focus has been on hosting tournaments and events in the Esports industry, and to grow the business through the pure joy of gaming. In keeping with its early focus on hosted tournaments and events, the Corporation entered into a letter of intent with Waves E-Gaming Inc. in February 2019 to acquire a physical Esports

[1] Mariel Soto Reyes, Esports Ecosystem Report 2020: The key industry players and trends growing the esports market which is on track to surpass $1.5B by 2023 (December 2019), online: Business Insider <https://www.businessinsider.com/esports-ecosystem-market-report>.

facility located in the Greater Toronto Area. In connection with this proposed acquisition, the Corporation sourced a management team with experience in hosting and managing events in both the Esports and traditional sports spaces, including with major organizations such as the Major League Baseball Players Association®. To leverage prior experience and the professional network of its management team, the Corporation also began developing an Esports truck that would travel to professional sports stadiums across North America and host Esports competitions.

However, based on numerous factors, the Corporation determined that a fixed physical location for hosting Esports events was not the best path towards achieving operational success and growth of the platform. Accordingly, the Corporation divested from its focus on physical locations and did not proceed with the acquisition of Waves E-Gaming Inc. The Corporation began focusing its efforts instead on developing an Esports truck, and was in negotiations with various stadiums to host Esports events, including one at a major PGA® tour tournament. During this time, the Corporation also identified a change in the Esports industry, with consumer preference shifting to the online gaming platform model. It was at this time around October 2019 that the Corporation was introduced to Brian Wilneff, founder of GamerzArena, and decided to form a mutual partnership to act on joint venture opportunities.

With the onset of COVID-19 in North America in January 2020, many sports stadiums were forced to shut down operations and, as a result, the Corporation decided to divest from the Esports truck. Coupled with the success of the initial events held with GamerzArena and the continued and growing interest in the online gaming sector, the Corporation cemented its pivot to online gaming, pursuing the acquisition of GamerzArena, entering into the GamerzArena Acquisition Agreement on March 8, 2020, and completing the acquisition on April 13, 2020.

GamerzArena Platform Development

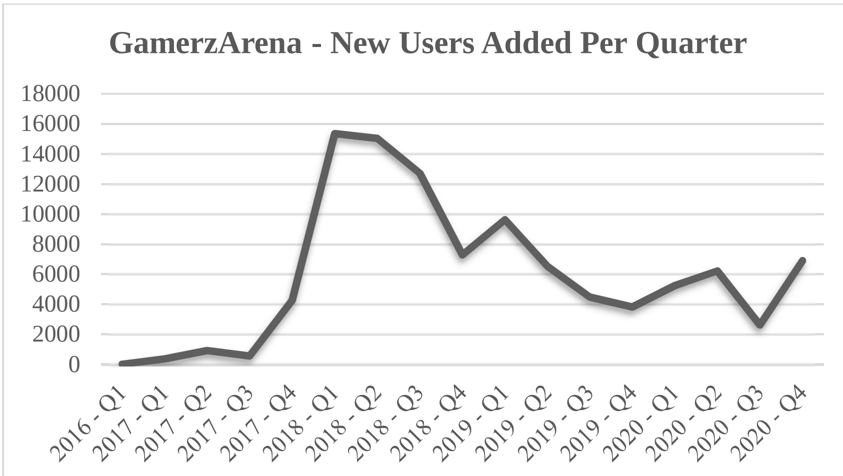
Recognizing the projected growth in the Esports industry, the GamerzArena platform was started by Brian Wilneff in 2016 with the idea of providing Gamers a space to come together to participate in online contests and compete for prizes. The platform was in beta mode for much of 2016 and heading into Q3 of 2017, as Mr. Wilneff then launched the online platform for all Gamers. At the time of launch, GamerzArena was one of the first sites to the market online gaming via a free model with cash prizes, and accordingly saw user count grow exponentially.

In early 2019, GamerzArena partnered with digital media company Barstool Sports®, pursuant to which the GamerzArena platform hosted an exclusive seven-day Fortnite® event. Over the course of the seven-day event, there were 9,157 event entries, 6,501 re-entries and over 2,700 unique users. By the end of the event, over 1,000 users had combined to generate 269 days of streaming content. The event created a significant spike in traffic to the GamerzArena website and generated additional user accounts for the platform.

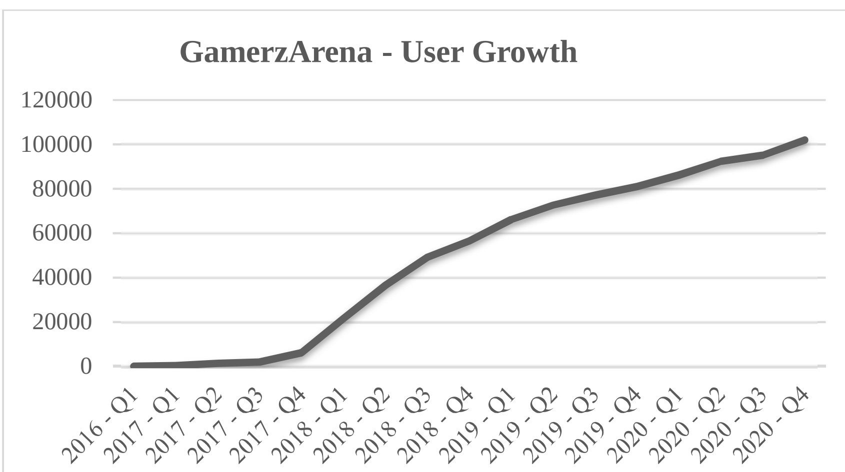
Near the end of the year 2019 and early 2020, GamerzArena was unable to continue their marketing efforts due to a lack of funding, and as a result began experiencing a drop in user accounts. However, when the Corporation acquired the GamerzArena online platform pursuant to its acquisition of Esports Enterprises, the Corporation began investing resources into the marketing and branding of the GamerzArena platform. Such marketing efforts have included partnering with various professional sports franchises, professional athletes and Esports athletes, universities and other recognizable entities. Please see "*Description of the Business – Product Overview - Professional Gamers, Partnerships and Ambassadors*".

In addition, following the acquisition of Esports Enterprises, the Corporation undertook a three month process of re-developing, updating and enhancing the GamerzArena platform, and re-launched it in August 2020. Part of the process included engaging Alchemy Technologies Ltd. ("**Alchemy**"), a British Columbia company with operations in Canada and Asia, for the provision of high-quality technical support and expertise. Alchemy utilizes talent based in Asia, which in turn allows the Corporation access to resources necessary to update, operate and maintain the GamerzArena platform on a fixed competitive pricing model. The Corporation has since upgraded the GamerzArena platform to provide for artificial intelligence analysis to detect special moves from gameplay, provide for membership services, generate user flow diagrams for blockchain integration, enhance server management capacities to accept greater user traffic and securely store video content uploaded from Gamers. The Corporation has also relied on this consulting firm to assist in the development of GamerzMobile. Please see "*Description of the Business – Product Overview – Mobile Gaming*" and "*Use of Proceeds - Business Objectives and Milestones*". In addition, the Corporation developed more advanced tournament features, creating sophisticated leaderboard tournaments that allowed for scores to be reported via Twitch® streaming or via APIs directly into certain games like Fortnite®. This additional feature differentiates GamerzArena from its competitors, as many other online platforms still require self-reporting for scores, which, in turn, raises concerns of false reporting and ruining the user experience. The Corporation is also developing bracket tournament technology relating to sport-based games (i.e. NHL 21® and FIFA 21®) to add to the GamerzArena platform, which will allow the Corporation to sign contracts with traditional sporting organizations that desire entering the Esports industry, but aren't looking to compete in traditional first person shooter games.

The GamerzArena platform, coupled with the advanced marketing and branding efforts of the Corporation through partnerships and event hosting, has seen significant growth in the number of unique user visits. In Q3 2020, a total of 2,622 new users visited the platform, whereas in Q4 2020, growth nearly tripled as the platform was visited by 6,895 new users. The number of new users added per quarter since inception of the GamerzArena platform is reflected in the following graph:



The GamerzArena platform has expanded globally, with current users residing in countries including Canada, the United States, Lithuania, India, Egypt, Australia and more. As at the date of this Prospectus, the GamerzArena platform has onboarded over 100,000 unique users. The growth of new users onboarded on the GamerzArena platform is reflected in the following graph:



As at the end of December 31, 2020, the GamerzArena online platform had 94,116 registered users, all of whom are members of the Corporation's "freemium" model and active participants in the Corporation's tournaments and events. As of May 4, 2021, there were 106,648 registered users of the free GamerzArena online platform, with the growth in users attributable to the ongoing marketing efforts of the Corporation to raise brand awareness. In addition, as of May 4, 2021, the Corporation had 228 active subscribers for GamerzArena Plus.

Since December 31, 2020, the Corporation has (i) added over 7,000 new users; (ii) increased its marketing expenditures from $0/month at the end of 2020 to approximately $15,000/month, which marketing expenditures are comprised of the purchasing of targeted advertisements directed at Gamers and the running of new promotions, contests and tournaments; (iii) held on average seven free tournaments per week; and (iv) paid $13,000 per month to

Alchemy in connection with the Corporation's continued development and evolution of the GamerzArena online platform. In addition, on February 25, 2021, the Corporation partnered with Irony Inc., an Indian Esports company focused on building Esports based communities for its clients, to host a tournament for Gamers to compete in the mobile battle royale video game, Garena Free Fire®.

The Corporation's primary focus is to increase its current GamerzArena user base, and to monetize such increased user base as and when appropriate. Such monetization may include, but not be limited to, (i) advertising (including advertising inventories, email distributions and premium partnerships); (ii) subscription fees from GamerzArena Plus; and (iii) individual tournament entry, participation, sponsorship and advertising fees. While the Corporation will continue to attempt to convert its "freemium" user base into GamerzArena Plus paid subscribers, the Corporation views the revenue to be generated by such paid subscriptions as secondary to the revenue potential of strategically monetizing its ever-increasing user base. Please see "*Description of the Business – Business Model*".

Membership Fees

The GamerzArena online platform and usage is constructed as a "freemium" model, such that users can access the platform by way of two separate means: for free or by paid subscription to GamerzArena Plus. Alpha provides access to the GamerzArena online platform to all users at no cost for purposes of connecting with other Gamers and playing games online, but such users have access to limited functionality of services provided and can only participate in tournaments and events with lower prize money pools. Users of the GamerzArena Plus service, on the other hand, pay a monthly subscription fee of US$12.99 per month or an annual fee of US$120.00. The GamerzArena Plus service provides Gamers with access to expanded functionality for the purposes of facilitating player advancement and development, as well as access to exclusive tournaments and events with larger prize money pools.

Mobile Gaming

On December 8, 2020, Alpha entered into the Paradise City Asset Purchase Agreement, pursuant to which Alpha acquired substantially all of the assets of Paradise City, which included contractual commitments with Imprint, allowing Paradise City to secure certain film intellectual property rights, including those related to an upcoming animated film which is set to release in 2021.

In connection with the acquisition of substantially all of the assets of Paradise City, GamerzArena will be launching GamerzMobile in April 2021. GamerzMobile will specialize in developing mobile games and tournaments using the intellectual property library of Paradise City.

Mobile gaming refers to individuals playing games designed for mobile devices such as smartphones, feature phones, smartwatches, pocket PCs, tablets, PDAs, or portable media players, as opposed to a standard video gaming console like an Xbox® or Playstation®, that may or may not be connected to the Internet. Many mobile phones have a wide range of connectivity features for enabling mobile gaming online, including infrared, Bluetooth, Wi-Fi, and 3G. These technologies facilitate wireless multiplayer games among two or more players.

Augmented reality is a subsection within mobile gaming. These games combine a real-world environment with advanced computer graphics to provide the effect of augmented reality and are supported wherever the mobile device includes a reverse-facing camera. Typically while playing the game, the player aims the device's camera at a location and through the device's screen, sees the area captured by the camera plus computer-generated graphics atop it, augmenting the display. This allows the player to interact with their real world environment, digitally enhanced.

Through GamerzMobile, the Corporation will develop augmented reality games with recognizable movie titles, with the potential for rapid scalability made possible by accessing the Corporation's current userbase. Once launched, the current GamerzArena online platform will be available on all mobile devices, allowing users to access the GamerzArena platform and the Corporation's augmented reality games anywhere they go.

Professional Gamers, Partnerships and Ambassadors

Successful professional Gamers are often followed by tens of thousands of fans on their social media streams (Twitter®, Facebook®, YouTube®, Twitch®) and, as is typical in the Esports industry, can be contracted to promote gaming brands and online platforms. Alpha has already, and intends to continue to, sign talented Gamers and former professional athletes, social influencers, and other celebrities to enhance the profile and growth of Esports tournaments and events on the GamerzArena online platform and GamerzMobile.

The Corporation currently has three global brand ambassadors who are former and current National Hockey League® (NHL®) players, being: Eddie Lack (former goaltender for, among other teams, the Vancouver Canucks® and Carolina Hurricanes® of the NHL®); Ben Hutton (defenceman for the Los Angeles Kings® of the NHL®); and Ty Smith (defenceman for the New Jersey Devils® of the NHL®). Alpha's ambassadors work together to increase exposure for the GamerzArena online platform by posting content on their social media networks and actively live streaming gameplay on the GamerzArena Twitch® channel. Alpha intends to continue to engage other ambassadors, whether it be additional professional athletes, social influencers or other celebrities to further promote the Corporation's online platform and presence.

In addition, the Corporation has a number of partnerships with professional organizations and charities. Some of the partners include: the New Jersey Devils® of the National Hockey League®, the Vancouver Whitecaps FC® of Major League Soccer®, Wasps Rugby Club, Devil Child E-Sports Management, Oxygen Esports, RSG Hockey, Wagon Hockey, Ruben's Shoes and KidsPlay.

The exclusive three-year partnership between the Corporation and the Vancouver Whitecaps FC® provides for over 40,000 members of the Whitecaps Youth Development League to access the GamerzArena Plus subscription services and other product offerings of the Corporation. This partnership presents the Corporation with multiple potential revenue verticals including significant user acquisition for GamerzArena Plus, sponsorship revenue for online tournaments and additional collaborations.

One additional partnership is the Corporation's relationship with DTI, a sports management firm which organizes training camps, friendly athletic competitions and humanitarian efforts to increase athletic participation and exposure. DTI's programming also increases sport-specific skill development and offers intensive off-season training for high school, collegiate, and professional athletes. The Corporation's partnership with DTI involves DTI expanding its player development services to Esports. Through the GamerzArena Plus subscription service, Alpha will host, among other things, online tournaments, contests and player development leagues for existing participants in DTI's Esports development program.

One of the Corporation's core values is to make gaming events accessible to all. To that end, the Corporation has also partnered with the Quad Gods, an organization that was founded with the goal to integrate and highlight Gamers with disabilities as serious Esports competitors. Sporting eight members, the Quad Gods aim to not just play video games for fun, but rather to compete against able-bodied teams in tournaments and competition. The Corporation has partnered with the Quad Gods to assist in their mission through hosting and operating an electronic development league for the Quad Gods, operated on GamerzArena Plus, pursuant to which there will be a series of tournaments and challenges for Gamers to compete and improve their skills.

As noted above, the Corporation has also entered into the Centric Gaming Letter Agreement, pursuant to which Centric Gaming shall provide research and promotional services and benefits to the Corporation. In particular, the principal services and benefits of the partnership with Centric Gaming include: (1) research and development; (2) brand placement; (3) direct marketing; and (4) activation content and web videos. In return, the Corporation shall pay a monthly sponsorship fee of US$1,000 to Centric Gaming, remit certain membership fees tied directly to Centric Gaming's sponsorship and share profits from all events held jointly with Centric Gaming. The parties will also work together to, among other things, integrate one another's branding and promotions into their respective events and media platforms.

Events and Tournaments

The Corporation, through the GamerzArena online platform, runs a number of tournaments and contests, varying in duration – daily, weekly and monthly. On average, the Corporation holds three major tournaments every month, two to three weekly contests and an additional four to five daily contests. The tournaments prizes or rewards include points, cash prizes, and merchandise from the Corporation's brand partners.

In partnership with Vancouver Whitecaps FC®, the Corporation hosted a nationwide competition playing FIFA21® to crown the "ONe" on November 6-8, 2020, operated on the GamerzArena platform. The tournament, sponsored by Daily Hive® and Sport Chek®, was held over three days and awarded the winner a one year professional eMLS contract with the Vancouver Whitecaps FC®. Other prizes included over $2,000 in Sport Chek® gift cards and official Vancouver Whitecaps FC® merchandise. In connection with the tournament, the Corporation and the Vancouver Whitecaps FC® continue to work together to onboard users to GamerzArena Plus through social media campaigns.

The Corporation also partnered with the New Jersey Devils® of the NHL® to host the inaugural "NJ Devil Cup NHL21® Tournament", which was held on October 24-25, 2020. The Corporation organized, hosted and operated the tournament on the GamerzArena platform, which featured eight NHL® mascots as well as eight renowned professional Gamers, and averaged over 1,000 viewers per day. The Corporation and the New Jersey Devils® continue to work together to host additional tournaments and fan engagement contests, with the New Jersey Devils® assisting the Corporation in onboarding users to GamerzArena Plus through social media campaigns, and with the Corporation assisting in garnering interest in the New Jersey Devils® Esports program, which is designed to foment a high school Esports program.

In addition to its online product offering, Alpha has worked with a number of venues and charities to host live events that allow players of all ages to participate. One such event was a "Battle of the Colleges" Esports tournament held by the Corporation at the Adirondack Bank Center at the Utica Memorial Auditorium in Utica, New York. Participating colleges competed playing Rocket League® and Super Smash Bros® for a chance to win up to $5,000.00. As part of its live entertainment strategy, Alpha also runs and operates the Vancouver Community Retro Gaming Club, a community of retro video game enthusiasts that has organized a series of successful Esports events at popular venues across Vancouver, British Columbia. Live events such as these help the Corporation engage local communities in promoting awareness and attracting the interest of Gamers to the GamerzArena online platform and the general Alpha brand. While the Corporation navigates the continued health risks posed by COVID-19, and accordingly has had to put a pause on holding such live events, the Corporation intends on resuming live events and tournaments in the future once such events are authorized to resume by the appropriate health authorities.

The Future of Alpha – New Products

The Corporation's core business is comprised of running the GamerzArena online platform, the continued growth of GamerzArena Plus, and continuing development of its mobile gaming catalogue and licenses.

Once a larger footprint in the Esports industry is established and within the next three years, the Corporation plans to expand into two key areas – media rights and publishing. The Corporation intends to sell and deliver content through use of the internet using the "over-the-top" platform to established streaming services, such as Twitch® (owned by Amazon®) and Mixer® (a recent market entrant, owned by Microsoft®). The Corporation anticipates many streaming services will be looking to acquire the media rights to stream the Corporation's unique and proprietary events. The Corporation expects to acquire an established business in order to expand into digital media publishing. The Corporation views publishing as an organic next step in growth given the opportunities presented with producing media content and social media marketing in driving further interest in the GamerzArena online platform and onboarding users to GamerzArena Plus.

The Corporation will also look to grow through further strategic acquisitions. Potential targets include complementary or tuck-in businesses. Each potential acquisition will be evaluated on a case-by-case basis. The Corporation is currently looking at several areas in the Esports segment which it believes to be undervalued. The Corporation will take a bottom up approach to analyzing industry segments, seeking those with upside potential regardless of market share. It is believed that this will allow the Corporation to enter into those markets while maintaining its low-cost profile.

Business Model

The Corporation's primary focus is on user growth, and to monetize such increased user base as and when appropriate. Based upon the Corporation's historical organic growth rate and current industry trends, the Corporation is forecasting an organic user growth rate of the GamerzArena online platform of approximately 5% per month for the next two years. Following such two year period, the Corporation anticipates its growth will slow to 3% per month, with gradual further decline thereafter. To achieve such growth rates, the Corporation has a projected advertising and marketing spend of $1.30 per new user for the next three months, during which time the Corporation anticipates acquiring approximately 18,500 new users as a result of such advertising efforts. In the subsequent three-month period, the Corporation projects the cost of acquiring each new user will be reduced to $1.00, with approximately 24,300 new users acquired per month, with user acquisition costs continuing to decrease and the number of monthly additional users continuing to increase thereafter. The Corporation is already observing an increase in new users for GamerzArena and GamerzArena Plus from its recent push in marketing through Google Ads® and Facebook® groups. Please see "*Use of Proceeds*". The Corporation also will see additional growth to its user base from new partnerships formed with professional associations and as a result of future strategic acquisitions by the Corporation of similar companies with built-in user bases.

As the Corporation's user base continues to grow, the Corporation expects to derive revenue from strategically monetizing the same, including through (i) advertising (including advertising inventories, email distributions and premium partnerships); (ii) subscription fees from GamerzArena Plus; and (iii) individual tournament entry, participation, sponsorship and advertising fees. In light of the COVID-19 pandemic, the Corporation recently pivoted away from live events and tournaments, and placed a greater emphasis on its online platform and product offerings. The Corporation notes that it has generated negligible revenue to date, that such revenue was generated from GamerzArena Plus subscriptions, sponsorship and advertising fees from hosted tournaments, and individual entry tournament and event fees, and that any generated revenue was offset by expenses incurred in connection therewith, typically relating to advertising and marketing, consulting fees and tournament prizes.

Advertising

In developing its monetization plan, the Corporation engaged Market Digital, a marketing and advertising company with extensive expertise in assisting Esports companies, for the purpose of preparing a user-based monetization report and plan focused on revenue generation through advertising. The Corporation accordingly identified three main avenues for monetizing its user base: online advertising inventory, email subscribers and premium partnerships.

<u>Online Advertising Inventory</u>

The Corporation intends to set up Google AdSense® to display banners and video advertising units across the GamerzArena website. Google AdSense® allows website publishers to display banner and video advertisements through the Google Network®. The Google Network® continues to reach the largest network of online advertisers who are bidding for advertising space across websites that will reach their target demographic. Through Google's AdSense Revenue Calculator®, based on the majority of the users of GamerzArena being based in North America, and the GamerzArena site being listed under the "Games" category, the Corporation projects that it can charge $52 per thousand impressions. Based on such projection, if the GamerzArena website generates 500,000 page views per month, the Corporation anticipates generating $26,000 in revenue per month.

<u>Email Distributions</u>

As users join the GamerzArena platform, they must create an account prior to accessing the platform and competing in any games. As part of this, users are asked to input basic information including their full name, location and email address. In addition, users have the option to provide certain of their gaming preferences to allow for a more personalized experience. During this account creation phase, the Corporation includes an option for users to consent to receive emails from Alpha, GamerzArena and associated partners (in compliance with applicable privacy laws). The accounts created by users results in a detailed email subscriber base, which the Corporation can leverage to generate revenues through, among other things, dedicated email distributions, inclusive thumbnails and inclusive banner ads.

Dedicated email distributions are customized and curated for the Corporation's partners (e.g. sponsors, advertisers, etc.), through which such partners are able to target users based on a variety of different characteristics, including geographic location and gaming interests. These email distributions are sent to Alpha's consenting user base and monetized with reference to a cost per thousand emails sent, with a minimum spend per email distribution. The Corporation projects an average cost of $50 per thousand emails sent, meaning that for every 100,000 consenting users, the Corporation will generate $5,000 per email distribution. Partners will be afforded the opportunity to send up to four dedicated email distributions per month (maximum one per week), and all such dedicated email distributions will be created and managed with the assistance of Market Digital, or a similar service provider.

As an additional component of the Corporation's email marketing strategy, the Corporation intends to send an email distribution to all subscribers of GamerzArena providing the latest in gaming and tournament updates. Within this particular email distribution, there will be opportunities for the Corporation's partners to include or imbed either a thumbnail or display banner to re-direct and drive users to such partner's websites. These thumbnails and banners will be strategically placed to ensure an organic and seamless experience for viewers, while maximizing exposure for each partner. While costs will vary, the Corporation anticipates that one banner and one thumbnail will initially cost a partner approximately US$20 per thousand emails. Based on a distribution of 250,000 emails (i.e. once the Corporation reaches 250,000 consenting users), this would equate to US$10,000 per partner for each email distribution.

Premium Partnerships

Once it reaches a user base of over 1,000,000 users, the Corporation anticipates that it will be able to offer its partners the opportunity to purchase premium partnership packages, which will be curated to meet the needs of each partner based on their marketing objectives and core target demographic. These packages will include branded content campaigns, game sponsorships and tournament sponsorships.

The Corporation will work directly with its partners to curate content and a custom advertising plan targeted at the Corporation's user base, including display and email advertising, and social media promotion. As a partner's spending commitment increases, additional services can and will be made available to such partner, such as custom landing pages and video production. The Corporation will set a minimum expenditure amount for each branded content campaign, which is currently contemplated to be US$25,000.

The Corporation will also offer to its partners game sponsorship opportunities on a monthly basis for the Corporation's exclusive games, including those to be developed in connection with GamerzMobile. Such a sponsorship will entail a 'Sponsored By' logo and "Call to Action" inclusion at the beginning and end of each game session. It will also include a custom landing page, with the opportunity to redirect the Corporation's users to a partner's website. The Corporation will set a minimum expenditure amount for each game sponsorship, which is currently contemplated to be US$50,000 per month.

The Corporation also intends to host a two-week long tournament for a selected game each month, affording Gamers the opportunity to win a cash prize based on the total number of Gamers involved. The Corporation will offer to its partners the opportunity to sponsor each such monthly tournament, which sponsorship package will include, among other things, logo placements, 100% of the advertising voice on tournament webpages, and inclusion of the sponsoring partner in all advertising and promotion in respect of the particular tournament. While prices will vary, the Corporation currently anticipates that the minimum costs to a partner in connection with a tournament sponsorship will be US$75,000.

GamerzArena Plus Subscriptions

The Corporation continues to attempt to convert its "freemium" user base into GamerzArena Plus paid subscribers. As noted above, as of May 4, 2021, the Corporation had 228 active subscribers for GamerzArena Plus.

The Corporation currently forecasts that on a monthly average for the next 18 months, 0.25% of its existing user base will be converted into subscribers of GamerzArena Plus. By the end of 2022, the Corporation anticipates such conversion rate will increase to 0.50% as a result of the then increased size of the GamerzArena user base (expected to be over 1,500,000 by the end of 2022) and the projected strength of Alpha's brand and product offerings at such time. All such projections provided are the Corporation's estimated minimum conversion rates, and the Corporation notes that it currently is realizing on average a 1% to 1.5% monthly conversion on newly acquired users. Based on the provided projected conversion rates and the cost of subscribing to GamerzArena Plus ($16.89 or US$12.99), the Corporation forecasts revenue generated through subscriptions will equal approximately $22,541 for the year ended December 31, 2021, $403,755 for the year ended December 31, 2022 and $1,963,365 for the year ended December 31, 2023.

Tournament Fees

While not anticipated to be a significant portion of its revenue generation strategy, the Corporation will nevertheless continue to charge entry and participation fees to the participants in certain of its tournaments. In connection with those same tournaments, the Corporation will also be able to charge for advertising and sponsorship opportunities – whether as banners on the tournament sites, or advertisements included in the tournaments' materials (including naming rights for tournaments themselves). As the Corporation's user base grows, and the popularity of its tournaments increases accordingly, the value of these advertisements and sponsorships will also increase. One example of such a tournament was set out above, being the two-week long tournament for a selected game each month, which the Corporation anticipates will result in sponsorship revenue of at least US$75,000 per tournament.

Additional Future Revenue Opportunities

Other identified and targeted revenue opportunities include the following:

- merchandise and ticket sales;
- media rights – sponsorships for live streamed events;
- mobile gaming rights acquired from Paradise City;
- digital media publishing of user created video game and software content; and
- acquisitions – acquiring companies generating revenue in the production and online tournament space.

Distribution and Principal Markets

The Corporation distributes its services primarily online through the GamerzArena online platform, whereby users are able to engage and participate in online contests, events and tournaments with other users around the world that have accessibility to an internet service and a video game console device or PC. The online platform also allows sponsors and promoters an opportunity to engage with fans and Gamers.

Additionally, the Corporation hosts tournaments and events in partnership with sponsoring entities at venues across North America as part of its live entertainment strategy. Please see "*Description of the Business – Product Overview – Events and Tournaments*".

Stage of Development

The Corporation is currently at the proprietary and continued growth stage, wherein, given the establishment and operation of the GamerzArena online platform, and the recently launched GamerzArena Plus subscription service, the Corporation's primary focus is to facilitate scaling, including in respect of its user base, which continues to grow and currently exceeds 100,000 users. As is common with many online gaming platforms, the Corporation has marketed the GamerzArena online platform as being "free-to-play" for the purposes of increasing user base.

The Corporation will identify and act upon opportunities to monetize its ever-increasing user base as and when appropriate. Such monetization may include, but not be limited to, (i) advertising (including advertising inventories, email distributions and premium partnerships); (ii) subscription fees from GamerzArena Plus; and (iii) individual tournament entry, participation, sponsorship and advertising fees. Please see "*Description of the Business – Business Model"*.

Method of Production

The tournaments and events hosted by the Corporation through the GamerzArena online platform exist in two verticals. The first vertical includes contests held and organized by the Corporation and GamerzArena, whereby contests are created and run for users of the GamerzArena online platform. These contests' prize pools and entry fees vary depending upon, among other things, whether the user is a GamerzArena or GamerzArena Plus member. The second vertical is compromised of contests the Corporation hosts for various brands and corporate partners, with such organizations retaining the Corporation to host tournaments for their employees or customers, whether as team building exercises, business development events, or otherwise. The prizes for these contests vary from perks to cash, and are determined by the client organization.

Intangible Properties

The GamerzArena online platform provides Gamers and competitors the opportunity to meet in daily tournaments and, through the power of streaming, users are able to stream their live games for users to view around the world, affording casual Gamers the opportunity to experience the world of competitive gaming. GamerzArena online platform enables cross-platform competition, allowing Gamers on an Xbox®, Playstation®, Switch® or PC to play against one another in the same game. Further, as an evolution of the platform, Alpha launched GamerzArena Plus, a subscription-based service that allows players to pay a fee to gain access to higher-paying tournaments along with unique and special events. The platform also keeps gameplay and statistical data on each of the Gamers, allowing individuals to improve and showcase their abilities to a larger audience with the ultimate goal of being scouted by a number of universities and professional teams that utilize the platform for scouting players for scholarships and spots on their teams.

The intellectual property library acquired from Paradise City allows for the combining of film and television with augmented reality mobile gaming. The Paradise City model uses well established film and television intellectual property to develop games with titles that consumers will recognize based, in part, on the marketing efforts for the film or television program.

Key Advantages

Competitors in the Esports industry often have significant capital expenditures to build and operate large arenas to host Esports events. The Corporation's online platform and subscription-based model provides a cost-effective way of reaching more potential fans and customers than compared to building multiple full sized Esports arenas in various locations.

Through key industry relationships and geographical flexibility, the Corporation differentiates itself by generating revenue without incurring larger expenses such as team player contracts and capital costs associated with multiple fixed, physical locations. The Corporation also differentiates itself by hosting daily video game tournaments in a leaderboard format, remains GDPR compliant and has the ability to capture in-depth user information such as location, age, follower counts and follower growth on social media platforms.

The Corporation also believes its relationship with Alchemy provides an advantage over its competitors. Alchemy provides a support team that includes: a project manager, project lead, senior web back-end developer, senior web front-end developer, quality analyst, database architect, development operations engineer, interface designer and lead experience designer.

Bankruptcy Proceedings

Neither the Corporation, nor Esports Enterprises nor GamerzArena, have been subject to bankruptcy, receivership or similar proceedings against it or any of its subsidiaries, or ever entered into any voluntary bankruptcy, receivership or similar proceedings.

Three Year History

From the period of incorporation to June 30, 2019

- The Corporation was incorporated as a BCBCA corporation on March 1, 2019 as 1199515 B.C. Ltd. On May 14, 2019, it changed its name to "Alpha North Esports & Entertainment Inc."

- On March 1, 2019, the Corporation issued 100 Common Shares at $0.01 per Common Share for total proceeds of $1 pursuant to incorporation.

- On March 19, 2019, the Corporation issued 11,233,334 Common Shares at $0.02 per Common Share for total proceeds of $224,668 pursuant to a private placement (the "**$0.02 Financing**").

- On April 26, 2019, the Corporation entered into a share exchange agreement with Waves E-Gaming Inc. and its shareholders, as amended and restated on June 19, 2019, whereby Alpha agreed to acquire all of the issued and outstanding common shares of Waves E-Gaming Inc. However, the Corporation elected not to complete this transaction. In connection with the proposed transaction, the Corporation loaned $200,000 to Waves E-Gaming Inc. pursuant to a promissory note. The loan amount remains outstanding. The Corporation has written-off 100% of the balance of such loan amount from an accounting and financial reporting perspective in accordance with IFRS (as reflect in the financial statements appended to this Prospectus). However, the Corporation still intends on pursuing collection of the entirety of the outstanding balance and there are currently no legal impediments for it to do so.

- On April 30, 2019, the Corporation issued 800,000 Common Shares at $0.25 per Common Share for total proceeds of $200,000 pursuant to a private placement (the "**Tranche 1 $0.25 Financing**").

- On June 1, 2019, the Corporation entered into a consulting agreement with Emil Bodenstein, pursuant to which the Corporation issued 1,250,000 Common Shares in exchange for certain consulting and management services, pursuant to which ½ of such Common Shares were subsequently surrendered and cancelled.

For the year ended June 30, 2020

- On July 18, 2019, the Corporation issued 137,500 Common Shares at $0.25 per Common Share for total proceeds of $34,375 pursuant to a private placement (the "**Tranche 2 $0.25 Financing**" and together with the Tranche 1 $0.25 Financing, the "**$0.25 Financing**").

- On July 19, 2019, the Corporation issued 2,171,000 units at $0.50 per unit for total proceeds of $1,085,500 pursuant to a private placement. Each unit is comprised of one Common Share and one-half Warrant exercisable at $1.00 for a period of 24 months from the date of issuance. The Corporation also issued 75,880 broker warrants in lieu as finders fees. Each broker warrant entitles the holder to purchase one Common Share at a price of $1.00 for a period of 24 months from the date of issuance (the "**Tranche 1 $0.50 Financing**").

- On March 8, 2020, the Corporation entered into a share exchange agreement with Esports Enterprises, the shareholders of Esports Enterprises and Steve Wilneff whereby Alpha agreed to acquire all of the issued and outstanding common shares of Esports Enterprises. For a summary of the terms of the GamerzArena Acquisition Agreement, please see "*Description of the Business – Significant Acquisitions*".

- On April 13, 2020, the Corporation issued 2,523,231 Common Shares as part of the GamerzArena Acquisition Agreement.

- On May 20, 2020, the Corporation issued 880,000 units at $0.50 per unit for total proceeds of $440,000 pursuant to a private placement. Each unit is comprised of one Common Share and one-half Warrant exercisable at $1.00 for a period of 24 months from the date of issuance. (the "**Tranche 2 $0.50 Financing**" and together with the Tranche 1 $0.50 Financing, the "**$0.50 Financing**").

Subsequent events since June 30, 2020

- On August 19, 2020, the Corporation split its shares on the basis of two Common Shares for each outstanding Common Share.

- On November 30, 2020, the Corporation entered into an advisory agreement with Grouse Media Ltd., pursuant to which the Corporation issued 250,000 Common Shares in exchange for certain advisory services to be provided relating to video games, gaming and betting, and product and marketing strategies.

- On December 1, 2020, the Corporation entered into a consulting agreement with 1225654 B.C. Ltd., pursuant to which the Corporation issued 1,000,000 Common Shares in exchange for certain consulting services to be provided including strategy development, assistance in generating additional partnerships and management of existing partnerships with universities, and assistance in organizing events and tournaments.

- On December 8, 2020, the Corporation entered into the Paradise City Asset Purchase Agreement, pursuant to which Alpha agreed to acquire substantially all of the assets from Paradise City in exchange for 4,500,000 Common Shares. The Corporation issued an additional 800,000 Common Shares to certain finders as finders fees. The Paradise City asset acquisition was completed on December 11, 2020. It is noted that Harwinder Parmar, a former director and officer of the Corporation, holds a 44% shareholding interest in Paradise City.

- On December 22, 2020, the Corporation issued 16,816,168 units at $0.35 per unit for total proceeds of $5,885,658 pursuant to a private placement. Each unit was comprised of one Common Share and one-half Warrant exercisable at $0.50 for a period of 24 months from the date of issuance. The Corporation also issued 389,000 broker warrants as finders fees. Each broker warrant entitles the holder to purchase one Common Share at a price of $0.50 for a period of 24 months from the date of issuance (the "**$0.35 Financing**").

Significant Acquisitions

Summary of the GamerzArena Acquisition Agreement

Esports Enterprises was incorporated under the laws of the state of Delaware and was the sole member of GamerzArena, an entity holding and operating an online platform whereby individuals are able to compete in Esports games and tournaments. The Esports Enterprises acquisition was neither a non-arm's length transaction nor a related party transaction.

On March 8, 2020, Alpha entered into the GamerzArena Acquisition Agreement whereby Alpha agreed to acquire all of the issued and outstanding Esports Enterprises securities in exchange for the issuance of 12% of the issued and outstanding Common Shares (5,046,462 Common Shares with such number reflecting the August 19, 2020 stock split), with such Common Shares to be subject to certain escrow provisions. The Esports Enterprises acquisition was completed on April 13, 2020, pursuant to which Esports Enterprises and GamerzArena became wholly-owned subsidiaries of Alpha (the "**GamerzArena Acquisition**").

USE OF PROCEEDS

Use of Proceeds

This is a non-offering prospectus. The Corporation is not raising any funds in conjunction with this Prospectus. Accordingly, there are no proceeds to the Corporation in connection with the filing of this Prospectus.

Funds Available and Use of Available Funds

As of the date of this Prospectus, the Corporation had total funds available and working capital of $3,991,419.

The Corporation's estimated use of funds for the next 12 months is as follows:

Use of Available Funds	Amount
Net Funds Available(1)	**$3,991,419**
Expenditures:	
Estimated cost of the Prospectus and Listing	$200,000
Continued development and achievement of milestones(2)	$1,199,500
Operating expenses for 12 months(3)	$2,520,000
Subtotal	**$3,919,500**
Net Working Capital	**$71,919**

Notes:

(1) Net funds available of $3,991,419 consists of: cash of $3,242,547; prepaid expenses of $1,005,477; and accounts receivable of $124,320 less accounts payable and accrued liabilities of $380,925.

(2) See "*Use of Proceeds – Business Objectives and Milestones*".

(3) Estimated operating expenses for the next 12 months include:

Operating Expenses 2020-2021 Budget	
Wages and Salaries	$690,000
Software Maintenance	$180,000
Marketing and Promotional Activities	$1,500,000
Overhead Costs	$50,000
Professional Service Fees	$100,000
Total	**$2,520,000**

The following table provides a breakdown of the $690,000 budgeted for wages and salaries:

	Monthly	Annual
Chief Executive Officer	$12,500	$150,000
Chief Operating Officer	$10,000	$120,000
Vice President of Partnerships	$9,000	$108,000
Chief Financial Officer	$7,000	$84,000
Administrative	$3,000	$36,000
Investor Relations	$6,000	$72,000
Marketing	$5,000	$60,000
Event Coordinators	$5,000	$60,000
TOTAL		**$690,000**

The following table provides a breakdown of the $1,500,000 budgeted for marketing and promotional activities:

	Monthly	Annual
Marketing and Advertising with Sports Teams:		
Vancouver Whitecaps		$250,000
Oxygen E-Sports		$30,000
New Professional Sports team spend		$250,000
Advertising and Marketing		
Google and Targeted Ads	$10,000	$120,000
Influencer Contracts	$6,000	$72,000
Tournament Prizes and Events	$8,333	$100,000
Brand Sponsorship		$100,000
Press Releases, Investor Relations and Company Marketing		$578,000
TOTAL		**$1,500,000**

See "*Financial Statement Disclosure*" and "*Management Discussion & Analysis*".

The Corporation intends to spend the funds available to it as stated in this Prospectus. However, there may be circumstances where, for sound business reasons, a reallocation of the funds may be necessary. The amounts set forth above may increase if, for instance, the Corporation is required to carry out due diligence investigations in regard to any prospective investment or business opportunity, or if the costs of the Prospectus or Listing, are greater than anticipated.

Business Objectives and Milestones

The objectives that the Corporation expects to accomplish using its estimated working capital as at the date of this Prospectus are to obtain a listing of its Common Shares on the Exchange, double the number of unique users of the GamerzArena online platform, convert 4% of the current GamerzArena online platform user base to GamerzArena Plus, create additional partnerships with celebrities and influencers, and to develop GamerzMobile and the Corporation's first augmented reality mobile game (please see table above). Depending on applicable health regulations due to COVID-19, the Corporation may also expend funds towards hosting live Esports events.

To accomplish the foregoing objectives and further its business model and strategy, the Corporation has set its primary business objectives and milestones over the next 12 months as the following:

Milestone	Objectives	Estimated Timeline	Estimated Cost
1	Further develop GamerzArena Plus Platform	Phase 3 – Q2 of 2021	Phase 3 - $100,000

		Phase 4 – Q3 of 2021	Phase 4 - $150,000
2	Research and Develop new Gaming Technologies	Ongoing through 2021	$187,500
3	Create new partnerships with celebrities and influencers	Ongoing through 2021	$437,000
4	Develop GamerzMobile and first AR mobile game	Q2 of 2021	$75,000
5	Develop GamerzMobile Streaming technology	Q3 and Q4 of 2021	$250,000
TOTAL			**$1,199,500**

Develop GamerzArena Platform

With the launch of GamerzArena Plus, it is important for the Corporation to continually develop and expand the functionality of the platform to ensure that the users are continuously engaged. At the end of November 2020, the Corporation completed Phase 1 of its development of the GamerzArena Platform which included the introduction of bracket technology that now allows users to compete in head-to-head, elimination tournaments. In March 2021, the Corporation completed Phase 2 of its development of the GamerzArena Platform which involved incorporating additional revenue generating opportunities, including the ability to permit third parties to create their own private gaming page and host their own private tournaments. Having completed Phases 1 and 2 of the development of the GamerzArena Platform, the Corporation is anticipating two phases of further development over the next twelve months. Phase 3 will involve advancing development of GamerzMobile and publishing mobile games. Phase 4 will involve ongoing integration of GamerzArena with other online gaming platforms.

