ALPHA ESPORTS TECH INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2021

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 consolidated financial statements and notes thereto for the year ended June 30, 2021 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, the reporting and functional currency of the Company, unless otherwise indicated.

DATE

This MD&A is prepared as of October 28, 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.

On May 14, 2021, the Company's shares began trading on the Canadian Stock Exchange ('CSE') under the symbol, "ALPA."

During the period ended March 31, 2021, 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.

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 a focus on user acquisition. With the completion of the share exchange transaction it has began recognizing revenues from the wholly-owned subsidiary and continues pursuing esports and technology related operating activities. The Company completed an equity financing and raised gross proceeds of $5,885,658 during the year.

The net assets of the Company total $4,589,976 as at June 30, 2021 and consist primarily of cash of $1,716,642, GST receivable of $64,011, prepaid expenses of $1,538,473, intangible assets of $1,806,984, and goodwill of $402,561 net of total liabilities of $940,673.

Cash increased by $1,707,668 pursuant primarily due to financing activities which raised net proceeds of $5,819,509, offset by cash used in investing activities of $191,844 and by cash used in operating activities of $3,919,997.

HIGHLIGHTS

On September 10, 2020, the Company announced the launch of GamerzArena+, a subscription based service that enables all gamers to take their talents and individual brands to the next level. Subscribers will be eligible for a number of features including eligibility to participate in ongoing e-development leagues, access to customized tournaments, their own profile page that includes gameplay stats, win and loss tracking, growth strategies, personal merchandise lines, and more.

On September 21, 2020, the Company announced its partnership with Dailey Training International, a triad sports management firm. Utilizing its GamerzArena platform, the Company will host online tournaments, contests, player development leagues and more for the existing client base in the DTI program, ultimately helping these gamers increase their foothold within esports.

On September 23, 2020, the Company announced the launch of Gaming as a Service ("GaaS"). GaaS connects organizations and their employees through competitive social gaming. Employees now can challenge each other to play multiple cross-platform games, win prizes, and make custom challenges on the Company's online esports platform, GamerzArena.

On October 1, 2020, the Company announced that it has signed a partnership agreement with Oxygen Esports, a multi-title esports organization based in New England and made up of Helix eSports, Team Genji and select rosters acquired from Team Reciprocity. As part of the partnership, Oxygen will utilize the Company's online esports platform, GamerzArena to assist in player development and training for Oxygen's professional and amateur esports athletes. The companies will collaboratively host online tournaments and contests, as well as collaborate on new merchandise clothing lines through the Company's online store.

On October 13, 2020, the Company announced its partnership with the three-time Stanley Cup Champions, New Jersey Devils for the inaugural NJ Devil Cup NHL21 Tournament. Through the partnership, the Company will organize, host, and operate the two-day NJ Devil Cup. In addition to the tournament, the Company and the NJ Devils will work together to onboard users to the Company's online gaming platorm, GamerzArena.

On October 19, 2020, the Company announced that the nationwide competition to crown the ONe, in partnership with Vancouver Whitecaps FC, will take place November 7-8, 2020. The tournament will be hosted and operated on the Company's online esports platform, GamerzArena. The tournament, sponsored by Daily Hive and Sportcheck, will be held over two days and the winner will earn a one year professional eMLS contract with Vancouver Whitecaps FC. Other prizes include over $2,000 in Sport Chek gift cards and official Whitecaps FC merchandise.

On November 17, 2020, the Company announced its partnership with the Quad Gods, an organization founded with the goal to integrate and highlight gamers with disabilities as serious esports competitors. The Company will work with the Quad Gods to showcase gamers by hosting and operating an eDevelopment League for the Quad Gods. This league will operate on the Company's GamerzArena platform, where there will be a series of tournaments and challenges for the participants to compete in.

On December 1, 2020, the Company provided a corporate update on a name change, board of directors/advisory board update, and operational highlights. The Company has changed its name to Alpha Esports Tech Inc. The Company announced the addition of Jonathan Anastas to the Board of Directors and Ron Segev to its advisory board.

On December 7, 2020, the Company announced it signed a letter of intent to acquire 100% of HypeX. The acquisition of the competitive gaming platform would add 50,000 new users to the Company's user base. Subsequently, this transaction was not pursued.