Research and Develop new Gaming Technologies

The Esports industry is ever-evolving with new games and technologies constantly rising in popularity and older ones being replaced. The focus of the Corporation is to continue its research and development efforts to ensure that the Corporation's technology aligns with the current trends, providing its users and stakeholders an experience with advanced in technology ranging from mobile solutions to web platform based.

Create partnerships with celebrities and influencers

The Corporation will strive to develop further partnerships with several celebrities and influencers in the sporting world. The Corporation will utilize these partnerships to help expand the GamerzArena brand and user base through their reach.

Develop GamerzMobile and Augmented Reality Mobile Game

The Corporation will be combining the GamerzArena userbase access with the intellectual property library acquired from Paradise City to launch GamerzMobile which will specialize in developing mobile games and tournaments allowing the Corporation to develop games with recognizable titles and be able to scale quicker with access to the current userbase.

Develop GamerzMobile Streaming Technology

With the aim of creating a closed loop ecosystem for its users, the Corporation intends on developing technology to allow Gamers and users of GamerzArena to be able to stream and capture their gameplay from the tournaments and contests in which they compete in. Gamers and users could in turn use such gameplay footage to share across other online streaming platforms, providing them the greatest global reach.

The actual amount that the Corporation spends from its working capital may vary significantly from the amounts specified above, and will depend on a number of factors, including those listed under the heading “*Risk Factors*”.

The Corporation has not yet achieved positive operating cash flow and there are no assurances that the Corporation will not experience negative cash flow from operations in the future.

While the Corporation, intends to pursue these milestones, there may be circumstances where, for valid business reasons or due to factors beyond the control of the Corporation (e.g. the COVID-19 pandemic), a re-allocation of efforts may be necessary or advisable. Although Corporation does not currently anticipate that the COVID-19 pandemic will cause material delays in the timelines or estimates set out above, due to the evolving nature of the COVID-19 pandemic and its impacts, these timelines and estimates may require adjustment in the future.

Specialized Skills and Knowledge

All aspects of the Corporation’s business require specialized skills and knowledge. Such skills and knowledge currently include those pertaining to understanding the video games and Esports community and market; the hosting and execution of Esports events and productions of offline events and programs; the ability to market Gamers so as to increase their market value through the use of social media platforms such as Twitch®, Instagram® and Twitter® and to promote player participation in Esports, live production capabilities and online content generation; and technology integration, including production, broadcasting, and information technology operation. The Corporation intends to retain qualified employees and consultants to conduct business equal to, or which exceed, industry standards.

The Corporation has assembled a strong advisory board to provide the required skills and knowledge to assist the success of the Corporation. The advisory team includes the following individuals:

Name	Advisor Since	Brief Biography and Role
Ron Segev	November 30, 2020	Founding Partner at Law Firm Segev LLP. Mr. Segev has been published in iGaming Business, American Gaming I, Canadian Gaming Layer and other leading gaming publications, and that he has been rated as a Band 1 gaming lawyer by Chambers and Partners – the highest ranking – and is also a General Member of the International Masters of Gaming Law. Advises the Corporation with respect to the possible regulatory aspects of the Corporation’s current and future product and service offerings, in addition to general legal matters.
Cody Lynge	June 30, 2020	Marketing professional, with over 15 years combined experience in marketing, sales, event marketing, athlete management and Esports. Head of Sports Marketing at Red Bull Canada Advises the Corporation with respect to user outreach and sales programs, and also helps facilitate business opportunities by connecting the Corporation with different ambassadors and influencers in the Esports industry.
Aaron Mallin	August 27, 2020	Editor and Post Production sup/producer for 10 years on broadcast commercials, music videos and feature films. Known for filmography such as, Gregoire, Forced to Fight, Two Stans & a Dan, Adele’s Wish, Blueprint to the Heart. Assists the Corporation in building a post-production team to create content from the Corporation’s online streamed events.

Name	Advisor Since	Brief Biography and Role
Adam Morrison	January 8, 2020	Co-Founder & General Manager of Oxygen Esports, Co-Founder & President of Esports Capital Corp. Former CTO for Millennial Esports Corp. TSX-V: GAME Assists the Corporation in navigating the complex compliance requirements in hosting online events and tournaments while also providing valuable sponsorship opportunities through Oxygen Esports.
Dr. Gerry Ramogida	June 1, 2019	Performance therapist with the Golden State Warriors® of the NBA®, and former therapist with the Vancouver Canucks of the NHL® and Seattle Seahawks of the NFL®. Consultant to many Olympic and professional sport athletes. Assists the Corporation in linking Esports with traditional professional sports, making introductions to professional sports franchises including the Golden State Warriors® and Seattle Seahawks®.
Dr. David Putrino, PhD	June 1, 2019	Director of Rehabilitation Innovation for Mount Sinai Health Network Official Medical Provider for Red Bull's Sponsored Athletes in North America. Played key role in developing Esports relationships with the Brooklyn Nets, Logitech, Take Two Interactive, Manchester City, Red Bull High Performance, and more. Advises the Corporation with respect to numerous partnership opportunities, including with Quad Gods, and assists the Corporation in developing new technologies.
Adrian Duke	December 11, 2020	Chief Operating Officer for Immersive Tech. Chief Executive Officer & Co-Founder of SkyTurtle Technologies Ltd. Assists the Corporation in engaging well recognized brands to sponsor different Esports events, and is also involved in developing the Corporation's augmented reality video games using its film intellectual property.
Michael Becker	December 11, 2020	Chief Executive Officer of Imprint Entertainment, with over 20 years experience in the entertainment and media industry. Represented clients in Sex and the City, I Robot, The Notebook, Nip/Tuck, and more. Assists the Corporation in building its library of intellectual property on different film assets.

Competitive Conditions

The Corporation's biggest competitors in North America are:

Major League Gaming

Major League Gaming is an Esports destination that holds competitive gaming events throughout North America each year. It was launched in 2002 by Sundance DiGiovanni and Mike Sepso, and is one of the largest Esports companies in North America. According to Major League Gaming, it has over 10 million registered users and more than 700,000 online games played per month (90% male and over 40%, with household income of over $100,000). They have major revenue streams specific to "Live Tournament Events" and sponsorship advertising from many Fortune 500 brands (Microsoft, Dr. Pepper, NOS Energy Drink). Major League Gaming was acquired by Activision Blizzard® in January 2016.

Electronic Sports League

The Electronic Sports League is the largest Esports league for Gamers in Europe, though it is also active in the United States. Electronic Sports League hosts online tournaments and operates ladders for multiple games and facilitates professional circuit live competitions in both Europe and the United States. As of June 2015, Electronic Sports League had more than 6 million registered users. It hosts large scale live events and cash tournaments and has partnerships with Intel and BENQ among others. In 2015, Modern Time Group acquired a 74% stake in the company for €78 million.

Millennial Esports Corp.

Millennial Esports Corp. (TSXV:GAME) owns and operates ProGamingLeague.com ("**PGL**"), an Esports platform and online community, which provides Gamers with a variety of online competitions, leagues and ladders giving them an opportunity to win prizes and garner recognition within the global Esports community. PGL's production division delivers turnkey tournament and event planning, coordination and logistics. PGL also owns and operates mobile apps related to Esports (including League of Legends and Champions). PGL was launched in 2013 and seeks to unite the Esports communities on a single entertainment platform and has becoming a favoured online destination for Esports enthusiasts from around the globe. In addition, PGL provides turnkey solutions in an effort to give game publishers, consumer brands and other partners exposure and influence on a targeted audience, thereby enabling them to generate new revenue streams by reaching this unique global demographic.

Allied Esports

Named to Fast Company's World's Most Innovative Companies list in 2019, Allied Esports is a Esports entertainment company with a global network of dedicated Esports properties and content production facilities. Its stated mission is to connect players, streamers and fans via integrated arenas and mobile Esports trucks around the world that serve as both gaming battlegrounds and every day content generation hubs.

Allied Esports locations currently include 11 properties in the top three Esports markets across the globe: North America's HyperX Esports Arena Las Vegas; HyperX Esports Truck "Big Meta"; Esports Arena Orange County and Esports Arena Oakland; Europe's HyperX Esports Truck "Big Betty" and HyperX Studio in Hamburg, Germany; and China's Lianmeng Dianjing in Beijing, Lianmeng Dianjing SEG Arena in Shenzhen, Lianmeng Dianjing Tianjin Arena, Lianmeng Dianjing Gui'an Arena and Lianmeng Dianjing LGD Gaming Hangzhou Arena.

World Gaming Network

World Gaming is an online video gaming platform that hosts head to head matches, tournaments and ladders for consoles and PC Gamers. World Gaming has had over 3 million Gamers registered for its platform worldwide . There have been over 6.7 million matches played over 20,000 tournaments held on World Gaming.com since 2010. World Gaming has traditionally focused on sports games, fighting games and driving games. They had formed a partnership with EA Sports to be integrated into the game and have automatically verified results from the EA servers. These games included the FIFA, Madden and NHL franchises. A partnership was also in place with Take-Two Interactive to be featured and integrated into the NBA2K series of games. World Gaming has relaunched a new platform with a larger number of games, supporting a wide range of publishers. It remains focused on gaming and tournaments but also incorporates streaming, live events and being the central community for gaming enthusiasts worldwide. On September 18, 2015 it was announced that World Gaming had been acquired by theatre chain Cineplex Entertainment.

Changes to Contracts

No part of the Corporation's business is reasonably expected to be affected in the current financial year by either the renegotiation or termination of any contract.

Employees

As of the date of this Prospectus, the Corporation has 10 consultants, 11 advisors, and 4 ambassadors. Including the Corporation's directors and officers, there are 32 individuals actively involved in the operation or development activities of the Corporation.

Foreign Operations

The Corporation, through the GamerzArena online platform, offers its services around the world to all users accessing the online platform, whereby users are able to engage and participate in online contests and tournaments with other users globally.

Lending

The Corporation does not engage in any lending activities.

Bankruptcy and Similar Procedures

There are no bankruptcies, receivership or similar proceedings against the Corporation, nor is the Corporation aware of any such pending or threatened proceedings. There has not been any voluntary bankruptcy, receivership or similar proceeding, by the Corporation during its last three financial years.

Reorganizations

The Corporation has not completed any material reorganization and no reorganization is proposed for the current financial year.

DIVIDENDS OR DISTRIBUTIONS

The payment of dividends, if any, in the future, rests within the sole discretion of the board of directors of the Corporation (the "**Board**"). The payment of dividends will depend upon the Corporation's earnings, its capital requirements and its financial condition, as well as other relevant factors. The Corporation has not declared any cash dividends since its inception and the Corporation intends to retain its earnings to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares and other classes of shares in the foreseeable future.

There are no restrictions in the Corporation's constating documents that prevent the Corporation from declaring dividends. The BCBCA, however, does prohibit the Corporation from declaring dividends where, after giving effect to the distribution of the dividend, the Corporation would not be able to pay its debts as they become due in the usual course of business, or the Corporation's total assets would be less than the sum of its total liabilities plus the amount that would be needed to satisfy the rights of shareholders who have preferential rights superior to those receiving the distribution.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Corporation

The Corporation's MD&A provides an analysis of the Corporation's financial results for the year ended June 30, 2020, and for the period from incorporation on March 1, 2019 to June 30, 2019, and should be read in conjunction with the Corporation's consolidated financial statements and the notes thereto, respectively. The Corporation's MD&A is attached to this Prospectus as Appendix "B".

Certain information included in the Corporation's 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 Information*" for further detail.

Esports Enterprises

Esports Enterprises' MD&A provides an analysis of Esports Enterprises' financial results for the year ended December 31, 2019 and 2018, and should be read in conjunction with Esports Enterprises' financial statements and the notes thereto, respectively. Esports Enterprises' MD&A is attached to this Prospectus as Appendix "F".

Certain information included in Esports Enterprises' 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 Information*" for further detail.

Additional Disclosure for Junior Issuers

The Corporation had negative cash flow from operations for its most recently completed financial year and expects to have sufficient funds available to fund operations for a period of 12 months. The Corporation estimates total operating costs of $2,520,000 to achieve its stated business objectives and milestones. See "*Use of Proceeds*".

DESCRIPTION OF SHARE CAPITAL

No securities are being offered pursuant to this Prospectus.

Authorized Capital

The authorized share capital of the Corporation consists of an unlimited number of Common Shares without par value and an unlimited number of class "B" common non-voting shares ("**Non-Voting Shares**"). See "*Consolidated Capitalization*". As of the date of this Prospectus, there were 60,106,498 Common Shares issued and outstanding, and nil Non-Voting Shares issued and outstanding**.** In addition, as of the date of this Prospectus, the following convertible securities were issued and outstanding: 11,999,844 Warrants to acquire 11,999,844 Common Shares, 3,250,000 Options to acquire 3,250,000 Common Shares, 450,000 RSUs to acquire 450,000 Common Shares and 7,000,000 Performance Warrants to acquire 7,000,000 Common Shares, in each case in accordance with the respective terms of such securities. See "*Options to Purchase Securities*" for additional details.

Common Shares

Holders of the Common Shares are entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Corporation, 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 the Common Shares, subject to the prior rights, if any, of any other class of shares of the Corporation, are entitled to receive such dividends in any financial year as the Board may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of the Corporation's assets among its shareholders by way of repayment of capital, the net equity of the Corporation shall be distributed among the holders of the Common Shares, without priority and on a share for share basis. There are no redemption or retraction rights associated with the Common Shares.

Non-Voting Shares

Holders of the Non-Voting Shares are not entitled to receive notice of, nor to attend or vote at, any meetings of the shareholders of the Corporation, and shall not have any voting rights except to receive notice of, attend and vote at class meetings of the holders of the Non-Voting Shares or as required or provided by the BCBCA with each Non-Voting Share conferring the right to one vote, provided that the shareholder is a holder on the applicable record date declared by the Board. The holders of the Non-Voting Shares, subject to the prior rights, if any, of any other class of shares of the Corporation, are entitled to receive such dividends in any financial year as the Board may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of the Corporation's assets among its shareholders by way of repayment of capital, the net equity of the Corporation shall be distributed among the holders of the Non-Voting Shares, without priority and on a share for share basis. There are no redemption or retraction rights associated with the Non-Voting Shares.

CONSOLIDATED CAPITALIZATION

No securities are being offered pursuant to this Prospectus and, except as disclosed in the following paragraph, there have been no changes in the Corporation's capitalization since the date of the Corporation's consolidated financial statements year ended June 30, 2020.

The following table sets forth the capitalization of the Corporation as of the date of the Corporation's consolidated financial statements year ended June 30, 2020 and as of the date of this Prospectus. There has been no other material change in the capitalization of the Corporation since the date of this Prospectus. See "*Prior Sales*".

Designation of Security	Amount Authorized	Amount Outstanding as of June 30, 2020 (audited)	Amount Outstanding as of the date of this Prospectus
Common Shares	Unlimited	37,990,330	60,106,498
Options	Rolling 20%	Nil	3,250,000[(1)(2)(3)(4)(5)(6)(7)]
Warrants	N/A	3,202,760	11,999,844
Performance Warrants	N/A	Nil	7,000,000[(8)]
Restricted Shares	Rolling 20%	Nil	450,000[(9)(10)(11)]

Notes:

(1) 250,000 Options were granted to Timothy Laidler at an exercise price of $0.35 per Option pursuant to the terms of Timothy Laidler's option agreement with the Corporation dated November 22, 2020 (See "*Executive Compensation – Stock Options and Other Compensation Securities*").

(2) 250,000 Options were granted to Mike Aujla at an exercise price of $0.35 per Option pursuant to the terms of Mike Aujla's option agreement with the Corporation dated November 22, 2020 (See "*Executive Compensation – Stock Options and Other Compensation Securities*").

(3) 250,000 Options were granted to Jonathan Anastas at an exercise price of $0.35 per Option pursuant to the terms of Jonathan Anastas's option agreement with the Corporation dated November 22, 2020 (See "*Executive Compensation – Stock Options and Other Compensation Securities*").

(4) 700,000 Options were granted to 1225258 B.C. Ltd., a company owned and controlled by Matthew Schmidt, at an exercise price of $0.35 per Option pursuant to the terms of 1225258 B.C. Ltd.'s option agreement with the Corporation dated December 1, 2020 (See "*Executive Compensation – Stock Options and Other Compensation Securities*").

(5) 500,000 Options were granted to Sweet North Consulting Inc., a company owned and controlled by Eli Dusenbury, at an exercise price of $0.35 per Option pursuant to the terms of Sweet North Consulting Inc.'s option agreement with the Corporation dated December 1, 2020 (See "*Executive Compensation – Stock Options and Other Compensation Securities*").

(6) An aggregate of 1,300,000 Options were granted to certain consultants of the Corporation at an exercise price of $0.35 per Option pursuant to the terms of certain option agreements entered into with the Corporation dated December 1, 2020.

(7) Assuming successful Listing, certain ambassadors and advisors will be issued an aggregate of 2,135,000 Options at an exercise price of $0.50 per Option pursuant to the terms of their option agreements to be entered into with the Corporation.

(8) 7,000,000 Performance Warrants issued to certain persons as consideration for the provision of ongoing consulting services. (See "*Option to Purchase Securities – Performance Warrants*").

(9) 100,000 RSUs were granted to Sweet North Consulting Inc., a company owned and controlled by Eli Dusenbury, pursuant to the terms of Sweet North Consulting Inc.'s restricted share agreement with the Corporation dated December 1, 2020, and the RSUs will vest and be released in 4 months after the successful submission of the final non-offering prospectus (See "*Executive Compensation – Stock Options and Other Compensation Securities*").

(10) An aggregate of 350,000 RSUs were granted to certain consultants of the Corporation pursuant to the terms certain restricted share agreement entered into with the Corporation dated December 1, 2020, and the RSUs will vest and be released in 4 months after the successful submission of the final non-offering prospectus.

(11) Assuming the successful completion of the Listing, certain ambassadors and advisors will be issued an aggregate of 410,000 RSUs pursuant to the terms of their restricted share agreements to be entered into with the Corporation.

OPTIONS TO PURCHASE SECURITIES

Stock Options

The Corporation's share-based compensation plan (the "**Share-Based Compensation Plan**") was adopted by the Corporation on June 1, 2019, and amended and restated on December 17, 2020, and as at the date of this Prospectus, the Corporation has issued 3,250,000 Options (as defined below). The Options have an exercise price of $0.35 each and an expiry date for a period of 36 months from their date of issuance.

Options Held	Number of Options	Exercise Price	Expiry Date
Options held by all executive officers and past executive officers of the Corporation as a group (which consists of one executive officer and past executive officer).	1,200,000(1)(2)	$0.35	36 months from date of issuance
Options held by all directors and past directors of Corporation who are not also executive officers as a group, of the Corporation (which consists of one director and past director).	750,000(3)(4)(5)	$0.35	36 months from date of issuance
Options held by all other employees, consultants, advisors, and/or shareholders of the Corporation and all other past employees, consultants, advisors, and/or shareholders of the Corporation as a group (which consists of one executive officer and past executive officer).	1,300,000(6) Nil(7)	$0.35 $0.50	36 months from date of issuance

Notes:

(1) 700,000 Options were granted to 1225258 B.C. Ltd., a company owned and controlled by Matthew Schmidt, at an exercise price of $0.35 per Option pursuant to the terms of 1225258 B.C. Ltd.'s option agreement with the Corporation dated December 1, 2020 (See "*Executive Compensation – Stock Options and Other Compensation Securities*").

(2) 500,000 Options were granted to Sweet North Consulting Inc., a company owned and controlled by Eli Dusenbury, at an exercise price of $0.35 per Option pursuant to the terms of Sweet North Consulting Inc.'s option agreement with the Corporation dated December 1, 2020 (See "*Executive Compensation – Stock Options and Other Compensation Securities*").

(3) 250,000 Options were granted to Timothy Laidler at an exercise price of $0.35 per Option pursuant to the terms of Timothy Laidler's option agreement with the Corporation dated November 22, 2020 (See "*Executive Compensation – Stock Options and Other Compensation Securities*").

(4) 250,000 Options were granted to Mike Aujla at an exercise price of $0.35 per Option pursuant to the terms of Mike Aujla's option agreement with the Corporation dated November 22, 2020 (See "*Executive Compensation – Stock Options and Other Compensation Securities*").

(5) 250,000 Options were granted to Jonathan Anastas at an exercise price of $0.35 per Option pursuant to the terms of Jonathan Anastas's option agreement with the Corporation dated November 22, 2020 (See "*Executive Compensation – Stock Options and Other Compensation Securities*").

(6) An aggregate of 1,300,000 Options were granted to certain consultants of the Corporation at an exercise price of $0.35 per Option pursuant to the terms of certain option agreements entered into with the Corporation dated December 1, 2020.

(7) Assuming successful Listing, certain ambassadors and advisors will be issued an aggregate of 2,135,000 Options at an exercise price of $0.50 per Option pursuant to the terms of their option agreements to be entered into with the Corporation.

Description of the Share-Based Compensation Plan

The following is a summary of certain provisions of the Share-Based Compensation Plan and is qualified in its entirety by the full text of the Share-Based Compensation Plan, a copy of which is attached as Appendix "C" to this Prospectus.

Eligible Persons

Awards may be granted to an employee, director, officer or consultant of the Corporation or any of its subsidiaries (an "**Eligible Person**"). A participant ("**Participant**") is an Eligible Person to whom an Award has been granted. An

“**Award**” means any Option, Bonus Share, SAR, DSU, PSU or RSU (each as defined herein) granted under the Share-Based Compensation Plan.

Number of Shares available for Awards

The aggregate number of Common Shares issuable pursuant to Awards granted under the Share-Based Compensation Plan, must not exceed 20.0% of the issued and outstanding Common Shares at the time of the grant. As of the date of this Prospectus, the Corporation is authorized to issue up to 12,021,299 Common Shares under the Share-Based Compensation Plan (which represents 20.0% of the issued and outstanding Common Shares as of the date of this Prospectus).

Options

During the year ended June 30, 2020, nil Options were issued.

As of the date of this Prospectus, there were 3,250,000 Options outstanding.

SARs

As of the date of this Prospectus, there were nil SARs outstanding.

DSUs

Directors of the Corporation can elect to receive a portion of their director fees in the form of DSUs. As of the date of this Prospectus, there were nil DSUs outstanding.

PSUs

As of the date of this Prospectus, there were nil PSUs outstanding.

RSUs

As of the date of this Prospectus, there were 450,000 RSUs outstanding.

As of the date of this Prospectus, the Common Shares subject to outstanding Options, SARs, DSUs, PSUs and RSUs total, in aggregate, approximately 6.16% of the total number of issued and outstanding Common Shares.

Number of Shares under Award Grant

Subject to complying with all requirements of the Exchange and the provisions of the Share-Based Compensation Plan, the number of Shares that may be purchased under any Award will be determined and fixed by the Board at the date of grant.

Maximum Award Grant

(a) The aggregate number of Common Shares (i) reserved for issuance to insiders, at any time subject to outstanding grants, under the Share-Based Compensation Plan and under any other share compensation arrangement of the Corporation, cannot exceed 10% of the issued Shares; and (ii) issued to insiders, within any 12 month period, under the Share-Based Compensation Plan, cannot exceed 10% of the issued Common Shares, calculated on the date of the grant to any insider.

(b) The aggregate number of Common Shares reserved for issuance to all non-employee directors, at any time subject to outstanding grants, under the Share-Based Compensation Plan and under any other share compensation arrangement of the Corporation, cannot exceed, for all non-employee directors, a maximum of 1% of the issued Common Shares; and, on an individual nonemployee director basis, grants of Awards in any one calendar year cannot exceed a maximum aggregate value of $100,000 at the time of the grant (other than grants of Awards to a nonemployee director in the year of his or her initial appointment to the Board or grants of DSUs in lieu of cash compensation otherwise payable).

(c) The aggregate number of Common Shares reserved for issuance to any one Eligible Person, at any time, under the Share-Based Compensation Plan and under any other share compensation arrangement of the Corporation, cannot exceed 5% of the issued Common Shares.

(d) The maximum number of Bonus Shares that may be issued in a calendar year cannot exceed 2% of the issued and outstanding Common Shares as of January 1 of such calendar year.

Options

Exercise price of Options

The exercise price per Common Share under each Option will be determined by the Board in its sole discretion, provided that such price will not be less than the trading price at which the Common Shares traded on the Exchange as of the close of market on the day immediately prior to the date such Option is granted.

Vesting Terms and Restrictions

Vesting terms and restrictions of the Options shall be determined by the Board on a case by case basis.

Term of Options and causes of cessation

Subject to the requirements of the Exchange, each Option will expire (the "**Option Expiry Date**") on the earlier of:

(a) the date determined by the Board and specified in the option agreement pursuant to which such Option is granted, provided that such date may not be later than the earlier of: (i) the 10th anniversary of the date on which such Option is granted, and (ii) the latest date permitted under the applicable rules and regulations of all regulatory authorities to which the Corporation is subject, including the Exchange;

(b) in the event the Participant ceases to be an Eligible Person for any reason, other than the death of the Participant or the termination of the Participant for cause, such period of time after the date on which the Participant ceases to be an Eligible Person as may be specified by the Board, which date must not exceed 90 days following the termination of the Participant's employment with the Corporation, or, in the case of Options granted to a director, officer or consultant, 90 days following the Participant ceasing to be a director, officer or a consultant, unless the Board otherwise determines (provided that in no circumstances will the date exceed one year from the date of termination of the Participant's employment with the Corporation, or the date the Participant ceased to be a director, officer or a consultant, as applicable) and which period will be specified in the applicable Option agreement with respect to such Option;

(c) in the event of the termination of the Participant as an officer, employee or consultant of the Corporation or a subsidiary for cause, the date of such termination;

(d) in the event that a director is subject to any order, penalty or sanction by an applicable securities regulatory authority which relates to such director's activities in relation to the Corporation, and the Board determines that such director's Options should be cancelled, the date of such determination;

(e) in the event of the death of a Participant prior to (i) the Participant ceasing to be an Eligible Person, or (ii) the date which is the number of days specified by the Board pursuant to subparagraph (b) above from the date on which the Participant ceased to be an Eligible Person, the date which is one year after the date of death of such Participant or such earlier date as may be specified by the Board and which period will be specified in the option agreement with the Participant with respect to such Option; and

(f) notwithstanding the foregoing provisions of subparagraphs (b), (c) and (d) above, the Board may, subject to the Share-Based Compensation Plan and to regulatory approval, at any time prior to expiry of an Option, extend the period of time within which an Option may be exercised by a Participant who has ceased to be an Eligible Person, but such an extension must not be granted beyond the earlier to occur of (i) the date that is one year from the date such extension was granted, and (ii) the original expiry date of the Option as provided for in subparagraph (a) above.

Bonus Shares

The Board has the authority, subject to the limitations described under the heading "Maximum Award Grant" above, to issue, or reserve for issuance, for no cash consideration, to any Eligible Person, as a discretionary bonus, any number of Common Shares ("**Bonus Shares**") as the Board may determine. The deemed price at which such Bonus Shares are issued will be equal to the most recent closing price of the Common Shares on the Exchange immediately prior to the grant of the Bonus Shares. The obligation of the Corporation to issue and deliver any Bonus Shares pursuant to an Award will be subject to receipt of all necessary approvals of any applicable securities regulatory authority and the Exchange.

Stock Appreciation Rights

Grant of SARs and SAR Exercise Price

The Board has the authority, subject to the limitations contained in the Share-Based Compensation Plan, to grant to any Eligible Person (a) stock appreciation rights ("**SARs**") in tandem with a related Option or as an addition to a previously granted and outstanding Option ("**Tandem SARs**"); and (b) free-standing SARs that are not Tandem SARs ("**Free-Standing SARs**"), with the specific terms and conditions thereof to be as provided in the Share-Based Compensation Plan and in the award agreement entered into in respect of such grant.

The exercise price per Common Share under each SAR ("**SAR Exercise Price**") will be determined by the Board, in its sole discretion, provided that the exercise price for each Free-Standing SAR may not be less than the trading price at which the Common Shares traded on the Exchange as of the close of market on the day immediately prior to the grant date, and the SAR Exercise Price for each Tandem SAR will be equal to the exercise price of the related Option.

Exercise of SARs

Tandem SARs may be exercised for all or part of the Common Shares subject to the related Option upon the surrender of the right to exercise the equivalent portion of the related Option. A Tandem SAR will be exercisable only when and to the extent the related Option is exercisable and may be exercised only with respect to the Common Shares for which the related Option is then exercisable. A Tandem SAR will entitle a Participant to elect, in the manner set forth in the Share-Based Compensation Plan and the applicable Option agreement entered into in respect of such grant, in lieu of exercising his or her unexercised related Option for all or a portion of the Common Shares for which such Option is then exercisable pursuant to its terms, to surrender such Option to the Corporation with respect to any or all of such Common Shares and to receive from the Corporation in exchange therefor a payment described below. An Option with respect to which a Participant has elected to exercise a Tandem SAR will, to the extent of the Common Shares covered by such exercise, be cancelled automatically and surrendered to the Corporation. Such Option will thereafter remain exercisable according to its terms only with respect to the number of Common Shares as to which it would otherwise be exercisable, less the number of Common Shares with respect to which such Tandem SAR has been so exercised.

A Free-Standing SAR may be exercised upon whatever terms and conditions the Board in its sole discretion, in accordance with the Share-Based Compensation Plan, determines and sets forth in the SAR agreement entered into in respect of such grant.

Upon exercise, a SAR will entitle the Participant to receive payment from the Corporation in an amount determined on the following basis:

> **Payment = Number of SARs x (Current Market Price – SAR Exercise Price)**, less the deduction of any applicable withholding taxes (the "**Share Premium**") / Current Market Price

The Share Premium will be paid and satisfied by the Corporation issuing Common Shares, the number of which will be calculated by dividing the Share Premium by the Current Market Price of the Common Shares on the exercise date.

"**Current Market Price**" means in respect of SARs which are exercised: (i) the closing price of the Common Shares on the Exchange on the date the notice of exercise in respect thereof is received by the Corporation, if such day is a trading day and the notice of exercise is received by the Corporation after regular trading hours; or (ii) the closing price of the Common Shares on the Exchange on the trading day immediately prior to the date the notice of exercise in respect thereof is received by the Corporation, if the notice of exercise is received by the Corporation during regular trading hours, or on a non-trading day.

Terms of SARs

The term of a SAR will be, subject to the requirements of the Exchange, determined by the Board, in its sole discretion, provided that no SAR will be exercisable later than the tenth (10th) anniversary of its grant date (the "**SAR Expiry Date**"), provided that the SAR Expiry Date will be accelerated in the same manner as the Option Expiry Date pursuant to the Share-Based Compensation Plan.

Except as determined from time to time by the Board or in the event of death, all SARs will cease to vest as at the date upon which the Participant ceases to be an Eligible Person which, in the case of an employee or consultant of the Corporation or its subsidiaries, will be the date on which active employment or engagement, as applicable, with the Corporation or its subsidiaries terminates, specifically without regard to any period of reasonable notice or any salary continuance.

In the event of the death of a Participant prior to the Participant ceasing to be an Eligible Person, all SARs of such Participant will become immediately vested.

Deferred Share Units

Grant of DSUs

The Share-Based Compensation Plan allows for the grant of deferred share units ("**DSUs**") to any Eligible Person with the specific terms and conditions thereof to be as provided in the Share-Based Compensation Plan and in the DSU agreement entered into in respect of such grant. Each DSU will be equivalent in value to a Common Share. The number of DSUs granted at any particular time will be calculated to the nearest thousandths of a DSU, determined by dividing (a) the dollar amount of compensation payable in DSUs by (b) the DSU Fair Market Value (as defined in the Share-Based Compensation Plan) on the grant date.

Redemption of DSUs

Each Participant is entitled to redeem his or her DSUs during the period commencing on the business day immediately following the Separation Date (as defined in the Share-Based Compensation Plan) and ending on the 90th day following the Separation Date by providing a written notice of redemption to the Corporation.

In the event of death of a Participant, the notice of redemption will be filed by the legal representative of the Participant. If the Participant is a U.S. Participant (as defined in the Share-Based Compensation Plan), redemption of such Participant's DSUs will be in accordance with the provisions of the Share-Based Compensation Plan applicable to U.S. Participants.

On the date of redemption, the Participant will be entitled to receive, and the Corporation will issue or provide: (a) subject to the limitations described under the heading "Maximum Award Grant" above, a number of Common Shares issued from treasury equal to the number of DSUs in the Participant's account on the Separation Date, subject to any applicable deductions and withholdings; (b) subject to and in accordance with any applicable law, a number of Common Shares purchased by an independent administrator in the open market for the purposes of providing Common Shares to Participants equal in number to the DSUs in the Participant's account, subject to any applicable deductions and withholdings; (c) the payment of a cash amount to a Participant equal to the number of DSUs multiplied by the DSU Fair Market Value on the Separation Date, subject to any applicable deductions and withholdings; or (d) any combination of the foregoing, as determined by the Corporation, in its sole discretion.

Additional Terms of DSUs

Additional provisions relating to DSUs include, among other things:

(a) At the option of the Board in its sole discretion, the Board may provide a Participant with the ability to elect to receive in DSUs all or part of his or her compensation that is otherwise payable in cash (with the balance, if any, being paid in cash). If such an election is made available to a Participant, the Board will provide a Participant written notice, specifying the portion of his or her compensation to which the election applies and the procedures for validly exercising such election.

(b) Subject to the absolute discretion of the Board, except to the extent provided otherwise in the DSU agreement, in the event that a dividend (other than a stock dividend) is declared and paid by the Corporation on the Common Shares, a Participant may be credited with additional DSUs. The number of such additional DSUs, if any, will be calculated by dividing (a) the total amount of the dividends that would have been paid to the Participant if the DSUs in the Participant's account on the dividend record date had been outstanding Shares (and the Participant held no other Shares), by (b) the DSU Fair Market Value of the Common Shares on the date on which such dividends were paid.

Performance Share Units

The Board has the authority, subject to the limitations described under the heading "Maximum Award Grant" above and to the paragraphs below, to grant performance share units of the Corporation ("**PSUs**") to any Eligible Person with the specific terms and conditions to be as provided in the Share-Based Compensation Plan and in the PSU agreement entered into in respect of such grant. The PSU agreement in respect of the PSUs granted will set out, at a minimum, the number of PSUs granted, the Performance Period (as defined in the Share-Based Compensation Plan), the performance-based criteria and the multiplier(s).

Terms of PSUs

Subject to the provisions of the Share-Based Compensation Plan, each PSU awarded to a Participant for services performed during the year in which the PSU is granted will entitle the Participant to receive payment in an amount equal to the PSU Fair Market Value (as defined in the Share-Based Compensation Plan) on the day immediately prior to the last day of the applicable Performance Period multiplied by the applicable multiplier(s), to be determined on the last day of the Performance Period.

The Board, in its sole discretion, may determine that if and when distributions are paid on any Common Shares, additional PSUs will be credited to the Participant as of such distribution payment date. The number of additional PSUs (including fractional PSUs) to be credited to the Participant will be determined by dividing the dollar amount of the distribution payable in respect of the Common Shares underlying the PSUs by the PSU Fair Market Value on the date the distribution is paid. Fractional PSUs to two decimal places will be credited to the Participant.

If a Participant ceases to be an Eligible Person during the Performance Period because of Retirement or Termination (each as defined in the Share-Based Compensation Plan) of the Participant, all PSUs previously awarded to the Participant will be forfeited and cease to be credited to the Participant on the date of the Retirement or Termination, as the case may be; however, the Board will have the absolute discretion to modify the grant of the PSUs to provide that the Performance Period would end at the end of the calendar quarter immediately before the date of the Retirement or Termination, as the case may be, and the amount payable to the Participant will be calculated as of such date.

In the event of the death or total disability of a Participant during the Performance Period, the Performance Period will be deemed to end at the end of the calendar quarter immediately before the date of death or total disability of the Participant and the amount payable to the Participant or its executors, as the case may be, will be calculated as of such date.

In the event that (a) a Change of Control and (b) a Triggering Event (each as defined in the Share-Based Compensation Plan) occurs and within 12 months following such Triggering Event the Participant advises the Corporation of his or her intention to terminate his or her employment as a result thereof, the Performance Period will be deemed to end at the end of the calendar quarter immediately before the Change of Control and the amount payable to the Participant will be calculated as of such date.

Subject to the provisions of the Share-Based Compensation Plan (which could result in shortening any such period), the Performance Period in respect of a particular Award will be one year from the date of grant of the applicable PSU, provided that the Board may, in its sole discretion, determine the Performance Period to be greater than one year, to a maximum of three years from the date of grant of the applicable PSU.

Subject to the terms of the amended Share-Based Compensation Plan, the Board, in its sole discretion, may pay earned PSUs in the form of cash or in Shares issued from treasury (or in a combination thereof) equal to the value of the PSUs at the end of the applicable Performance Period.

Restricted Share Units

The Board has the authority, subject to the limitations described under the heading "Maximum Award Grant" above and to the paragraphs below, to grant restricted share units of the Corporation ("**RSUs**") to any Eligible Person as a discretionary payment in consideration of past services to the Corporation, subject to the Share-Based Compensation Plan and with the specific terms and conditions thereof to be as provided in the Share-Based Compensation Plan and in the RSU agreement entered into in respect of such grant. At the end of the Restricted Period (as defined in the Share-Based Compensation Plan) applicable to a RSU and without the payment of additional consideration or any other further action on the part of the Participant, the Corporation will issue to the Participant one Common Share for each RSU held by the Participant for which the Restricted Period has expired. No Restricted Period will be longer than three years from the date of grant, subject to the Share-Based Compensation Plan.

Terms of RSUs

The Board, in its sole discretion, may determine that if and when distributions are paid on any Common Shares, additional RSUs will be credited to the Participant as of such distribution payment date. The number of additional RSUs to be credited to the Participant will be determined by dividing the dollar amount of the distribution payable in respect of the Restricted Shares (as defined in the Share-Based Compensation Plan) underlying the RSUs by the RSU Fair Market Value (as defined in the Share-Based Compensation Plan). The Restricted Period applicable to such additional RSUs, if any, will be the same as the Restricted Period, if any, for the RSUs.

In the event of the Retirement or Termination of a Participant during the Restricted Period (as defined in the Share-Based Compensation Plan), any RSUs held by the Participant will immediately terminate and be of no further force or effect; provided, however, that the Board will have the absolute discretion to modify the grant of the RSUs to provide that the Restricted Period will terminate immediately prior to a Participant's Termination or Retirement.

In the event of: (a) the death of a Participant, the Restricted Period in respect of any RSUs held by such Participant will be accelerated and will expire on the date of death of such Participant and the Restricted Shares represented by the RSUs held by such Participant will be issued to the Participant's estate as soon as reasonably practical thereafter, but in any event no later than 90 days thereafter; and (b) the disability of a Participant (determined in accordance with the Corporation's normal disability practices), the Restricted Period in respect of any RSUs held by such Participant will be accelerated and will expire on the date in which such Participant is determined to be totally disabled and the Restricted Shares represented by the RSUs held by the Participant will be issued to the Participant as soon as reasonably practical, but in any event no later than 30 days following receipt by the Corporation of notice of disability.

In the event that (a) a Change of Control and (b) a Triggering Event occurs and within 12 months following such Triggering Event the Participant advises the Corporation by written notice of his or her intention to terminate his or her employment as a result thereof, the Restricted Period in respect of all RSUs held by such Participant will expire on the date such written notice is received by the Corporation notwithstanding the Restricted Period.

Procedure for amending

Subject to the provisions of the Share-Based Compensation Plan and the requirements of the Exchange, the Board has the right at any time to suspend, amend or terminate the Share-Based Compensation Plan, including, but not limited to, the right: (a) with approval of Shareholders, by ordinary resolution, to make any amendment to any award agreement or the Share-Based Compensation Plan; and (b) without approval of Shareholders to make the following amendments to any award agreement or the Share-Based Compensation Plan: (i) amendments of a clerical nature; (ii) amendments to reflect any requirements of any regulatory authorities to which the Corporation is subject, including the Exchange; and (iii) amendments to vesting provisions of Awards.

Other material information

Each Award Agreement will provide that except pursuant to a will or by the laws of descent and distribution, no Awards and no other right or interest of a Participant are transferable or assignable. Subject to the provisions of the Share-Based Compensation Plan, appropriate adjustments to the Share-Based Compensation Plan and to Awards will be made, and will be conclusively determined, by the Board, to give effect to adjustments in the number of Common Shares resulting from subdivisions, consolidations, substitutions, or reclassifications of the Common Shares, the payment of share dividends by the Corporation (other than dividends in the ordinary course) or other changes in the capital of the Corporation or from a Merger and Acquisition Transaction (as defined in the Share-Based Compensation Plan).

Performance Warrants

On September 1, 2020, the Corporation issued an aggregate of 7,000,000 Performance Warrants to certain persons as consideration for the performance of ongoing consulting services. Each of the 7,000,000 Performance Warrant is exercisable to acquire one Common Share of the Corporation at a price of $0.05 for a period of three years from the date of issuance. In all cases, the Performance Warrants have not vested, and they will not vest until the performance milestones set out below are met. As of the date of this Prospectus, to the Corporation's knowledge, there has been no progress towards achieving any of the performance milestones.

With respect to three consulting agreements, pursuant to which an aggregate of 5,000,000 Performance Warrants have been issued, such Performance Warrants will vest and become exercisable when the Corporation completes an acquisition of an accretive business or asset having a value of $2,500,000 or greater either in a single or in a series of separate transactions in respect of which the vending party is identified and introduced to the Corporation by the holder of such Performance Warrants.

With respect to an additional consulting agreement, pursuant to which the remaining 2,000,000 Performance Warrants have been issued, such Performance Warrants will vest and become exercisable when the Corporation completes an equity financing raising a total of $2,500,000 or greater either in a single or in a series of separate financings in respect of which the subscribers are identified and introduced to the Corporation by the holder of such Performance Warrants.

Warrants

As of the date of this Prospectus, the Corporation has the following Warrants outstanding:

- 2,322,760 Warrants entitling the holder to acquire one Common Share at a price of $1.00, and exercisable until July 19, 2021;
- 880,000 Warrants entitling the holder to acquire one Common Share at a price of $1.00, and exercisable until May 20, 2022; and
- 8,797,084 Warrants entitling the holder to acquire one Common Share at a price of $0.50, and exercisable until December 22, 2022.