On January 5, 2021, the Company had filed a non-offering preliminary prospectus with the British Columbia Securities Commission, Alberta Securities Commission and Ontario Securities Commission for the purposes of the Company becoming a reporting issuer pursuant to applicable securities legislation in the Provinces of British Columbia, Alberta and Ontario, and to become eligible for listing pursuant to the policies of the Canadian Securities Exchange. The Company also announced that on December 22, 2020, it completed a private placement pursuant to which it issued 16,816,168 units at a price of $0.35 per unit for gross proceeds of $5,885,659.

On January 14, 2021, the Company announced its expansion into the Indian market via a partnership with Irony Inc, where the Company's online gaming platform, GamerzArena, will become the exclusive partner for all of Irony's online esports events in India. Irony is an Indian esports company focused on building esports based communities for its clients. Additional terms of this agreement include the company hosting and operating a variety of esports tournaments for Irony, including an eDevelopment league, where Irony will be able to find and sign top gaming talent for their program. Irony will also leverage its existing relationships in esports and traditional sports to promote and grow the Company's userbase.

On January 20, 2021, the Company announced its expansion into the Philippines via partnership with Nexgen Entertainment, an esports event production and entertainment company. Under the terms of this partnership, the Company's online esports platform, GamerzArena, will become the exclusive online tournament provider for Nexgen, including their upcoming events with universities in the Philippines, as well as different contests with professional streamers and esports teams in the Nexgen database.

On May 14, 2021, the Company announced that it has commenced trading on the Canadian Securities Exchange under the symbol "ALPA".

On May 17, 2021, the Company announced the appointment of current director, Jonathan Anastas, as Chairman of the Board. Mr. Anastas offers the Company more than two decades of leadership experience in esports, gaming, digital media, public markets and is currently the Group Chief Marketing Officer for ONE Championship and ONE Esports.

On May 25, 2021, the Company announced its partnership with Spartan Athletics, the athletics division of Trinity Western University. Under the terms of the partnership, the Company's online esports platform, GamerzArena, will be used to host events and tournaments for student athletes.

On June 2, 2021, the Company announced the commencement of trading on the Börse Frankfurt exchange (FRA) under the ticker symbol "9HN"and the German WKN registry number is "A3CPVJ".

On June 8, 2021, the Company announced the signing of an esports and marketing partnership with Centric Gaming, an esports team and roster with a combined over 150,000 followers on it's social media. Centric Gaming will both use and promote the Company's online gaming platform, GamerzArena for a number of different activations and contests.

On June 9, 2021, the Company announced it has received a new OTC trading symbol "APETF" following acceptance of Form 211 by the US Financial Industry Regulatory Authority (FINRA).

On June 17, 2020, the Company announced that it had signed an esports partnership with Mack Sporting Goods ("MSG"), a retail sporting goods company based out of Texas. As part of this partnership, the Company would help MSG expand it's traditional athletic sporting goods market into the rapidly expanding esports market by hosting and operating multiple esports activations on its online platform GamerzArena, starting with the MSG Madden League.

On July 8, 2021, the Company provided an update on the launch of it's Gaming as a Service ("GaaS") software. GaaS allows organizations to easily increase their foothold within the esports space, as the Company creates, operates, and manages esports contests and tournaments on it's online platform, GamerzArena for different organizations.

On July 20, 2021, the Company announced that it has entered into a binding Letter of Intent to acquire 100% of the issued and outstanding shares of eDoxa Inc., an esports company specializing in AI based game scoring which helps to level the playing field among gamers of different skill levels, equalizing the opportunity for gamers of any skill level to win prizes in tournaments.

On July 22, 2021, the Company announced it had renewed and expanded its partnership agreement with Oxygen Esports (OXG), a premier New England esports organization. Over the past year, OXG has utilized the Company's online esports platform, GamerzArena, to assist in player development and training for OXG's pro and amateur esports athletes.

On July 27, 2021, the Company announced the launch of GamerzYouth, a program focusing on gaming initiatives such as esports contests, education, and live events for amateur youth gamers.