PRIOR SALES

The following table summarizes all sales/issuances of securities of the Corporation for the 12-month period before the date of the Prospectus:

Date Issued	Number and Type	Issue or Exercise Price Per Share ($)	Aggregate Issue ($)	Nature of Consideration
April 13, 2020	2,523,231 Common Shares(1)	US$0.77(2)	US$1,942,888	Issuance to former shareholders of Esports Enterprises

May 20, 2020	880,000 Common Shares[(1)] 440,000 Warrants[(1)]	Issue Price \$0.50[(2)] Exercise Price \$1.00	\$440,000	Second tranche of \$0.50 private placement of units
September 1, 2020	7,000,000 Performance Warrants	\$0.05	\$350,000	Ongoing consulting services
November 22, 2020	750,000 Options	\$0.35	\$262,500	Issuance to Directors
November 30, 2020	250,000 Common Shares	\$0.35	\$87,500	Issuance for advisory services
December 1, 2020	2,500,000 Options	\$0.35	\$875,000	Issuance to Officers and certain consultants
December 1, 2020	450,000 RSUs	-	-	Issuance to certain consultants
December 1, 2020	1,000,000 Common Shares	\$0.35	\$350,000	Issuance for consulting services
December 11, 2020	4,500,000	\$0.35	\$1,575,000	Issuance to former shareholders of Paradise City

December 11, 2020	800,000	$0.35	$280,000	Issuance for finders fees on Paradise City acquisition
December 22, 2020	16,816,168 Common(3) Shares 8,797,084 Warrants(3)	Issue Price $0.35 Exercise Price $0.50	$5,885,658	Private placement

Notes:

(1) Total number of securities reflects share numbers prior to the stock split on August 19, 2020, pursuant to which the Corporation split its shares on the basis of two Common Shares for each outstanding Common Share.

(2) Issue price reflects prices prior to the stock split on August 19, 2020, pursuant to which the Corporation split its shares on the basis of two Common Shares for each outstanding Common Share.

(2) On December 22, 2020, the Corporation issued 16,818,168 units at $0.35 per unit for total proceeds of $5,749,509 pursuant to a private placement. Each unit is comprised of one Common Share and one-half Warrant exercisable at $0.50 for a period of 24 months from the date of issuance. The Corporation also issued 389,000 broker warrants in lieu as finders fees. Each broker warrant entitles the holder to purchase one Common Share at a price of $0.50 for a period of 24 months from the date of issuance.

Trading Price and Volume

The Common Shares do not trade on any stock exchange.

ESCROWED SECURITIES

The following table sets of the number of Common Shares as of the date of this Prospectus that are subject to escrow:

Designation of Class	Number of Common Shares	Percentage of Class
Common Shares	57,906,498(1)	96.34%(2)

Notes:

(1) In addition to 2,200,000 Common Shares currently not subject to escrow restrictions (noting 25% of the Common Shares issued in connection with the Paradise City Asset Purchase Agreement were released from escrow on March 11, 2021), immediately upon Listing, an additional 12,566,501 Common Shares will be released from applicable voluntary escrow provisions (please see Page 33 of the Prospectus for release terms) and become free trading, resulting in a total of 14,766,501 free trading Common Shares (representing 24.57% of issued and outstanding) and a total of 45,339,997 escrowed Common Shares (75.43% of issued and outstanding).

(2) Based on 60,106,498 issued and outstanding Common Shares as of the date of this Prospectus

PRINCIPAL SECURITYHOLDERS

To the knowledge of the directors and officers of the Corporation, as of the date of this Prospectus no person beneficially owns or exercises control or direction over Common Shares carrying more than 10% of the votes attached to Common Shares.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

As of the date of this Prospectus, the following sets out the securities of the Corporation that, to the knowledge of the Corporation, are held in escrow or are subject to contractual restrictions on transfer.

Mandatory Escrow

No Common Shares nor any Warrants (including any Common Shares acquired upon the due exercise thereof) are expected to be held in escrow following completion of Listing (the "**Escrowed Securities**") pursuant to escrow requirements as required by National Policy 46-201 – *Escrow for Initial Public Offerings* and CSE policy on completion of the listing of the Common Shares on the CSE.

Voluntary Escrow

The 3,208,532 Common Shares (such number reflecting the Corporation's 2-for-1 share split on August 19, 2020) issued to Harwinder Parmar are subject to restrictions whereby such Common Shares are to be released over a period of 18 months from the Listing, with 25% released on the date of Listing, and an additional 12.5% being released every 3 months thereafter.

The 20,150,000 Common Shares (such number reflecting the Corporation's 2-for-1 share split on August 19, 2020) issued to certain subscribers in connection with the $0.02 Financing are subject to restrictions whereby such Common Shares are to be released over a period of 12 months from the Listing, with 50% being released on the date of Listing, and an additional 12.5% being released every three months thereafter.

The 1,958,336 Common Shares (such number reflecting the Corporation's 2-for-1 share split on August 19, 2020) issued to certain subscribers in connection with the $0.25 Financing and issued pursuant to a consulting agreement between the Corporation and its former CEO (which has since been subsequently transferred) are subject to restrictions whereby such Common Shares are to be released over a period of 9 months from the Listing, with 50% being released on the date of Listing, and an additional 16.67% being released every three months thereafter.

The 6,102,000 Common Shares (such number reflecting the Corporation's 2-for-1 share split on August 19, 2020) issued to certain subscribers in connection with the $0.50 Financing are subject to restrictions whereby such Common Shares are to be released over a period of 12 months from the Listing, with 10% being released on the date of Listing and an additional 22.5% being released every three months thereafter.

The 2,097,848 Common Shares (such number reflecting the Corporation's 2-for-1 share split on August 19, 2020) issued to the former GamerzArena shareholders in connection with the GamerzArena Acquisition are subject to restrictions whereby such Common Shares are to be released over a period of 12 months from the Listing, with 50% being released six months after Listing and the remaining 50% released twelve months after Listing. In addition, 2,948,614 Common Shares (such number reflecting the Corporation's 2-for-1 share split on August 19, 2020) issued to Brian Wilneff in connection with the GamerzArena Acquisition are subject to restrictions whereby such Common Shares are to be released over a period of 36 months from the Listing, with 16.67% being released every six months after Listing.

The 250,000 Common Shares issued to Grouse Media Ltd. pursuant to an advisory agreement between the Corporation and Grouse Media Ltd. dated November 30, 2020 are subject to restrictions whereby such Common Shares are to be released four months from the Listing.

The 1,000,000 Common Shares issued to 1225654 B.C. Ltd pursuant to a consulting agreement between the Corporation and 1225654 B.C. Ltd. dated December 1, 2020 are subject to restrictions whereby such Common Shares are to be released over a period of 12 months from the Listing, with 10% being released on the date of Listing and an additional 22.5% being released every three months thereafter.

The 4,500,000 Common Shares issued in connection with the Paradise City Asset Purchase Agreement are subject to restrictions whereby such Common Shares are to be released over a period of 12 months from December 11, 2020, with 25% being released every three months after December 11, 2020.

The 16,816,168 Common Shares issued to certain subscribers in connection with the $0.35 Financing are subject to restrictions whereby such Common Shares are to be released four months from the Listing.

DIRECTORS AND OFFICERS

The following table provides the names, municipalities of residence, positions, principal occupations and the number of voting securities of the Corporation that each of the directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as of the date hereof:

Name and Municipality of Residence and Position with the Corporation	Director / Officer Since	Principal Occupation for the Past Five Years	Number of Common Shares Beneficially Owned
Matthew Schmidt[(1)] Vancouver, British Columbia CEO and Director	May 1, 2020[(2)]	Technology entrepreneur, film producer and advisor to technology and gaming companies	Nil
Timothy Laidler[(1)] Anmore, British Columbia Director	August 10, 2020	Executive Director of the Centre for Group Counselling and Trauma, Mortgage Specialist for TD Canada Trust (resigned May 2018), and Executive Director Veterans Transition Network from May 2012 to June 2015	Nil
Mike Aujla[(1)] Vancouver, British Columbia Director	August 10, 2020	Former corporate lawyer and professional legal recruiter	Nil
Jonathan Anastas Helena, Montana, USA Director	November 19, 2020	Chief Marketing Officer for ONE Championship & ONE Esports, advisor and former officer to technology and gaming companies	Nil
Eli Dusenbury Vancouver, British Columbia CFO	March 1, 2020	Chartered Profession Accountant and CFO of various public companies	Nil

Note:

(1) Member of the Audit Committee
(2) Officer since May 1, 2020 and Director since August 10, 2020

The term of office of the directors expires annually at the time of the Corporation's annual general meeting. The term of office of the officers expires at the discretion of the Corporation's directors.

As at the date of this Prospectus, the directors and officers of the Corporation as a group owned beneficially, directly or indirectly or exercise control or discretion over an aggregate of nil Common Shares, or approximately 0.00% of the Common Shares issued and outstanding.

***Matthew Schmidt**, age 37, CEO and Director*

Mr. Schmidt is a technology entrepreneur and film producer. Mr. Schmidt has worked within Vancouver's film industry for over nine years, while simultaneously producing and marketing nightlife and cultural events in Vancouver, British Columbia. Mr. Schmidt opened his first entertainment venue at 26-years-old. In 2016, Mr. Schmidt produced his first feature film, and has since Executive Produced over nine films, with cumulative budgets of over $60 million. Mr. Schmidt co-founded Paradise City Films in 2017 and now focuses on film finance, development and "film packaging", working closely with the industry's leading agencies. Mr. Schmidt has advised on tech and gaming companies such as, Victory Square Technologies, Immersive Tech and V2 Games. Mr. Schmidt takes both a conventional and unconventional media approach to the social competitive gaming space, focusing on the immense value of connecting people, fans and brands in an emotional and cultural way.

***Timothy Laidler**, age 34, Director*

Mr. Laidler is currently the Executive Director of the Centre for Group Counselling and Trauma at The University of British Columbia. Mr. Laidler also proudly served in the Canadian Armed Forces from 2002 to 2015. As a military veteran himself, and through his time as an Executive Director of the Veterans Transition Network (2012-2015), Mr. Laidler has extensive experience with assisting veterans with the trauma and difficulties suffered as a result of their service. Mr. Laidler has also received a Master of Arts in Counselling Psychology from The University of British Columbia. In addition, Mr. Laidler is experienced in financial regulatory matters as he was a Mortgage Specialist for TD Canada Trust and during his time with the Veterans Transition Network, Mr. Laidler was responsible for the charity's financial matters, including budgeting and annual audits of financial statements.

***Mike Aujla**, age 41, Director*

Mr. Aujla brings over 16 years of experience acting as a lawyer, director and officer for both public and private companies. He holds a Bachelor of Arts degree from the University of British Columbia and a Juris Doctor from the University of Victoria. Mr. Aujla was previously a corporate lawyer who worked with top international law firms. He has experience advising companies in financial services, corporate mergers and acquisitions and commercial real estate in various jurisdictions. Mr. Aujla is currently the Founding Partner of Hunter West Legal Recruitment.

***Jonathan Anastas**, age 55, Director*

Mr. Anastas brings a wealth of experience in Esports, gaming and the public markets. Mr. Anastas is currently the Group Chief Marketing Officer for ONE Championship and ONE Esports, and holds over 20 years of experience in marketing, digital, and data-driven expertise. In his previous role at Activision Publishing, Inc., Mr. Anastas helped each of Call of Duty, Black Ops 2® and Call of Duty, Modern Warfare 3 (MW3)® reach one billion dollars in entertainment industry record time periods, making Call of Duty the world's largest entertainment property. Before joining Activision Publishing, Inc., Mr. Anastas served as Vice President, Head of Global Marketing for Atari, the legendary video game publisher. Mr. Anastas was also previously Chief Marketing Officer of LiveXLive Media, a public (NASDAQ) music streaming platform.

***Eli Dusenbury**, age 38, CFO*

Mr. Dusenbury, CPA, CA has extensive experience in public accounting, providing services to both public and private sector clients reporting in Canada and in the United States over a broad range of industries including, but not limited to, technology, agriculture, engineering, mining & exploration, manufacturing and financing. Mr. Dusenbury obtained his Chartered Professional Accountant designation in 2011 and holds a BBA in business and accounting from Capilano University. Mr. Dusenbury has served as consultant for audit and public practice firms in both Canada and the United States and has held Chief Financial Officer positions for: Integral Technologies, Inc. (resigned June 2018), YDX Innovation Corp. (resigned May 2019), Isodiol International Inc. (resigned June 2020), Chemesis International Inc. (since September 2018) and IMC International Mining Corp. (resigned February 2020).

Former Directors and Officers

The following table provides the names, municipalities of residence, date of appointment, date of cessation and former position for each former director and executive officer of the Corporation:

Name and Municipality of Residence	Director / Officer Appointment Date	Date Ceased to Director / Officer	Former Position
Harwinder Parmar Coquitlam, British Columbia	March 1, 2019	August 10, 2020(1)	Director
Emil Meyer Bodenstein Lutz, Florida, U.S.A.	March 18, 2019	August 10, 2020(1)(2)	CEO and Director
Amit Mathur Burnaby, British Columbia	March 18, 2019	January 6, 2020(3)	Director

Notes:

(1) Removed as a director of the Corporation at the special meeting of shareholders of the Corporation held on August 10, 2020, and replaced at such shareholder meeting with Matthew Schmidt, Timothy Laidler and Mike Aujla.
(2) Terminated by the Company as CEO effective May 1, 2020.
(3) Resigned as director on January 6, 2020.

Corporate Cease Trade Orders or Bankruptcies

To the Corporation's knowledge and other than as disclosed herein, no director or executive officer or promoter of the Corporation is, as at the date of this Prospectus, or was within 10 years before the date hereof, a director, CEO or CFO of any person or corporation, including the Corporation, that:

(a) was subject to (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an "order") that was issued while the director or executive officer or promoter was acting in the capacity of a director, the CEO or the CFO thereof; or

(b) was subject to an order that was issued after the director or executive officer or promoter ceased to be a director, the CEO or the CFO thereof and which resulted from an event that occurred while that person was acting in such capacity.

To the Corporation's knowledge and other than as disclosed herein, no director or executive officer or promoter of the Corporation or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation:

(a) is, as at the date of this Prospectus, or has been within the 10 years before the date hereof, a director or executive officer of any person or company, including the Corporation, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, 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; or

(b) 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 become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

To the Corporation's knowledge and other than as disclosed herein, no director or executive officer or promoter of the Corporation or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to:

(a) 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) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

No director or officer of the Corporation, nor any shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation, nor any personal holding company of any such person has, within the ten 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, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Conflicts of Interest

The directors of the Corporation are required by law to act honestly and in good faith with a view to the best interests of the Corporation and to disclose any interests, which they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. There are no known existing or potential conflicts of interest among the Corporation, its promoters, directors and officers or other members of management of the Corporation or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Corporation and their duties as a director or officer of such other companies.

EXECUTIVE COMPENSATION

In accordance with Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*, the following is a discussion of all significant elements of compensation to be awarded to, earned by, paid to or payable to NEOs of the Corporation, once the Corporation becomes a reporting issuer, to the extent this compensation has been determined.

In this section NEO means each individual who acted as CEO of the Corporation, or acted in a similar capacity, for any part of the most recently completed financial year, each individual who acted as CFO of the Corporation, or acted in a similar capacity, for any part of the most recently completed financial year and each of the three most highly compensated executive officers, 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 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an executive officer of the Corporation, at the end of the most recently completed financial year.

The Corporation's NEOs are Matthew Schmidt, CEO and Eli Dusenbury, CFO.

Director and named executive officer compensation, excluding compensation securities

This section sets forth the compensation paid by the Corporation for the year ended June 30, 2020, and for the period from incorporation on March 1, 2019 to June 30, 2019.

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES							
Name and Position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
Matthew Schmidt CEO and Director	2020 2019	$30,500 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	$30,500 Nil
Emil Bodenstein Former CEO	2020 2019	$169,807 $16,620	Nil Nil	Nil Nil	Nil Nil	Nil $156,250	$169,807 $172,870
Timothy Laidler Director	2020 2019	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Mike Aujla Director	2020 2019	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Jonathan Anastas Director	2020 2019	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Harwinder Parmar Former Director	2020 2019	$60,000 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	$60,000 Nil
Amit Mathur Former Director	2020 2019	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Eli Dusenbury CFO	2020 2019	$24,000 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	$24,000 Nil

Stock options and other compensation securities

The Corporation currently has an incentive share-based compensation plan in place in order to assist the Corporation in attracting, retaining and motivating directors, officers, employees, consultants and contractors of the Corporation and to closely align the interests of such service providers with the interests of the Corporation. As at the date of this Prospectus, the Corporation has issued 3,250,000 stock options. The following table discloses all compensation securities of the Corporation granted to each NEO and director.

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**
Matthew Schmidt, CEO and Director(3)	Options	700,000 (21.54%)(1)	December 1, 2020	$0.35	December 1, 2023
Eli Dusenbury, CFO(4)	Options RSUs	500,000 (15.38%)(1) 100,000 (22.22%)(2)	December 1, 2020	$0.35	December 1, 2023
Timothy Laidler, Director	Options	250,000 (7.69%)(1)	November 22, 2020	$0.35	November 22, 2023
Mike Aujla, Director	Options	250,000 (7.69%)(1)	November 22, 2020	$0.35	November 22, 2023
Jonathan Anastas, Director	Options	250,000 (7.69%)(1)	November 22, 2020	$0.35	November 22, 2023

Notes:

(1) Based on 3,250,000 Options outstanding as of the date of this Prospectus.
(2) Based on 450,000 RSUs outstanding as of the date of this Prospectus.
(3) 700,000 Options beneficially held in a corporation owned by Matthew Schmidt.
(4) 500,000 Options and 100,000 RSUs beneficially held in a corporation owned by Eli Dusenbury.

Employment, consulting and management agreements

Except as disclosed herein, the Corporation does not have any plan or arrangement with respect to compensation to its executive officers which would result from the resignation, retirement or any other termination of employment of the executive officers' employment with the Corporation or from a change of control of the Corporation or a change in the executive officers' responsibilities following a change in control.

Oversight and description of director and named executive officer compensation

The Corporation, at its present stage, does not have any formal objectives, criteria and analysis for determining the compensation of its NEOs and primarily relies on the discussions and determinations of the Board. When determining individual compensation levels for the Corporation's NEOs, a variety of factors will be considered including: the overall financial and operating performance of the Corporation, each NEO's individual performance and contribution towards meeting corporate objectives and each NEO's level of responsibility and length of service.

The Corporation's executive compensation is intended to be consistent with the Corporation's business plans, strategies and goals, including the preservation of working capital as the Corporation seeks to complete its listing on the Exchange. The Corporation's executive compensation program is intended to provide appropriate compensation that permits the Corporation to attract and retain highly qualified and experienced senior executives and to encourage superior performance by the Corporation. The Corporation's compensation policies are intended to motivate individuals to achieve and to award compensation based on corporate and individual results.

The Corporation does not have any arrangements, standard or otherwise, pursuant to which directors are compensated by the Corporation for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Prospectus, no director, executive officer or employee of the Corporation is or has been indebted to the Corporation at any time.

AUDIT COMMITTEE INFORMATION

The charter of the Corporation's Audit Committee is attached to this Prospectus as Appendix "D".

Composition of Audit Committee and Independence

The following are the members of the audit committee:

Matthew Schmidt	Non-Independent[(1)]	Financially literate[(1)]
Mike Aujla	Independent[(1)]	Financially literate[(1)]
Timothy Laidler	Independent[(1)]	Financially literate[(1)]

Note:
(1) As defined under NI 52-110.

See "*Directors and Executive Officers*" for the education and experience of each member of the Audit Committee relevant to the performance of their duties as a member of the Audit Committee.

Audit Committee Oversight

At no time has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Corporation's most recently completed financial year, the Corporation has not relied on:

(a) the exemption in section 2.4 (De Minimis Non-audit Services) of NI 52-110;

(b) the exemption in subsection 6.1.1(4) (Circumstance Affecting the Business or Operations of the Venture Issuer) of NI 52-110;

(c) the exemption in subsection 6.1.1(5) (Events Outside Control of Member) of NI 52-110;

(d) the exemption in subsection 6.1.1(6) (Death, Incapacity or Resignation) of NI 52-110; or

(e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The following table sets out the audit fees incurred by the Corporation since incorporation for audit fees are as follows:

Period	Audit Fees ($)	Audit Related Fees ($)	Tax Fees ($)	All Other Fees ($)
Period from incorporation on March 1, 2019 to June 30, 2019	10,000	Nil	Nil	7,500
Year ended June 30, 2020	25,000	Nil	Nil	12,500

Exemption

The Corporation is relying on the exemption in section 6.1 of NI 52-110 from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE DISCLOSURE

Board of Directors

The Corporation's Board currently consists of four directors, Matthew Schmidt, Timothy Laidler, Mike Aujla and Jonathan Anastas, of whom all except Matthew Schmidt are independent based upon the tests for independence set forth in NI 52-110. The Board believes that good corporate governance improves corporate performance and benefits all shareholders. Regulatory authorities have implemented NI 58-101, which prescribes certain disclosure of the Corporation's corporate governance practices.

There is no specific written mandate of the Board, other than the corporate standard of care set out in the governing corporate legislation of the Corporation. The Board has overall responsibility for the management, or supervision of the management, of the business and affairs of the Corporation. The Board's primary tasks are to establish the policies, courses of action and goals of the Corporation and to monitor management's strategies and performance for realizing them.

All major acquisitions, dispositions, and investments, as well as financing and significant matters outside the ordinary course of the Corporation's business are subject to approval by the full Board. The Board does not currently have in place programs for succession planning and training of directors and management. As the growth of the Corporation continues, the Board will consider implementing such programs. In order to carry out the foregoing responsibilities the Board meets on a quarterly basis and as required by circumstances.

Directorships

The following directors of the Corporation also serve as directors of other reporting issuers:

Name of Director	Other Reporting Issuer	Name of Exchange or Market
Mike Aujla	Chemesis International Inc.	Canadian Securities Exchange
Timothy Laidler	HAVN Life Sciences Inc.	Canadian Securities Exchange

Orientation and Continuing Education

The skills and knowledge of the Board as a whole are such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies. Board members are encouraged to communicate with management, auditors, and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Corporation's records.

The Corporation provides continuing education to its directors as such need arises and encourages open discussion at all meetings in order to encourage learning by the directors.

Ethical Business Conduct

The Board views good corporate governance as an integral component to the success of the Corporation and to meet responsibilities to shareholders. The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations, providing guidance to management to help them recognize and deal with ethical issues, promoting a culture of open communication, honesty and accountability and ensuring awareness of disciplinary action for violations of ethical business conduct. The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates in the best interests of the Corporation. The Board has not adopted a formal written code of ethics. As the growth of the Corporation continues, the Board will consider implementing such policies.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole.

Compensation

The Board is responsible for, among other things, reviewing and shaping all compensation arrangements for the executive officers and directors of the Corporation.

To determine the recommended compensation payable, the Board will review compensation paid for directors and executive officers of companies of similar size and stage of development and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and executive officers while taking into account the financial and other resources of the Corporation.

In setting the compensation, the Board will annually review the performance of the executive officers in light of the Corporation's objectives and consider other factors that may have impacted the success of the Corporation in achieving its objectives. For further information regarding how the Corporation determines compensation for its directors and executive officers, see "*Executive Compensation*".

Other Board Committees

As the directors are actively involved in the operations of the Corporation and the size of the Corporation's operations does not warrant a larger board of directors, the Board has determined that additional committees are not necessary at this stage of the Corporation's development. As the growth of the Corporation continues, the Board will review its corporate governance practices and implement more comprehensive corporate governance practices when appropriate. Apart from the Audit Committee, the Corporation does not currently have any other standing committees.

Assessments

The Board does not consider that formal assessments would be useful at this stage of the Corporation's development. The contributions of individual directors are informally monitored by the other Board members, having in mind the business and other strengths of the individual and the purpose of originally nominating the individual to the Board.

PLAN OF DISTRIBUTION

There are no securities being offered in connection with this Prospectus. The Corporation intends to apply to list the securities described in this Prospectus on the Exchange. Listing will be subject to the Corporation fulfilling all of the listing requirements of the Exchange. As at the date of the Prospectus, the Corporation 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 TSX Venture Exchange, Toronto Stock Exchange, a United States marketplace, or a marketplace outside of Canada and the United States.

RISK FACTORS

AN INVESTMENT IN SECURITIES OF THE CORPORATION IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK AND SHOULD ONLY BE MADE BY INVESTORS WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT.

Prior to making an investment decision, investors should consider the investment risks set forth below and those described elsewhere in this Prospectus, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of the Corporation consider the risks set forth below to be the most significant, but do not consider them to be all of the risks associated with an investment in securities of the Corporation. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not to be material in connection with the Corporation's business, actually occur, the Corporation's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Corporation's securities could decline and investors may lose all or part of their investment.

Impact of the COVID-19 Pandemic

Coronavirus disease 2019 (COVID-19) is an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). Since December 31, 2019, the outbreak of COVID-19 has resulted in governments worldwide, including Canada and the United States, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. Such events may result in a period of business disruption, and in reduced operations, any of which could have a material adverse impact on the Corporation's profitability, results of operations, financial condition and the trading price of the

Corporation's securities. Governments and central banks have reacted to the COVID-19 pandemic with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 pandemic is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation. To date, a number of businesses have suspended or scaled back their operations and development as cases of COVID-19 have been confirmed, for precautionary purposes or as governments have declared a state of emergency or taken other actions. If the operation or development of the Corporation is suspended, scaled back or disrupted, it may have a material adverse impact on the Corporation's profitability, results of operations, financial condition and the trading price of the Corporation's securities. To the extent that the Corporation's management or other personnel are unavailable to work due to the COVID-19 pandemic, whether due to illness, government action or otherwise, it may have a material adverse impact on the Corporation's profitability, results of operations, financial condition and the trading price of the Corporation's securities. The breadth of the impact of the COVID-19 pandemic on investors, businesses, the global economy and financial and commodity markets may also have a material adverse impact on the Corporation's profitability, results of operations, financial conditions and the trading price of the Corporation's securities.

Risks Relating to the Business of the Corporation:

The Corporation has a limited operating history and uncertainty of future revenues

Alpha is a privately-held corporation which have a limited operating history. Accordingly, potential investors will have a limited basis on which to evaluate the Corporation's ability to achieve its business objectives.

The future success of the Corporation is dependent on management's ability to implement its strategy and achieve its business objectives. Although management is optimistic about the Corporation's prospects, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved. The Corporation faces risks frequently encountered by early-stage companies. In particular, its future growth and prospects will depend on its ability to expand its operation and gain additional revenue streams whilst at the same time maintaining effective cost controls.

The loss of one or more of the Corporation's key personnel, or its failure to attract and retain other highly qualified personnel in the future, could harm its business

The Corporation currently depends on the continued services and performance of its key personnel. The loss of key personnel, including members of management as well as other key personnel, could disrupt the Corporation's operations and have an adverse effect on its business and customer relationships. Additionally, the Corporation's success depends on the efforts and abilities of management to attract and retain qualified personnel to manage operations and growth. Failure to attract key individuals may have an adverse effect on the business, operations, and results.

Reputational risk

While Alpha endeavours to police their events in order to ensure that participants abide by the rules, it is not possible to rule out the risk of participants attempting to cheat, for example by colluding with one another to 'fix' a result. If this were to occur at one of Alpha's major events, it could damage the reputation of the events and the Corporation, and the Corporation could be liable for ticket refunds and potentially other charges.

Reliance on participation by well-known professional Gamers and teams

A key element of the Corporation's strategy is to make the GamerzArena online platform the ''go-to'' location for live and on-line Esports competitions. An important element of the Corporation's ability to fulfil this strategy is to host the best known or most highly rated competitors. If the Corporation's events do not attract the support of these Gamers, this could affect the popularity of the Corporation's events with a consequential impact on the potential revenues from those events.

Reliance on advertisers and sponsors for revenue

With the Corporation hosting online and live Esports events, the Corporation relies on advertisers and sponsors of those events for a portion of its revenue. The inability of the Corporation to secure sponsorships and advertising partners may have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects.

New and evolving industry

Esports is a relatively new and rapidly evolving industry and, as such, it is difficult to predict the prospects for growth. If the industry grows more slowly than anticipated or Alpha's existing products and services lose, or its new products and services fail to achieve, market acceptance, the Corporation may be unable to achieve its strategic business objectives, which could have a material adverse effect on its prospects, business, financial condition or results of operations.

Limited long-term agreements for advertising revenue

The Corporation's success requires it expand its advertising revenue-generating relationships and to develop new relationships with potential sponsors. The Corporation's contracts that help drive sponsorship revenue generally do not include long-term obligations requiring third parties to purchase the Corporation's inventory and services or the Corporation to market their advertising inventory. As a result, the Corporation may have limited visibility as to its future advertising or sponsorship revenue streams.

Brand development

The brand identity that the Corporation has developed has significantly contributed to the success of its business. Maintaining and enhancing the "Alpha" and "GamerzArena" brands are critical to expanding the Corporation's user base and subscribers, network of publishers, and advertisers. The Corporation believes that the importance of brand recognition will increase due to the relatively low barrier to entry in the industry. The "Alpha" and "GamerzArena" brands may be negatively impacted by a number of factors, including software malfunctions, delivery of incorrect information, and data privacy and security issues. If the Corporation fails to maintain and enhance its brands, or if the Corporation incurs excessive expenses in this effort, it could have a material adverse effect on the Corporation's prospects, business, financial condition, and results of operations. Maintaining and enhancing the "Alpha" and "GamerzArena" brands will depend largely on the Corporation's ability to continue to provide high-quality products and services, which the Corporation may not continue to do successfully.

Disruption from failure of website or third-party streaming

The Corporation's operations are expected to depend on the efficiency and "ease of use" of the Corporation's website to attract registrations from visitors. In turn, the content for live events and recorded is expected to depend on streaming provided by third parties such as Twitch®, YouTube® or Azubu®. Any disruption to these third parties or to the Corporation's website could damage the reputation of the Corporation as a host of on-line events. This could affect income from sponsors, advertisers and registered users which could negatively affect the Corporation's business and financial condition.

The Corporation depends on third parties, including users and content providers

The Corporation will be reliant to an extent on third parties, including game publishers, users and subscribers, Pitch®, Twitch® (and other streaming platforms), web developers and contractors used in staging live events. Some of the Corporation's contemplated activities may require third parties to provide contracting services. There can be no assurance that these business relationships will continue to be maintained or that new ones will be successfully formed. A breach or disruption in these relationships or failure to engage contractors could be detrimental to the future business, operating results and/or profitability of the Corporation. Moreover, the Corporation's financial performance will be significantly determined by its success in adding, retaining, users and subscribers, and engaging active users of its network of digital media properties. If users do not perceive the Corporation's content as interesting, unique and useful, the Corporation may not be able to attract or retain additional users, which could adversely affect the business. In certain circumstances, the Corporation may be liable for the acts or omissions of its partners. If a third party pursues claims against the Corporation as a result of the acts or omissions of the Corporation's partners, the Corporation's ability to recover from such partners may be limited.

Risks Relating to the Corporation's Business Model and Use of Technology:

Necessity of user base growth

The Corporation's business model is focused on the growth of its user base. If the Corporation is unable to grow its user base, it may not be able to generate revenues, decrease per-user acquisition costs or otherwise implement its strategy. The Corporation intends to generate new users using various marketing channels, including "word of mouth", social media, and online advertising. If these marketing channels prove either more costly or less effective than anticipated, it could adversely impact the Corporation's ability to grow. The Corporation would also be unable to grow its user base as is currently anticipated if a significant number of the Corporation's current users stopped using the Corporation's services. There are a variety of reasons why users would discontinue using the Corporation's services, including competitive alternatives, and there can be no assurance that the Corporation will be able to successfully retain, and subsequently grow, its existing user base.

The Corporation's intellectual property may be subject to misappropriation

Protection of the Corporation's trade secrets, copyrights, trademarks, domain names and other product rights of the Corporation will be important to its success. The Corporation will protect its intellectual property rights by relying on trademark protection, common law rights as well as contractual restrictions. However, the Corporation does not own any patents or have any patents pending, and has not made any applications for such intellectual property registrations and do not intend to do so in the near future. As such, the steps that the Corporation will take to protect its intellectual property, including contractual arrangements, may not be sufficient to prevent the misappropriation of its proprietary information or deter independent development of similar technologies and products by others.

In the future, should the Corporation proceed to register its intellectual property in one or more jurisdictions, it would be a process that is likely expensive and time consuming and ultimately, it may not be successful in registering its intellectual property in any or all of such jurisdictions. The absence of registered intellectual property rights, or the failure to obtain such registrations in the future, may result in the Corporation being unable to successfully prevent its competitors from imitating its products, services, and processes. Such imitation may lead to increased competition. Even if the Corporation's intellectual property rights were registered, its intellectual property rights may not be sufficiently comprehensive to prevent its competitors from developing similar competitive products, services, and processes.

Litigation may be necessary to enforce the Corporation's intellectual property rights. Litigation of this nature, regardless of the outcome, could result in substantial costs, adverse publicity or diversion of management and technical resources, any of which could adversely affect the Corporation's business and operating results. Moreover, due to the differences in foreign laws concerning proprietary rights, the Corporation's intellectual property may not receive the same degree of protection in foreign countries as it would in Canada or the United States. The Corporation's failure to possess, obtain or maintain adequate protection of its intellectual property rights for any reason could have a material adverse effect on its business, results of operations, and financial condition.

The Corporation may face allegations that it has infringed the trademarks, copyrights, patents, and other intellectual property rights of third parties, including from its competitors and former employers of the Corporation's personnel.

If the Corporation's contemplated products, services, or solutions employ subject matter that is claimed under its competitors' intellectual property, those companies may bring infringement actions against the Corporation. Whether a product infringes a patent or other intellectual property right involves complex legal and factual issues, the determination of which is often uncertain.

Infringement and other intellectual property claims, with or without merit, can be expensive and time consuming to litigate, and the results are difficult to predict. The Corporation may not have the financial and human resources to defend against any infringement suits that may be brought. As the result of any court judgment or settlement, the Corporation may be obligated to cancel the launch of a new product offering, stop offering certain features, pay royalties or significant settlement costs, purchase licences or modify its software and features, or develop substitutes.

In addition, the Corporation uses open source software and expects to continue to use open source software in the future. From time to time, the Corporation may face claims from companies that incorporate open source software into their products, claiming ownership of, or demanding release of, the source code, the open source software and/or derivative works that were developed using such software, or otherwise seeking to enforce the terms of the applicable open source licence. These claims could also result in litigation, require the Corporation to purchase a costly licence or require the Corporation to devote additional research and development resources, any of which would have a negative effect on its business, financial condition, and operating results.

The Corporation's business is highly competitive - competition presents an ongoing threat to the success of its business

The market in which Alpha operates is competitive and fast moving and may become even more competitive. There can be no guarantee that the Corporation's competitors will not develop similar or superior services to Alpha's services which may render the Corporation uncompetitive. Some of the Corporation's current and potential competitors have significantly greater resources and better competitive positions in certain markets when compared to those of the Corporation. These factors may allow the Corporation's competitors to respond more effectively than the Corporation to new or emerging technologies and changes in market requirements, including changes to government regulation.

There is no certainty that the Corporation's competitors will not develop similar or superior services which may render the Corporation uncompetitive. Certain competitors have more established relationships and greater financial resources and they can use their resources against the Corporation in a variety of competitive ways, including by making acquisitions, investing aggressively in research and development, and competing aggressively for advertisers, technologies, digital media rights, websites, and applications. There is no assurance that the Corporation will be able to maintain its position in the marketplace.

Regulation

The Corporation is subject to general business regulations and laws as well as regulations and laws specifically governing the internet, gaming, eCommerce and electronic devices. Existing and future laws and regulations may impede the Corporation's growth strategies. These regulations and laws may cover taxation, privacy, data protection, pricing, content, copyrights, distribution, mobile communications, consumer protection, wagering, the provision of online payment services web services, websites, and the characteristics and quality of products and services. Unfavourable changes in regulations and laws could decrease demand for the Corporation's events, online offering and merchandise, increase its cost of doing business or otherwise have a material adverse effect on the Corporation's reputation, popularity, results of operations and financial condition.

Publisher authorization

A portion of the Corporation's business model is anticipated to depend upon taking footage from computer and console games, generated either by subscribers or at Alpha events, and to stream live footage online. Technically, these activities infringe copyright in the games, and so could lead to an infringement claim against the Corporation if done without the licence or consent of the game publishers. To date, publishers have consented (expressly or implicitly) to the use of their games at the Alpha's and GamerzArena's events and on-line, as it provides a good advertisement for their games. The Corporation has obtained, or will obtain, any necessary assurances from the publishers whose games it intends to use in the 2020 Schedule, but there remains the possibility that there may be a change in policy by one or more of the publishers in the future. Any such change of policy may result in publishers choosing to withdraw their consent for the Corporation to make use of their games at events and on-line subject to commercial terms, including payment obligations. Management has no reason to believe that a change in practice is imminent or likely and are confident that the Corporation could maintain its business if some games were excluded from the site or if a small licence fee were to be charged for use of the games.

The Corporation's management team has limited experience managing a public company, and regulatory compliance may divert its attention from the day-to-day management of its business

The individuals who now constitute the Corporation's management team have limited experience managing a publicly-traded company and limited experience complying with the increasingly complex laws pertaining to public companies. The Corporation's management team may not successfully or efficiently manage a public company that is subject to significant regulatory oversight and reporting obligations.

The requirements of being a public company may strain the Corporation's resources, divert management's attention and affect its ability to attract and retain executive management and qualified board members

As a reporting issuer, the Corporation will be subject to the reporting requirements of applicable securities legislation of the jurisdiction in which it is a reporting issuer, the listing requirements of the Exchange and other applicable securities rules and regulations. Compliance with these rules and regulations will increase the Corporation's legal and financial compliance costs, make some activities more difficult, time consuming or costly and increase demand on its systems and resources. Applicable securities laws would require the Corporation to, among other things, file certain annual and quarterly reports with respect to its business and results of operations. In addition, applicable securities laws require the Corporation to, among other things, maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and, if required, improve its disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. Specifically, due to the increasing complexity of its transactions, it is anticipated that the Corporation will improve its disclosure controls and procedures and internal control over financial reporting primarily through the continued development and implementation of formal policies, improved processes and documentation procedures, as well as the continued sourcing of additional finance resources. As a result, management's attention may be diverted from other business concerns, which could harm the Corporation's business and results of operations. To comply with these requirements, the Corporation may need to hire more employees in the future or engage outside consultants, which will increase its costs and expenses.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. The Corporation intends to continue to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue generating activities to compliance activities. If its efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against the Corporation and the Corporation's business may be adversely affected.

As a public company subject to these rules and regulations, the Corporation may find it more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for the Corporation to attract and retain qualified members of its board of directors, particularly to serve on its audit committee, and qualified executive officers.

As a result of disclosure of information in filings required of a public company, the Corporation's business and financial condition will become more visible, which may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, the Corporation's business and results of operations could be harmed, and even if the claims do not result in litigation or are resolved in its favour, these claims, and the time and resources necessary to resolve them, could divert the resources of the Corporation's management and harm its business, financial condition, and operating results.

Reliance on third party owned communication networks

The delivery of products and services and a significant portion of the Corporation's expected revenues will be dependent on the continued use and expansion of third party owned communication networks, including wireless networks and the internet. No assurance can be given of the use and expansion of these networks as a medium of communications for the Corporation.

Effective delivery of products and services through the internet is dependent on internet service providers continuing to expand high-speed internet access, maintaining reliable networks with the necessary speeds, data capacity and security, and developing complementary products and services for providing reliable and timely access and services. Changes in access fees (for example, revising the application of bandwidth caps or other metered usage schemes) to users may adversely affect the ability or willingness of users to access the Corporation's content. Changes in access fees to distributors, such as the Corporation or its service providers, or a departure from "net neutrality" (the principle that all forms of internet traffic (including video, voice, and text) are subject to equal treatment in transmission speed and quality) or its governing regulations, could result in increased costs to the Corporation. All of these factors are out of the Corporation's control and manifestation of any of them could ultimately have a material adverse effect on the Corporation's prospects, business, financial condition, or operating results.

In addition, increasing traffic, user numbers or bandwidth requirements may result in a decline in internet (or a subset thereof, including in particular mobile internet) performance and/or reliability. Internet outages, delays or loss of network connectivity may result in partial or total failure of the Corporation's services, additional and unexpected expenses to fund further product development or to add programming personnel to complete a development project, or the loss of revenue because of the inability of users to access the Corporation's network of digital properties, any of which could have a material adverse effect on the Corporation's prospects, business, financial condition, or operating results.

Security of the Corporation's digital media properties

The Corporation will not be able to guarantee absolute protection against unauthorized attempts to access its information technology systems, including malicious third-party applications or denial of service attacks that may interfere with or exploit security flaws in its digital media properties. Viruses, worms, and other malicious software programs could jeopardize the security of information stored in a user's computer or in the Corporation's computer systems or attempt to change the internet experience of users by interfering with the Corporation's ability to connect with a user. If any compromise to the Corporation's security measures were to occur and the Corporation's efforts to combat this breach were unsuccessful, the Corporation's reputation may be harmed leading to an adverse effect on the Corporation's prospects, business, financial condition, or operating results.

Risks Relating to Securities:

The price of the securities of the Corporation may fluctuate significantly, which may make it difficult for holders of securities of the Corporation to sell their securities at a time or price they find attractive

The Corporation's stock price may fluctuate significantly as a result of a variety of factors, many of which are beyond its control. In addition to those described under *"Forward Looking Information"* these factors include:

- actual or anticipated quarterly fluctuations in its operating results and financial condition;
- changes in financial estimates or publication of research reports and recommendations by financial analysts with respect to it or other financial institutions;
- divergence in financial results from analysts' expectations,
- reports in the press or investment community generally or relating to the Corporation's reputation or the industry in which it operates;
- strategic actions by the Corporation or its competitors, such as acquisitions, restructurings, dispositions, or financings;
- fluctuations in the stock price and operating results of the Corporation's competitors;
- changes in the business prospects for the Corporation,
- future sales of the Corporation's equity or equity-related securities;
- proposed or adopted regulatory or legislative changes or developments; and
- domestic and international economic factors unrelated to the Corporation's performance.

In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Common Shares, including for reasons unrelated to their operating performance. These broad market fluctuations may adversely affect the Corporation's stock price, notwithstanding the Corporation's operating results. The Corporation expects that the market price of the Common Shares will fluctuate and there can be no assurances about the market prices of such shares.

The Corporation does not know whether an active, liquid and orderly trading market will develop for the securities of the Corporation or what the market price of the securities of the Corporation will be and as a result it may be difficult for investors to sell their securities of the Corporation

An active trading market for securities of the Corporation may never develop or be sustained following Listing. The lack of an active market may impair an investor's ability to sell their securities of the Corporation at the time they wish to sell them or at a price that they consider reasonable. The lack of an active market may also reduce the fair market value of an investor's securities of the Corporation. Further, an inactive market may also impair the Corporation's ability to raise capital by selling securities of the Corporation and may impair its ability to enter into collaborations or acquire companies or products by using securities of the Corporation as consideration. The market price of securities of the Corporation may be volatile, and an investor could lose all or part of their investment.

The Corporation does not intend to pay dividends on the Common Shares for the foreseeable future

The Corporation currently does not plan to declare dividends on the Common Shares in the foreseeable future. Any determination to pay dividends in the future will be at the discretion of the board of directors of the Corporation. Consequently, an investor's only opportunity to achieve a return on the investment in the Corporation will be if the market price of the Common Shares appreciates and the investor sells shares at a profit. Any dividends paid by the Corporation would be subject to tax and, potentially, withholdings.

If research analysts do not publish research about the Corporation's business or if they issue unfavourable commentary or downgrade the Common Shares, the Corporation's stock price and trading volume could decline

The trading market for the securities of the Corporation may depend in part on the research and reports that research analysts publish about the Corporation and its business. If the Corporation does not maintain adequate research coverage, or if one or more analysts who covers the Corporation downgrades its stock or publishes inaccurate or unfavourable research about the Corporation's business, the price of the Common Shares could decline. If one or more of the research analysts ceases to cover the Corporation or fails to publish reports on it regularly, demand for securities of the Corporation could decrease, which could cause the Corporation's stock price or trading volume to decline.

The market price of the Common Shares may decline due to the large number of outstanding common shares eligible for future sale

Sales of substantial amounts of Common Shares in the public market, or the perception that these sales could occur, could cause the market price of Common Shares to decline. These sales could also make it more difficult for the Corporation to raise additional capital by issuing additional Common Shares or other securities on terms favourable to the Corporation or the Corporation's shareholders, or at all. The Corporation may also issue common shares or securities convertible into common shares from time to time in connection with a financing, acquisition or otherwise. Any such issuance could result in substantial dilution to existing holders of common shares and cause the trading price of the Corporation's securities to decline.

The Corporation may issue additional equity securities, or engage in other transactions that could dilute its book value or affect the priority of the Common Shares, which may adversely affect the market price of Common Shares

Although the Corporation does not currently require funding and has funds in place for the next 12 months, the Corporation may require additional financial resources to fund its long-term expansion, and the board of directors of the Corporation may determine from time to time that it needs to raise additional capital by issuing additional Common Shares or other securities, through public or private financing. No assurance can be given that any such additional financing will be available or that, if available, it will be available on terms favourable to the Corporation or the Corporation's shareholders. Except as otherwise described in this Prospectus, the Corporation will not be restricted from issuing additional Common Shares, including securities that are convertible into or exchangeable for, or that represent the right to receive, Common Shares. Because the Corporation's decision to issue securities in any future offering will depend on market conditions and other factors beyond the Corporation's control, it cannot predict or estimate the amount, timing, or nature of any future offerings, or the prices at which such offerings may be affected. Additional equity offerings may dilute the holdings of its existing shareholders or reduce the market price of its common stock, or both. Holders of Common Shares are not entitled to pre-emptive rights or other protections against dilution. New investors also may have rights, preferences, and privileges that are senior to, and that adversely affect the Corporation's then-current holders of Common Shares. Additionally, if the Corporation raises additional capital by making offerings of debt or preference shares, upon liquidation of the Corporation, holders of its debt securities and preference shares, and lenders with respect to other borrowings, may receive distributions of its available assets before the holders of Common Shares.

The Corporation may invest or spend the proceeds of any future financing in ways with which investors may not agree or in ways which may not yield a return

The Corporation's management will have broad discretion in using the net proceeds from any future financing. Investors will not have the opportunity, as part of their investment decision, to assess whether the proceeds will be used appropriately, and investors may disagree with how they are used. Investors will be relying on the judgment of the Corporation's management who may fail to apply such proceeds in ways that benefit the business or increase its value. If the proceeds are not applied effectively, the ability to maintain and grow the business could be impaired.

Conflicts of interest

Certain of the directors and officers of the Corporation are also directors and officers of other companies or are engaged and will continue to be engaged in activities that may put them in conflict with the business strategy of the Corporation. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. All decisions to be made by such directors and officers involving the Corporation are required to be made in accordance with their duties and obligations to act honestly and in good faith with a view to the best interests of the Corporation. In addition, such directors and officers are required to declare their interests in, and such directors are required to refrain from voting on, any matter in which they may have a material conflict of interest.

Currency fluctuations

The Corporation's reporting currency is Canadian dollars, but an increasing proportion of the Corporation's revenue may be earned and expenses may be incurred in other currencies, including the United States dollar. The movement of the United States dollar against the Canadian dollar could have a material adverse effect on the Corporation's prospects, business, financial condition, and results of operation.

Historical Losses and Negative Operating Cash Flows

The Corporation has a history of operating losses and may generate continued operating losses and negative cash flows in the future while it carries out its current business plan to further develop and expand its network of digital media properties. The Corporation has made significant up-front investments in acquiring significant digital media assets, marketing, and general and administrative expenses in order to rapidly develop and expand its business. The successful development and commercialization of these operations will depend on a number of significant financial, logistical, technical, marketing, legal, competitive, economic and other factors, the outcome of which cannot be predicted. There is no guarantee that the Corporation's operations will be profitable or produce positive cash flow or that the Corporation will be successful in generating significant revenues in the future or at all. While the Corporation can utilise cash and cash equivalents to fund its operating and growth expenditures, it does not have access to significant committed credit facilities or other committed sources of funding. The Corporation's inability to ultimately generate sufficient revenues to become profitable and have positive cash flows could have a material adverse effect on its prospects, business, financial condition, results of operations or overall viability as an operating business.

Tax Considerations Applicable to an Investment in the Common Shares

Each prospective investor should consult with their own tax advisor with respect to the Canadian and non-Canadian income tax consequences of acquiring, holding, and disposing of Common Shares, based on each prospective investor's particular circumstances.

PROMOTERS

Matthew Schmidt, CEO and director of the Corporation, is a promoter of the Corporation within the meaning of applicable securities legislation. For a description of the number and percentage of Common Shares in the Corporation to be beneficially owned, directly or indirectly, or over which direction or control will be exercised by

Mr. Schmidt, please see above "*Options to Purchase Securities*"; "*Directors and Executive Officers*"; "*Executive Compensation*" and "*Interest of Management and Others in Material Transactions*".

Harwinder Parmar, a former director of the Corporation, may be considered a promoter of the Corporation within the meaning of applicable securities legislation by reason of his initiative and involvement in the formation and establishment of the Corporation. As of the date of this Prospectus, Mr. Parmar beneficially owns 3,208,532 Common Shares, representing approximately 5.34% of the outstanding Common Shares. Mr. Parmar also beneficially owns 400,000 Options and 100,000 RSUs as of the date of this Prospectus.

LEGAL PROCEEDINGS AND REGULATORY MATTERS

The Corporation is not a party to any legal proceedings or regulatory actions and is not aware of any such proceedings known to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No person who is: (a) a director or executive officer of the Corporation; (b) a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class or series of the Corporation's outstanding voting securities; (c) an associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b), has any material interest, direct or indirect, in any material transaction since incorporation or in any proposed transaction that has materially affected or will materially affect the Corporation.

AUDITOR, TRANSFER AGENT AND REGISTRARS

The auditors of the Corporation are Charlton & Company, Chartered Professional Accountants Suite 1735 – 555 Burrard Street, Vancouver, Canada, V7X 1M9. They have advised the Corporation that they are independent of the Corporation within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

The Corporation intends to appoint, in due course, Odyssey Trust Company, located at United Kingdom Building, 323 – 409 Granville Street, Vancouver, British Columbia, V6C 1T2, as the registrar and transfer agent of the Corporation.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Corporation since its incorporation, which are currently in effect and considered to be currently material:

1. The GamerzArena Acquisition Agreement.
2. The Paradise City Asset Purchase Agreement.

EXPERTS

Charlton & Company, Chartered Professional Accountants, have audited the Corporation's consolidated financial statements and Esports Enterprises' consolidated financial statements.

No person or company whose profession or business gives authority to a report, valuation, statement or opinion and whom is named as having prepared or certified a report or valuation described or included in this Prospectus holds or is to hold any beneficial or registered interest, direct or indirect, in any securities or property of the Corporation or any associate of the Corporation.

As at the date hereof, none of the aforementioned persons beneficially owns, directly or indirectly, securities of the Corporation or its associates and affiliates. In addition, none of the aforementioned persons nor any director, officer or employee of any of the aforementioned persons, is or is expected to be elected, appointed or employed as, a director, senior officer or employee of the Corporation or of an associate or affiliate of the Corporation, or as a promoter of the Corporation or an associate or affiliate of the Corporation.

OTHER MATERIAL FACTS

To management's knowledge, there are no other material facts relating to the Corporation 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 Corporation.

FINANCIAL STATEMENT DISCLOSURE

All financial information herein 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 ("**IFRS**").

The financial statements of the Corporation and Esports Enterprises have been prepared in accordance with IFRS and are included in this Prospectus (please see "*Appendix A - Alpha Esports Tech Inc. - Consolidated Financial Statements*; *Appendix B - Alpha Esports Tech Inc. – Management's Discussion and Analysis*; *Appendix E - Esports Enterprises Inc. - Consolidated Financial Statements*; *Appendix F - Esports Enterprises Inc. - Management's Discussion and Analysis*; and *Appendix G - Alpha Esports Tech Inc. - Pro Forma Consolidated Financial Statements as at June 30, 2020).*

APPENDIX "A"

ALPHA ESPORTS TECH INC. – CONSOLIDATED FINANCIAL STATEMENTS

(ATTACHED)

Alpha Esports Tech Inc.

Consolidated Financial Statements

For the year ended June 30, 2020 and the period from incorporation on March 1, 2019 to June 30, 2019

(Expressed in Canadian Dollars)

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SUITE 1735, TWO BENTALL CENTRE
555 BURRARD STREET
BOX 243
VANCOUVER, BC V7X 1M9

charlton & company
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Directors of:
Alpha Esports Tech Inc.

Opinion

We have audited the accompanying consolidated financial statements of Alpha Esports Tech Inc. (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2020 and 2019, and the consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the year ended June 30, 2020 and for the period from incorporation on March 1, 2019 to June 30, 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2020 and 2019, and its financial performance and its cash flows for the year ended June 30, 2020 and for the period from incorporation on March 1, 2019 to June 30, 2019 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits 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 2 in the consolidated financial statements, which indicates that the Company has a deficit of $2,580,200 and a working capital deficiency of $718,999. As stated in Note 2, these events and conditions 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. 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 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 IFRSs, 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 consolidated 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 financial consolidated 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 consolidated financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group 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.

Charlton & Company

CHARLTON & COMPANY
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, BC
May 10, 2021

Alpha Esports Tech Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at	Notes		June 30, 2020		June 30, 2019
ASSETS					
Current Assets					
Cash		$	8,974	$	390,046
Receivables			840		23,667
GST receivable			32,125		4,078
Promissory notes receivable	6		37,829		204,834
Prepaid expenses			17,857		-
			97,625		622,625
Non-current Assets					
Equipment	8/11		2,554		-
Gaming platform	8/10		721,544		-
Goodwill	8		402,561		-
			1,126,659		-
TOTAL ASSETS		$	1,224,284	$	622,625
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities	7	$	799,589	$	101,453
Due to shareholder	7		17,035		-
TOTAL LIABILITIES			816,624		101,453
SHAREHOLDERS' EQUITY					
Share capital	5		2,986,893		576,419
Subscriptions received in advance	5		250		202,376
Reserves	5		8,100		-
Accumulated other comprehensive income			(7,383)		-
Deficit			(2,580,200)		(257,623)
TOTAL SHAREHOLDERS' EQUITY			407,660		521,172
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$	1,224,284	$	622,625

Nature of operations – Note 1
Going concern – Note 2
Commitment – Note 15
Subsequent events – Note 17

Approved on behalf of the Board of Directors:

"Matthew Schmidt", Director *"Timothy Laidler",* Director

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

Alpha Esports Tech Inc.
Consolidated Statements of Comprehensive Loss
For the year ended June 30, 2020 and the period ended June 30, 2019
(Expressed in Canadian Dollars)

	Notes	Year ended June 30, 2020	Period from incorporation on March 1, 2019 to June 30, 2019
EXPENSES			
Advertising and marketing		$ 304,966	$ 15,000
Consulting fees	7	250,651	8,000
Depreciation	11	115	-
Filing fees		8,270	-
Management fees	7	390,518	16,620
Office and miscellaneous		61,334	638
Professional fees		289,629	65,949
Rent		32,182	-
Share-based compensation	7	-	156,250
Tournament prizes		7,224	-
Travel		81,425	-
		(1,426,314)	(262,457)
Foreign exchange loss		(8,322)	-
Interest income	6	3,613	4,834
Write-down of loan receivables	6	(364,834)	-
Write-down of mobile arena asset	9	(526,720)	-
		(896,263)	4,834
LOSS FOR THE PERIOD		$ (2,322,577)	$ (257,623)
OTHER COMPREHENSIVE INCOME (LOSS)			
Cumulative translation adjustment		(7,383)	-
COMPREHENSIVE LOSS FOR THE PERIOD		$ (2,329,960)	$ (257,623)
Loss per share, basic and diluted		$ (0.07)	$ (0.04)
Weighted average number of common shares outstanding – Basic and diluted		30,983,054	6,706,687

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

Alpha Esports Tech Inc.
Consolidated Statements of Changes in Shareholders' Equity
For the year ended June 30, 2020 and the period ended June 30, 2019
(Expressed in Canadian Dollars)

	Share Capital						
	Number	**Amount**	**Subscriptions received in advance**	**Reserves**	**Accumulated other comprehensive income**	**Deficit**	**Total shareholders' equity**
		$	$	$	$	$	$
Incorporation, March 1, 2019	-	-	-	-	-	-	-
Incorporation shares	200	1	-	-	-	-	1
Private placement	24,066,668	424,668	-	-	-	-	424,668
Share issuance cost	-	(4,500)	-	-	-	-	(4,500)
Shares issued for consulting services rendered	2,500,000	156,250	-	-	-	-	156,250
Subscription receipts	-	-	202,376	-	-	-	202,376
Loss for the period	-	-	-	-	-	(257,623)	(257,623)
Balance, June 30, 2019	26,566,868	576,419	202,376	-	-	(257,623)	521,172
Private placements	6,377,000	1,559,875	(202,376)	-	-	-	1,357,499
Share issuance cost – cash	-	(65,357)	-	-	-	-	(65,357)
Share issuance cost – warrants	-	(8,100)	-	8,100	-	-	-
Share exchange agreement	5,046,462	924,056	-	-	-	-	924,056
Subscription receipts		-	250	-	-	-	250
Loss for the year	-	-	-	-	-	(2,322,577)	(2,322,577)
Cumulative translation adjustment	-	-	-	-	(7,383)	-	(7,383)
Balance, June 30, 2020	**37,990,330**	**2,986,893**	**250**	**8,100**	**(7,383)**	**(2,580,200)**	**407,660**

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

Alpha Esports Tech Inc.
Consolidated Statements of Cash Flow
For the year ended June 30, 2020 and the period ended June 30, 2019
(Expressed in Canadian Dollars)

	Year ended June 30, 2020	Period from incorporation on March 1, 2019 to June 30, 2019
Cash (used in) provided by:		
OPERATING ACTIVITIES		
Loss for the period	$ (2,322,577)	$ (257,623)
Adjustments to non-cash items		
Interest accrual	(3,613)	(4,834)
Depreciation	115	-
Foreign exchange	1,598	-
Share-based compensation	-	156,250
Write-down of loan receivables	364,834	-
Write-down of mobile arena asset	526,720	-
Net changes in non-cash working capital items:		
Receivables	22,827	(23,667)
GST receivable	(28,047)	(4,078)
Prepaid expenses	(17,857)	-
Accounts payable and accrued liabilities	634,456	101,453
Net cash used in operating activities	(821,544)	(32,499)
INVESTING ACTIVITIES:		
Cash acquired on acquisition	1,318	-
Promissory notes receivable	(668,694)	(200,000)
Promissory notes received	474,478	-
Transaction costs	(26,982)	-
Mobile arena asset	(526,720)	-
Gaming platform	(105,320)	-
Cash used in investing activities	(851,920)	(200,000)
FINANCING ACTIVITIES:		
Incorporation shares	-	1
Proceeds from issuance of common shares	1,357,499	424,668
Subscriptions received in advance	250	202,376
Share issuance costs	(65,357)	(4,500)
Cash provided by financing activities	1,292,392	622,545
Net increase in cash	(381,072)	390,046
Cash, beginning of period	390,046	-
Cash, end of period	$ 8,974	$ 390,046
Cash paid for interest	$ -	$ -
Cash paid for income taxes	$ -	$ -

Supplemental disclosure with respect to cash flows – Note 16

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

1. NATURE OF OPERATIONS

Alpha Esports Tech Inc. (the "Company") was incorporated under the laws of British Columbia on March 1, 2019. The Company's registered office is 2200-885 West Georgia Street, Vancouver, British Columbia V6C 3E8.

On April 13, 2020, the Company completed the Share Exchange Agreement (the "Agreement") with Esports Enterprises Inc. ("Esports"), a private company. Pursuant to the terms of the Agreement, the shareholders of Esports transferred all of their issued and outstanding shares to the Company in exchange for a pro-rated number of shares of the Company. Consequently, the transaction constitutes control of Esports by the Company, with Esports representing a wholly-owned subsidiary of the Company for accounting and reporting purposes.

The Company is proposing to complete an initial public offering ("IPO") and list its shares on the Canadian Stock Exchange ("CSE") (Note 17). The Company will focus its business on pursuing opportunities in the esports and technology industry.

During August 2020, the Company split its shares on the basis of one old common share for two new common shares. All common shares, warrants, and options in these consolidated financial statements are retroactively presented on a post-stock split basis, including the exercise prices of all share purchase warrants.

These audited consolidated financial statements of the Company for the year ended June 30, 2020 and the period from incorporation on March 1, 2019 to June 30, 2019 were approved by the Board of Director on May 10, 2021.

2. GOING CONCERN

The Company has incurred losses since inception and has no significant current source of operating revenue and is accordingly dependent upon the receipt of equity and/or related party debt financing on terms which are acceptable to it.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. On June 30, 2020, the Company had not yet achieved profitable operations and has a deficit of $2,580,200 (2019 - $257,623) and a working capital deficiency of $718,999 (2019 – working capital surplus of $521,172). In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The Company expects to incur further losses in the development of its business. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. If for any reason, the Company is unable to continue as a going concern, this could result in adjustments to the amounts and classifications of assets and liabilities in the Company's consolidated financial statements and such adjustments could be material.

2. GOING CONCERN (continued)

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. It has adversely affected global workforces, economies, and financial markets, triggering an economic downturn. It is not possible at this time for the Company to predict the duration or magnitude of the adverse results of the outbreak nor its effects on the Company's business or operations.

3. BASIS OF PRESENTATION

These consolidated financial statements have been prepared on a historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The accounting policies below have been applied to all periods presented in these consolidated financial statements and are based on International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretation Committee ("IFRIC").

These consolidated financial statements have been prepared using the measurement basis specified by IFRS for each type of asset, liability, revenue and expense. Certain items are stated at fair value.

3.1. Significant judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

Critical Accounting Judgments

Going concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investing and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

Business combinations

Judgment is used when determining whether an acquisition is a business combination or an asset acquisition. Judgment is also used in measuring the fair value of equity instruments issued as consideration for a business combination, and in allocating the fair value of consideration paid to the assets acquired and liabilities assumed.

3. BASIS OF PRESENTATION (continued)

3.1 Significant judgments, estimates and assumptions (continued)

The Company measures all assets acquired and liabilities assumed at their acquisition-date fair values. The excess of the aggregate of the consideration transferred over the net assets of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed, is recognized as goodwill as of the acquisition date.

Functional currency

Determination of an entity's functional currency involves judgment taking into account the transactions, events, and conditions relevant to each individual entity. Determination of functional currency involves evaluating evidence about the primary economic environment in which each entity operates and is re-evaluated when facts and circumstances indicate that conditions have changed.

Collectability of receivables

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

Gaming Platform – Research versus development

In determining whether to capitalize the costs related to the development of the gaming platform, Management is required to make judgments about whether the development work qualifies as an asset; determining whether there is an identifiable asset which is expected to produce future benefits and being able to determine the cost of the asset reliably.

Critical Accounting Estimates

Critical Accounting Estimate

Income Taxes

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

Valuation of equity consideration granted

The valuation of share consideration granted involves management judgment in determining valuation of the share consideration granted. Judgment is exercised in assessing the fair value of the shares granted.

3. BASIS OF PRESENTATION (continued)

3.1 Significant judgments, estimates and assumptions (continued)

The fair value of equity instruments are subject to the limitations of the Black-Scholes option pricing model, as well as other pricing models that incorporate market data and involves uncertainty in estimates used by management in the assumptions. Because option pricing models require inputs of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Estimated useful lives – tangible and intangible assets

Amortization of tangible assets is dependent upon estimates of useful lives based on management's judgment.

Determination must be made by management whether the gaming platform has an indefinite life or if not, management determines its lifespan. In management's view, the gaming platform will have a finite life. The gaming platform has not yet entered commercialization and therefore, is not being amortized as at June 30, 2020.

Impairment considerations and amortization of tangible assets, intangible assets, and goodwill

Goodwill impairment testing requires management to make critical estimates within the impairment testing model. On an annual basis, the Company tests whether goodwill is impaired.

Determining whether any charge to impairment against the Company's tangible and finite lived intangible assets requires management to estimate the recoverable amount, which is defined as the higher of fair value less the cost of disposal or value in use. Many factors used in assessing recoverable amounts are outside of the control of management and it is reasonably likely that assumptions and estimates will change from period to period. Impairment is reviewed on an annual basis or as events and conditions change.

The recoverable value of goodwill and tangible and intangible assets is determined using discounted cash flow models, which incorporate assumptions about future events including future cash flows, growth rates and discount rates.

3.2 Basis of Consolidation

These consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiaries:

Subsidiary	Country	Ownership %
Esports Enterprises Inc.	USA - Delaware	100%
GamerzArena LLC	USA - Delaware	100%

3. BASIS OF PRESENTATION (continued)

3.2 Basis of Consolidation (continued)

Control exists when the parent company has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany transactions and balances have been eliminated.

3.3 Foreign Currency Translation

The consolidated financial statements are presented in Canadian dollars. Items included in the consolidated financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates. The functional currency of the parent company is the Canadian dollar. The functional currency of the subsidiaries is the US dollar.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Provisions

Liabilities are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. A provision is a liability of uncertain timing or amount.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as a financing expense.

4.2 Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current tax assets and liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes are calculated based on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects taxable profit or accounting profit. Deferred tax liabilities on temporary differences associated with shares in subsidiaries and joint ventures is not provided for if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Income Taxes (continued)

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are likely to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that includes the substantive enactment date. Deferred tax assets are recognized for all temporary differences, carry-forward of unused tax credits and unused tax losses to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same entity or different entities which intend to settle current tax assets and liabilities on a net basis or simultaneously in each future period in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Changes in deferred tax assets or liabilities are recognized as a component of income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

4.3 Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects in shareholders’ equity. Common shares issued for consideration other than cash are valued based on their market value at the date the shares were granted. Common shares held by the Company are classified as treasury stock and recorded as a reduction to shareholders’ equity.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in private placements to be the more easily measurable component of unit offerings and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to any attached warrants or other features. Any fair value attributed to warrants is recorded as reserves.

4.4 Share-based Payments

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled transactions and, when determinable,

4. SIGNIFICANT ACCOUNTING POLICIES

4.4 Share-based Payments (continued)

are recorded at the value of the goods and services received. If the value of the goods and services received is not determinable, then the fair value of the share-based payment is used.

The Company uses a fair value-based method (Black-Scholes Option Pricing Model) for all share options granted to directors, employees and certain non-employees. For directors and employees, the fair value of the share options is measured at the date of grant. For grants to non-employees where the fair value of the goods or services is not determinable, the fair value of the share options is measured on the date the services are received.

The fair value of share-based payments is charged to profit or loss, with the offsetting credit to reserves. For directors, employees and consultants, the share options are recognized over the vesting period based on the best available estimate of the number of share options expected to vest. If options vest immediately, the expense is recognized when the options are issued. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods where vested. For non-employees, the share options are recognized over the related service period. When share options are exercised, the amounts previously recognized in contributed surplus are transferred to share capital.

In the event share options are forfeited prior to vesting, the associated fair value recorded to date is reversed. The fair value of any vested share options that expire remain in contributed surplus.

4.5 Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the fair value of goods and services provided.

4.6 Earnings (Loss) per Share

Basic earnings (loss) per share is computed by dividing net income (loss) (the numerator) by the weighted average number of outstanding common shares for the period (denominator). In computing diluted earnings per share, an adjustment is made for the dilutive effect of outstanding share options, warrants and other convertible instruments.

In the periods when the Company reports a net loss, the effect of potential issuances of shares under share options and other convertible instruments is anti-dilutive. Therefore, basic and diluted loss per share are the same. When diluted earnings per share is calculated, only those share options and other convertible instruments with exercise prices below the average trading price of the Company’s common shares for the period will be dilutive.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 Financial Instruments - Recognition and Measurement

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVOCI") 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 FVOCI. 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.

The Company classifies its financial instruments as follows:

Financial assets/liabilities	
Cash	FVTPL
Receivables	Amortized cost
Promissory notes receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Due to shareholder	Amortized cost

(ii) Measurement

Financial assets and liabilities at amortized cost.

Financial assets and liabilities at FVTPL 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 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 consolidated statement of comprehensive loss in the period in which they arise.

The Company has no assets or liabilities at FVOCI.

(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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 Financial Instruments - Recognition and Measurement (continued)

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, 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. The Company has not recorded any depreciation on its intangible assets as the assets are not yet in use.

(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. Gains and losses on derecognition are generally recognized in the statements of loss.

4.8 Gaming Platform

The gaming platform represents the Company's software which was developed to host e-sports tournaments.

Management capitalizes certain costs to the Company's gaming platform under IAS 38 *Intangible Assets*, including the costs of materials and services consumed, directly attributable employee benefits, and fees to register a legal right.

Any expenditures relating to the gaming platform that do not qualify to capitalize under IAS 38 *Intangible Assets* are classified as research expense.

The Gaming Platform is currently under development and no amortization has been charged during the year ended June 30, 2020.

The gaming platform has a finite life and will be amortized over its useful economic life. The gaming platform is assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for the gaming platform is reviewed at least at the end of each reporting period. A change in the expected useful life of the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Research and Development

Research costs are expensed as incurred. Costs related to the development of gaming platform are expensed as incurred unless such costs meet the criteria for deferral and amortization under IFRS. The criteria include identifiable costs attributable to a clearly defined product, the establishment of technical feasibility, demonstration of the Company's intention and ability to complete the software and use or sell it, identification of a market for the software, the Company's intent to market the software and the existence of adequate resources to complete the project

4.10 Goodwill

Goodwill represents the excess of the consideration transferred over the Company's interest in the fair value of the net identifiable assets, including intangible assets, and liabilities of the acquire at the date of acquisition. At the date of acquisition, goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. A CGU is the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill is tested at least annually for impairment at the CGU level and is carried at cost less accumulated impairment losses.

4.11 Impairment of Non-Financial Assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 Equipment

Equipment items are carried at cost less accumulated depreciation and accumulated impairment losses. In the year of acquisition, depreciation is recorded at one-half the normal rate. Depreciation is recognized using the declining balance method at the following annual rates:

Office and furniture	Declining-Balance	20%

Equipment that is withdrawn from use or has no reasonable prospect of being recovered through use or sale, are regularly identified and written off. The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Subsequent expenditures relating to an item of equipment are capitalized when it is probable that future economic benefits from the use of the assets will be increased. All other subsequent expenditures are recognized as repairs and maintenance expense.

4.13 Foreign Exchange

Transactions and Balances

Foreign currency transactions are translated into the relevant functional currency using the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive loss.

Subsidiaries

The results and financial position of the Company’s subsidiaries that have a functional currency different from the Company’s presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the reporting date;
- Income and expenses are translated at average exchange rates for the period;
- Equity is translated using historical rates; and
- All resulting exchange differences are recognised in other comprehensive income as foreign currency translation adjustments.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to other comprehensive income (loss). When a foreign operation is sold, such exchange differences are recognised in the statement of comprehensive loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The Company measures goodwill as the fair value of the consideration transferred less the recognized amount of the identifiable assets and liabilities assumed, all measured at the acquisition date. Transactions costs, other than those associated with the issue of equity instruments, incurred in connection with a business combination are expensed as incurred.

4.15 Research and Development

Research costs are expensed as incurred. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically, and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development or use or sell the asset. Other development expenditures are expensed as incurred.

4.16 Changes in Significant Accounting Policies

Accounting standard adopted during the year

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for accounting periods beginning after January 1, 2019, or later periods. New standards and updates, which are not applicable or are not consequential to the Company, have been excluded from the list below.

IFRS 16, *Leases*, specifies how an entity will recognize, measure, present and disclose leases. The 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 Leases. IFRS 16 is effective for years beginning after January 1, 2019. The Company adopted this standard effective July 1, 2019 and it did not have any material impact on the consolidated financial statements upon adoption.

IFRIC 23, It may be unclear how tax law applies to a particular transaction or circumstance, or whether a taxation authority will accept a company's tax treatment. IAS 12 *Income Taxes* specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. IFRIC 23 is effective for years beginning after January 1, 2019. The Company adopted this standard effective July 1, 2019 and it did not have any material impact on the consolidated financial statements upon adoption.

5. SHARE CAPITAL

5.1 Authorized Share Capital

Unlimited number of Class "A" Common voting shares without par value
Unlimited number of Class "B" Common non-voting shares without par value

5.2 Shares Issued

Shares issued and outstanding as at June 30, 2020 are 37,990,330 (2019 – 26,566,868) Class A common shares.

During August 2020, the Company split its shares on the basis of two common shares for each outstanding common share. All common shares, warrants, and options in these consolidated financial statements are stated post-split.

During the year ended June 30, 2020, the following share transactions occurred:

On July 18, 2019, the Company issued 275,000 Class A common shares at $0.125 per common share for total proceeds of $34,375 pursuant to a private placement of which subscriptions had been received;

On July 19, 2019, the Company issued 4,342,000 units at $0.25 per unit for total proceeds of $1,085,500 pursuant to a private placement of which $168,001 of subscriptions had been received. Each unit is comprised of one Class A common share and one-half common share purchase warrant exercisable at $1.00 for a period of 24 months from the date of issuance. Finders' fees and other share issuance costs totaling $61,666 were paid in cash. The Company also issued 151,760 broker warrants as finders fees, valued at $8,100. Each broker warrant entitles the holder to purchase one Class A common share at a price of $1.00 for a period of 24 months from the date of issuance. The fair value of the broker warrants was determined using the Black-Scholes pricing model using the following assumptions: average volatility 100%, expected life 2 years, risk free rate 1.43%);

On April 13, 2020, the Company issued 5,046,462 Class A common shares as part of the Agreement to acquire Esports (Note 8); and

On May 20, 2020, the Company issued 1,760,000 units at $0.25 per unit for total proceeds of $440,000 pursuant to a private placement. Each unit is comprised of one Class A common share and one-half common share purchase warrant exercisable at $1.00 for a period of 24 months from the date of issuance. Share issuance cost totaled $3,691.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)

5.2 Shares Issued (continued)

During the period from incorporation on March 1, 2019 to June 30, 2019, the following share transactions occurred:

On March 1, 2019, the Company issued 200 Cass A common shares at $0.005 per common share for total proceeds of $1 pursuant to incorporation;

On March 19, 2019, the Company issued 22,466,666 Class A common shares at $0.01 per common share for total proceeds of $224,668 pursuant to a private placement. Share issuance cost totaled $4,500;

On April 30, 2019, the Company issued 1,600,002 Class A common share at $0.125 per common share for total proceeds of $200,000 pursuant to a private placement.

On June 1, 2019, the Company issued 2,500,000 Class A common shares, with 1,250,000 subject to performance Milestones to an officer of the Company (Note 7). Subsequent to year end, the Company cancelled 1,250,000 common shares pursuant to termination of the related party's contract (Note 17). The Company recognized a fair value of $156,250 on 1,250,000 shares with a value of $0 recognized on the subsequently cancelled shares.

5.3 Warrants

A summary of the changes in the Company's share purchase warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, March 1, 2019 and June 30, 2019	**-**	**$ -**
Issued	3,202,760	1.00
Balance, June 30, 2020	**3,202,760**	**$ 1.00**

As of June 30, 2020, the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
2,171,000	$1.00	July 19 2021
151,760	$1.00	July 19 2021
880,000	$1.00	May 20, 2022
3,202,760		

At June 30, 2020, the weighted-average remaining life of the outstanding warrants was 1.28 years.

5. SHARE CAPITAL (continued)

5.4 Options

The Company has adopted a stock option plan whereby the Company can issue up to 10% of the issued and outstanding common shares as incentive stock options to its employees, officers, directors and consultants. The stock option plan limits the number of incentive stock options which may be granted to any one individual to not more than 5% of the total issuance and outstanding common shares. The exercise price of any options granted is determined by the Board of Directors in its sole discretion as of the date of the grant, but cannot be less than the discounted market price on the date of grant. Vesting terms are also determined by the Board of Directors. The stock option plan was replaced by a share-based compensation plan subsequent to year end (Note 17).

No options were granted during the year ended June 30, 2020 and period from incorporation on March 1, 2019 to June 30, 2019.

6. PROMISSORY NOTES RECEIVABLE

On March 29, 2019, the Company entered into promissory note agreements with a third party acquisition target. (the "Borrower") to advance $360,000 for the purpose of pursuing a transaction whereby the Company and the Borrower would enter into a share exchange agreement. During the year ended June 30, 2020, the Company advanced $160,000 (2019 - $200,000). The loans bear interest at 10% per annum and are due on demand. At June 30, 2020, the Company has recognized accrued interest of $Nil (2019 – $4,834).

Due to the high degree of uncertainty surrounding the collection of these promissory notes, the Company wrote-off the full promissory notes receivable balance and recognized an impairment charge of $364,834 (2019- $Nil).

Pursuant to another promissory note agreement, the Company loaned $508,694 to a third party. The loan bears interest at 4% per annum and is due on demand. Total loan repayments received during the year ended June 30, 2020 totaled $474,478. At June 30, 2020, the balance of the loan is $37,829 and the Company recognized accrued interest income of $3,613 (2019 – $Nil).

7. RELATED PARTY TRANSACTIONS AND BALANCES

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

(Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

The aggregate value of transactions relating to key management personal were as follows:

		June 30, 2020		June 30, 2019
Management/consulting fees - CEO	$	30,500	$	-
Management/consulting fees - former CEO		169,807		16,620
Management/consulting fees - COO		41,237		-
Management/consulting fees – former COO		126,211		-
Management/consulting fees - CFO		24,000		-
Management/consulting fees - Director		60,000		-
Share-based compensation		-		156,250
Total	**$**	**451,755**	**$**	**172,870**

As at June 30, 2020, $209,282 (2019 – $18,292) was owing to key management personnel for fees and the amounts were included in accounts payable. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

On June 1, 2019, the Company issued 2,500,000 Class A common shares to the previous CEO of the Company pursuant to a services agreement. The Company recorded $156,250 to shared-based compensation expense (Notes 5 and 17).

As at June 30, 2020, the Company has a loan payable of $17,035 ($12,500 USD) (2019 - $Nil) to a director and shareholder of the Company. The loan is non-interest bearing, unsecured and has no terms of repayment.

8. GOODWILL

Esports Enterprises Inc.

On April 13, 2020, the Company acquired 100% of the shares of Esports for 5,046,462 Class A common shares of the Company with a fair value of $924,056, escrowed as per the terms of the Agreement. The shares are subject to a 36 month leak-out beginning 6 months after the Company's shares are listed on a stock exchange and will be released in equal tranches every 6 months thereafter. The fair value of the shares issued as consideration has been adjusted for a discount for the leak-out provision. This transaction was accounted for as a business combination in accordance with IFRS 3 – Business Combinations, as such the Company used the acquisition method of accounting. The consideration paid in excess of the net assets of the acquired business was $402,561 and is recognized in goodwill.

(Expressed in Canadian Dollars)

8. GOODWILL (continued)

Consideration		
Common shares	$	924,056
Transaction costs		26,982
Total consideration		**951,038**
Fair value of net assets acquired		
Cash		1,318
Equipment		2,727
Gaming platform		627,000
Total assets		631,045
Accounts payable and accrued liabilities		(65,148)
Due from shareholder		(17,420)
Net assets acquired		**548,477**
Goodwill	**$**	**402,561**

Goodwill arose over the acquisition of Esports due to the benefit of expected revenue growth and future market developments. These benefits were not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill arising on these acquisitions are expected to be deductible for tax purposes. All acquisitions were dealt with at arm's length at the time of transaction.

Impairment of goodwill and intangible assets

On an annual basis, the Company assesses the Company's CGUs for indicators of impairment or when facts or circumstances suggest the carrying amount may exceed its recoverable amount. Goodwill is tested for impairment annually. For the purpose of impairment testing, goodwill is allocated to the Company's CGU to which it relates.

The Company performed its annual impairment test and estimated the recoverable amount of the above-noted CGU based on fair value less costs of disposal ("FVLCOD"), which was determined using a capitalized cash flow methodology and categorized within level 3 of the fair market value hierarchy.

The key assumptions used in the calculation of the recoverable amount include forecast next twelve months:

a) revenues;
b) normalized operating expenses;
c) income taxes; and
d) capital expenditures.

Capitalized cash flows are determined with reference to undiscounted risk adjusted cash flows, and discount rates in the range of 28% to 32% based on the individual characteristics of the Company's CGU, the risk-free rate of return and other economic and operating factors.

(Expressed in Canadian Dollars)

8. GOODWILL (continued)

The result is that the carrying amount of goodwill and intangible assets does not exceed the recoverable amount and as a result, the Company did not recognize any impairment charges.

9. MOBILE ARENA ASSET

During the year ended June 30, 2020, the Company made deposits towards the construction of a recreational entertainment vehicle (the "Mobile Arena"). At June 30, 2020, the Mobile Arena was in the construction phase with full completion expected for late 2020. The Company paid USD $400,000 towards the total expected cost of completion of USD $1,200,000.

A summary of the capitalized deposits on the Mobile Arena construction in process for the year ended June 30, 2020 are as follows:

Balance, March 1, 2019 and June 30, 2019	**$**	**-**
Additions during the year		
Mobile Arena – deposit on construction in process		526,720
Impairment		(526,720)
Balance, June 30, 2020	$	-

During the year ended June 30, 2020, the Company recorded an impairment charge of $526,720 against Mobile Arena asset as management decided not to continue with the project.

10. GAMING PLATFORM

During the year ended June 30, 2020, the Company acquired the gaming platform as part of its acquisition of Esports (Note 8). The gaming platform provides a space for online gamers to watch and play alongside peers, while competing in tournaments to earn prizes. The gaming platform enables cross-platform competition while users are able to stream their live games for others to view around the world, giving casual gamers a look into the world of competitive esports.

The balance of the Company's gaming platform is as follows:

Cost		
Balance, March 1, 2019 and June 30, 2019	**$**	**-**
Acquisition date, April 13, 2020		627,000
Additions		105,320
Foreign currency translation		(10,776)
Balance, June 30, 2020	**$**	**721,544**

No amortization was charged on the gaming platform as it has not yet entered full use.

(Expressed in Canadian Dollars)

10. GAMING PLATFORM (continued)

Impairment of intangible assets

On an annual basis, the Company assesses the Company's CGUs for indicators of impairment or when facts or circumstances suggest the carrying amount may exceed its recoverable amount. During the year ended June 30, 2020, the Company did not note any indicators of impairment on its gaming platform, therefore, a recoverable value test was not conducted.