On July 29, 2021, the Company announced it had expanded into the Brazilian esports market by signing a partnership with Mais Esports, ("Mais") the largest esports media company in Brazil and esports portal for gamers providing news about League of Legends, CS:GO, Fortnite, PUBG, Overwatch, R6 and other major Esports titles and tournaments.

On August 5, 2021, the Company announced the launch of it's mobile gaming platform, GamerzArcade which offers users with an Alpha Account the opportunity to compete in daily, weekly, and monthly mobile gaming contests for prizes. For it's initial partnership, the Company announced it had reached an agreement with MarketJS where the company will supply games an content for the platform.

On August 24, 2021, the Company announced it has further expanded into the Indian esports market by signing a partnership with Oblivion Esports, an esports organization that provides a competitive platform to all gamers. Under the terms of this partnership, GamerzArena will become the exclusive platform for all of Oblivion's online esports events, where the Company will host and operate a variety of gaming tournaments under the Oblivion brand.

On August 21, 2021, the Company signed a partnership with Cash out Gaming, a competitive esports league and social engagement platform that connects gamers with accessible esports opportunities in a casual atmosphere. As part of this partnership, GamerzArena would become the exclusive platform for all of Cash out Gaming's online esports events, where the Company will host and operate a variety of gaming tournaments under the Cash Out Gaming brand.

On September 7, 2021, the Company announced it had signed a partnership with Apna Hockey, the world's first South Asian hockey network. GamerzArena will become the exclusive platform for all of Apna Hockey's online esports events, where the Company will host and operate a variety of gaming tournaments under the Apna Hockey Brand.

On September 8, 2021, the Company announced it is partnering with Intel India to host two major tournaments, Intel Gamer Days Valorant Pro Team Invitational and Intel Gamer Days Valorant Streamer Invitational (the "Tournaments"). The Tournaments will be held on September 7th until September 10th. Both tournaments will be hosted on the Company's gaming platform, GamerzArena.

On September 14, 2021, the Company announced that it's online platform, GamerzArena, is now the official online gaming portal of Nets Gaming Crew ("NetsGC"), the NBA 2K League affiliate of the Brooklyn Nets.This partnership will provide Alpha the opportunity to directly connect with NetsGC's network of fans and the NBA 2K League community through brand awareness and engaging social, video and digital promotions showcasing the abilities of GamerzArena.

On September 27, 2021, the Company announced that it's common shares are eligible for electronic clearing and settlement through the Depository Trust Company ("DTC") in the United States. The Company's common shares are quoted in the United States on the OTC Venture Market under the symbol "APETF".

On October 4, 2021, the Company signed a partnership with Esports Entertainment Group's newly rebranded subsidiary EEG Labs (NASDAQ: GMBL). EEG Labs was previously known as Genji. The Company and EEG Labs will develop a new computer vision tech system that allows the Company's online platform, GamerzArena, to conduct automated scoring for popular games such as Call of Duty and Fortnite.

On October 8, 2021, the Company announced that it had entered into an agreement with Financial Star News Inc. for a marketing campaign in consideration of USD $400,000.

On October 12, 2021, the Company announced the signing of a definitive agreement to acquire Heavy Chips Casino and Sports Betting from Gamesoft Ltd. Heavy Chips is a fully operational online gaming site with over 800 popular casino games and over 5,000 daily sports betting opportunities on sports including football, tennis, basketball, and more. Under the terms of the acquisition, the Company will purchase 100% of Heavy Chips for cash consideration of $300,000.

SELECTED ANNUAL INFORMATION

The following information sets out the Company's audited selected annual information for the year ended June 30, 2021 and the period ended June 30, 2020:

	Year Ended June 30, 2021	**Year Ended June 30, 2020**
	($)	**($)**
Operating Expenses	(5,316,716)	(1,426,314)
Net Income (Loss)	(5,339,542)	(2,322,577)
Basic and Diluted Earnings (Loss) Per Share	(0.11)	(0.07)

	As at June 30, 2021	**As at June 30, 2020**
	($)	**($)**
Cash	1,716,642	8,974
Amounts receivable	64,011	32,965
Notes receivable	-	37,829
Intangible assets	1,806,984	721,544
Goodwill	402,561	402,561
Total Assets	5,530,649	1,224,284

RESULTS OF OPERATIONS

The following highlights the key operating expenditures for the year ended June 30, 2021 compared to year ended June 30, 2020:

For the year ended June 30, 2021

During the year ended June 30, 2021, the Company incurred a net loss of $5,339,542 which consists primarily of the following:

- Advertising and marketing of $874,814 consists of advertising and branding initiatives to increase brand and corporate awareness. The increase relates to increased focus on brand building following the launch of GamerzArena+ and the Company's successful listing;

- Consulting fees of $1,169,744 consists primarily of services used in operational activities and increased related to the Company's increase in activities and operations following the acquisition of Esports, development of GamerzArena+ and the Company's successful listing;

- Management fees of $283,832 consists primarily of services used in corporate activities and decreased pursuant to change in management and not having termination fees in the current year;

- Professional fees of $237,438 consists primarily of the fees incurred to complete the acquisition transactions and listing process. The decrease relates to the fact that following the completed acquisition, there was a reduction in the amounts of services required, aside from the listing; and

- Share based payments of $1,911,344 consists primarily of the fair value of stock options and restricted share units issued during the period. There were no such equity grants in the comparative period.

For the year ended June 30, 2020

During the year ended June 30, 2020, the Company incurred a net loss of $2,322,577 which consists primarily of the following:

- Advertising and marketing of $304,966 consists of advertising and branding initiatives to increase brand and corporate awareness;

- Consulting fees of $184,414 consists primarily of services used in operational activities;

- Management fees of $451,755 consists primarily of services used in corporate activities; and

- Professional fees of $289,629 consists primarily of the fees incurred to complete the acquisition transactions and listing process.

FOURTH QUARTER

The table below reflects selected audited information for the three month period ended June 30, 2021 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, 2021	**Quarter Ended June 30, 2020**
Total Revenue	$2,103	$ -
Net Loss	$(2,646,213)	$(509,127)
Basic and diluted net loss per share	$(0.05)	$(0.02)

During the quarter ended June 30, 2021, the Company had revenues of $2,103 compared to $nil for the same period ended June 30, 2020 as the Company is still in the start up phase. The Company had operating and other expenses of $2,616,659 for the quarter ended June 30, 2021 compared to $507,768 for the same period ended June 30, 2020. The result was a net loss of $2,646,213 for the quarter ended June 30, 2021 compared to a net loss of $509,127 for the same period ended June 30, 2020.

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, 2021 $	**Quarter Ended March 31, 2021 $**	**Quarter Ended December 31, 2020 $**	**Quarter Ended September 30, 2020 $**
Revenue	2,103	11,107	3,469	-
Net loss	(2,646,213)	(824,668)	(1,403,315)	(465,346)

Loss per share, basic and diluted	(0.05)	(0.01)	(0.04)	(0.01)

	Quarter Ended June 30, 2020 $	Quarter Ended March 31, 2020 $	Quarter Ended December 31, 2019 $	Quarter Ended September 30, 2019 $
Revenue	-	-	-	-
Net loss	(1,418,185)	(306,521)	(362,349)	(235,522)
Loss per share, basic and diluted	(0.04)	(0.01)	(0.01)	(0.01)

On a quarter-by-quarter basis, losses are expected to fluctuate significantly due to a number of factors including timing of operating activities from the date of incorporation due to the nature of a 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. Although the Company is beginning to earn some revenues from subscriptions, this is not yet the Company's primary focus which is based on providing high user involvement tournaments and user acquisition.

LIQUIDITY

As at June 30, 2021, the Company had cash of $1,716,642 (June 30, 2020 - $8,974). The Company had working capital of $2,378,453 at June 30, 2021 (June 30, 2020 – working capital deficit of $718,999).

During the year ended June 30, 2021, 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 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.

- 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. 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 in cash 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.

- On December 31, 2020, the Company issued 1,000,000 and 250,000 shares in accordance with the terms of two service agreements entered into. The shares were assigned a cumulative fair value of $437,500 and recorded in consulting fees and prepaid expenses according to the terms of the agreements.