11. EQUIPMENT

Cost		Office and furniture
Balance, March 1, 2019 and June 30, 2019	**$**	**-**
Acquisition date, April 13, 2020		2,727
Balance, June 30, 2020	**$**	**2,727**
Accumulated Depreciation		
Balance, March 1, 2019 and June 30, 2019	**$**	**-**
Additions		115
Balance, June 30, 2020	**$**	**115**
Foreign currency translation, June 30, 2020		(58)
Net Book Value		
June 30, 2019	$	-
June 30, 2020	**$**	**2,554**

12. INCOME TAXES

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

		2020		2019
Loss before income tax	$	(2,322,577)	$	(257,623)
Tax rate		27%		27%
Expected income tax recovery		(627,000)		(70,000)
Effect of taxes in foreign jurisdiction		1,000		-
Permanent differences		(4,000)		(1,000)
True-up adjustments		(14,000)		-
Change in unrecognized deductible temporary differences		644,000		71,000
Income tax expense (recovery)	**$**	**-**	**$**	**-**

(Expressed in Canadian Dollars)

12. INCOME TAXES (continued)

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

		2020		2019
Share issuance costs	$	15,000	$	1,000
Non-capital losses carried forward		700,000		70,000
Deferred tax assets not recognized	**$**	**715,000**	**$**	**71,000**

The Company non-capital losses totaling approximately $2,595,000 (June 30, 2019 – $259,000) available to reduce taxable income of future years. The non-capital losses expire as follows, which can be applied to reduce future taxable income, expiring as follows:

		2020	Expiry date		2019	Expiry date
Canada	$	2,581,000	2038 to 2039	$	259,000	2038
USA	$	14,000	No expiry date	$	-	-

13. MANAGEMENT OF CAPITAL

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

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

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

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

14. RISK MANAGEMENT

14.1 Financial Risk Management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

14. RISK MANAGEMENT (continued)

14.1 Financial Risk Management (continued)

a. Capital Risk

The Company manages its capital to ensure that there are adequate capital resources for the Company to maintain operations. The capital structure of the Company consists of cash and share capital.

b. Credit Risk

Credit risk is the risk that a counter party will be unable to pay any amounts owed to the Company. The Company's cash is held in large Canadian financial institutions and its GST receivable is due from the Government of Canada. The Company also has promissory notes receivable. There is a risk that this amount will not be collectible due to unforeseen material events.

c. Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at June 30, 2020, the Company's working capital deficiency is $718,999 (2019 – working capital of $521,172) and it does not have any long-term liabilities. The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2020, the Company had cash of $8,974 and total liabilities of $816,624.

d. Market Risk

Market risk incorporates a range of risks. Movements in risk factors, such as market price risk and currency risk, affect the fair values of financial assets and liabilities. The Company is not exposed to these risks.

e. Currency Risk

The operating results and financial position of the Company are reported in Canadian dollars. As the Company is exploring opportunities in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than the Canadian dollar. The results of the Company's operations are subject to currency risk.

The Company has not entered into any agreements or purchased any foreign currency hedging instruments to hedge possible currency risks at this time. Management believes the foreign exchange risk derived from currency conversions is not significant, and therefore, does not hedge its foreign exchange risk.

(Expressed in Canadian Dollars)

14. RISK MANAGEMENT (continued)

e. Currency risk (continued)

The Company is exposed to currency risk through the following monetary assets and liabilities denominated in foreign currencies:

		June 30, 2020	June 30, 2019
Cash	USD$	580	-
Accounts payable and accrued liabilities	USD$	(117,202)	(13,977)
Shareholder loan	USD$	(12,500)	-

Based on the above net exposure and assuming that all other variables remain constant a 10% change in the value of the foreign currencies against the Canadian dollar would result in an increase or decrease of $17,600 (2019 – $1,800).

14.2 Fair Values

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are not observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The carrying values of cash, receivables, promissory notes receivable, accounts payable and accrued liabilities and due to shareholder approximate their fair values due to their short-term to maturity.

15. COMMITMENT

On December 13, 2019, the Company partnered with Vancouver Whitecaps FC to become the club's official online esports tournament platform. Whitecaps FC and the Company will host online and live tournaments to scout talent for eMLS.

As consideration for the rights granted to sponsor in this agreement, the Company agrees to make the following payments over next three fiscal years:

2021	$	285,714
2022		250,000
2023		71,429
	$	**607,143**

16. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions for the year ended June 30, 2020 included:

- $202,376 was transferred between subscriptions received in advance and share capital.
- $8,100 in finders' warrants was recognized as share issuance costs.
- $924,056 in shares were issued to acquire Esports.

There were no non-cash transactions for the period from incorporation on March 1, 2019 to June 30, 2019.

17. SUBSEQUENT EVENTS

Subsequent to June 30, 2020 the Company:

i) cancelled 1,250,000 bonus shares previously recorded to stock-based compensation in accordance with the terms of a service agreement previously entered (Note 7);

ii) entered into a letter of intent ("LOI") with HypeX, pursuant to which the Company proposed to acquire 100% of the issued and outstanding common shares of HypeX for an aggregate of 700,000 common shares of the Company. The common shares would be subject to a 36-month lookout period. Subsequent to year end, the LOI expired and was not renewed.

iii) acquired the assets of Paradise City Gaming Inc. for an aggregate of 4,500,000 common shares of the Company subject to the escrow terms as outlined in the purchase agreement. The Company issued 800,000 Class A common shares of the Company in lieu of cash finders fees;

iv) issued 1,250,000 Class A common shares pursuant to the terms of consulting and advisory service agreements measured at a fair value of $0.35 per share;

v) issued 16,816,168 units at $0.35 per unit for total gross proceeds of $5,885,658 pursuant to a private placement. Each unit is comprised of one Class A common share and one-half common share purchase warrant exercisable at $0.50 for a period of 24 months from the date of issuance. The Company paid $136,150 and issued 389,000 purchase warrants exercisable at $0.50 for a period of 24 months in lieu of finders fees;

vi) adopted an amended share-based compensation plan whereby the Company is authorized to issue stock options, bonus shares, deferred share units, stock appreciation rights, performance share units and restricted share units. The total awards granted may not exceed 20% of the issued and outstanding common shares of the Company at the time of the grant.

(Expressed in Canadian Dollars)

17. SUBSEQUENT EVENTS (continued)

vii) granted the following performance warrants, options and restricted share units ("RSUs") to directors, officers, and certain consultants:

	Expiry date	Amount	Price	
Performance warrants	**September 1, 2023**	7,000,000	$	0.05
Options	**November 22, 2023**	750,000	$	0.35
Options	**December 1, 2023**	2,500,000	$	0.35
RSUs	**December 1, 2023**	450,000		n/a

Alpha Esports Tech Inc.

Condensed Interim Consolidated Financial Statements

For the six months ended December 31, 2020 and 2019

(Unaudited – Expressed in Canadian Dollars)

Alpha Esports Tech Inc.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at	Notes		December 31, 2020		June 30, 2020
ASSETS					
Current Assets					
Cash		$	4,278,402	$	8,974
Receivables			840		840
GST receivable			70,612		32,125
Promissory notes receivable	6		18,246		37,829
Prepaid expenses			466,720		17,857
			4,834,820		97,625
Non-current Assets					
Equipment	11		2,242		2,554
Intangible assets	9		2,028,440		721,544
Goodwill	8		402,561		402,561
			2,433,243		1,126,659
TOTAL ASSETS			7,268,063		1,224,284
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities	7		802,462		799,589
Due to shareholder	7		15,915		17,035
TOTAL LIABILITIES			818,377		816,624
SHAREHOLDERS' EQUITY					
Share capital	5		10,502,629		2,986,893
Share subscriptions	5		(250,000)		250
Reserves	5		675,431		8,100
Accumulated other comprehensive income			(28,325)		(7,383)
Deficit			(4,450,049)		(2,580,200)
TOTAL SHAREHOLDERS' EQUITY			6,449,686		407,660
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$	7,268,063	$	1,224,284

Nature of operations – Note 1
Going concern – Note 2
Commitment – Note 14

Approved on behalf of the Board of Directors:

"Matthew Schmidt", Director

"Timothy Laidler", Director

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

Alpha Esports Tech Inc.
Condensed Interim Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	For the three months ended		For the six months ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
REVENUES	$ 3,469	$ -	$ 3,469	$ -
EXPENSES				
Advertising and marketing	95,032	51,000	196,086	76,472
Consulting	247,856	29,359	444,905	52,636
Depreciation (Notes 9 and 11)	155,574	-	155,706	-
Management fees (Note 7)	93,075	88,367	184,575	170,346
Office and miscellaneous	106,603	8,216	124,718	23,578
Professional fees	76,780	144,904	109,441	180,107
Rent	15,000	32,182	35,000	32,182
Share-based payments (Note 5 and 7)	608,035	-	608,035	-
Tournament prizes	7,641	-	10,468	-
Transfer agent and filing fees	-	263	145	263
Travel	-	24,883	-	76,441
TOTAL OPERATING EXPENSES	(1,405,596)	(379,174)	(1,869,079)	(612,025)
	(1,402,127)	(379,174)	(1,865,610)	(612,025)
Foreign exchange loss	(1,188)	(4,437)	(4,656)	(7,108)
Interest income (Note 6)	-	-	417	-
	(1,188)	(4,437)	(4,239)	(7,108)
NET LOSS FOR THE PERIOD	(1,403,315)	(383,611)	(1,869,849)	(619,133)
Cumulative translation adjustment	(14,128)	-	(20,942)	-
COMPREHENSIVE LOSS FOR THE PERIOD	$ (1,417,443)	$ (383,611)	$ (1,890,791)	$ (619,133)
Loss per share, basic and diluted	$ (0.04)	(0.01)	(0.05)	$ (0.02)
Weighted average number of common shares outstanding – Basic and diluted	39,947,890	31,183,868	38,344,110	30,708,607

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

Alpha Esports Tech Inc.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share Capital						
	Number	Amount	Share subscriptions	Reserves	Accumulated other comprehensive loss	Deficit	Total shareholders' equity
		$	$	$	$	$	$
Balance, June 30, 2019	26,566,868	576,419	202,376	-	-	(257,623)	521,172
Private placements	4,617,000	1,119,875	(202,376)	-	-	-	917,499
Share issuance cost – cash	-	(61,666)	-	-	-	-	(61,666)
Share issuance cost – warrants	-	(8,100)	-	8,100	-	-	-
Subscription receipts	-	-	197,269	-	-	-	197,269
Loss for the period	-	-	-	-	-	(619,133)	(619,133)
Balance, December 31, 2019	31,183,868	1,626,528	197,269	8,100	-	(876,756)	955,141
Private placements	1,760,000	440,000	(197,019)	-	-	-	242,981
Share issuance cost – cash	-	(3,691)	-	-	-	-	(3,691)
Share exchange agreement	5,046,462	924,056	-	-	-	-	924,056
Cumulative translation adjustment	-	-	-	-	(7,383)	-	(7,383)
Loss for the period	-	-	-	-	-	(1,703,444)	(1,703,444)
Balance, June 30, 2020	37,990,330	2,986,893	250	8,100	(7,383)	(2,580,200)	407,660
Shares cancelled and returned to treasury	(1,250,000)	-	-	-	-	-	-
Shares issued pursuant to advisory services rendered	1,250,000	437,500	-	-	-	-	437,500
Shares issued pursuant to acquisition	5,300,000	1,388,023	-	-	-	-	1,388,023
Shares issued pursuant to private placement, net	16,816,168	5,749,509	-	-	-	-	5,749,509
Share subscription receivable	-	-	(250,000)	-	-	-	(250,000)
Finders' warrants	-	(59,296)	-	59,296	-	-	-
Share-based payment pursuant to options granted	-	-	-	585,642	-	-	585,642
Share-based payment pursuant to RSRs granted	-	-	-	22,393	-	-	22,393
Subscriptions returned	-	-	(250)	-	-	-	(250)
Cumulative translation adjustment	-	-	-	-	(20,942)	-	(20,942)
Loss for the period	-	-	-	-	-	(1,869,849)	(1,869,849)
Balance, December 31, 2020	**60,106,498**	**10,502,629**	**(250,000)**	**675,431**	**(28,325)**	**(4,450,049)**	**6,449,686**

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

Alpha Esports Tech Inc.
Condensed Interim Consolidated Statements of Cash Flow
(Expressed in Canadian Dollars)

		For the six months ended December 31, 2020		For the six months ended December 31, 2019
Cash (used in) provided by:				
OPERATING ACTIVITIES				
Loss for the period	$	(1,869,849)	$	(619,133)
Adjustments to non-cash items:				
Depreciation		155,706		-
Foreign exchange		11,904		-
Interest income		(417)		-
Share-based payments		608,035		-
Shares issued pursuant to advisory services rendered		437,500		-
Net changes in non-cash working capital items:				
Amounts receivable		-		(4,834)
GST receivable		(38,487)		(11,214)
Prepaid expenses		(448,863)		(53,167)
Accounts payable and accrued liabilities		2,623		115,918
Cash used in operating activities		(1,141,848)		(572,430)
INVESTING ACTIVITIES:				
Promissory note receivable		-		(220,945)
Promissory note received		20,000		-
Mobile arena asset		-		(526,720)
Gaming platform		(108,233)		-
Cash used in investing activities		(88,233)		(747,665)
FINANCING ACTIVITIES:				
Proceeds from issuance of common shares, net		5,499,509		855,833
Subscriptions received in advance		-		197,269
Cash provided by financing activities		5,499,509		1,053,102
Net increase (decrease) in cash		4,269,428		(266,993)
Cash, beginning of period		8,974		390,046
Cash, end of period	$	4,278,402	$	123,053
Cash paid for interest	$	-	$	-
Cash paid for income taxes	$	-	$	-

Supplemental disclosure with respect to cash flows – Note 15

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

1. NATURE OF OPERATIONS

Alpha Esports Tech Inc. (the "Company") was incorporated under the laws of British Columbia on March 1, 2019. The Company's registered office is 2200-885 West Georgia Street, Vancouver, British Columbia V6C 3E8.

On April 13, 2020, the Company completed the Share Exchange Agreement ('Agreement') with Esports Enterprises Inc. ("Esports"), a private company. Pursuant to the terms of the Agreement, the shareholders of Esports transferred all of their issued and outstanding shares to the Company in exchange for a pro-rated number of shares of the Company. Consequently, the transaction constitutes control of Esports by the Company, with Esports representing a wholly-owned subsidiary of the Company for accounting and reporting purposes.

The Company is proposing to complete an initial public offering ("IPO") and list its shares on the Canadian Stock Exchange ("CSE"). The Company will focus its business on pursuing opportunities in the esports and technology industry.

During the period ended December 31, 2020, the Company split its shares on the basis of one old common share for two new common shares. All common shares, warrants, and options in these consolidated financial statements are retroactively presented on a post-stock split basis, including the exercise prices of all share purchase warrants.

These condensed interim consolidated financial statements were approved by the Board of Directors on May 10, 2021.

2. GOING CONCERN

These condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. On December 31, 2020, the Company had not yet achieved profitable operations and had a deficit of $4,450,049 (June 30, 2020 - $2,580,200) and a working capital of $4,016,443 (June 30, 2020 – working capital deficiency - $718,999). In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The Company expects to incur further losses in the development of its business. If for any reason, the Company is unable to continue as a going concern, this could result in adjustments to the amounts and classifications of assets and liabilities in the Company's condensed interim consolidated financial statements and such adjustments could be material.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. It has adversely affected global workforces, economies, and financial markets, triggering an economic downturn. It is not possible at this time for the Company to predict the duration or magnitude of the adverse results of the outbreak nor its effects on the Company's business or operations.

3. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". They do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited annual consolidated financial statements for the fiscal year ended June 30, 2020, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed interim consolidated financial statements have been prepared on a historical cost basis. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3.1. Significant judgments, estimates and assumptions

The preparation of the Company's condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

Critical Accounting Judgments

Going concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investing and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

Business combinations

Judgment is used when determining whether an acquisition is a business combination or an asset acquisition. Judgment is also used in measuring the fair value of equity instruments issued as consideration for a business combination, and in allocating the fair value of consideration paid to the assets acquired and liabilities assumed.

The Company measures all assets acquired and liabilities assumed at their acquisition-date fair values. The excess of the aggregate of the consideration transferred over the net assets of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed, is recognized as goodwill as of the acquisition date.

3. BASIS OF PRESENTATION (continued)

3.1 Significant judgments, estimates and assumptions (continued)

Functional currency

Determination of an entity's functional currency involves judgment taking into account the transactions, events, and conditions relevant to each individual entity. Determination of functional currency involves evaluating evidence about the primary economic environment in which each entity operates and is re-evaluated when facts and circumstances indicate that conditions have changed.

Collectability of receivables

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

Gaming Platform – Research versus development

In determining whether to capitalize the costs related to the development of the gaming platform, Management is required to make judgments about whether the development work qualifies as an asset; determining whether there is an identifiable asset which is expected to produce future benefits and being able to determine the cost of the asset reliably.

Critical Accounting Estimates

Income Taxes

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

Valuation of equity consideration granted

The valuation of share consideration granted involves management judgment in determining the valuation of the share consideration granted. Judgment is exercised in assessing the fair value of the shares granted.

The fair value of equity instruments are subject to the limitations of the Black-Scholes option pricing model, as well as other pricing models that incorporate market data and involves uncertainty in estimates used by management in the assumptions. Because option pricing models require inputs of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

3. BASIS OF PRESENTATION (continued)

3.1 Significant judgments, estimates and assumptions (continued)

Estimated useful lives – tangible and intangible assets

Amortization of tangible assets is dependent upon estimates of useful lives based on management's judgment. Determination must be made by management whether the gaming platform has an indefinite life or if not, management determines its lifespan. In management's view, the gaming platform will have a finite life.

Impairment considerations and amortization of tangible assets, intangible assets, and goodwill

Goodwill impairment testing requires management to make critical estimates within the impairment testing model. On an annual basis, the Company tests whether goodwill is impaired.

Determining whether any charge to impairment against the Company's tangible and finite lived intangible assets requires management to estimate the recoverable amount, which is defined as the higher of fair value less the cost of disposal or value in use. Many factors used in assessing recoverable amounts are outside of the control of management and it is reasonably likely that assumptions and estimates will change from period to period. Impairment is reviewed on an annual basis or as events and conditions change.

The recoverable value of goodwill and tangible and intangible assets is determined using discounted cash flow models, which incorporate assumptions about future events including future cash flows, growth rates and discount rates.

3.2 Basis of Consolidation

These condensed interim consolidated financial statements incorporate the financial statements of the Company and its controlled subsidiaries:

Subsidiary	Country	Ownership %
Esports Enterprises Inc.	USA - Delaware	100%
GamerzArena LLC	USA - Delaware	100%

Control exists when the parent company has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. The condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany transactions and balances have been eliminated.

3.3 Foreign Currency Translation

The condensed interim consolidated financial statements are presented in Canadian dollars. Items included in the condensed interim consolidated financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates.

3. BASIS OF PRESENTATION (continued)

3.3 Foreign Currency Translation (continued)

The functional currency of the parent company is the Canadian dollar. The functional currency of the subsidiaries is the US dollar.

4. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's amended audited annual consolidated financial statement for the fiscal year ended June 30, 2020.

During the period ended December 31, 2020, the Company adopted the following policy under share-based payments:

4.1 Restricted Share Units

On the grant date, the fair values of equity settled restricted share units ("RSUs") granted are recognized as an expense, with the corresponding increase in reserves in equity. Upon exercise of the RSU, the related reserves associated with the RSU exercised is reclassified into share capital. The fair value of each RSU granted is calculated on the date of the grant using the closing market share price on the date prior to the grant.

5. SHARE CAPITAL

5.1 Authorized Share Capital

Unlimited number of Class "A" Common voting shares without par value
Unlimited number of Class "B" Common non-voting shares without par value

5.2 Shares Issued

Shares issued and outstanding as December 31, 2020 are 60,106,498 (June 30, 2020 – 37,990,330) Class A common shares.

During the period ended December 31, 2020, the Company split its shares on the basis of two common shares for each outstanding common share. All common shares, warrants, and options in these condensed interim consolidated financial statements are stated post-split.

During the six months ended December 31, 2020, the Company had the following common share transactions:

i) On August 19, 2020, cancelled 1,250,000 bonus shares in accordance with the terms of a service agreement previously entered. The bonus shares were assigned a $nil value during the year ended June 30 ,2020 as they were not expected to vest;

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)

5.2 Shares Issued (continued)

ii) On December 11, 2020, acquired the assets of Paradise City Gaming Inc. for an aggregate of 4,500,000 common shares of the Company subject to the escrow terms as outlined in the purchase agreement (Note 9). The Company issued 800,000 Class A common shares of the Company in lieu of cash finders fees. The shares were measured at an estimated fair value of $1,388,023;

iii) On December 22, 2020, the Company issued 16,816,168 units at $0.35 per unit for total gross proceeds of $5,885,658 pursuant to a private placement. Of which, $250,000 was subsequently received. Each unit is comprised of one Class A common share and one-half common share purchase warrant exercisable at $0.50 per Class A common share for a period of 24 months from the date of issuance. The Company paid $136,150 in finders' fees and issued 389,000 brokers' warrants in connection with the financing. The brokers' warrants have a fair value of $59,296. Each broker warrant is exercisable at $0.50 for a period of 24 months. The fair value of the broker warrants was determined using the Black-Scholes pricing model using the following assumptions: exercise price $0.50, average volatility 100%, expected life 2 years, risk free rate 0.23%);

During the six months ended December 31, 2020, the Company issued the following shares pursuant to consulting services rendered:

Number of Shares	Fair value	Issuance Date
250,000	$0.35	November 30, 2020
1,000,000	$0.35	December 1, 2020
1,250,000		

During the year ended June 30, 2020, the following share transactions occurred:

On July 18, 2019, the Company issued 275,000 Class A common shares at $0.125 per common share for total proceeds of $34,375 pursuant to a private placement of which subscriptions had been received;

On July 19, 2019, the Company issued 4,342,000 units at $0.25 per unit for total proceeds of $1,085,500 pursuant to a private placement of which $168,001 of subscriptions had been received. Each unit is comprised of one Class A common share and one-half common share purchase warrant exercisable at $1.00 for a period of 24 months from the date of issuance. Finders' fees and other share issuance costs totaling $61,666 were paid in cash. The Company also issued 151,760 broker warrants as finders fees, valued at $8,100. Each broker warrant entitles the holder to purchase one Class A common share at a price of $1.00 for a period of 24 months from the date of issuance. The fair value of the broker warrants was determined using the Black-Scholes pricing model using the following assumptions: average volatility 100%, expected life 2 years, risk free rate 1.43%);

On April 13, 2020, the Company issued 5,046,462 Class A common shares as part of the Agreement to acquire Esports (Note 8); and

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)

5.2 Shares Issued (continued)

On May 20, 2020, the Company issued 1,760,000 units at $0.25 per unit for total proceeds of $440,000 pursuant to a private placement. Each unit is comprised of one Class A common share and one-half common share purchase warrant exercisable at $1.00 for a period of 24 months from the date of issuance. Share issuance cost totaled $3,691.

5.3 Warrants

A summary of the changes in the Company's share purchase warrants is a follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, June 30, 2019	**-**	**$ -**
Issued	3,202,760	1.00
Balance, June 30, 2020	**3,202,760**	**$ 1.00**
Issued	8,797,090	0.50
Balance, December 31, 2020	**11,999,850**	**$ 0.63**

As of December 31, 2020, the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
2,171,000	$1.00	July 19, 2021
151,760	$1.00	July 19, 2021
880,000	$1.00	May 20, 2022
8,408,090	$0.50	December 22, 2022
389,000	$0.50	December 22, 2022
11,999,850		

As of December 31, 2020, the weighted-average remaining life of the outstanding warrants was 1.66 years.

On September 1, 2020, the Corporation issued an aggregate of 7,000,000 performance warrants to certain consultants as consideration for the performance of ongoing services. Each of the 7,000,000 performance warrant are exercisable to acquire one common share of the Company at a price of $0.05 for a period of three years from the date of issuance, and will vest and become exercisable when the Company completes an acquisition of an accretive business or asset having a value of $2,500,000 or greater either in a single or in a series of separate transactions in respect of which the vending party is identified and introduced to the Company by the holder of such performance warrants;

Management has applied vesting probability of 0% to the vesting of performance warrants and as a result no expense has been recorded to date.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)

5.3 Warrants (continued)

At December 31, 2020, the following performance warrants were outstanding:

	Performance warrants		Exercise Price
June 30, 2020 and 2019	**-**	**$**	**-**
Granted	7,000,000		0.05
Outstanding, December 31, 2020	**7,000,000**	**$**	**0.05**
Vested	-		-
Exercisable, December 31, 2020	**-**	**$**	**-**

Expiry date	Performance warrants outstanding	Performance warrants exercisable		Exercise Price
September 1, 2023	7,000,000	-		0.05
	7,000,000	**-**	**$**	**0.05**

At December 31, 2020, the weighted-average remaining life of the outstanding performance warrants was 2.67 years.

5.4 Options

During the period ended December 31, 2020, the Company amended its stock option plan. The amended plan states that the Company may issue up to 20% of the issued and outstanding common shares as incentive stock options, bonus shares, deferred share units, stock appreciation rights, performance share units and restricted share units to its employees, officers, directors and consultants. The stock option plan limits the number of incentive stock options which may be granted to any one individual to not more than 5% of the total issuance and outstanding common shares. The exercise price of any options granted is determined by the Board of Directors in its sole discretion as of the date of the grant, but cannot be less than the discounted market price on the date of grant. Vesting terms are also determined by the Board of Directors.

A summary of the changes in the Company's stock options is as follows:

	Options		Weighted Average Exercise Price
June 30, 2020 and 2019	**-**	**$**	**-**
Granted	3,250,000		0.35
December 31, 2020	**3,250,000**	**$**	**0.35**

(Expressed in Canadian Dollars)

5. EQUITY (continued)

5.4 Options (continued)

The Company's stock options as at December 31, 2020 are as follows:

Expiry date	Options outstanding	Options exercisable		Exercise Price
Options				
December 1, 2023	2,500,000	2,500,000	$	0.35
November 22, 2023	750,000	62,500		0.35
	3,250,000	**2,562,500**	**$**	**0.35**

At December 31, 2020, the weighted-average remaining life of the outstanding options was 2.91 years.

The fair value of options was determined using the following weighted average Black-Scholes Option Pricing Model assumptions:

		December 31, 2020	June 30, 2020
Share price	$	0.35	-
Exercise price	$	0.35	-
Expected life		3 years	-
Volatility		100%	-
Risk-free interest rate		0.30%	-

During the six months ended December 31, 2020, the Company recognized $585,642 in share-based payment expense in connection with the options granted.

5.5 Restricted Share Units

During the six months ended December 31, 2020, the Company granted the following RSUs subject to certain performance and time-based vesting conditions to directors, officers, and consultants:

	RSUs
June 30, 2020 and 2019	**-**
Granted	450,000
Outstanding, December 31, 2020	**450,000**
Vested	-
Vested, December 31, 2020	**-**

During the six months ended December 31, 2020, the Company recognized $22,393 in share-based payment expense in connection with the RSUs granted.

(Expressed in Canadian Dollars)

6. PROMISSORY NOTES RECEIVABLE

Pursuant to a promissory note agreement, the Company loaned $508,694 to a third party. The loan bears interest at 4% per annum and is due on demand. Total loan repayments during the six months ended December 31, 2020 totaled $20,000 (June 30, 2020 - $474,478). At December 31, 2020, the balance of the loan is $18,246 (June 30, 2020 - $37,829) and the Company recognized accrued interest of $417 (December 31, 2019 - $nil).

7. RELATED PARTY TRANSACTIONS AND BALANCES

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

The aggregate value of transactions relating to key management personal were as follows:

	December 31, 2020	December 31, 2019
Management/consulting fees - CEO	$ 60,000	$ -
Management/consulting fees – CEO – FV of shares issued	29,167	-
Management/consulting fees - former CEO	-	100,263
Management/consulting fees - COO	59,575	-
Management/consulting fees - former COO	-	70,083
Management/consulting fees - CFO	36,000	-
Management/consulting fees – former Director	29,000	-
Share-based payments – RSRs	4,976	-
Share-based payments – Options	305,778	-
Total	**$ 524,496**	**$ 170,346**

As at December 31, 2020, $109,877 (June 30, 2020 – $209,282) was owing to key management personnel for fees and expenses incurred on behalf of the Company with these amounts all included in accounts payable. The amounts payable are non-interest bearing, unsecured, and have no specific terms of repayment.

On August 19, 2020, the Company cancelled 1,250,000 bonus shares from the former CEO in accordance with the terms of a service agreement previously entered.

As at December 31, 2020, the Company has a loan payable of $15,915 ($12,500 USD) (June 30, 2020 - $17,035) to a director and shareholder of the Company. The loan is non-interest bearing, unsecured and has no terms of repayment.

(Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

During the six months ended December 31, 2020, the Company granted 1,950,000 (June 30, 2020 – nil) stock options to officers and directors. The Company also granted 100,000 (June 30, 2020 – nil) RSRs to the Company's CFO.

8. GOODWILL

Esports Enterprises Inc.

On April 13, 2020, the Company acquired 100% of the shares of Esports for 5,046,462 Class A common shares of the Company with a fair value of $924,056, escrowed as per the terms of the Agreement. The shares are subject to a 36 months leak-out beginning 6 months after the Company's shares are listed on a stock exchange and will be released in equal tranches every 6 months thereafter. The fair value of the shares issued as consideration has been adjusted for a discount for the leak-out provision. This transaction was accounted for as a business combination in accordance with IFRS 3 – Business Combinations, as such the Company used the acquisition method of accounting. The consideration paid in excess of the net assets of the acquired business was $402,561 and is recognized in goodwill.

Consideration		
Common shares	$	924,056
Transaction costs		26,982
Total consideration		**951,038**
Fair value of net assets acquired		
Cash		1,318
Equipment		2,727
Gaming platform		627,000
Total assets		631,045
Accounts payable and accrued liabilities		(65,148)
Due from shareholder		(17,420)
Net assets acquired		**548,477**
Goodwill	**$**	**402,561**

Goodwill arose over the acquisition of Esports due to the benefit of expected revenue growth and future market developments. These benefits were not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill arising on these acquisitions are expected to be deductible for tax purposes. All acquisitions were dealt with at arm's length at the time of transaction.

(Expressed in Canadian Dollars)

9. INTANGIBLE ASSETS

As of December 31, 2020, the Company holds the following intangible assets:

Gaming Platform

During the year ended June 30, 2020, the Company acquired the gaming platform as part of its acquisition of Esports (Note 8). The gaming platform provides a space for online gamers to watch and play alongside peers, while competing in tournaments to earn prizes. The gaming platform enables cross-platform competition while users are able to stream their live games for others to view around the world, giving casual gamers a look into the world of competitive esports.

Gaming License

On December 8, 2020, the Company entered into an asset purchase agreement with Paradise City Games Inc. ("Paradise City"), pursuant to which the Corporation acquired substantially all of the assets formerly held by Paradise City in exchange for 4,500,000 common shares. In particular, the Corporation acquired certain intellectual property assets and contracts with different movie studios, providing it the right to utilize such intellectual property for developing mobile games, including intellectual property being developed for an upcoming animated film which is set to release in 2021. The Corporation issued an additional 800,000 Common Shares to certain finders as finders' fees. The Paradise City asset acquisition was completed on December 11, 2020. The shares issued in connection with the acquisition and finders' fees were valued at $1,388,023. The fair value of the 4,500,000 common shares was determined using a discount for lack of marketability model ("DOLM"), which discounts time-released common shares at rates between 20%-38% and a share price of $0.35 per share.

The Company accounted for the acquisition as an asset purchase arrangement. The asset purchase price was as follows:

Consideration:		
Common shares	$	1,108,023
Finders' fees		280,000
		1,338,023
Allocated to:		
Gaming rights		1,338,023
	$	**1,338,023**

The gaming rights have an expected useful life of 3 years.

(Expressed in Canadian Dollars)

9. INTANGIBLE ASSETS (continued)

As at December 31, 2020, the Company's intangible assets are as follows:

Cost		Gaming platform		Gaming rights		Total
Balance, June 30, 2019	**$**	**-**	**$**	**-**	**$**	**-**
Acquisition date, April 13, 2020		627,000		-		627,000
Additions		105,320		-		105,320
Foreign currency translation		(10,776)		-		(10,776)
Balance, June 30, 2020		**721,544**		**-**		**721,544**
Additions		108,233		-		108,233
Acquisition – December 11, 2020		-		1,388,023		1,388,023
Foreign currency translation		(33,918)		-		(33,918)
Balance, December 31, 2020	**$**	**795,859**	**$**	**1,388,023**	**$**	**2,183,882**

Amortization		Gaming platform		Gaming rights		Total
Balance, June 30, 2020 and 2019	**$**	**-**	**$**	**-**	**$**	**-**
Additions		39,773		115,669		155,442
Balance, December 31, 2020	**$**	**39,773**	**$**	**115,669**	**$**	**155,442**
Net, June 30, 2020	**$**	**721,544**	**$**	**-**	**$**	**721,544**
Net, December 31, 2020	**$**	**756,086**	**$**	**1,272,354**	**$**	**2,028,440**

10. MOBILE ARENA ASSET

During the year ended June 30, 2020, the Company made deposits towards the construction of a recreational entertainment vehicle (the "Mobile Arena"). At June 30, 2020, the Mobile Arena was in the construction phase with full completion expected for late 2020. The Company paid USD $400,000 ($526,720 CAD) towards the total expected cost of completion. During the year ended June 30, 2020, the Company recorded an impairment charge of $526,720 against Mobile Arena asset as management decided not to continue with the project.

(Expressed in Canadian Dollars)

11. EQUIPMENT

Cost		
Balance, June 30, 2019	**$**	**-**
Acquisition date, April 13, 2020		2,727
Balance, June 30, 2020 and December 31, 2020	**$**	**2,727**
Accumulated Depreciation		
Balance, June 30, 2019	**$**	**-**
Additions		115
Balance, June 30, 2020		115
Additions		264
Balance, December 31, 2020	**$**	**379**
Foreign currency translation, June 30, 2020		(58)
Foreign currency translation, December 31, 2020		(106)
Net Book Value		
June 30, 2020	$	2,554
December 31, 2020	$	2,242

12. MANAGEMENT OF CAPITAL

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

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

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

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

13. RISK MANAGEMENT

13.1 Financial Risk Management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

a. Capital Risk

The Company manages its capital to ensure that there are adequate capital resources for the Company to maintain operations. The capital structure of the Company consists of cash and share capital.

b. Credit Risk

Credit risk is the risk that a counterparty will be unable to pay any amounts owed to the Company. The Company's cash is held in large Canadian financial institutions and its GST receivable is due from the Government of Canada. The Company also has promissory notes receivable. There is a risk that this amount will not be collectible due to unforeseen material events.

c. Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at December 31, 2020, the Company's working capital is $4,016,443 (June 30, 2020, working capital deficiency - $718,999) and it does not have any long-term liabilities. The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2020, the Company had cash of $4,278,402 (June 30, 2020 - $8,974), receivables of $840 (June 30, 2020 - $840) and total liabilities of $818,377 (June 30, 2020 - $816,624).

d. Market Risk

Market risk incorporates a range of risks. Movements in risk factors, such as market price risk and currency risk, affect the fair values of financial assets and liabilities. The Company is not exposed to these risks.

e. Currency Risk

The operating results and financial position of the Company are reported in Canadian dollars. As the Company is exploring opportunities in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than the Canadian dollar. The results of the Company's operations are subject to currency risk.

The Company has not entered into any agreements or purchased any foreign currency hedging instruments to hedge possible currency risks at this time. Management believes the foreign exchange risk derived from currency conversions is not significant, and therefore, does not hedge its foreign exchange risk.

(Expressed in Canadian Dollars)

13. RISK MANAGEMENT (continued)

13.1 Financial Risk Management (continued)

The Company is exposed to currency risk through the following monetary assets and liabilities denominated in foreign currencies:

		December 31, 2020	June 30, 2020
Cash	USD$	14,857	580
Accounts payable and accrued liabilities	USD$	(128,738)	(117,202)
Shareholder loan	USD$	(12,500)	(12,500)

Based on the above net exposure and assuming that all other variables remain constant a 10% change in the value of the foreign currencies against the Canadian dollar would result in an increase or decrease of $16,200 (June 30, 2020 – $17,600).

13.2 Fair Values

The carrying values of cash, receivables, promissory notes receivable, accounts payable and accrued liabilities and due to shareholder approximate their fair values due to their short-term to maturity.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are not observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

14. COMMITMENT

On December 13, 2019, the Company partnered with Vancouver Whitecaps FC to become the club's official online esports tournament platform. Whitecaps FC and the Company will host online and live tournaments to scout talent for eMLS.

As consideration for the rights granted to sponsor in this agreement, the Company agrees to make the following payments over next three fiscal years:

2021	$	178,571
2022		250,000
2023		71,429
	$	**500,000**

15. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions for the six months ended December 31, 2020 included:

- $250,000 is recorded as subscriptions receivables within receivables;
- $59,926 in finders' warrants was recognized as share issuance costs;
- $1,388,023 is recorded within intangible assets pursuant to 5,300,000 common shares issued for the acquisition and finders' fees associated with the Paradise City acquisition; and
- $87,500 is recorded in consulting fees pursuant to 250,000 common shares issued for services rendered; $29,167 is recorded in management fees and $320,833 is recorded in prepaid expense pursuant to 1,000,000 common shares issued for services rendered.

Significant non-cash transactions for the six months ended December 31, 2019 included:

- $8,100 in finders' warrants was recognized as share issuance costs; and
- $5,107 worth of share subscriptions for shares to be issued.

APPENDIX "B"

ALPHA ESPORTS TECH INC. – MANAGEMENT'S DISCUSSION AND ANALYSIS

(ATTACHED)

9ALPHA ESPORTS TECH INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2020

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the consolidated financial statements and notes thereto for the year ended June 30, 2020 of Alpha Esports Tech Inc. (the "Company"). Such consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

DATE

This MD&A is prepared as of May 10, 2021.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this report. These assumptions, which include management's current expectations, estimates and assumptions about the global economic environment, the market price and demand for products and our ability to manage our operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) the uncertainty of government regulation and politics (3) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (4) other factors beyond our control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

DESCRIPTION OF BUSINESS

Alpha Esports Tech Inc. ('the Company') was incorporated under the laws of British Columbia on March 1, 2019. The Company's registered office is 2200-885 West Georgia Street, Vancouver, British Columbia V6C 3E8.

On April 13, 2020, the Company completed the Share Exchange Agreement ('Agreement') with Esports Enterprises, Inc ('Esports'), a private company. Pursuant to the terms of the Agreement, the shareholders of Esports transferred all of their issued and outstanding shares to the Company in exchange for a pro rated number of shares of the Company. Consequently, the transaction constitutes control of Esports by the Company, with Esports representing a wholly-owned subsidiary of the Company for accounting and reporting purposes.

The Company will pursue a going-public transaction and list its shares on the Canadian Stock Exchange ('CSE') as the consolidated Company. The Company will focus its business on pursuing opportunities in the esports and technology industry.

During August 2020, the Company split its shares on the basis of two common shares for each outstanding common share. All common shares, warrants, and options in these consolidated financial statements are stated post-split

OVERALL PERFORMANCE

The Company has not generated significant revenues to date from operations as it is in the start up phase. With the completion of the share exchange transaction it will begin recognizing revenue from the wholly-owned subsidiary and continue pursuing esports and technology related operating activities. The Company is in the process of completing an equity financing and has raised $5,885,658 as of May 10, 2021.

The net assets of the Company total $407,660 at June 30, 2020 and consists primarily of cash of $8,974, amounts receivable of $32,965, notes receivable of $37,829, gaming platform of $721,544, and goodwill of $402,561 net of current and total liabilities of $816,624.

SELECTED ANNUAL INFORMATION

The following information sets out the Company’s audited selected annual information for the year ended June 30, 2020 and the period ended June 30, 2019:

	Year Ended June 30, 2020	**Period Ended June 30, 2019**
	($)	**($)**
Operating Expenses	(1,426,314)	(262,457)
Net Income (Loss)	(2,322,577)	(257,623)
Basic and Diluted Earnings (Loss) Per Share	(0.07)	$(0.04)

	As at June 30, 2020	**As at June 30, 2019**
	($)	**($)**
Cash	8,974	390,046
Amounts receivable	32,965	27,745
Notes receivable	37,829	204,834
Gaming platform	721,544	-
Goodwill	402,561	-
Total Assets	1,224,284	622,625

RESULTS OF OPERATIONS

Year Ended June 30, 2020

During the year ended June 30, 2020, the Company completed the Share Exchange Agreement to acquire it’s wholly owned subsidiary, Esports Enterprises Inc., to continue pursuing esports and technology related operating activities. The Company incurred a net and comprehensive loss of $2,329,960 consisting primarily of advertising and marketing fees of $304,966, consulting fees of $250,651, management fees of $390,518, professional fees of $289,629, write down of loan receivables of $364,834, and write down of mobile arena asset of $526,720.

Period Ended June 30, 2019

During the period ended June 30, 2019, the Company incurred a net and comprehensive loss of $257,623. The net and comprehensive loss for the period consists primarily of advertising and marketing of $15,000, management fees of $16,620, share-based compensation of $156,250 and professional fees of $65,949.

SUMMARY OF QUARTERLY RESULTS

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

	Quarter Ended June 30, 2020 $	**Quarter Ended March 31, 2020 $**	**Quarter Ended December 31, 2019 $**	**Quarter Ended September 30, 2019 $**	**Quarter Ended June 30, 2019 $**	**Period Ended From Inception on March 1, 2019 to March 31, 2019 $**
Revenue	-	-	-	-	-	-
Net loss	(1,418,185)	(306,521)	(362,349)	(235,522)	(257,517)	(106)
Loss per share, basic and diluted	(0.04)	(0.01)	(0.01)	(0.01)	(0.01)	(0.53)

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

An analysis of the quarterly result from inception shows that the Company has incurred mostly professional fees related to the newly formed entity and work performed to complete the Share Exchange Agreement and pursue its listing on the CSE.

LIQUIDITY

The Company had cash of $8,974 at June 30, 2020 (2019 - $390,046). The Company had a working capital deficit $718,999 at June 30, 2020 (2019 - $521,172).

During the year ended June 30, 2020, the following share transactions occurred:

- On July 18, 2019, the Company issued 275,000 Class A common shares at $0.125 per common share for total proceeds of $34,375 pursuant to a private placement of which subscriptions had been received;

- On July 19, 2019, the Company issued 4,342,000 units at $0.25 per unit for total proceeds of $1,085,500 pursuant to a private placement of which $168,001 of subscriptions had been received. Each unit is comprised of one Class A common share and one-half common share purchase warrant exercisable at $1.00 for a period of 24 months from the date of issuance. Finders' fees totaling and other share issuance costs totaling $61,666 were paid in cash. The Company also issued 151,760 broker warrants as finders fees, valued at $8,100. Each broker warrant entitles the holder to purchase one Class A common share at a price of $1.00 for a period of 24 months from the date of issuance. The fair value of the broker warrants was determined using the Black-Scholes pricing model using the following assumptions: average volatility 100%, expected life 2 years, risk free rate 1.43%);

- On April 13, 2020, the Company issued 5,046,462 Class A common shares as part of the Share Exchange Agreement to acquire Esports Enterprises Inc. (Note 8); and

- On May 20, 2020, the Company issued 1,760,000 units at $0.25 per unit for total proceeds of $440,000 pursuant to a private placement. Each unit is comprised of one Class A common share and one-half common share purchase warrant exercisable at $1.00 for a period of 24 months from the date of issuance. Share issuance cost totaled $3,691.

- During August 2020, the Company split its shares on the basis of two common shares for each outstanding common share. All common shares, warrants, and options in these consolidated financial statements are stated post-split.

During the period from incorporation on March 1, 2019 to June 30, 2019, the following share transactions occurred:

- On March 1, 2019, the Company issued 200 Cass A common shares at $0.005 per common share for total proceeds of $1 pursuant to incorporation;
- On March 19, 2019, the Company issued 22,466,666 Class A common shares at $0.01 per common share for total proceeds of $224,668 pursuant to a private placement. Share issuance cost totaled $4,500;
- On April 30, 2019, the Company issued 1,600,002 Class A common share at $0.125 per common share for total proceeds of $200,000 pursuant to a private placement; and
- On June 1, 2019, the Company issued 2,500,000 Class A common shares with a fair value of $156,250 for the non-cancelable shares. The Class A common shares were issued to an officer of the Company pursuant to a service agreement (Notes 7 and 17).

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

Operating Activities

The Company used net cash of $821,544 (2019: $32,499) in operating activities during the year ended June 30, 2020.

Financing Activities

The Company received a net $1,292,392 (2019: $622,545) from financing activities during the year ended June 30, 2020.

During December 2020, the Company completed a private placement for 16,816,168 units at $0.35 per unit for total gross proceeds of $5,885,658. Each unit is comprised of one Class A common share and one-half common share purchase warrant exercisable at $0.50 for a period of 24 months from the date of issuance. The Company paid $136,150 and issued 389,000 purchase warrants exercisable at $0.50 for a period of 24 months in lieu of finders fees

Investing Activities

The Company used net cash of $851,920 (2019: $200,000) in investing activities during the year ended June 30, 2020.

OFF-BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

Key management are those personnel having the authority and responsibility for planning, directing, and controlling the Company.

The aggregate value of transactions relating to key management personal were as follows:

	June 30, 2020	June 30, 2019
Management fees paid / accrued for current CEO	30,500	-
Management fees paid / accrued to previous CEO	169,807	16,620
Management fees paid / accrued to current COO	41,237	-
Management fees paid / accrued to previous COO	126,211	-
Management fees paid / accrued for CFO	24,000	-
Management fees paid / accrued to a Director	60,000	-
Share-based compensation	-	156,250

Total	**451,755**	**172,870**

During the year ended June 30, 2020, $30,500 was accrued for Mathew Schmidt, the interim CEO and director of the Company for interim CEO services provided (2019 - $Nil). $31,500 (2019: Nil) is included in accounts payable and accrued liabilities as of June 30, 2020.

During the year ended June 30, 2020, $169,807 (USD $127,000) was paid to Emil Bodenstein, the former CEO and director of the Company for CEO services provided (2019 - $16,620 (USD $12,700)). $51,370 (USD $36,976) (2019: $18,292 (USD $13,977) is included in accounts payable and accrued liabilities as of June 30, 2020.

During the year ended June 30, 2020, $41,237 (USD $30,000) was paid to Brian Wilneff, the current COO of the Company for COO services provided (2019 - $Nil). $9,717 (USD $7,129) (2019: Nil) is included in accounts payable and accrued liabilities as of June 30, 2020.

During the year ended June 30, 2020, $126,211 (USD $94,000) was paid to Eric Mays, the former COO of the Company for COO services provided (2019 - $Nil). $14,258 (USD $10,250) (2019: Nil) is included in accounts payable and accrued liabilities as of June 30, 2020.

During the year ended June 30, 2020, $24,000 was accrued for Eli Dusenbury, the CFO of the Company for CFO services provided (2019 - $Nil) and $25,200 ($2019: $Nil) is included in accounts payable and accrued liabilities as of June 30, 2020.

During the year ended June 30, 2020, $60,000 was accrued for Harwinder Parmar, the Director of the Company for Director services provided (2019 - $Nil) and $142,865 (2019: $Nil) is included in accounts payable and accrued liabilities as of June 30, 2020.

On June 1, 2019, the Company issued 2,500,000 Class A common shares to the previous CEO of the Company pursuant to a services agreement. The Company recorded $156,250 to shared-based compensation expense (Notes 5 and 17).

As at June 30, 2020, the Company has a loan payable of $17,035 ($12,500 USD) (2019 - $Nil) to a director and shareholder of the Company. The loan is non-interest bearing, unsecured and has no terms of repayment.

FOURTH QUARTER

The table below reflects selected audited information for the three month period ended June 30, 2020 compared to the comparative period in the previous fiscal period. The information is presented to the same basis as the audited consolidated financial statements and should be read in conjunction with the audited consolidated financial statements and the accompanying notes.

	Quarter Ended June 30, 2020	**Quarter Ended June 30, 2019**
Total Revenue	$ -	$ -
Net Loss	$(1,418,185)	$(257,517)
Basic and diluted net loss per share	$(0.04)	$(0.01)

During the quarter ended June 30, 2020, the Company had revenues of $nil compared to $nil for the same period ended June 30, 2019 as the Company is still in the start up phase. The Company had operating and other expenses of $1,418,185 for the quarter ended June 30, 2020 compared to $257,517 for the same period ended June 30, 2019. The result was a net loss of $1,418,185 for the quarter ended June 30, 2020 compared to a net loss of $257,517 for the same period ended June 30, 2019.

PROPOSED TRANSACTIONS

As of the date of this MD&A, there were no proposed transactions.

SUBSEQUENT EVENTS

- cancelled 1,250,000 bonus shares previously recorded to share-based compensation in accordance with the terms of a service agreement previously entered;

- entered into a letter of intent with HypeX, pursuant to which the Company proposes to acquire 100% of the issued and outstanding common shares of HypeX for an aggregate of 700,000 common shares of the Company. The common shares will be subject to a 36-month lookout period.

- acquired substantially all of the assets of Paradise City Gaming Inc. for an aggregate of 4,500,000 common shares of the Company subject to the escrow terms as outlined in the purchase agreement. The Company also issued 800,000 Class A common shares of the Company in lieu of cash finders fees;

- issued 1,250,000 Class A common shares pursuant to the terms of consulting and advisory service agreements measured at a fair value of $0.35 per share;

- issued 16,816,168 units at $0.35 per unit for total gross proceeds of $5,885,658 pursuant to a private placement. Each unit is comprised of one Class A common share and one-half common share purchase warrant exercisable at $0.50 for a period of 24 months from the date of issuance. The Company paid $136,150 and issued 389,000 purchase warrants exercisable at $0.50 for a period of 24 months in lieu of finders fees

- adopted an amended share-based compensation plan whereby the Company is authorized to issue stock options, bonus shares, deferred share units, stock appreciation rights, performance share units and restricted share units. The total awards granted may not exceed 20% of the issued and outstanding common shares of the Company at the time of the grant;

- granted the following performance warrants, options and RSUs to directors, officers, and certain consultants:

	Expiry date	Amount		Price
Performance Warrants	**September 1, 2023**	7,000,000	$	0.05
Options	**November 22, 2023**	750,000	$	0.35
Options	**December 1, 2023**	2,500,000	$	0.35
RSRs	**December 1, 2023**	450,000		n/a

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its consolidated financial statements.

Accounting standard anticipated to be effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or International Financial Reporting Interpretations Committee (“IFRIC”) that are mandatory for accounting periods beginning after January 1, 2018, or later periods. New standards and updates, which are not applicable or are not consequential to the Company, have been excluded.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company’s financial instruments are exposed to certain financial risks which are discussed in detail in Note 4.7 of the Company’s consolidated financial statements for the year ended June 30, 2020.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

During the year ended June 30, 2020, the Company incurred the following expenses:

	2020	2019
General and administrative costs	$1,426,314	$262,457
Management fees	$390,518	$16,620
Professional fees	$289,629	$65,949

An analysis of material components of the Company's general and administrative expenses is disclosed in the consolidated financial statements for the year ended June 30, 2020 to which this MD&A relates.

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company is currently a private company. The Company's authorized share capital consists of an unlimited number of class A and B common shares without par value. The Company had the following securities outstanding as at the date of this report:

Type of Security	Number Outstanding
Common Shares	60,106,498
Stock Options	3,250,000
Warrants	11,999,844
Performance Warrants	7,000,000
Restricted Shares Rights	450,000
Fully Diluted	**82,806,342**

RISK FACTORS

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

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

Risks Related to the Company's Business

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

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

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

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

The Company has no operating history

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

History of losses

The Company has incurred losses during the year ended June 30, 2020. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Company expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If the Company's revenues do not increase to offset these expected increases in costs and operating expenses, it will not be profitable.

Reliance on management

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

Insurance and uninsured risks

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

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

The Company will be an entrant engaging in a new industry

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

Dependence on suppliers and skilled labour

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

Difficulty to forecast

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

Management of growth

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

Internal controls

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

Liquidity

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

Litigation

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

BOARD APPROVAL

The board of directors of the Company has approved this MD&A.

ALPHA ESPORTS TECH INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the six months ended December 31, 2020

This Management's Discussion and Analysis ("MD&A") has been prepared by management in accordance with the requirements of National Instrument 51-102 and should be read in conjunction with the condensed interim consolidated financial statements and notes thereto for the six months ended December 31, 2020 of Alpha Esports Tech Inc. (the "Company"). Such condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar amounts are expressed in Canadian Dollars, the reporting and functional currency of the Company, unless otherwise indicated.

DATE

This MD&A is prepared as of May 10, 2021.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

DESCRIPTION OF BUSINESS

Alpha Esports Tech Inc. (the "Company") was incorporated under the laws of British Columbia on March 1, 2019. The Company's registered office is 2200-885 West Georgia Street, Vancouver, British Columbia V6C 3E8.

On April 13, 2020, the Company completed the Share Exchange Agreement ('Agreement') with Esports Enterprises, Inc ('Esports'), a private company. Pursuant to the terms of the Agreement, the shareholders of Esports transferred all of their issued and outstanding shares to the Company in exchange for a pro rated number of shares of the Company. Consequently, the transaction constitutes control of Esports by the Company, with Esports representing a wholly-owned subsidiary of the Company for accounting and reporting purposes.

The Company will pursue a going-public transaction and list its shares on the Canadian Stock Exchange ('CSE') as the consolidated Company. The Company will focus its business on pursuing opportunities in the esports and technology industry.

In August 2020, the Company split its shares on the basis of two common shares for each outstanding common share. All common shares, warrants, and options in these consolidated financial statements are stated post-split.

COVID-19

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business.

OVERALL PERFORMANCE

The Company has not generated significant revenues to date from operations as it is in the start up phase. With the completion of the share exchange transaction it has began recognizing revenues from the wholly-owned subsidiary and continues pursuing esports related operating activities. The Company has completed an equity financing and has raised $5,885,658 as of May 10, 2021.

The net assets of the Company total $6,449,686 as at December 31, 2020 consists primarily of cash of $4,278,402, GST receivable of $70,612, prepaid expenses of $466,720, intangible assets of $2,028,440, and goodwill of $402,561 net of current and total liabilities of $818,377.

Cash increased by $4,269,428 pursuant primarily due to financing activities which raised net $5,499,509, offset by cash used in investing activities of $88,233 and by cash used in operating activities of $1,141,848.

RESULTS OF OPERATIONS

The following highlights the key operating expenditures during the six and three months ended December 31, 2020 compared to the six and three months ended December 31, 2019:

For the six months ended December 31, 2020 compared to the six months ended December 31, 2019

During the six months ended December 31, 2020, the Company incurred a net loss of $1,869,849 (2019 - $619,133) which consists primarily of the following:

- Advertising and marketing of $196,086 (2019 - $76,472) consists of advertising and branding initiatives to increase brand and corporate awareness;

- Consulting of $444,905 (2019 - $52,636) consists primarily of services used in operational activities;

- Management fees of $184,575 (2019 - $170,346) consists primarily of services used in corporate activities;

- Professional fees of $109,441 (2019 - $180,107) consists primarily of the fees incurred to complete the acquisition transaction and as the Company progresses from the start up phase; and

- Share based payments of $608,035 (2019 - $nil) consists primarily of the fair value of stock options and restricted share units issued during the period.

For the three months ended December 31, 2020 compared to the three months ended December 31, 2019

During the three months ended December 31, 2020, the Company incurred a net loss of $1,403,315 (2019 - $383,611) which consists primarily of the following:

- Advertising and marketing of $95,032 (2019 - $51,000) consists of advertising and branding initiatives to increase brand and corporate awareness;

- Consulting of $247,856 (2019 - $29,359) consists primarily of services used in operational activities;

- Management fees of $93,075 (2019 - $88,367) consists primarily of services used in corporate activities;

- Professional fees of $76,780 (2019 - $144,904) consists primarily of the fees incurred as the Company incorporates and progresses from the initial start up phase; and

- Share based payments of $608,035 (2019 - $nil) consists primarily of the fair value of stock options and restricted share units issued during the period.

SUMMARY OF QUARTERLY RESULTS

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

	Quarter Ended December 31, 2020 $	**Quarter Ended September 30, 2020 $**	**Quarter Ended June 30, 2020 $**	**Quarter Ended March 31, 2020 $**
Revenue	3,469	-	-	-
Net loss	(1,403,315)	(466,534)	(1,418,185)	(306,521)
Loss per share, basic and diluted	(0.04)	(0.01)	(0.04)	(0.01)

	Quarter Ended December 31, 2019 $	**Quarter Ended September 30, 2019 $**	**Quarter Ended June 30, 2019 $**	**Period Ended From Inception on March 1, 2019 to March 31, 2019 $**
Revenue	-	-	-	-
Net loss	(362,349)	(235,522)	(257,517)	(106)
Loss per share, basic and diluted	(0.01)	(0.01)	(0.01)	(0.53)

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

An analysis of the quarterly result from inception shows that the Company has incurred mostly professional fees related to the newly formed entity and work performed to complete the Share Exchange Agreement and pursue its listing on the CSE.

LIQUIDITY

As at December 31, 2020 the Company had cash of $4,278,402 (June 30, 2020 - $8,974). The Company had a working capital of $4,016,443 at December 31, 2020 (June 30, 2020 – working capital deficit of $718,999).

During the six months ended December 31, 2020, the following share transactions occurred:

- On August 19, 2020, cancelled 1,250,000 bonus shares in accordance with the terms of a service agreement previously entered. The bonus shares were assigned a value of $nil during the year ended June 30, 2020 as they were not expected to vest;

- On December 22, 2020, the Company issued 16,816,168 units at $0.35 per unit for total gross proceeds of $5,885,658 pursuant to a private placement. Of which, $250,000 was subsequently received. Each unit is comprised of one Class A common share and one-half common share purchase warrant exercisable at $0.50 for a period of 24 months from the date of issuance. The Company paid $136,150 in finders' fees and issued 389,000 brokers' warrants in connection with the financing. The brokers' warrants have a fair value of $59,296. Each broker warrant is exercisable at $0.50 for a period of 24 months.

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

Operating Activities

The Company used net cash of $1,141,848 (2019 - $572,430) in operating activities during the six months ended December 31, 2020.

Financing Activities

The Company received net cash of $5,499,509 (2019 - $1,053,102) from financing activities during the six months ended December 31, 2020.

Investing Activities

The Company used net cash of $88,233 (2019 - $747,665) in investing activities during the six months ended December 31, 2020.

OFF-BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

Key management are those personnel having the authority and responsibility for planning, directing, and controlling the Company.

The aggregate value of transactions relating to key management personal were as follows:

	December 31, 2020	December 31, 2019
Management/consulting fees - CEO	$ 60,000	$ -
Management/consulting fees – CEO – FV of shares issued	29,167	-
Management/consulting fees - former CEO	-	100,263
Management/consulting fees - COO	59,575	-
Management/consulting fees - former COO	-	70,083
Management/consulting fees - CFO	36,000	-
Management/consulting fees - former Director	29,000	-
Share-based payments - RSRs	4,976	-
Share-based payments - Options	305,778	-
Total	**$ 524,496**	**$ 170,346**

As at December 31, 2020, $109,877 (June 30, 2020 – $209,282) was owing to key management personnel for fees and expenses incurred on behalf of the Company with these amounts all included in accounts payable. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

During the six months ended December 31, 2020, Mathew Schmidt, the interim CEO and director of the Company earned $60,000 for interim CEO services provided (2019 - $Nil). In addition, 700,000 options were granted to a company controlled by Mr. Schmidt.

During the six months ended December 31, 2020, Brian Wilneff, the COO of the Company earned $59,575 for COO services provided (2019 - $Nil).

During the six months ended December 31, 2020, Eli Dusenbury, the CFO of the Company earned $36,000 for CFO services provided (2019 - $Nil). In addition, 500,000 options and 100,000 RSRs were granted to a company controlled by Mr. Dusenbury.

During the six months ended December 31, 2020, Harwinder Parmar, the former Director of the Company earned $29,000 for Director services provided (2019 - $Nil).

During the six months ended December 31, 2020, $Nil was paid to Emil Bodenstein, the former CEO and director of the Company for CEO services provided (2019 - $100,263).

During the six months ended December 31, 2020, $Nil was paid to Eric Mays, the former COO of the Company for COO services provided (2019 - $70,083).

During the six months ended December 31, 2020, 1,950,000 options were granted to Directors of the Company.

On August 19, 2020, the Company canceled 1,250,000 bonus shares from the former CEO in accordance with the terms of a service agreement previously entered.

As at December 31, 2020, the Company has a loan payable of $15,915 ($12,500 USD) (June 30, 2020 - $17,035) to a Director and Shareholder of the Company. This loan is interest free, unsecured and has no terms of repayment.

PROPOSED TRANSACTIONS

As of the date of this MD&A, there were no proposed transactions.

SUBSEQUENT EVENTS

As of the date of this MD&A, there were no subsequent events.

CHANGES IN ACCOUNTING POLICIES

With the exception of the recently adopted accounting policies, the management discussion and analysis has been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company’s audited annual financial statement for the fiscal year ended June 30, 2020. Refer to Note 4 in the condensed interim consolidated financial statements for the six months ended December 31, 2020 for the new accounting policy adopted in the year.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company’s financial instruments are exposed to certain financial risks which are discussed in detail in Note 4.7 of the Company’s consolidated financial statements for the year ended June 30, 2020.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

During the six months ended December 31, 2020, the Company incurred the following expenses:

	2020	**2019**
Consulting fees	$444,905	$52,636
Management fees	$184,575	$170,346
Office and miscellaneous	$124,718	$23,578
Professional fees	$109,441	$180,107
Share-based payments	$608,035	-

An analysis of material components of the Company’s general and administrative expenses is disclosed in the consolidated financial statements for the six months ended December 31, 2020 to which this MD&A relates.

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company is currently a private company. The Company's authorized share capital consists of an unlimited number of class A and B common shares without par value. The Company had the following securities outstanding as at the date of this report:

Type of Security	Number Outstanding
Common Shares	60,106,498
Stock Options	3,250,000
Warrants	11,999,850
Performance Warrants	7,000,000
Restricted Shares Rights	450,000
Fully Diluted	**82,806,342**

RISK FACTORS

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

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

Risks Related to the Company's Business

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

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

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The Company has minimal operating history

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

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Reliance on management

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

Insurance and uninsured risks

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

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

The Company will be an entrant engaging in a new industry

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

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

Difficulty to forecast

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

Management of growth

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

Internal controls

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

Liquidity

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

Litigation

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

BOARD APPROVAL

The board of directors of the Company has approved this MD&A.

APPENDIX "C"

ALPHA ESPORTS TECH INC. - SHARE-BASED COMPENSATION PLAN

(ATTACHED)

ALPHA ESPORTS TECH INC.
(the "Company")

AMENDED AND RESTATED EQUITY INCENTIVE PLAN

December 17, 2019

PART 1
PURPOSE

1.1 Purpose

The purpose of this Plan is to secure for the Company and its shareholders the benefits inherent in share ownership by the employees and directors of the Company and its affiliates who, in the judgment of the Board, will be largely responsible for its future growth and success. It is generally recognized that equity incentive plans of the nature provided for herein aid in retaining and encouraging employees and directors of exceptional ability because of the opportunity offered them to acquire a proprietary interest in the Company.

1.2 Available Awards

Awards that may be granted under this Plan include:

(a) Options;

(b) Deferred Share Units; and

(c) Restricted Share Rights.

PART 2
INTERPRETATION

2.1 Definitions

(a) "**Affiliate**" has the meaning set forth in the BCA.

(b) "**Award**" means any right granted under this Plan, including Options, Deferred Share Units and Restricted Share Rights.

(c) "**BCA**" means the *Business Corporations Act* (British Columbia).

(d) "**Blackout Period**" means a period in which the trading of Shares or other securities of the Company is restricted under any policy of the Company then in effect.

(e) "**Board**" means the board of directors of the Company.

(f) "**Change of Control**" means the occurrence and completion of any one or more of the following events:

(A) the Company shall not be the surviving entity in a merger, amalgamation or other reorganization (or survives only as a subsidiary of an entity other than a previously wholly-owned subsidiary of the Company);

(B) the Company shall sell or otherwise transfer, including by way of the grant of a leasehold interest or joint venture interest (or one or more subsidiaries of the Company shall sell or otherwise transfer, including without limitation by way of the grant of a leasehold interest or joint venture interest) property or assets (i) aggregating more than 50% of the consolidated assets (measured by either book value or fair market value) of the Company and its subsidiaries as at the end of the most recently completed financial year of the Company or (ii) which during the most recently completed financial year of the Company generated, or during the then current financial year of the Company are expected to generate, more than 50% of the consolidated operating income or cash flow of the Company and its subsidiaries, to any other person or persons (other than one or more Designated Affiliates of the Company), in which case the Change of Control shall be deemed to occur on the date of transfer of the assets representing one dollar more than 50% of the consolidated assets in the case of clause (i) or 50% of the consolidated operating income or cash flow in the case of clause (ii), as the case may be;

(C) the Company is to be dissolved and liquidated;

(D) any person, entity or group of persons or entities acting jointly or in concert acquires or gains ownership or control (including, without limitation, the power to vote) more than 50% of the Company's outstanding voting securities; or

(E) as a result of or in connection with: (i) the contested election of directors, or; (ii) a transaction referred to in subparagraph (i) above, the persons who were directors of the Company before such election or transaction shall cease to constitute a majority of the directors.

For the purposes of the foregoing, "voting securities" means Shares and any other shares entitled to vote for the election of directors and shall include any securities, whether or not issued by the Company, which are not shares entitled to vote for the election of directors but are convertible into or exchangeable for shares which are entitled to vote for the election of directors, including any options or rights to purchase such shares or securities.

(g) "**Code**" means the United States Internal Revenue Code of 1986, as amended, and any applicable United States Treasury Regulations and other binding guidance thereunder.

(h) "**Company**" means Alpha North ESports & Entertainment Inc., a company incorporated under the laws of British Columbia.

(i) "**Deferred Payment Date**" for a Participant means the date after the Restricted Period which is the earlier of (i) the date which the Participant has elected to defer receipt of Restricted Shares in accordance with Section 4.4 of this Restricted Share Plan; and (ii) the Participant's Separation Date.

(j) "**Deferred Share Unit**" means the agreement by the Company to pay, and the right of the Participant to receive, a Deferred Share Unit Payment for each Deferred Share Unit held, evidenced by way of book-keeping entry in the books of the Company and administered pursuant to this Plan.

(k) "**Deferred Share Unit Grant Letter**" has the meaning ascribed thereto in Section 5.2 of this Plan.

(l) "**Deferred Share Unit Payment**" means, subject to any adjustment in accordance with Section 5.5 of this Plan, the issuance to a Participant of one previously unissued Share for each whole Deferred Share Unit credited to such Participant.

(m) "**Designated Affiliate**" means subsidiaries of the Company designated by the Board from time to time for purposes of this Plan.

(n) "**Director Retirement**" in respect of a Participant, means the Participant ceasing to hold any directorships with the Company, any Designated Affiliate and any entity related to the Company for purposes of the *Income Tax Act* (Canada) after attaining a stipulated age in accordance with the Company's normal retirement policy, or earlier with the Company's consent.

(o) "**Director Separation Date**" means the date that a Participant ceases to hold any directorships with the Company and any Designated Affiliate due to a Director Retirement or Director Termination and also ceases to serve as an employee or consultant with the Company, any Designated Affiliate_and any entity related to the Company for the purposes of the *Income Tax Act* (Canada).

(p) "**Director Termination**" means the removal of, resignation or failure to re-elect the Eligible Director (excluding a Director Retirement) as a director of the Company, a Designated Affiliate and any entity related to the Company for purposes of the *Income Tax Act* (Canada).

(q) "**Effective Date**" means **May 31**, 2019, being the date upon which this Plan was adopted by the Board.

(r) "**Eligible Directors**" means the directors of the Company or any Designated Affiliate who are, as such, eligible for participation in this Plan.

(s) "**Eligible Employees**" means employees (including employees who are officers and directors) of the Company or any Designated Affiliate thereof, whether or not they have a written employment contract with Company, determined by the Board, as employees eligible for participation in this Plan. Eligible Employees shall include Service Providers eligible for participation in this Plan as determined by the Board.

(t) "**Exchange**" means such stock exchange or other organized market on which the Shares are principally listed or posted from trading from time to time, as applicable, which such stock exchange may include the Canadian Securities Exchange, the TSX Venture Exchange or any successor entity thereto.

(u) **"Fair Market Value"** means, with respect to a Share subject to an Award, the greater of the closing market price of the Shares on (a) the trading day prior to the date of grant of the Award; and (b) the date of grant of the Award.

(v) "**Option**" means an option granted under the terms of this Plan.

(w) "**Option Period**" means the period during which an Option is outstanding.

(x) "**Optionee**" means an Eligible Employee or Eligible Director to whom an Option has been granted under the terms of this Plan.

(y) "**Participant**" means an Eligible Employee or Eligible Director who participates in this Plan.

(z) "**Plan**" means this Equity Incentive Plan, as it may be amended and restated from time to time.

(aa) "**Restricted Period**" means any period of time that a Restricted Share Right is not vested and the Participant holding such Restricted Share Right remains ineligible to receive the relevant Shares, determined by the Board in its absolute discretion, however, such period of time may be reduced or eliminated from time to time and at any time and for any reason as determined by the Board, including, but not limited to, circumstances involving death or disability of a Participant.

(bb) "**Retirement**" in respect of an Eligible Employee, means the Eligible Employee ceasing to hold any employment with the Company or any Designated Affiliate after attaining a stipulated age in accordance with the Company's normal retirement policy, or earlier with the Company's consent.

(cc) "**Restricted Share Right**" has such meaning as ascribed to such term at Section 4.1 of this Plan.

(dd) "**Restricted Share Right Grant Letter**" has the meaning ascribed to such term in Section 4.2 of this Plan.

(ee) "**Separation Date**" means the date that a Participant ceases to be an Eligible Director or Eligible Employee.

(ff) "**Service Provider**" means any person or company engaged by the Company or a Designated Affiliate to provide services for an initial, renewable or extended period of 12 months or more.

(gg) "**Shares**" means the common shares of the Company.

(hh) "**Specified Employee**" means a U.S. Taxpayer who meets the definition of "specified employee", as defined in Section 409A(a)(2)(B)(i) of the Internal Revenue Code.

(ii) "**Termination**" means the termination of the employment (or consulting services) of an Eligible Employee with or without cause by the Company or a Designated Affiliate or the cessation of employment (or consulting services) of the Eligible Employee with the Company or a Designated Affiliate as a result of resignation or otherwise, other than the Retirement of the Eligible Employee.

(jj) "**US Taxpayer**" means a Participant who is a US citizen, US permanent resident or other person who is subject to taxation on their income under the United States Internal Revenue Code of 1986.

2.2 Interpretation

(a) This Plan is created under and is to be governed, construed and administered in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

(b) Whenever the Board (or Board committee, as the case may be) is to exercise discretion in the administration of the terms and conditions of this Plan, the term "**discretion**" means the sole and absolute discretion of the Board (or Board committee, as the case may be).

(c) As used herein, the terms "**Part**" or "**Section**" mean and refer to the specified Part or Section of this Plan, respectively.

(d) Where the word "**including**" or "**includes**" is used in this Plan, it means "including (or includes) without limitation".

(e) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.

(f) Unless otherwise specified, all references to money amounts are to Canadian dollars.

PART 3
STOCK OPTIONS

3.1 Participation

The Company may from time to time grant Options to Participants pursuant to this Plan.

3.2 Price

The exercise price per Share of any Option shall be not less than one hundred per cent (100%) of the Fair Market Value.

3.3 Grant of Options

The Board may at any time authorize the granting of Options to such Participants as it may select for the number of Shares that it shall designate, subject to the provisions of this Plan. The date of grant of an Option shall be the date such grant was approved by the Board.

Each Option granted to a Participant shall be evidenced by a stock option agreement with terms and conditions consistent with this Plan and as approved by the Board (and in all cases which terms and conditions need not be the same in each case and may be changed from time to time, subject to Section 7.7 of this Plan, and any required approval of the Exchange or any other exchange or exchanges on which the Shares are then traded, if applicable).

3.4 Terms of Options

The Option Period shall be five years from the date such Option is granted, or such greater or lesser duration as the Board may determine at the date of grant, and may thereafter be reduced with respect to any such Option as provided in Section 3.5 hereof covering termination of employment or death of the Optionee; provided, however, that at any time the expiry date of the Option Period in respect of any outstanding Option under this Plan should be determined to occur either during a Blackout Period or within ten business days following the expiry of the Blackout Period, the expiry date of such Option Period shall be deemed to be the date that is the tenth business day following the expiry of the Blackout Period.

The exercise of any Option will be contingent upon the Options having vested in accordance with the terms as described in the Option agreement granting such options. Except as set forth in Section 3.5, no Option may be exercised unless the Optionee is at the time of such exercise:

(a) in the case of an Eligible Employee, in the employ (or retained as a Service Provider) of the Company or a Designated Affiliate and shall have been continuously so employed or retained since the grant of the Option; or

(b) in the case of an Eligible Director, a director of the Company or a Designated Affiliate and shall have been such a director continuously since the grant of the Option.

The exercise of any Option will be contingent upon the Optionee having entered into an Option agreement with the Company on such terms and conditions as have been approved by the Board and which incorporates by reference the terms of this Plan. The exercise of any Option will also be contingent upon receipt by the Company of cash payment of the full purchase price of the Shares being purchased.

3.5 Effect of Termination of Employment or Death

If an Optionee:

(a) dies while employed by, a Service Provider to or while a director of the Company or a Designated Affiliate, any Option held by him or her at the date of death shall become exercisable in whole or in part, but only by the person or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or applicable laws of descent and distribution. Unless otherwise determined by the Board, all such Options shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date of his or her death and only for 12 months after the date of death or prior to the expiration of the Option Period in respect thereof, whichever is sooner; and

(b) ceases to be employed by, a Service Provider to, or act as a director of, the Company or a Designated Affiliate for cause, no Option held by such Optionee will, unless otherwise determined by the Board, be exercisable following the date on which such Optionee ceases to be so engaged; provided, however, that if an Optionee ceases to be employed by, a Service Provider to, or act as a director of, the Company or a Designated Affiliate for any reason other than cause then, unless otherwise determined by the Board, any Option held by such Optionee at the effective date thereof shall become exercisable for a period of up to 30 days thereafter or prior to the expiration of the Option Period in respect thereof, whichever is sooner.

3.6 Effect of Takeover Bid

In the event of a Change of Control, unless otherwise determined by the Board, (i) all Options outstanding shall immediately vest and be exercisable; and (ii) all Options that are not otherwise exercised contemporaneously with the completion of the Change of Control will terminate and expire immediately thereafter.

3.7 Effect of Amalgamation or Merger

Subject to Section 3.6, if the Company amalgamates or otherwise completes a plan of arrangement or merges with or into another corporation, any Shares receivable on the exercise of an Option shall be converted into the securities, property or cash which the Participant would have received upon such amalgamation, arrangement or merger if the Participant had exercised his or her Option immediately prior to the record date applicable to such amalgamation, arrangement or merger, and the option price shall be adjusted appropriately by the Board and such adjustment shall be binding for all purposes of this Plan.

PART 4
RESTRICTED SHARE RIGHTS

4.1 Participants

The Company has the right to grant, in its sole and absolute discretion, to any Participant, rights to receive any number of fully paid and non-assessable Shares (“**Restricted Share Rights**”) as a discretionary payment in consideration of past services to the Company or as an incentive for future services, subject to this Plan and with such additional provisions and restrictions as the Board may determine.

4.2 Restricted Share Right Grant Letter

Each grant of a Restricted Share Right under this Plan shall be evidenced by a grant letter (a “**Restricted Share Right Grant Letter**”) issued to the Participant by the Company. Such Restricted Share Right Grant Letter shall be subject to all applicable terms and conditions of this Plan and may be subject to any other terms and conditions (including without limitation any recoupment, reimbursement or claw-back compensation policy as may be adopted by the Board from time to time) which are not inconsistent with this Plan and which the Board deems appropriate for inclusion in a Restricted Share Right Grant Letter. The provisions of the various Restricted Share Right Grant Letters issued under this Plan need not be identical.

4.3 Restricted Period

Concurrent with the determination to grant Restricted Share Rights to a Participant, the Board shall determine the Restricted Period applicable to such Restricted Share Rights. In addition, at the sole discretion of the Board, at the time of grant, the Restricted Share Rights may be subject to performance conditions to be achieved by the Company or a class of Participants or by a particular Participant on an individual basis, within a Restricted Period, for such Restricted Share Rights to entitle the holder thereof to receive the underlying Shares. Upon expiry of the applicable Restricted Period (or on the Deferred Payment Date, as applicable), a Restricted Share Right shall be automatically settled, and without the payment of additional consideration or any other further action on the part of the holder of the Restricted Share Right, the underlying Shares shall be issued to the holder of such Restricted Share Rights, which Restricted Share Rights shall then be cancelled.

4.4 Deferred Payment Date

Participants who are residents of Canada for the purposes of the *Income Tax Act* (Canada) (and for greater certainty, who are not US Taxpayers), may elect to defer to receive all or any part of the Shares underlying Restricted Share Rights until one or more Deferred Payment Dates. Any other Participants may not elect a Deferred Payment Date.

4.5 Prior Notice of Deferred Payment Date

Participants who elect to set a Deferred Payment Date must, in respect of each such Deferred Payment Date, give the Company written notice of the Deferred Payment Date(s) not later than thirty (30) days prior to the expiration of the applicable Restricted Period. For certainty, Participants shall not be permitted to give any such notice after the day which is thirty (30) days prior to the expiration of the Restricted Period and a notice once given may not be changed or revoked. For the avoidance of doubt, the foregoing shall not prevent a Participant from electing an additional Deferred Payment Date, provided, however that notice of such election is given by the Participant to the Company not later than thirty (30) days prior to the expiration of the subject Restricted Period.

4.6 Retirement or Termination during Restricted Period

In the event and to the extent of the Retirement or Termination and/or, as applicable, the Director Retirement or Director Termination of a Participant from all such roles with the Company during the Restricted Period, any Restricted Share Rights held by the Participant shall immediately terminate and be of no further force or effect; provided, however, that the Board shall have the absolute discretion to modify the grant of the Restricted Share Rights to provide that the Restricted Period shall terminate immediately prior to the date of such occurrence.

4.7 Retirement or Termination after Restricted Period

In the event and to the extent of the Retirement or Termination and/or, as applicable, the Director Retirement or Director Termination of the Participant from all such roles with the Company following the Restricted Period and prior to a Deferred Payment Date, the Participant shall be entitled to receive, and the Company shall issue forthwith, Shares in satisfaction of the Restricted Share Rights then held by the Participant.

4.8 Death or Disability of Participant

In the event of the death or total disability of a Participant, any Shares represented by Restricted Share Rights held by the Participant shall be immediately issued by the Company to the Participant or legal representative of the Participant.

4.9 Payment of Dividends

Subject to the absolute discretion of the Board, in the event that a dividend (other than a stock dividend) is declared and paid by the Company on the Shares, a Participant may be credited with additional Restricted Share Rights. The number of such additional Restricted Share Rights, if any, will be calculated by dividing (a) the total amount of the dividends that would have been paid to the Participant if the Restricted Share Rights (including Restricted Share Rights in which the Restricted Period has expired but the Shares have not been issued due to a Deferred Payment Date) in the Participant's account on the dividend record date had been outstanding Shares (and the Participant held no other Shares) by (b) the Fair Market Value of the Shares on the date on which such dividends were paid.

4.10 Change of Control

In the event of a Change of Control, all Restricted Share Rights outstanding shall vest immediately and be settled by the issuance of Shares notwithstanding the Restricted Period and any Deferred Payment Date.

PART 5
DEFERRED SHARE UNITS

5.1 Deferred Share Unit Grants

The Board may from time to time determine to grant Deferred Share Units to one or more Eligible Directors in a lump sum amount or on regular intervals, based on such formulas or criteria as the Board may from time to time determine. Deferred Share Units will be credited to the Eligible Director's account when designated by the Board.

5.2 Deferred Share Unit Grant Letter

Each grant of a Deferred Share Unit under this Plan shall be evidenced by a grant letter (a "**Deferred Share Unit Grant Letter**") issued to the Eligible Director by the Company. Such Deferred Share Unit Grant Letter shall be subject to all applicable terms and conditions of this Plan and may be subject to any other terms and conditions (including without limitation any recoupment, reimbursement or claw-back compensation policy as may be adopted by the Board from time to time) which are not inconsistent with this Plan and which the Board deems appropriate for inclusion in a Deferred Share Unit Grant Letter. The provisions of Deferred Share Unit Grant Letters issued under this Plan need not be identical.

5.3 Redemption of Deferred Share Units and Issuance of Deferred Shares

The Deferred Share Units held by each Eligible Director who is not a US Taxpayer shall be redeemed automatically and with no further action by the Eligible Director on the 20th business day following the Separation Date for that Eligible Director. For US Taxpayers, Deferred Share Units held by an Eligible Director who is a Specified Employee will be automatically redeemed with no further action by the Eligible Director on the date that is six months following the Separation Date for the Eligible Director, or if earlier, upon such Eligible Director's death. Upon redemption, the former Eligible Director shall be entitled to receive and the Company shall issue, the number of Shares issued from treasury equal to the number of Deferred Share Units in the Eligible Director's account, subject to any applicable deductions and withholdings. In the event a Separation Date occurs during a year and Deferred Share Units have been granted to such Eligible Director for that entire year, the Eligible Director will only be entitled to a pro-rated Deferred Share Unit Payment in respect of such Deferred Share Units based on the number of days that he or she was an Eligible Director in such year.

No amount will be paid to, or in respect of, an Eligible Director under this Plan or pursuant to any other arrangement, and no other additional Deferred Share Units will be granted to compensate for a downward fluctuation in the value of the Shares of the Company nor will any other benefit be conferred upon, or in respect of, an Eligible Director for such purpose.

5.4 Death of Participant

In the event of the death of an Eligible Director, the Deferred Share Units shall be redeemed automatically and with no further action on the 20th business day following the death of an Eligible Director.

5.5 Payment of Dividends

Subject to the absolute discretion of the Board, in the event that a dividend (other than a stock dividend) is declared and paid by the Company on the Shares, an Eligible Director may be credited with additional Deferred Share Units. The number of such additional Deferred Share Units, if any, will be calculated by dividing (a) the total amount of the dividends that would have been paid to the Eligible Director if the Deferred Share Units in the Eligible Director's account on the dividend record date had been outstanding Shares (and the Eligible Director held no other Shares), by (b) the Fair Market Value of the Shares on the date on which such dividends were paid.

PART 6
WITHHOLDING TAXES

6.1 Withholding Taxes

The Company or any Designated Affiliate may take such steps as are considered necessary or appropriate for the withholding of any taxes or other amounts which the Company or any Designated Affiliate is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Award including, without limiting the generality of the foregoing, the withholding of all or any portion of any payment or the withholding of the issue of any Shares to be issued under this Plan, until such time as the Participant has paid the Company or any Designated Affiliate for any amount which the Company or Designated Affiliate is required to withhold by law with respect to such taxes or other amounts. Without limitation to the foregoing, the Board may adopt administrative rules under this Plan, which provide for the automatic sale of Shares (or a portion thereof) in the market upon the issuance of such Shares under this Plan on behalf of the Participant to satisfy withholding obligations under an Award.

PART 7
GENERAL

7.1 Number of Shares

The aggregate number of Shares that may be issued under this Plan (together with any other securities–based compensation arrangements of the Company in effect from time to time, shall not exceed 20% of the outstanding issue from time to time, such Shares to be allocated among Awards and Participants in amounts and at such times as may be determined by the Board from time to time.

For the purposes of this Section 7.1, “outstanding issue” means the total number of Shares, on a non-diluted basis, that are issued and outstanding immediately prior to the date that any Shares are issued or reserved for issuance pursuant to an Award.

7.2 Lapsed Awards

If Awards are surrendered, terminated or expire without being exercised in whole or in part, new Awards may be granted covering the Shares not issued under such lapsed Awards, subject to any restrictions that may be imposed by the Exchange, including, without limitation, the restriction that if an Option is cancelled prior to its expiry date, the Company shall post notice of the cancellation and shall not grant new Options to the same Participant until 30 days have elapsed from the date of cancellation.

7.3 Adjustment in Shares Subject to this Plan

If there is any change in the Shares through the declaration of stock dividends of Shares, through any consolidations, subdivisions or reclassification of Shares, or otherwise, the number of Shares available under this Plan, the Shares subject to any Award, and the exercise price of any Option shall be adjusted as determined to be appropriate by the Board, and such adjustment shall be effective and binding for all purposes of this Plan.

7.4 Transferability

Any Awards accruing to any Participant in accordance with the terms and conditions of this Plan shall not be transferable unless specifically provided herein. During the lifetime of a Participant all Awards may only be exercised by the Participant. Awards are non-transferable except by will or by the laws of descent and distribution.

7.5 Employment

Nothing contained in this Plan shall confer upon any Participant any right with respect to employment or continuance of employment with the Company or any Affiliate, or interfere in any way with the right of the Company or any Affiliate to terminate the Participant's employment at any time. Participation in this Plan by a Participant is voluntary.

7.6 Record Keeping

The Company shall maintain a register in which shall be recorded:

(a) the name and address of each Participant;

(b) the number of Awards granted to each Participant and relevant details regarding such Awards; and

(c) such other information as the Board may determine.

7.7 Amendments to Plan

The Board shall have the power to, at any time and from time to time, either prospectively or retrospectively, amend, suspend or terminate this Plan or any Award granted under this Plan without shareholder approval, including, without limiting the generality of the foregoing: changes of a clerical or grammatical nature, changes regarding the persons eligible to participate in this Plan, changes to the exercise price, vesting, term and termination provisions of the Award, changes to the cashless exercise right provisions, changes to the authority and role of the Board under this Plan, and any other matter relating to this Plan and the Awards that may be granted hereunder, provided however that:

(a) such amendment, suspension or termination is in accordance with applicable laws and the rules of any stock exchange on which the Shares may be listed;

(b) no amendment to this Plan or to an Award granted hereunder will have the effect of impairing, derogating from or otherwise adversely affecting the terms of an Award which is outstanding at the time of such amendment without the written consent of the holder of such Award;

(c) the terms of an Option will not be amended once issued; and

(d) the expiry date of an Option Period in respect of an Option shall not be more than ten years from the date of grant of an Option except as expressly provided in Section 3.4.

If this Plan is terminated, the provisions of this Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force on the date of termination will continue in effect as long as any Award or any rights pursuant thereto remain outstanding and, notwithstanding the termination of this Plan, the Board shall remain able to make such amendments to this Plan or the Award as they would have been entitled to make if this Plan were still in effect.

7.8 No Representation or Warranty

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of this Plan.

7.9 Section 409A

It is intended that any payments under this Plan to US Taxpayers shall be exempt from or comply with Section 409A of the Code, and all provisions of this Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes and penalties under Section 409A of the Code.

7.10 Compliance with Applicable Law, etc.

If any provision of this Plan or any agreement entered into pursuant to this Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body or stock exchange having authority over the Company or this Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

7.11 Term of the Plan

This Plan shall remain in effect until it is terminated by the Board.

7.12 Amended and Restated Plan

This Plan shall amend and restate in its entirety the Equity Incentive Plan of the Company adopted by the Board as of April 15, 2019 (the "**Prior Plan**") and shall supersede the Prior Plan in all respects. Any awards made under the Prior Plan ("**Prior Awards**"), if applicable, shall be deemed to be Awards granted under this Plan and such Prior Awards shall be governed by this Plan in all respects.

PART 8
ADMINISTRATION OF THIS PLAN

8.1 Administration by the Board

(a) Unless otherwise determined by the Board, this Plan shall be administered by the Board or a Board committee designated by the Board.

(b) The Board (or Board committee, as the case may be) shall have the power, where consistent with the general purpose and intent of this Plan and subject to the specific provisions of this Plan, to:

(i) adopt and amend rules and regulations relating to the administration of this Plan and make all other determinations necessary or desirable for the administration of this Plan. The interpretation and construction of the provisions of this Plan and related agreements by the Board (or Board committee, as the case may be) shall be final and conclusive. The Board (or Board committee, as the case may be) may correct any defect or supply any omission or reconcile any inconsistency in this Plan or in any related agreement in the manner and to the extent it shall deem expedient to carry this Plan into effect and it shall be the sole and final judge of such expediency;

(ii) determine and designate from time to time the individuals to whom Awards shall be made, the amounts of the Awards and the other terms and conditions of the Awards;

(iii) delegate any of its responsibilities or powers under this Plan to a Board committee; and

(iv) otherwise exercise the powers under this Plan as set forth herein.

APPENDIX "D"

ALPHA ESPORTS TECH INC. - AUDIT COMMITTEE CHARTER

(ATTACHED)

AUDIT COMMITTEE CHARTER

(*Approved by the Board of Directors on December 22, 2020)*

Alpha Esports Tech Inc.

AUDIT COMMITTEE CHARTER

1. PURPOSE

The main purpose of the Audit Committee (the **"Committee"**) of the Board of Directors (the **"Board"**) of Alpha Esports Tech Inc. (**"Alpha"** or the **"Company"**) is to assist the Board in fulfilling its statutory responsibilities in relation to internal control and financial reporting, and to carry out certain oversight functions on behalf of the Board, including the oversight of:

(a) the integrity of the Company's financial statements and other financial information provided by the Company to securities regulators, governmental bodies and the public to ensure that the Company's financial disclosures are complete, accurate, in accordance with International Financial Reporting Standards (**"IFRS"**) as issued by the International Accounting Standards Board (**"IASB"**) and interpretations by the International Financial Reporting Interpretations Committee (**"IFRIC"**), and fairly present the financial position and risks of the Company;

(b) assessing the independence, qualifications and performance of the Company's independent auditor (the **"Auditor"**), appointing and replacing the Auditor, overseeing the audit and non-audit services provided by the Auditor, and approving the compensation of the Auditor;

(c) Senior Management (as defined below) responsibility for assessing and reporting on the effectiveness of internal controls;

(d) financial matters and management of financial risks;

(e) the prevention and detection of fraudulent activities; and

(f) investigation of complaints and submissions regarding accounting or auditing matters and unethical or illegal behavior.

The Committee provides an avenue for communication between the Auditor, the Company's executive officers and other senior managers (**"Senior Management"**) and the Board, and has the authority to communicate directly with the Auditor. The Committee shall have a clear understanding with the Auditor that they must maintain an open and transparent relationship with the Committee. The Auditor is ultimately accountable to the Committee and the Board, as representatives of the Company's shareholders.

2. COMPOSITION

The Committee shall be comprised of three directors. Each Committee member shall:

(a) satisfy the laws governing the Company;

(b) be "independent" in accordance with Sections 1.4 and 1.5 of National Instrument 52-110 *Audit Committees* (**"NI 52-110"**), which sections are reproduced in Appendix "A" of this charter; and

(c) be “financially literate” in accordance with the definition set out in Section 1.6 of NI 52-110, which definition is reproduced in Appendix “A” of this charter.

For purposes of subparagraph (b) above, the position of non-executive Chair of the Board is considered to be an executive officer of the Company.

Committee members and the chair of the Committee (the **“Committee Chair”**) shall be appointed annually by the Board at the first Board meeting that is held after every annual general meeting of the Company’s shareholders. The Board may remove a Committee member at any time in its sole discretion by a resolution of the Board.

If a Committee member simultaneously serves on the audit committees of more than three public companies, the Committee shall seek the Board’s determination as to whether such simultaneous service would impair the ability of such member to effectively serve on the Committee and ensure that such determination is disclosed.

3. MEETINGS

The Committee shall meet at least once per financial quarter and as many additional times as the Committee deems necessary to carry out its duties effectively.

The Committee shall meet:

(a) within 60 days following the end of each of the first three financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related management’s discussion and analysis (**“MD&A”**); and

(b) within 120 days following the end of the Company’s fiscal year end to review and discuss the audited financial results for the year and related MD&A.

As part of its job to foster open communication, the Committee shall meet at least once each financial quarter with Senior Management and the Auditor in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately.

A majority of the members of the Committee shall constitute a quorum for any Committee meeting. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by unanimous written consent of the Committee members.

The Committee Chair shall preside at each Committee meeting. In the event the Committee Chair is unable to attend or chair a Committee meeting, the Committee will appoint a chair for that meeting from the other Committee members.

The Corporate Secretary of the Company, or such individual as appointed by the Committee, shall act as secretary for a Committee meeting (the **“Committee Secretary”**) and, upon receiving a request to convene a Committee meeting from any Committee member, shall arrange for such meeting to be held.

The Committee Chair, in consultation with the other Committee members, shall set the agenda of items to be addressed at each Committee meeting. The Committee Secretary shall ensure that the agenda and any supporting materials for each upcoming Committee meeting are circulated to each Committee member in advance of such meeting.

The Committee may invite such officers, directors and employees of the Company, the Auditor, and other advisors as it may see fit from time to time to attend at one or more Committee meetings and assist in the discussion and consideration of any matter. For purposes of performing their duties, members of the Committee shall, upon request, have immediate and full access to all corporate information and shall be permitted to discuss such information and any other matters relating to the duties and responsibilities of the Committee with officers, directors and employees of the Company, with the Auditor, and with other advisors subject to appropriate confidentiality agreements being in place.

Unless otherwise provided herein or as directed by the Board, proceedings of the Committee shall be conducted in accordance with the rules applicable to meetings of the Board.

4. DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board and the Articles of the Company, in order to carry out its oversight responsibilities, the Committee shall:

4.1 Financial Reporting Process

(a) Review with Senior Management and the Auditor any items of concern, any proposed changes in the selection or application of accounting principles and policies and the reasons for the change, any identified risks and uncertainties, and any issues requiring the judgement of Senior Management, to the extent that the foregoing may be material to financial reporting.

(b) Consider any matter required to be communicated to the Committee by the Auditor under generally accepted auditing standards, applicable law and listing standards, if applicable, including the Auditor's report to the Committee (and the response of Senior Management thereto) on:

- (i) accounting policies and practices used by the Company;
- (ii) alternative accounting treatments of financial information that have been discussed with Senior Management, including the ramifications of the use of such alternative treatments and disclosures and the treatment preferred by the Auditor; and
- (iii) any other material written communications between the Auditor and Senior Management.

(c) Discuss with the Auditor their views about the quality, not just the acceptability, of accounting principles and policies used by the Company, including estimates and judgements made by Senior Management and their selection of accounting principles.

(d) Discuss with Senior Management and the Auditor:

- (i) any accounting adjustments that were noted or proposed (immaterial or otherwise) by the Auditor but were not reflected in the financial statements;

(ii) any material correcting adjustments that were identified by the Auditor in accordance with generally accepted accounting principles (“**GAAP**”) or applicable law;

(iii) any communication reflecting a difference of opinion between the audit team and the Auditor’s national office on material auditing or accounting issues raised by the engagement; and

(iv) any “management” or “internal control” letter issued, or proposed to be issued, by the Auditor to the Company.

(e) Discuss with Senior Management and the Auditor any significant financial reporting issues considered during the fiscal period and the method of resolution, and resolve disagreements between Senior Management and the Auditor regarding financial reporting.

(f) Review with Senior Management and the Auditor:

(i) any off-balance sheet financing mechanisms being used by the Company and their effect on the Company’s financial statements; and

(ii) the effect of regulatory and accounting initiatives on the Company’s financial statements, including the potential impact of proposed initiatives.

(g) Review with Senior Management and the Auditor and legal counsel, if necessary, any litigation, claim or other contingency, including tax assessments, that could have a material effect on the financial position or operating results of the Company, and the manner in which these matters have been disclosed or reflected in the financial statements.

(h) Review with the Auditor any audit problems or difficulties experienced by the Auditor in performing the audit, including any restrictions or limitations imposed by Senior Management, and the response of Senior Management, and resolve any disagreements between Senior Management and the Auditor regarding these matters.

(i) Review the results of the Auditor’s work, including findings and recommendations, Senior Management’s response, and any resulting changes in accounting practices or policies and the impact such changes may have on the financial statements.

(j) Review and discuss with Senior Management the audited annual financial statements and related MD&A and make recommendations to the Board with respect to approval thereof before their release to the public.

(k) Review and discuss with Senior Management and the Auditor all interim unaudited financial statements and related interim MD&A.

(l) Approve interim unaudited financial statements and related interim MD&A prior to their filing and dissemination.

(m) In connection with Sections 4.1 and 5.1 of National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (**“NI 52-109”**), obtain confirmation from the

Chief Executive Officer (**"CEO"**) and the Chief Financial Officer (**"CFO"**) (and considering the Auditor's comments, if any, thereon) to their knowledge:

(i) that the audited financial statements, together with any financial information included in the annual MD&A and annual information form, fairly present in all material respects the Company's financial condition, financial performance and cash flows; and

(ii) that the interim financial statements, together with any financial information included in the interim MD&A, fairly present in all material respects the Company's financial condition, financial performance and cash flows.

(n) Review news releases to be issued in connection with the audited annual financial statements and related MD&A and the interim unaudited financial statements and related interim MD&A, before being disseminated to the public, if the Company is required to do so under applicable securities laws, paying particular attention to any use of "pro-forma" or "adjusted" non-GAAP, information.

(o) Review any news release containing earnings guidance or financial information based upon the Company's financial statements prior to the release of such statements, if the Company is required to disseminate such news releases under applicable securities laws.

(p) Review the appointment of the CFO and have the CFO report to the Committee on the qualifications of new key financial personnel involved in the financial reporting process.

4.2 <u>Internal Controls</u>

(a) Consider and review with Senior Management and the Auditor the adequacy and effectiveness of internal controls over accounting and financial reporting within the Company and any proposed significant changes in them.

(b) Consider and discuss any Auditor's comments on the Company's internal controls, together with Senior Management responses thereto.

(c) Discuss, as appropriate, with Senior Management and the Auditor any major issues as to the adequacy of the Company's internal controls and any special audit steps in light of material internal control deficiencies.

(d) Review annually the disclosure controls and procedures.

(e) Receive confirmation from the CEO and the CFO of the effectiveness of disclosure controls and procedures, and whether there are any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information or any fraud, whether or not material, that involves Senior Management or other employees who have a significant role in the Company's internal control over financial reporting. In addition, receive confirmation from the CEO and the CFO that they are prepared to sign the annual and quarterly certificates required by Sections 4.1 and 5.1 of NI 52-109, as amended from time to time.

4.3 The Auditor

Qualifications and Selection

(a) Subject to the requirements of applicable law, be solely responsible to select, retain, compensate, oversee, evaluate and, where appropriate, replace the Auditor. The Committee shall be entitled to adequate funding from the Company for the purpose of compensating the Auditor for authorized services.

(b) Instruct the Auditor that:

- (i) they are ultimately accountable to the Board and the Committee, as representatives of shareholders; and
- (ii) they must report directly to the Committee.

(c) Ensure that the Auditor have direct and open communication with the Committee and that the Auditor meet with the Committee once each financial quarter without the presence of Senior Management to discuss any matters that the Committee or the Auditor believe should be discussed privately.

(d) Evaluate the Auditor's qualifications, performance, and independence. As part of that evaluation:

- (i) at least annually, request and review a formal report by the Auditor describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues;
- (ii) annually review and confirm with Senior Management and the Auditor the independence of the Auditor, including all relationships between the Auditor and the Company, including the amount of fees received by the Auditors for the audit services, the extent of non-audit services and fees therefor, the extent to which the compensation of the audit partners of the Auditor is based upon selling non-audit services, the timing and process for implementing the rotation of the lead audit partner, reviewing partner and other partners providing audit services for the Company, and whether there should be a regular rotation of the audit firm itself; and
- (iii) annually review and evaluate senior members of the audit team of the Auditor, including their expertise and qualifications. In making this evaluation, the Committee should consider the opinions of Senior Management.

Conclusions on the independence of the Auditor should be reported by the Committee to the Board.

(e) Approve and review, and verify compliance with, the Company's policies for hiring of employees and former employees of the Auditor and former auditors. Such policies shall include, at minimum, a one-year hiring "cooling off" period.

Other Matters

(a) Meet with the Auditor to review and approve the annual audit plan of the Company's financial statements prior to the annual audit being undertaken by the Auditor, including reviewing the year-to-year co-ordination of the audit plan and the planning, staffing and extent of the scope of the annual audit. This review should include an explanation from the Auditor of the factors considered by the Auditor in determining their audit scope, including major risk factors. The Auditor shall report to the Committee all significant changes to the approved audit plan.

(b) Review and pre-approve all audit and non-audit services and engagement fees and terms in accordance with applicable law, including those provided to the Company's subsidiaries by the Auditor or any other person in its capacity as independent auditor of such subsidiary. Between scheduled Committee meetings, the Committee Chair, on behalf of the Committee, is authorized to pre-approve any audit or non-audit services and engagement fees and terms up to $50,000. At the next Committee meeting, the Committee Chair shall report to the Committee any such pre-approval given.

(c) Establish and adopt procedures for such matters.

4.4 <u>Compliance</u>

(a) Monitor compliance by the Company with all payments and remittances required to be made in accordance with applicable law, where the failure to make such payments could render the Company's directors personally liable.

(b) Receive regular updates from Senior Management regarding compliance with laws and regulations and the process in place to monitor such compliance, excluding, however, legal compliance matters subject to the oversight of the Corporate Governance and Nominating Committee of the Board, if any. Review the findings of any examination by regulatory authorities and any observations by the Auditor relating to such matters.

(c) Establish and oversee the procedures in the Company's Whistleblower Policy to address:

(i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting or auditing matters or unethical or illegal behaviour; and

(ii) confidential, anonymous submissions by employees of concerns regarding questionable accounting and auditing matters or unethical or illegal behaviour.

(d) Ensure that political and charitable donations conform with policies and budgets approved by the Board.

(e) Monitor management of hedging, debt and credit, make recommendations to the Board respecting policies for management of such risks, and review the Company's compliance therewith.

(f) Approve the review and approval process for the expenses submitted for reimbursement by the CEO.

(g) Oversee Senior Management's mitigation of material risks within the Committee's mandate and as otherwise assigned to it by the Board.

4.5 Financial Oversight

(a) Assist the Board in its consideration and ongoing oversight of matters pertaining to:

(i) capital structure and funding including finance and cash flow planning;

(ii) capital management planning and initiatives;

(iii) property and corporate acquisitions and divestitures including proposals which may have a material impact on the Company's capital position;

(iv) the Company's annual budget;

(v) the Company's insurance program;

(vi) directors' and officers' liability insurance and indemnity agreements; and

(vii) matters the Board may refer to the Committee from time to time in connection with the Company's capital position.

4.6 Other

(a) Perform such other duties as may be assigned to the Committee by the Board.

(b) Annually review and assess the adequacy of its charter and recommend any proposed changes to the Corporate Governance and Nominating Committee.

(c) Review its own performance annually, and provide the results of such evaluation to the Board for its review.

5. AUTHORITY

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to:

a. select, retain, terminate, set and approve the fees and other retention terms of special or independent counsel, accountants or other experts, as it deems appropriate; and

b. obtain appropriate funding to pay, or approve the payment of, such approved fees, without seeking approval of the Board or Senior Management.

6. ACCOUNTABILITY

The Committee Chair shall make periodic reports to the Board, as requested by the Board, on matters that are within the Committee's area of responsibility.

The Committee shall maintain minutes of its meetings with the Company's Corporate Secretary and shall provide an oral report to the Board at the next Board meeting that is held after a Committee meeting.

Appendix "A"

Definitions from National Instrument 52-110 Audit Committees

Section 1.4 Meaning of Independence

(1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.

(2) For the purposes of subsection (1), a "material relationship" is a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgement.

(3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:

- (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
- (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
- (c) an individual who:
  - (i) is a partner of a firm that is the issuer's internal or external auditor,
  - (ii) is an employee of that firm, or
  - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
- (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
  - (i) is a partner of a firm that is the issuer's internal or external auditor,
  - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
  - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
- (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee; and
- (f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than $75,000 in direct compensation from the issuer during any 12 month period within the last three years.

(4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because

(a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or

(b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.

(5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

(6) For the purposes of clause (3)(f), direct compensation does not include:

(a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and

(b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

(7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member

(a) has previously acted as an interim chief executive officer of the issuer, or

(b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.

(8) For the purpose of Section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

Section 1.5 Additional Independence Requirements

(1) Despite any determination made under Section 1.4, an individual who

(a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or

(b) is an affiliated entity of the issuer or any of its subsidiary entities, is considered to have a material relationship with the issuer.

(2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by

(a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or

(b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.

(3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

Section 1.6 Meaning of Financial Literacy

For the purposes of this Instrument, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements.

APPENDIX "E"

ESPORTS ENTERPRISES INC. – CONSOLIDATED FINANCIAL STATEMENTS

(ATTACHED)

Esports Enterprises Inc.

Consolidated Financial Statements for the years ended

December 31, 2019 and 2018

(Expressed in United States Dollars)

charlton

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charlton & company
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Directors of:
Esports Enterprises Inc.

Opinion

We have audited the accompanying consolidated financial statements of Esports Enterprises Inc. (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2019 and 2018, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company has a deficit of $537,746 and a working capital deficiency of $422,215. As stated in Note 2, these events and conditions 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.

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 Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, 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 consolidated 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 group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group 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.

Charlton & Company

CHARLTON & COMPANY
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, BC
May 10, 2021

Esports Enterprises Inc.
Consolidated Statements of Financial Position
(Expressed in US dollars)

As at	December 31, 2019	December 31, 2018
ASSETS		
Current		
Cash	$ 3,359	$ 163,089
Receivables	4,750	-
Subscriptions receivable	-	7,000
	8,109	**170,089**
Non-Current		
Equipment (Note 6)	2,075	2,594
Gaming platform (Note 5)	302,134	296,764
	304,209	**299,358**
TOTAL ASSETS	**$ 312,318**	**$ 469,447**
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 42,824	$ 53,526
Due from shareholder (Note 9)	12,500	-
SAFE instruments payable (Note 7)	375,000	325,000
TOTAL LIABILITIES	**430,324**	**378,526**
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (Note 8)	419,740	419,740
Deficit	(537,746)	(328,819)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)	**(118,006)**	**90,921**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)	**$ 312,318**	**$ 469,447**

Nature of operations – Note 1
Going concern – Note 2
Subsequent events – Note 13

Approved on behalf of the Board of Directors:

"BRIAN WILNEFF", Director

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

Esports Enterprises Inc.
Consolidated Statements of Loss and Comprehensive Loss
For the years ended
(Expressed in US dollars)

		December 31, 2019		December 31, 2018
Expenses				
Computer and information technology	$	1,642	$	7,550
Consulting and payroll (Note 9)		77,475		45,822
Depreciation (Note 6)		519		642
Office		18,554		2,223
Professional fees		161		5,026
Travel and promotion		110,576		149,333
Loss and comprehensive loss for the year	**$**	(208,927)	**$**	(210,596)
Loss per share, basic and diluted	$	(0.63)	$	(0.70)
Weighted average number of common shares outstanding, basic and diluted		330,297		301,077

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

Esports Enterprises Inc.
Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
For the years ended December 31, 2019 and 2018
(Expressed in US dollars)

	Number	Amount	Subscriptions received in advance	Deficit	Total Shareholders' Equity (Deficiency)
Balance, December 31, 2017	**273,997**	**$ 2,740**	**$ 360,000**	**$ (118,223)**	**$ 244,517**
Shares issued for private placement	56,300	417,000	(360,000)	-	57,000
Loss for the year	-	-	-	(210,596)	(210,596)
Balance, December 31, 2018	**330,297**	**$ 419,740**	**$ -**	**$ (328,819)**	**$ 90,921**
Loss for the year	-	-	-	(208,927)	(208,927)
Balance, December 31, 2019	**330,297**	**$ 419,740**	**$ -**	**$ (537,746)**	**$ (118,006)**

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

Esports Enterprises Inc.
Consolidated Statements of Cash Flows
For the years ended
(Expressed in US dollars

	December 31, 2019	December 31, 2018
Cash (used in) provided by:		
OPERATING ACTIVITIES		
Loss for the year	$ (208,927)	$ (210,596)
Item not involving cash:		
Depreciation	519	642
Net changes in non-cash working capital items:		
Receivables	(4,750)	-
Subscriptions receivable	7,000	(7,000)
Accounts payable and accrued liabilities	(10,702)	41,005
Net cash used in operating activities	(216,860)	(175,949)
INVESTING ACTIVITY:		
Purchase of equipment	-	(56)
Gaming platform development	(5,370)	(45,855)
Net cash used in investing activities	(5,370)	(45,911)
FINANCING ACTIVITIES:		
Proceeds from issuance of shares	-	57,000
Proceeds from issuance of SAFE instruments	50,000	275,000
Proceeds from due from shareholder	12,500	-
Cash provided by financing activities	62,500	332,000
Net decrease in cash	(159,730)	110,140
Cash, beginning of year	163,089	52,949
Cash, end of year	**$ 3,359**	**$ 163,089**
Cash paid for interest	$ -	$ -
Cash paid for income taxes	$ -	$ -

There were no non-cash transactions for the years ended December 31, 2019 and 2018.

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

1. NATURE OF OPERATIONS

Esports Enterprises Inc. (the "Company") was incorporated under the laws of Delaware on April 1, 2017. The Company's registered office is 1807 Balsam Road, Highland Park, Illinois, 60035.

The Company is a private company operating in the esports industry. On April 13, 2020, the Company completed a Share Exchange Agreement (the "Agreement" or the "Transaction") with Alpha Esports Inc. ("Alpha"), a private company. Pursuant to the terms of the Agreement, the shareholders of the Company transferred all their issued and outstanding shares to Alpha in exchange for 5,046,462 common shares of Alpha with a fair value of $944,000 Canadian Dollars. Consequently, the transaction constituted control of the Company by Alpha, with the Company becoming a wholly-owned subsidiary of Alpha for accounting and reporting purposes.

Concurrently upon closing of the Transaction, the Company completed a 10:1 share consolidation, with one post-consolidation share consisting of ten pre-consolidation shares. All figures in these consolidated financial statements reflect the 10:1 share consolidation.

These audited consolidated financial statements of the Company for the years ended December 31, 2019 and 2018 were approved by the Board of Directors on May 10, 2021.

2. GOING CONCERN

The Company has incurred losses since inception. The Company's continuation as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom and/or raise equity or related party debt financing on terms which are acceptable to it to meet current and future obligations.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. On December 31, 2019, the Company had not yet achieved profitable operations, and has a deficit of $537,746 (2018 - $328,819) and a working capital deficiency of $422,215 (2018 - $208,437). In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. It has adversely affected global workforces, economies, and financial markets, triggering an economic downturn. It is not possible at this time for the Company to predict the duration or magnitude of the adverse results of the outbreak nor its effects on the Company's business or operations.

3. BASIS OF PRESENTATION

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments which are classified as fair value through profit or loss. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The accounting policies below have been applied to all periods presented in these consolidated financial statements and are based on International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretation Committee ("IFRIC").

3. BASIS OF PRESENTATION (CONTINUED)

3.1 Basis of Consolidation

These consolidated financial statements incorporate the financial statements of the Company and its controlled subsidiary:

Subsidiary	Country	Ownership %
GamerzArena LLC	USA - Delaware	100%

Control exists when the parent company has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. The consolidated financial statements include the accounts of the Company and its subsidiary. All significant intercompany transactions and balances have been eliminated.

3.2 Significant judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

Critical Accounting Judgments

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investing and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

Going concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investing and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

Functional currency

Determination of an entity's functional currency involves judgment taking into account the transactions, events, and conditions relevant to each individual entity. Determination of functional currency involves evaluating evidence about the primary economic environment in which each entity operates and is re-evaluated when facts and circumstances indicate that conditions have changed.

Gaming Platform - Research versus development

In determining whether to capitalize the costs related to the development of the gaming platform, Management is required to make judgments about whether the development work qualifies as an asset; determining whether there is an identifiable asset which is expected to produce future benefits and being able to determine the cost of the asset reliably.

3. BASIS OF PRESENTATION (CONTINUED)

3.2 Significant judgments, estimates and assumptions (continued)

Gaming Platform - Useful life

Determination must be made by management whether the gaming platform has an indefinite life or if not, management determines its lifespan. In management's view, the gaming platform will have a finite life. The gaming platform has not yet entered commercialization and therefore, is not being amortized as at December 31, 2019 and 2018.

Critical Accounting Estimates

Gaming Platform - Impairment

Determining whether any charge to impairment against the Company's gaming platform requires management to estimate the recoverable amount, which is defined as the higher of fair value less the cost of disposal or value in use. Many factors used in assessing recoverable amounts are outside of the control of management and it is reasonably likely that assumptions and estimates will change from period to period. Impairment is reviewed on an annual basis or as events and conditions change.

Income Taxes

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

3.3 Foreign Currency Translation

Items included in the consolidated financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in United States Dollars ("US dollars"), except as otherwise noted, which is the functional currency of the parent and its subsidiary.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Gaming Platform

The gaming platform represents the Company's software which was developed to host e-sports tournaments.

Management capitalizes certain costs to the Company's gaming platform under IAS 38 *Intangible Assets*, including the costs of materials and services consumed, directly attributable employee benefits, and fees to register a legal right.

Any expenditures relating to the gaming platform that do not qualify to capitalize under IAS 38 *Intangible Assets* are classified as research expense.

The gaming platform is currently under development and no amortization has been charged as at December 31, 2019 and 2018.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.2 Gaming Platform (continued)

The gaming platform has a finite life and will be amortized over its useful economic life. The gaming platform is assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for the gaming platform is reviewed at least at the end of each reporting period. A change in the expected useful life of the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

4.3 Research and Development

Research costs are expensed as incurred. Costs related to the development of gaming platform are expensed as incurred unless such costs meet the criteria for deferral and amortization under IFRS. The criteria include identifiable costs attributable to a clearly defined product, the establishment of technical feasibility, demonstration of the Company's intention and ability to complete the software and use or sell it, identification of a market for the software, the Company's intent to market the software and the existence of adequate resources to complete the project

4.4 Provisions

Liabilities are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. A provision is a liability of uncertain timing or amount.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as a financing expense.

4.5 Income Taxes

Income tax expense consisting of current and deferred tax expense is recognized in the consolidated statement of loss and comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized 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, the deferred tax asset is reduced. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.5 Share Capital

The Company records proceeds from share issuances net of issue costs and any tax effects in shareholders' equity. Common shares issued for consideration other than cash are valued based on their market value at the date the shares were granted. Common shares held by the Company are classified as treasury stock and recorded as a reduction to shareholders' equity (deficiency).

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in private placements to be the more easily measurable component of unit offerings and the common shares are valued at their fair value. The balance, if any, is allocated to any attached warrants or other features. Any fair value attributed to warrants is recorded as reserves.

4.6 Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the fair value of goods and services provided.

4.7 Loss per Share

Basic earnings (loss) per share is computed by dividing net income (loss) (the numerator) by the weighted average number of outstanding common shares for the period (denominator). In computing diluted earnings per share, an adjustment is made for the dilutive effect of outstanding share options, warrants and other convertible instruments.

In the periods when the Company reports a net loss, the effect of potential issuances of shares under share options and other convertible instruments is anti-dilutive. Therefore, basic and diluted loss per share are the same. When diluted earnings per share is calculated, only those share options and other convertible instruments with exercise prices below the average trading price of the Company's common shares for the period will be dilutive.

4.8 Equipment

Equipment is carried at cost less accumulated depreciation and accumulated impairment losses. In the year of acquisition, depreciation is recorded at one-half the normal rate. Depreciation is recognized using the declining balance method at the following annual rates:

Office furniture	Declining-Balance	20%

Equipment that is withdrawn from use or has no reasonable prospect of being recovered through use or sale, are regularly identified and written off. The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Subsequent expenditures relating to an item of equipment are capitalized when it is probable that future economic benefits from the use of the assets will be increased. All other subsequent expenditures are recognized as repairs and maintenance expense.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.9 Impairment of Non-Financial Assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

4.10 Foreign Exchange

Transactions in currencies other than the US dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in profit or loss.

4.11 Financial Instruments

(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. The Company classifies its financial instruments as follows:

Financial assets/liabilities	Classification
Cash	FVTPL
Receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Due from shareholder	Amortized cost
SAFE instruments payable	Amortized cost

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.11. Financial Instruments (continued)

(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 at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated 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 consolidated statements of loss and comprehensive loss in the period in which they arise.

The Company has no assets or liabilities at FVOCI.

(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 consolidated statements of 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.

(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 the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of loss and comprehensive loss.

4.12 Changes in Significant Accounting Policies

Accounting standard adopted during the year

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for accounting periods beginning after January 1, 2019, or later periods. New standards and updates, which are not applicable or are not consequential to the Company, have been excluded from the list below.

IFRS 16, *Leases*, specifies how an entity will recognize, measure, present and disclose leases. The 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 Leases. IFRS 16 is effective for years beginning after January 1, 2019.

(Expressed in US dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.12 Changes in Significant Accounting Policies (continued)

The Company adopted this standard effective January 1, 2019 and it did not have any material impact on the consolidated financial statements upon adoption.

IFRIC 23, It may be unclear how tax law applies to a particular transaction or circumstance, or whether a taxation authority will accept a company's tax treatment. IAS 12 *Income Taxes* specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. IFRIC 23 is effective for years beginning after January 1, 2019. The Company adopted this standard effective January 1, 2019 and it did not have any material impact on the consolidated financial statements upon adoption.

5. GAMING PLATFORM

The Company's intangible asset is its GamerzArena online gaming platform. The GamerzArena platform provides a space for gamers where they can watch and play alongside peers, competing in tournaments to earn prizes. GamerzArena enables cross-platform competition and users are able to stream their live games for others to view around the world, giving casual gamers a look into the world of competitive esports.

The balance of the Company's gaming platform is as follows:

Cost		
Balance, December 31, 2017	**$**	250,909
Additions		45,855
Balance, December 31, 2018	**$**	**296,764**
Additions		5,370
Balance, December 31, 2019	**$**	**302,134**

No amortization was charged on the gaming platform as it has not yet entered full use.

Impairment of intangible assets

On an annual basis, the Company assesses the Company's CGUs for indicators of impairment or when facts or circumstances suggest the carrying amount may exceed its recoverable amount. During the years ended December 31, 2019 and 2018, the Company did not note any indicators of impairment on its gaming platform, therefore a recoverable value test was not conducted.

6. EQUIPMENT

Cost		**Office furniture**
Balance, December 31, 2017	**$**	**3,777**
Additions		56
Balance, December 31, 2018	**$**	**3,833**
Additions		-
Balance, December 31, 2019	**$**	**3,833**

(Expressed in US dollars)

6. EQUIPMENT (CONTINUED)

Accumulated Depreciation		**Office and furniture**
Balance, December 31, 2017	**$**	597
Additions		642
Balance, December 31, 2018	**$**	1,239
Additions		519
Balance, December 31, 2019	**$**	**1,758**
Net Book Value		
December 31, 2018	$	2,594
December 31, 2019	$	2,075

7. SAFE INSTRUMENTS PAYABLE

During the years ended December 31, 2019 and 2018, the Company entered into several Simple Agreement for Future Equity Agreements (“SAFE Agreements”) with third parties. As at December 31, 2019, the Company had $375,000 (2018 – $325,000) outstanding.

These SAFE agreements are convertible (the “Conversion”) into common shares of the Company. If there is a future private placement financing, each $1,000 SAFE note is convertible into common shares on the date of the private placement financing (the “Financing Date”). The number of common shares issued will be calculated as the greater of the following:

- A price per common share which is equal to 80% of the fair value per common share issued in any private placements; or
- A price per common share which is equal to the Company’s original issued current share capital divided by the number of shares outstanding at the Financing Date.

If there is a change of control or an initial public offering, the Company will repay the balance, at the investors’ option, either through:

- Cash settlement at face value; or
- The issuance of a number of common shares at a price per common share based on the diluted number of shares outstanding as at the date of Conversion.

If the Company voluntarily or involuntarily terminates operations, these instruments will be repaid in cash in preference to creditors of the Company.

As these instruments do not meet the definition of equity instruments under IFRS 9 due to the lack of a fixed price per fixed number of equity instruments, they are accounted for as financial liabilities and carried at fair value.

(Expressed in US dollars)

7. SAFE INSTRUMENTS PAYABLE (CONTINUED)

A continuity of the balance is as follows:

Cost		
Balance, December 31, 2017	**$**	**50,000**
Additions		275,000
Balance, December 31, 2018	**$**	**325,000**
Additions		50,000
Balance, December 31, 2019	**$**	**375,000**

In April, 2020, concurrent with the completion of the Transaction with Alpha (Note 1), the Company settled $375,000 in SAFE instruments payable through the issuance of 109,656 common shares.

8. SHARE CAPITAL

8.1 Authorized Share Capital

Unlimited number of Class "A" Common voting shares
Unlimited number of Class "B" Common non-voting shares

8.2 Shares Issued

Shares issued and outstanding as at December 31, 2019 consist of 330,297 (2018 – 330,297) Class A common shares.

No shares were issued during the year ended December 31, 2019.

During the year ended December 31, 2018, the Company issue the following shares:

On June 1, 2018, the Company issued 21,750 Class A common shares at a price of $2.30 for gross proceeds of $50,000 No share issuance costs were incurred.

On August 1, 2018, the Company issued 17,275 Class A common shares at a price of $11.58 for gross proceeds of $200,000. Subscriptions received of $200,000 was reclassified to share capital. No share issuance costs were incurred.

On August 1, 2018, the Company issued 17,275 Class A common shares at a price of $9.67 for gross proceeds of $167,000 Subscriptions received of $160,000 was reclassified to share capital. No share issuance costs were incurred.

9. RELATED PARTY TRANSACTIONS AND BALANCES

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

During the year ended December 31, 2019, the Company paid salaries and benefits of $77,475 (2018 - $45,822) to the President of the Company. As of December 31, 2019, an additional $nil (2018 - $nil) is owed to directors and officers for unpaid services.

As at December 31, 2019, the Company owed $12,500 (2018 - $nil) to the Vice-President and shareholder of the Company. The due from shareholder balance is non-interest bearing, unsecured and has no terms of repayment.

10. MANAGEMENT OF CAPITAL

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

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

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

The Company does not pay dividends and has no long-term debt or bank credit facility. The Company is not subject to any externally imposed capital requirements and there were no changes to managements approach to capital management during the year.

11. RISK MANAGEMENT

11.1 Financial Risk Management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

a. Capital Risk

The Company manages its capital to ensure that there are adequate capital resources for the Company to maintain operations. The capital structure of the Company consists of cash and share capital.

b. Credit Risk

Credit risk is the risk that a counter party will be unable to pay any amounts owed to the Company. The Company's cash is held in a large US financial institution and its receivable is due from a third party. There is a risk that receivables will not be collectible due to unforeseen material events.

c. Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at December 31, 2019, the Company's working capital deficit is $422,215 (2018 - $208,437).

11. RISK MANAGEMENT (CONTINUED)

11.1 Financial Risk Management (continued)

The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

d. Market Risk

Market risk incorporates changes in market factors such as interest rates, foreign exchange rates, and equity prices.

Interest rate risk

Interest rate risk arises from changes in market rates of interest that could adversely affect the Company. The Company is exposed to limited interest rate risk. A change in market interest rates would have an insignificant impact on the Company's profit or loss.

Foreign currency risk

Foreign currency risk arises from the fluctuation of foreign exchange rates. The Company's assets, liabilities, and operations are predominantly denominated in Canadian dollars. The Company did not have any material monetary assets or liabilities in a foreign currency and consequently has an insignificant exposure to foreign currency risk.

Price risk

Equity price risk is the potential impact on the Company's earning due to movement in individual equity prices or levels on the stock market. The Company is a private company and has no exposure to equity price risk.

11.2 Fair Values

The carrying values of cash, receivables, accounts payable and accrued liabilities, due to shareholder, and SAFE instruments payable, approximate their fair values due to their short-term to maturity and market borrowing rates.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are not observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

(Expressed in US dollars)

12. INCOME TAXES

A reconciliation of income taxes for the years ended December 31 are as follows:

		2019		2018
Loss and comprehensive loss for the period	$	(208,927)	$	(210,596)
Tax rate		21%		35%
Expected income tax recovery		(43,874)		(73,709)
Effect of change in tax rates		46,114		-
Non-deductible items		109		235
True-up adjustment		(109)		(41,812)
Change in unrecognized deductible temporary differences		(2,240)		115,286
Income tax expense	**$**	**-**	**$**	**-**

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

		2019		2018
Capital assets	$	369	$	434
Non-capital losses carried forward		112,677		114,852
Deferred tax asset	**$**	**113,046**	**$**	**115,286**

The Company has US non-capital losses for income tax purposes of approximately $536,000 (2018 - $328,000), which may be available to reduce taxable income in future years. The potential benefit of these losses has not been recognized as a deferred tax benefit, as currently it is not probable that such benefit will be utilized in the foreseeable future. These losses expire as follows:

As at December 31, the Company's non-capital losses expire as follows:

		2019		2018
2037	$	118,000	$	118,000
2038		210,000		210,000
2039		208,000		-
	$	**536,000**	**$**	**328,000**

13. SUBSEQUENT EVENTS

On April 13, 2020, the Company completed the Transaction with Alpha (Note 1). Pursuant to the terms of the Agreement, the shareholders of the Company transferred all their issued and outstanding shares to Alpha in exchange for 5,046,462 common shares of Alpha with a fair value of $924,056 Canadian dollars. Consequently, the transaction constituted control of the Company by Alpha, with the Company representing a wholly-owned subsidiary of Alpha for accounting and reporting purposes.

Concurrently upon, the Company completed a 10:1 share consolidation, with one post-consolidation share consisting of ten pre-consolidation shares. All figures in these consolidated financial statements reflect the 10:1 share consolidation.

Concurrently, the $375,000 in SAFE instruments were converted into 109,656 common shares of the Company with a fair value of $3.42 per common share (Note 7).

The Company issued 3,052 Class A common shares valued at $10,000 to settle outstanding accounts payable.

Esports Enterprises Inc.

Condensed interim consolidated financial statements for three months ended

March 31, 2020 and 2019

(Expressed in United States Dollars)

Esports Enterprises Inc.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in US dollars)

As at		March 31, 2020		December 31, 2019
ASSETS				
Current				
Cash	$	3,014	$	3,359
Receivables		-		4,750
		3,014		**8,109**
Non-Current				
Equipment (Note 6)		1,975		2,075
Gaming platform (Note 5)		302,254		302,134
		304,229		**304,209**
TOTAL ASSETS	**$**	**307,243**	**$**	**312,318**
LIABILITIES				
Current				
Accounts payable and accrued liabilities	$	55,508	$	42,824
Due from shareholder (Note 9)		12,500		12,500
SAFE instruments payable (Note 7)		375,000		375,000
TOTAL LIABILITIES		**443,008**		**430,324**
SHAREHOLDERS' DEFICIENCY				
Share capital (Note 8)		419,740		419,740
Deficit		(555,505)		(537,746)
TOTAL SHAREHOLDERS' DEFICIENCY		**(135,765)**		**(118,006)**
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY	**$**	**307,243**	**$**	**312,318**

Nature of operations – Note 1
Going concern – Note 2
Subsequent events – Note 12

Approved on behalf of the Board of Directors:

"BRIAN WILNEFF", Director

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

Esports Enterprises Inc.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three months ended
(Expressed in US dollars)

		March 31, 2020		March 31, 2019
Expenses				
Bad debt	$	1,250	$	-
Computer and information technology		1,191		732
Consulting and payroll (Note 9)		-		32,605
Depreciation (Note 6)		100		130
Office		3,568		3,566
Professional fees		-		266
Travel and promotion		11,650		65,213
Loss and comprehensive loss for the period	$	(17,759)	$	(102,512)
Loss per share, basic and diluted	$	(0.05)	$	(0.31)
Weighted average number of common shares outstanding		330,297		330,297

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

Esports Enterprises Inc.
Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency
For the three months ended March 31, 2020 and 2019
(Expressed in US dollars)

	Number		Amount		Deficit		Total shareholders' deficiency
Balance, December 31, 2018	**330,297**	**$**	**419,740**	**$**	**(328,819)**	**$**	**90,921**
Loss for the period	-		-		(102,512)		(102,512)
Balance, March 31, 2019	**330,297**		**419,740**		**(431,331)**		**(11,591)**
Loss for the period	-		-		(106,415)		(106,415)
Balance, December 31, 2019	**330,297**		**419,740**		**(537,746)**		**(118,006)**
Loss for the period	-		-		(17,759)		(17,759)
Balance, March 31, 2020	**330,297**	**$**	**419,740**	**$**	**(555,505)**	**$**	**(135,765)**

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

Esports Enterprises Inc.
Condensed Interim Consolidated Statements of Cash Flows
For the three months ended
(Expressed in US dollars)

		March 31, 2020		March 31, 2019
Cash (used in) provided by:				
OPERATING ACTIVITIES				
Loss for the period	$	(17,759)	$	(102,512)
Item not involving cash:				
Bad debt		1,250		-
Depreciation		100		130
Net changes in non-cash working capital items:				
Receivables		3,500		-
Accounts payable and accrued liabilities		12,684		(2,704)
Net cash used in operating activities		(225)		(105,086)
INVESTING ACTIVITIES				
Purchase of equipment		-		(2,505)
Gaming platform development		(120)		-
Net cash used in investing activities		(120)		(2,505)
Net decrease in cash		(345)		(107,591)
Cash, beginning of period		3,359		163,089
Cash, end of period	**$**	**3,014**	**$**	**55,498**
Cash paid for interest	$	-	$	-
Cash paid for income taxes	$	-	$	-

There were no non-cash transactions for the three-month periods ended September 30, 2020 and 2019.

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

1. NATURE OF OPERATIONS

Esports Enterprises Inc. (the "Company') was incorporated under the laws of Delaware on April 1, 2017. The Company's registered office is 1807 Balsam Road, Highland Park, Illinois, 60035.

The Company is a private company operating in the esports industry. On April 13, 2020, the Company completed a Share Exchange Agreement (the "Agreement" or the "Transaction") with Alpha Esports Inc. ("Alpha"), a private company. Pursuant to the terms of the Agreement, the shareholders of the Company transferred all their issued and outstanding shares to Alpha in exchange for 5,046,462 common shares of Alpha North with a fair value of $924,056 Canadian Dollars. Consequently, the transaction constituted control of the Company by Alpha, with the Company representing a wholly-owned subsidiary of Alpha for accounting and reporting purposes.

Concurrently upon closing of the Transaction, the Company completed a 10:1 share consolidation, with one post-consolidation share consisting of ten pre-consolidation shares. All figures in these condensed interim consolidated financial statements reflect the 10:1 share consolidation.

These audited condensed interim consolidated financial statements of the Company for the three months ended March 31, 2020 and 2019 were approved by the Board of Directors on May 10, 2021.

2. GOING CONCERN

The Company has incurred losses since inception. The Company's continuation as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom and/or raise equity or related party debt financing on terms which are acceptable to it to meet current and future obligations.

These condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. On March 31, 2020, the Company had not yet achieved profitable operations, and has a deficit of $555,505 (December 31, 2019 - $537,746) and a working capital deficiency of $439,994 (December 31, 2019 - $422,215). In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not include adjustments any relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

On March 11,2020, the World Health Organization declared COVID-19 a global pandemic. It has adversely affected global workforces, economies, and financial markets, triggering an economic downturn. It is not possible at this time for the Company to predict the duration or magnitude of the adverse results of the outbreak nor its effects on the Company's business or operations.

3. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". These condensed interim consolidated financial statements have been prepared on a historical cost basis except for financial instruments which are classified as fair value through profit or loss. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The accounting policies below have been applied to all periods presented in these condensed interim consolidated financial statements and are based on International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board("IASB") and Interpretations of the International Financial Reporting Interpretation Committee ("IFRIC").

3. BASIS OF PRESENTATION (CONTINUED)

3.1 Basis of Consolidation

These consolidated financial statements incorporate the financial statements of the Company and its controlled subsidiary:

Subsidiary	Country	Ownership %
GamerzArena LLC	USA - Delaware	100%

Control exists when the parent company has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. The consolidated financial statements include the accounts of the Company and its subsidiary. All significant intercompany transactions and balances have been eliminated.

3.3 Significant judgments, estimates and assumptions

The preparation of the Company's condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the condensed interim consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

Critical Accounting Judgments

Going concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investing and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

Functional currency

Determination of an entity's functional currency involves judgment taking into account the transactions, events, and conditions relevant to each individual entity. Determination of functional currency involves evaluating evidence about the primary economic environment in which each entity operates and is re-evaluated when facts and circumstances indicate that conditions have changed.

Gaming Platform - Research versus development

In determining whether to capitalize the costs related to the development of the gaming platform, Management is required to make judgments about whether the development work qualifies as an asset; determining whether there is an identifiable asset which is expected to produce future benefits and being able to determine the cost of the asset reliably.

3. BASIS OF PRESENTATION (CONTINUED)

3.3 Significant judgments, estimates and assumptions (continued)

Gaming Platform - Useful life

Determination must be made by management whether the gaming platform has an indefinite life or if not, management determines its lifespan. In management's view, the gaming platform will have a finite life. The Company's gaming platform has not yet entered commercialization and therefore, is not being amortized as at March 31, 2020 and 2019.

Critical Accounting Estimates

Gaming Platform - Impairment

Determining whether any charge to impairment against the Company's gaming platform requires management to estimate the recoverable amount, which is defined as the higher of fair value less the cost of disposal or value in use. Many factors used in assessing recoverable amounts are outside of the control of management and it is reasonably likely that assumptions and estimates will change from period to period. Impairment is reviewed on an annual basis or as events and conditions change.

Income Taxes

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

3.4 Foreign Currency Translation

Items included in these condensed interim consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates. The condensed interim consolidated financial statements are presented in United States Dollars ("US dollars"), except as otherwise noted, which is the functional currency of the parent and its subsidiary.

4. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's amended audited annual financial statement for the fiscal year ended December 31, 2019.

(Expressed in US dollars)

5. GAMING PLATFORM

The Company's intangible asset is its GamerzArena online gaming platform. The GamerzArena platform provides a space for gamers where they can watch and play alongside peers, competing in tournaments to earn prizes. GamerzArena enables cross-platform competition and users are able to stream their live games for others to view around the world, giving casual gamers a look into the world of competitive esports.

The balance of the Company's gaming platform is as follows:

Cost		
Balance, December 31, 2018	**$**	**296,764**
Additions		5,370
Balance, December 31, 2019		**302,134**
Additions		120
Balance, March 31, 2020	**$**	**302,254**

No amortization was charged on the gaming platform as it has not yet entered full use.

6. PROPERTY AND EQUIPMENT

Cost		**Office furniture**
Balance, December 31, 2018	**$**	**3,833**
Additions		-
Balance, December 31, 2019		**3,833**
Additions		-
Balance, March 31, 2020	**$**	**3,833**
Accumulated Depreciation		
Balance, December 31, 2018	**$**	**1,239**
Additions		519
Balance, December 31, 2019		**1,758**
Additions		100
Balance, March 31, 2020	**$**	**1,858**
Net Book Value		
December 31, 2019	**$**	**2,075**
March 31, 2020	**$**	**1,975**

(Expressed in US dollars)

7. SAFE INSTRUMENTS PAYABLE

During the years ended December 31, 2019 and 2018, the Company entered into several Simple Agreement for Future Equity Agreements ("SAFE Agreements") with third parties. As at March 31, 2020, the Company had $375,000 (December 31, 2019 – $375,000) outstanding.

These SAFE agreements are convertible (the "Conversion") into common shares of the Company.

If there is a future private placement financing, each $1,000 SAFE note is convertible into common shares on the date of the private placement financing (the "Financing Date"), The number of common shares issued will be calculated as the greater of the following:

- A price per common share which is equal to 80% of the fair value per common share issued in any private placements; or
- A price per common share which is equal to the Company's original issued current share capital divided by the number of shares outstanding at the Financing Date.

If there is a change of control or an initial public offering, the Company will repay the balance, at the investors' option, either through:

- Cash settlement at face value; or
- The issuance of a number of common shares at a price per common share based on the diluted number of shares outstanding as at the date of Conversion.

If the Company voluntarily or involuntarily terminates operations, these instruments will be repaid in cash in preference to creditors of the Company.

As these instruments do not meet the definition of equity instruments under IFRS 9 due to the lack of a fixed price per fixed number of equity instruments, they are accounted for as financial liabilities and carried at fair value.

A continuity of the balance is as follows:

Cost		
Balance, December 31, 2017	**$**	**50,000**
Additions		275,000
Balance, December 31, 2018	**$**	**325,000**
Additions		50,000
Balance, December 31, 2019 and March 31, 2020	**$**	**375,000**

Subsequent to March 31, 2020, the Company settled $375,000 in SAFE Instruments Payable through the issuance of 109,656 common shares. No gain or loss was recorded on settlement.

8. SHAREHOLDERS' DEFICIENCY

8.1 Authorized Share Capital

1. Unlimited number of Class "A" Common voting shares
2. Unlimited number of Class "B" Common non-voting shares

8.2 Shares Issued

Shares issued and outstanding as at March 31, 2020 consist of 330,297 Class A common shares (December 31, 2019– 330,297).

No shares were issued during the three-month period ended March 31, 2020.

No shares were issued during the year ended December 31, 2019.

9. RELATED PARTY TRANSACTIONS AND BALANCES

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

During the three months ended March 31, 2020, the Company paid salaries and benefits of $Nil (March 31, 2019 - $32,605) to the President of the Company. As of March 31, 2020, an additional $nil (December 31, 2019 - $nil) is owed to Directors and Officers for unpaid services.

As at March 31, 2020, the Company has a loan payable of $12,500 (December 31, 2019 - $12,500) to the Vice-President and Shareholder of the Company. This loan is interest free, unsecured and has no terms of repayment.

10. MANAGEMENT OF CAPITAL

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

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

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

The Company does not pay dividends and has no long-term debt or bank credit facility. The Company is not subject to any externally imposed capital requirements and there were no changes to managements approach to capital management during the year.

11. RISK MANAGEMENT

11.1 Financial Risk Management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

a. Capital Risk

The Company manages its capital to ensure that there are adequate capital resources for the Company to maintain operations. The capital structure of the Company consists of cash and share capital.

b. Credit Risk

Credit risk is the risk that a counter party will be unable to pay any amounts owed to the Company. The Company's cash is held in a large US financial institution. There is a risk that this amount will not be collectible due to unforeseen material events.

c. Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at June 30, 2020, the Company's working capital deficit is $439,994 (December 31, 2019 –$422,215). The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

d. Market Risk

Market risk incorporates changes in market factors such as interest rates, foreign exchange rates, and equity prices.

Interest rate risk

Interest rate risk arises from changes in market rates of interest that could adversely affect the Company. The Company currently has a promissory note payable, loans payable, and capital lease obligations with fixed interest rates. A change in market interest rates would have an insignificant impact on the Company's profit or loss.

Foreign currency risk

Foreign currency risk arises from the fluctuation of foreign exchange rates. The Company's assets, liabilities, and operations are predominantly denominated in Canadian dollars. The Company did not have any material monetary assets or liabilities in a foreign currency and consequently has an insignificant exposure to foreign currency risk.

11. RISK MANAGEMENT (CONTINUED)

11.1 Financial Risk Management

Price risk

Equity price risk is the potential impact on the Company's earning due to movement in individual equity prices or levels on the stock market. The Company is a private company and has no exposure to equity price risk.

11.2 Fair Values

The carrying values of cash, receivables, accounts payable and accrued liabilities, due from shareholder, and SAFE instruments payable approximate their fair values due to their short-term to maturity and market borrowing rates.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are not observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

12. SUBSEQUENT EVENTS

On April 13, 2020, the Company completed the Transaction with Alpha (Note 1). Pursuant to the terms of the Agreement, the shareholders of the Company transferred all their issued and outstanding shares to Alpha in exchange for 5,046,462 common shares of Alpha with a fair value of $924,056 Canadian dollars. Consequently, the transaction constituted control of the Company by Alpha, with the Company representing a wholly-owned subsidiary of Alpha for accounting and reporting purposes.

Concurrently upon closing of the Transaction, the Company completed a 10:1 share consolidation, with one post-consolidation share consisting of ten pre-consolidation shares. All figures in these consolidated financial statements reflect the 10:1 share consolidation.

Concurrently, the $375,000 in SAFE instruments were converted into 109,656 common shares of the Company with a fair value of $3.42 per common share (Note 7).

The Company issued 3,052 common shares valued at $10,000 to settle outstanding accounts payable.

APPENDIX "F"

ESPORTS ENTERPRISES INC. – MANAGEMENT'S DISCUSSION AND ANALYSIS

(ATTACHED)

ESPORTS ENTERPRISES, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2019

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the consolidated financial statements and notes thereto for the year ended December 31, 2019 of Esports Enterprises, Inc. (the "Company"). Such consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar amounts are expressed in United States Dollars unless otherwise indicated.

DATE

This MD&A is prepared as of May 10, 2021.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this report. These assumptions, which include management's current expectations, estimates and assumptions about the global economic environment, the market price and demand for products and our ability to manage our operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) the uncertainty of government regulation and politics (3) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (4) other factors beyond our control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

DESCRIPTION OF BUSINESS

The Company was incorporated under the laws of the state of Delaware on April 1, 2017. The Company's registered office is 1807 Balsam Road, Highland Park, Illinois, 60035.

The Company is a private company operating in the esports and entertainment industry. On March 8, 2020, the Company entered into a Share Exchange Agreement ('Agreement') with Alpha Esports Tech Inc. ('Alpha'), a private company. Pursuant to the terms of the Agreement, the shareholders of the Company will transfer all their issued and outstanding shares to Alpha in exchange for 5,046,462 commons shares of Alpha. Consequently, the transaction will constitute control of the Company by Alpha, with the Company representing a wholly-owned subsidiary of Alpha for accounting and reporting purposes.

Concurrently upon closing of the Transaction, the Company completed a 10:1 share consolidation, with one post-consolidation share consisting of ten pre-consolidation shares. All figures in these consolidated financial statements reflect the 10:1 share consolidation.

OVERALL PERFORMANCE

The company incurred a net comprehensive loss of $210,596 for the year ended December 31, 2018 as compared to a net comprehensive loss of $208,927 for the year ended December 31, 2019. The loss remained fairly consistent year over year as the Company continues to monitor expenses.

The net assets of the Company decreased from $90,921 at December 31, 2018 to $(118,006) at December 31, 2019, a decrease of $208,927. The assets at December 31, 2019 consisted of cash of $3,359 (December 31, 2018 – $163,089), accounts receivable of $4,750 (December 31, 2018 – $Nil), property and equipment of $2,075 (December 31, 2018 – $2,594) and gaming platform of $302,134 (December 31, 2018 – $296,764).

The cash decreased by $159,730 pursuant to cash provided by financing activities of $62,500 which was offset by cash used in investing activities of $5,370 and cash used in operating activities of $216,860.

The Company's liabilities at December 31, 2019 consisted primarily of accounts payable and accrued liabilities of $42,824 (December 31, 2018 - $53,526), promissory note payable of $12,500 (December 31, 2018 - $nil) and SAFE loans payable of $375,000 (December 31, 2018 - $nil).

SELECTED ANNUAL INFORMATION

The following information sets out the Company's audited selected annual information for the years ended December 31, 2019 and December 31, 2018:

	Year Ended December 31, 2019	**Year Ended December 31, 2018**
	($)	
Revenue	-	-
Operating Expenses	(208,927)	(210,596)
Net Income (Loss)	(208,927)	(210,596)
Basic and Diluted Earnings (Loss) Per Share	$(0.63)	$(0.70)

	As at December 31, 2019	**As at December 31, 2018**
	($)	
Cash	3,359	163,089
Gaming platform	302,134	296,764
Total Assets	312,318	469,447

RESULTS OF OPERATIONS

Year Ended December 31, 2019

During the year ended December 31, 2019, the Company incurred a net and comprehensive loss of $208,927. The net and comprehensive loss for the period consists primarily of consulting and payroll of $77,475 and travel and promotion of $110,576.

Year Ended December 31, 2018

During the year ended December 31, 2018, the Company incurred a net and comprehensive loss of $210,596. The net and comprehensive loss for the period consists primarily of consulting and payroll of $45,822 and travel and promotion of $149,333.

SUMMARY OF QUARTERLY RESULTS

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

	Quarter Ended December 31, 2019 $	Quarter Ended September 30, 2019 $	Quarter Ended June 31, 2019 $	Quarter Ended March 31, 2019 $
Revenue	-	-	-	-
Net loss	(16,763)	(31,022)	(58,758)	(102,384)
Loss per share, basic and diluted	(0.05)	(0.09)	(0.18)	(0.31)

	Quarter Ended December 31, 2018 $	Quarter Ended September 30, 2018 $	Quarter Ended June 31, 2018 $	Quarter Ended March 31, 2018 $
Revenue	-	-	-	-
Net loss	(96,727)	(65,479)	(28,763)	(19,627)
Loss per share, basic and diluted	(0.29)	(0.20)	(0.09)	(0.06)

On a quarter-by-quarter basis the loss can fluctuate significantly due to a number of factors including the timing of operating activities since inception as the Company did not begin and start up or operational activity until the quarter ended March 31, 2018.

An analysis of the quarterly results over the quarters since inception shows that operations only significantly began during the quarters ended September 30, 2019 as the Company incurred mostly operating expenses related to the newly operational entity.

LIQUIDITY

The Company had cash of $3,359 and $163,089 at December 31, 2019 and December 31, 2018, respectively. The Company had working capital deficits of $(422,215) and $(208,437) at December 31, 2019 and December 31, 2018, respectively.

If additional funds are required, the Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

Operating Activities

The Company used net cash of $216,860 and $175,949 in operating activities during the years ended December 31, 2019 and December 31, 2018, respectively. The use of cash for the year ended December 31, 2019 was mainly attributable to loss for the year of $208,927. The use of cash for the year ended December 31, 2018 was mainly attributable to the loss for the year of $210,596, offset by non-cash working capital items related to accounts payable and accrued liabilities of $41,005.

Financing Activities

The Company received net proceeds of $62,500 and $332,000 from financing activities during the years ended December 31, 2019 and December 31, 2018, respectively. The cash received for the year ended December 31, 2019 was primarily from SAFE loan proceeds. The cash received for the year ended December 31, 2018 also was primarily from SAFE loan proceeds.

Investing Activities

The Company used net cash of $5,370 and $45,911 in investing activities during the years ended December 31, 2019 and December 31, 2018. The use of cash for the years ended December 31, 2019 and December 31,2018 was primarily attributable to the development of the gaming platform.

OFF-BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

Key management are those personnel having the authority and responsibility for planning, directing, and controlling the Company.

During the year ended December 31, 2019, the Company paid salaries and benefits of $77,475 (December 31, 2018 - $45,822) to the Brian Wilneff, the President of the Company for President related services. As of December 31, 2019, $nil (December 31, 2018 - $nil) is owed to Mr. Wilneff for unpaid services.

As at December 31, 2019, the Company has a loan payable of $12,500 (December 31, 2018 - $nil) to the Vice-President and Shareholder of the Company. This loan is interest free, unsecured and has no terms of repayment.

FOURTH QUARTER

The table below reflects selected audited information for the three month period ended December 31, 2019 compared to the comparative period in the previous fiscal period. The information is presented to the same basis as the audited consolidated financial statements and should be read in conjunction with the audited consolidated financial statements and the accompanying notes.

	Quarter Ended December 31, 2019	**Quarter Ended December 31, 2018**
Total Revenue	$ -	$ -
Net Loss	$(16,763)	$(96,727)
Basic and diluted net loss per share	$(0.05)	$(0.29)

During the quarter ended December 31, 2019, the Company had revenues of $nil compared to $nil for the same period ended December 31, 2018. The Company had operating expenses of $16,763 for the quarter ended December 31, 2019 compared to $96,727 for the same period ended December 31, 2018. The result was a comprehensive loss of $16,763 for the quarter ended December 31, 2019 compared to a comprehensive loss of $96,727 for the same period ended December 31, 2018.

PROPOSED TRANSACTIONS

As of the date of this MD&A, there were no proposed transactions.

SUBSEQUENT EVENTS

On March 8, 2020, the Company entered into the Agreement with Alpha Esports Tech Inc. (“Alpha”). Pursuant to the terms of the Agreement, the shareholders of the Company transferred all their issued and outstanding shares to Alpha in exchange for 5,046,462 common shares of Alpha with a fair value of CAD $924,056. Consequently, the transaction constituted control of the Company by Alpha, with the Company representing a wholly-owned subsidiary of Alpha for accounting and reporting purposes.

Concurrently upon closing of the share exchange transaction, the Company completed a 10:1 share consolidation, with one post-consolidation share consisting of ten pre-consolidation shares.

Concurrently, the $375,000 in SAFE instruments were converted into 109,656 common shares of the Company with a fair value of $0.342 per common share.

The Company issued 3,052 common shares valued at $10,000 to settle outstanding accounts payable.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its consolidated financial statements.

Accounting standard anticipated to be effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or International Financial Reporting Interpretations Committee (“IFRIC”) that are mandatory for accounting periods beginning after January 1, 2018, or later periods. New standards and updates, which are not applicable or are not consequential to the Company, have been excluded.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company’s financial instruments are exposed to certain financial risks which are discussed in detail in Note 4.11 of the Company’s consolidated financial statements for the year ended December 31, 2019.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

During the years ended December 31, 2019 and December 31, 2018, the Company incurred the following expenses:

	2019	2018
General and administrative expenses	$208,927	$210,596

An analysis of material components of the Company’s expenses is disclosed in the consolidated financial statements for the year ended December 31, 2019 to which this MD&A relates.

DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares

The Company is currently a private company. The Company’s authorized share capital consists of an unlimited number of class A and B common shares. As at December 31, 2019 the Company had 330,297 common shares issued and outstanding.

RISK FACTORS

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

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

Risks Related to the Company's Business

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

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

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

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

A decline in the price of the Company's common stock could affect its ability to raise further working capital and adversely impact its ability to continue operations.

A prolonged decline in the price of the Company's common stock could result in a reduction in the liquidity of its common stock and a reduction in its ability to raise capital. Because a significant portion of the Company's operations have been and will be financed through the sale of equity securities, a decline in the price of its common stock could be especially detrimental to the Company's liquidity and its operations. Such reductions may force the Company to reallocate funds from other planned uses and may have a significant negative effect on the Company's business plan and operations, including its ability to develop new products and continue its current operations. If the Company's stock price declines, it can offer no assurance that the Company will be able to raise additional capital or generate funds from operations sufficient to meet its obligations. If the Company is unable to raise sufficient capital in the future, the Company may not be able to have the resources to continue its normal operations.

The Company has minimal operating history

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

History of losses

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

Reliance on management

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

Insurance and uninsured risks

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

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

The Company will be an entrant engaging in a new industry

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

Dependence on suppliers and skilled labour

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

Difficulty to forecast

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

Management of growth

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

Internal controls

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

Liquidity

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

Litigation

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

BOARD APPROVAL

The board of directors of the Company has approved this MD&A on May 10, 2020.

ESPORTS ENTERPRISES, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three months ended March 31, 2020

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the condensed interim consolidated financial statements and notes thereto for the three months ended March 31, 2020 of Esports Enterprises, Inc. (the "Company"). Such consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar amounts are expressed in United States Dollars unless otherwise indicated.

DATE

This MD&A is prepared as of May 10, 2021.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this report. These assumptions, which include management's current expectations, estimates and assumptions about the global economic environment, the market price and demand for products and our ability to manage our operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) the uncertainty of government regulation and politics (3) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (4) other factors beyond our control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

DESCRIPTION OF BUSINESS

The Company was incorporated under the laws of the state of Delaware on April 1, 2017. The Company's registered office is 1807 Balsam Road, Highland Park, Illinois, 60035.

The Company is a private company operating in the esports and entertainment industry. On March 8, 2020, the Company entered into a Share Exchange Agreement ('Agreement') with Alpha Esports Tech Inc. ('Alpha'), a private company. Pursuant to the terms of the Agreement, the shareholders of the Company will transfer all their issued and outstanding shares to Alpha in exchange for 5,046,462 commons shares of Alpha. Consequently, the transaction will constitute control of the Company by Alpha, with the Company representing a wholly-owned subsidiary of Alpha for accounting and reporting purposes. This transaction completed subsequently on April 13, 2020.

Concurrently upon closing of the Transaction, the Company completed a 10:1 share consolidation, with one post-consolidation share consisting of ten pre-consolidation shares. All figures in these consolidated financial statements reflect the 10:1 share consolidation.

COVID-19

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business.

OVERALL PERFORMANCE

The company incurred a net comprehensive loss of $102,512 for the three months ended March 31, 2019 as compared to a net comprehensive loss of $17,759 for the three months ended March 31, 2020. The loss remained fairly consistent year over year as the Company continues to monitor expenses.

The net assets of the Company decreased from $(118,006) at December 31, 2019 to $(135,765) at March 31, 2020, a decrease of $17,759. The assets at March 31, 2020 consisted primarily of cash of $3,014 (December 31, 2019 – $3,359), accounts receivable of $nil (December 31, 2019 – $4,750), property and equipment of $1,975 (December 31, 2019 – $2,075) and gaming platform of $302,254 (December 31, 2019 – $302,134).

The cash decreased by $345 pursuant to cash used in investing activities of $120 and cash used in operating activities of $225.

The Company's liabilities at March 31, 2020 consisted primarily of accounts payable and accrued liabilities of $55,5084 (December 31, 2019 - $42,824 and SAFE loans payable of $375,000 (December 31, 2019 - $375,000).

RESULTS OF OPERATIONS

Three Months Ended March 31, 2020

During the three months ended March 31, 2020, the Company incurred a net and comprehensive loss of $17,759. The net and comprehensive loss for the period consists primarily of travel and promotion of $11,650.

Three Months Ended March 31, 2019

During the three months ended March 31, 2019, the Company incurred a net and comprehensive loss of $102,512. The net and comprehensive loss for the period consists primarily of consulting and payroll of $32,605 and travel and promotion of $65,213.

SUMMARY OF QUARTERLY RESULTS

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

	Quarter Ended March 31, 2020 $	Quarter Ended December 31, 2019 $	Quarter Ended September 30, 2019 $	Quarter Ended June 31, 2019 $
Revenue	-	-	-	-
Net loss	(17,759)	(16,763)	(31,022)	(58,758)
Loss per share, basic and diluted	(0.05)	(0.05)	(0.09)	(0.18)

	Quarter Ended March 31, 2019 $	Quarter Ended December 31, 2018 $	Quarter Ended September 30, 2018 $	Quarter Ended June 31, 2018 $
Revenue	-	-	-	-
Net loss	(102,384)	(96,727)	(65,479)	(28,763)
Loss per share, basic and diluted	(0.31)	(0.29)	(0.20)	(0.09)

On a quarter-by-quarter basis the loss can fluctuate significantly due to a number of factors including the timing of operating activities since inception as the Company did not begin and start up or operational activity until the quarter ended March 31, 2018.

An analysis of the quarterly results over the quarters since inception shows that operations only significantly began during the quarters ended September 30, 2019 as the Company incurred mostly operating expenses related to the newly operational entity.

LIQUIDITY

The Company had cash of $3,014 and $3,359 at March 31, 2020 and December 31, 2019, respectively. The Company had working capital deficits of $(439,994) and $(422,215) at March 31, 2020 and December 31, 2029, respectively.

If additional funds are required, the Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

Operating Activities

The Company used net cash of $225 and $105,086 in operating activities during the three months ended March 31, 2020 and March 31, 2019, respectively. The use of cash for the three months ended March 31, 2020 was mainly attributable to loss for the year of $17,759. The use of cash for the three months ended March 31, 2019 was mainly attributable to the loss for the year of $102,512.

Financing Activities

The Company had no financing activities.

Investing Activities

The Company used net cash of $120 and $2,505 in investing activities during the three months ended March 31, 2020 and March 31, 2019. The use of cash for the three months ended March 31, 2020 and March 31, 20190 was primarily attributable to the development of the gaming platform.

OFF-BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

Key management are those personnel having the authority and responsibility for planning, directing, and controlling the Company.

During the three months ended March 31, 2020, the Company paid salaries and benefits of $Nil (March 31, 2019 - $32,605) to the Brian Wilneff, the President of the Company. As of March 31, 2020, an additional $nil (December 31, 2019 - $nil) is owed to Directors and Officers for unpaid services.

As at March 31, 2020, the Company has a loan payable of $12,500 (December 31, 2019 - $12,500) to the Vice-President and Shareholder of the Company. This loan is interest free, unsecured and has no terms of repayment.

PROPOSED TRANSACTIONS

As of the date of this MD&A, there were no proposed transactions.

SUBSEQUENT EVENTS

On April 13, 2020, the Company completed the Transaction with Alpha (Note 1). Pursuant to the terms of the Agreement, the shareholders of the Company transferred all their issued and outstanding shares to Alpha in exchange for 5,046,462 common shares of Alpha with a fair value of $924,056 Canadian dollars. Consequently, the transaction constituted control of the Company by Alpha, with the Company representing a wholly-owned subsidiary of Alpha for accounting and reporting purposes.

Concurrently upon closing of the Transaction, the Company completed a 10:1 share consolidation, with one post-consolidation share consisting of ten pre-consolidation shares. All figures in these consolidated financial statements reflect the 10:1 share consolidation.

Concurrently, the $375,000 in SAFE instruments were converted into 109,656 common shares of the Company with a fair value of $3.42 per common share (Note 7).

The Company issued 3,052 common shares valued at $10,000 to settle outstanding accounts payable.

CHANGES IN ACCOUNTING POLICIES

With the exception of the recently adopted accounting policies, the management discussion and analysis has been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's audited annual financial statement for the fiscal year ended December 31, 2019.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks which are discussed in detail in Note 4.11 of the Company's consolidated financial statements for the year ended December 31, 2019.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

During the three months ended March 31, 2020 and March 31, 2019, the Company incurred the following expenses:

	2020	**2019**
General and administrative expenses	$17,759	$102,512

An analysis of material components of the Company's expenses is disclosed in the consolidated financial statements for the three months ended March 31, 2020 to which this MD&A relates.

DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares

The Company is currently a private company. The Company's authorized share capital consists of an unlimited number of class A and B common shares. As at March 31, 2020 the Company had 330,297 common shares issued and outstanding.

RISK FACTORS

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

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

Risks Related to the Company's Business

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

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

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

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

A decline in the price of the Company's common stock could affect its ability to raise further working capital and adversely impact its ability to continue operations.

A prolonged decline in the price of the Company's common stock could result in a reduction in the liquidity of its common stock and a reduction in its ability to raise capital. Because a significant portion of the Company's operations have been and will be financed through the sale of equity securities, a decline in the price of its common stock could be especially detrimental to the Company's liquidity and its operations. Such reductions may force the Company to reallocate funds from other planned uses and may have a significant negative effect on the Company's business plan and operations, including its ability to develop new products and continue its current operations. If the Company's stock price declines, it can offer no assurance that the Company will be able to raise additional capital or generate funds from operations sufficient to meet its obligations. If the Company is unable to raise sufficient capital in the future, the Company may not be able to have the resources to continue its normal operations.

The Company has minimal operating history

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

History of losses

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

Reliance on management

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

Insurance and uninsured risks

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

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

The Company will be an entrant engaging in a new industry

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

Dependence on suppliers and skilled labour

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

Difficulty to forecast

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

Management of growth

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

Internal controls

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

Liquidity

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

Litigation

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

BOARD APPROVAL

The board of directors of the Company has approved this MD&A on May 10, 2021.

APPENDIX "G"

ALPHA ESPORTS TECH INC. - PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2020

(ATTACHED)

Alpha Esports Tech Inc.
Pro Forma Consolidated Statement of Loss and Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars)

Alpha Esports Tech Inc.
Pro Forma Consolidated Statement of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Alpha Esports Tech Inc. (audited) Year ended June 30, 2020	Esports Enterprises Inc. (unaudited) Period from July 1, 2019 to April 12, 2020	Pro Forma Adjustment	Note	Pro Forma Consolidated balance (unaudited) June 30, 2020
REVENUES	$ -	$ -	$ -		$ -
EXPENSES					
Advertising and marketing	304,966	1,051	-		306,017
Consulting fees	250,651	23,305	437,500	3(i)	711,456
Depreciation	115	848	-		963
Filing fees	8,270	-	-		8,270
Management fees	390,518	27,041	-		417,559
Office and miscellaneous	61,334	24,814	-		86,148
Professional fees	289,629	-	200,000	3(ii)	489,629
Rent	32,182	-	-		32,182
Tournament prizes	7,224	14,524	-		21,748
Travel	81,425	-	-		81,425
Total operating expenses	1,426,314	91,583	637,500		2,155,397
Loss before other items	(1,426,314)	(91,583)	(637,500)		(2,155,397)
Foreign exchange loss	(8,322)	-	-		(8,322)
Interest income	3,613	-	-		3,613
Write-down of loan receivable	(364,834)	-	-		(364,834)
Write-down of mobile arena asset	(526,720)	-	-		(526,720)
	(896,263)	-	-		(896,263)
Net loss for the year	(2,322,577)	(91,583)	(637,500)		(3,051,660)
Other comprehensive income (loss)					
Cumulative translation adjustment	(7,383)	-	-		(7,383)
Comprehensive loss for the year	$ (2,329,960)	$ (91,583)	$ (637,500)		$ (3,059,043)
Loss per share – basic and diluted					$ (0.10)
Pro forma number of shares outstanding – basic and diluted					30,983,054

1 BASIS OF PRESENTATION

The unaudited pro forma consolidated statement of loss and comprehensive loss of Alpha Esports Tech Inc. (the "Company"), have been prepared by management after giving effect to transaction costs association with acceptance of its final prospectus with the British Columbia securities commission.

On April 13, 2020, the Company acquired 100% of the outstanding shares of Esports for 5,046,642 common shares of the Company. As a result, consolidated financial statements for the year ended June 30, 2020 include the consolidated results of the combined entities.

The unaudited pro forma consolidated statement of loss and comprehensive loss for June 30, 2020 is the result of combining the audited consolidated statement of loss and comprehensive loss of the Company for the year ended June 30, 2020 which includes the activity for Esports from the date of acquisition on April 13, 2020 to June 30, 2020 and the unaudited statement of loss and comprehensive loss of Esports for the period from July 1, 2019 to April 12, 2020. The effect of which, is the proforma consolidated statement of loss and comprehensive loss for a full year of the combined operations of the Company and Esports taking into account proforma adjustments related to listing the Company shares on the CSE.

It is the opinion of the Company's management that the pro forma consolidated statement of loss and comprehensive loss for the year ended June 30, 2020 include all adjustments necessary for the fair presentation, in all material respects, of the transactions and assumptions described in Notes 3 and 4 and the results of the combined operations in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), applied on a basis consistent with Esports' accounting policies.

The pro forma consolidated statement of loss and comprehensive loss for the year ended June 30, 2020 intend to reflect the financial performance of the merged company had the proposed transactions occurred at the beginning of the year ended June 30, 2020. However, the pro forma consolidated statement of loss and comprehensive loss is not necessarily indicative of the financial performance, which would have resulted if the transactions had actually occurred at the beginning of the year ended June 30, 2020 and been in effect for the periods presented.

The unaudited pro forma consolidated statement of loss and comprehensive loss should be read in conjunction with the historical financial statements and the notes thereto of the Company and Esports. Unless otherwise noted, the pro forma consolidated statement of loss and comprehensive and accompanying notes are presented in Canadian Dollars.

2 SIGNIFICANT ACCOUNTING POLICIES

These pro forma consolidated statement of loss and comprehensive loss has been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's consolidated audited financial statements for the year ended June 30, 2020.

3 PRO FORMA ADJUSTMENT

These unaudited pro forma consolidated statement of loss and comprehensive loss has been prepared assuming the following transaction and assumptions:

i) Issue 250,000 common shares pursuant to advisory agreements and 1,000,000 common shares pursuant to consulting agreements; and
ii) Management estimates the total professional fees to complete the going public transaction to be $200,000 for legal and accounting fees to complete its listing transaction.

4 PRO FORMA STATUTORY INCOME TAX RATE

The pro forma effective statutory income tax rate of the combined companies will be 27%.

CERTIFICATE OF THE CORPORATION

Dated: May 10, 2021

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the Corporation as required by the securities legislation of the Provinces of British Columbia, Ontario and Alberta.

Matthew Schmidt **Chief Executive Officer**	Eli Dusenbury **Chief Financial Officer**

ON BEHALF OF THE BOARD OF DIRECTORS

Timothy Laidler **Director**	Mike Aujla **Director**

CERTIFICATE OF THE PROMOTERS

Dated: May 10, 2021

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the Corporation as required by the securities legislation of the Provinces of British Columbia, Ontario and Alberta.

Matthew Schmidt	Harwinder Parmar

SCHEDULE B

Exchange Listing Statement Disclosure—Additional Information

ALPHA ESPORTS TECH INC.
(the "**Issuer**")

14.1 Prepare and file the following chart for each class of securities to be listed:

	Number of Securities (non-diluted)	**Number of Securities (fully-diluted)**	**%of Issued (non-diluted)**	**% of Issued (fully diluted)**
Public Float				
Total outstanding (A)	60,106,498	82,806,342	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	Nil	2,050,000	0%	2.48%
Total Public Float (A-B)	60,106,498	80,756,342	100%	97.52%
Freely-Tradeable Float[(1)]				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	45,339,997[(2)]	45,339,997[(2)]	75.43%	56.14%
Total Tradeable Float (A-C)	14,766,501	35,416,345	24.57%	43.86%

(1) All common shares are subject to a restriction on transfer until such time as the company becomes a reporting issuer.

(2) In addition to 2,200,000 Common Shares currently not subject to escrow restrictions (noting 25% of the Common Shares issued in connection with the Paradise City Asset Purchase Agreement were released from escrow on March 11, 2021), immediately upon Listing, an additional 12,566,501 Common Shares will be released from applicable voluntary escrow provisions (please see Page 33 of the Prospectus for release terms) and become free trading, resulting in a total of 14,766,501 free trading Common Shares (representing 24.57% of issued and outstanding) and a total of 45,339,997 escrowed Common Shares (75.43% of issued and outstanding).

Public Securityholders (Registered)

Class of Security				
Size of Holding		**Number of holders**		**Total number of securities**
1 – 99 securities		-		-
100 – 499 securities		1		200
500 – 999 securities		-		-
1,000 – 1,999 securities		2		2,000
2,000 – 2,999 securities		113		226,000
3,000 – 3,999 securities		-		-
4,000 – 4,999 securities		4		16,000
5,000 or more securities		122		59,862,298
Total		**232**		**60,106,498**

Public Securityholders (Beneficial)

Class of Security				
Size of Holding		**Number of holders**		**Total number of securities**
1 – 99 securities		-		-
100 – 499 securities		1		200
500 – 999 securities		-		-
1,000 – 1,999 securities		2		2,000
2,000 – 2,999 securities		112		224,000
3,000 – 3,999 securities		-		-
4,000 – 4,999 securities		4		16,000

5,000 or more securities		165		59,864,298
Total		**284**		**60,106,498**

Non-Public Securityholders (Registered)

Class of Security				
Size of Holding		**Number of holders**		**Total number of securities**
1 – 99 securities		-		-
100 – 499 securities		-		-
500 – 999 securities		-		-
1,000 – 1,999 securities		-		-
2,000 – 2,999 securities		-		-
3,000 – 3,999 securities		-		-
4,000 – 4,999 securities		-		-
5,000 or more securities		-		-
Total		-		-

14.2 The following chart sets out details of securities of the Issuer convertible or exchangeable into any class of listed securities:

Description of Security (include conversion / exercise terms, including conversion / exercise price)	**Number of convertible / exchangeable securities outstanding**	**Number of listed securities issuable upon conversion / exercise**
Common share purchase warrants (the "**Warrants**"): • 3,202,760 Warrants entitling the holder to acquire one Common Share at a price of $1.00, and exercisable until July 19, 2021 • 8,797,084 Warrants entitling the holder to acquire one Common Share at a price of $0.50, and exercisable until December 22, 2022.	11,999,844 Warrants	Up to 11,999,844 Common Shares, assuming exercise of all issued and outstanding Warrants
Stock options (the "**Options**"), pursuant to which each Option has an exercise price of $0.35 per Option to acquire one Common Share, with an expiry date of 36 months from the date of issuance.	3,250,000 Options	Up to 3,250,000 Common Shares, assuming the exercise of all issued and outstanding Options
Performance warrants (the "**Performance Warrants**"), pursuant to which each Performance Warrant is exercisable to acquire one Common Share at a price of $0.05 for a period of three years from the date of issuance, and will vest and become exercisable when the Issuer completes an acquisition of an accretive business or asset having a value of $2,500,000 or greater either in a single or in a series of separate transactions in respect of which the vending party is identified and introduced to the Issuer by the holder of such Performance Warrants	7,000,000 Performance Warrants	Up to 7,000,000 Common Shares, assuming the exercise and vesting of all issued and outstanding Performance Warrants
Restricted share units (the "**RSUs**"), pursuant to which the RSUs will vest 4 months after successful submission of the final non-offering prospectus.	450,000 RSUs	Up to 450,000, assuming conversion 4 months after successful submission.

14.3 The following are details of listed securities reserved for issuance that are not included in section 14.2: N/A.