- On June 3, 2021, the 200,000 options of the Company were exercised for total proceeds $70,000 with the corresponding 200,000 shares of the Company being issued to the option holder.

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 $3,919,997 (2020 - $821,544) in operating activities during the year ended June 30, 2021.

Financing Activities

The Company received net cash of $5,819,509 (2020 - $1,292,392) from financing activities during the year ended June 30, 2021.

Investing Activities

The Company used net cash of $191,844 (2020 - $851,920) in investing activities during the year ended June 30, 2021.

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, 2021	June 30, 2020
Management fees	$ 283,832	$ 451,755
Share-based payments	625,075	-
Total	**$ 908,907**	**$ 451,755**

As at June 30, 2021, $73,500 (June 30, 2020 – $246,056) 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 year ended June 30, 2021, Mathew Schmidt, the CEO and director of the Company earned $120,000 for interim CEO services provided (2020 - $30,500). In addition, 700,000 options were granted to a company controlled by Mr. Schmidt measured at a fair value of 150,696.

During the year ended June 30, 2021, Eli Dusenbury, the CFO of the Company earned $72,000 for CFO services provided (2020 - $24,000). In addition, 500,000 options and 250,000 RSRs were granted to a company controlled by Mr. Dusenbury measured at a total fair value of $183,389.

During the year ended June 30, 2021, Jonathan Anastas, a Director of the Company earned USD$4,000 for Director services provided (2020 - $nil). In addition, 250,000 options and 250,000 RSRs were granted to the Director measured at a total fair value of $112,496.

During the year ended June 30, 2021, Tim Laidler, a Director of the Company, was granted 250,000 options and 100,000 RSRs measured at a total fair value of $71,747.
During the year ended June 30, 2021, Mike Aujla, a Director of the Company, was granted 250,000 options and 100,000 RSRs measured at a total fair value of $71,747.

During the year ended June 30, 2021, Harwinder Parmar, the former Director of the Company earned $87,000 for Director services provided (2020 - $60,000). In addition, 100,000 RSRs were granted to the former director measured at a total fair value of $35,000.

During the year ended June 30, 2021, $Nil was paid to Emil Bodenstein, the former CEO and director of the Company for CEO services provided (2020 - $169,807).

During the year ended June 30, 2021, $Nil was paid to Brian Wilneff, the former COO of the Company for COO services provided (2020 - $41,237 (USD $30,000)).

During the year ended June 30, 2020, $Nil was paid to Eric Mays, the former COO of the Company for COO services provided (2020 - $126,211 (USD $94,000)).

During the year ended June 30, 2021, the Company canceled 1,250,000 bonus shares from the former CEO in accordance with the terms of a service agreement previously entered.

PROPOSED TRANSACTIONS

The Company in the process of completing a proposed non-brokered private placement of up to 6,000,000 units with each unit comprised of one common share of the company and one half common share purchase warrant at an exercise price of $0.35 for a period of 24 months.

SUBSEQUENT EVENTS

On October 12, 2021, the Company entered definitive asset acquisition agreement and software services agreement with Gamesoft Ltd. for Heavy Chips Casino and Sports Betting, an online gaming casino website, for a total purchase price of $300,000. The assets include an online gaming site www.heavychips.com, its database of registered users and affiliates and all intellectual property associated with these assets.

Subsequent to June 30, 2021, the Company granted 300,000 options to consultants at an exercise price of $0.34 for a period of three years and granted 857,143 restricted shares with vesting terms over the next 7 months.

Subsequent to June 30, 2021, the Company issued common shares, pursuant to RSRs exercised, as follows:

	Description	Number of shares issued	RSRs exercised	Exercis e price	Proceeds
October 7, 2021	RSRs exercised	478,571	478,571	$ Nil	$ Nil

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, 2021. Refer to Note 4 in the consolidated financial statements for the year ended June 30, 2021 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, 2021.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

During the years ended June 30, 2021 and June 30, 2020, the Company incurred the following expenses:

	2021	2020
Advertising and marketing	$874,814	$304,966
Consulting fees	$1,169,744	$189,414
Depreciation	$473,824	115
Management fees	$283,832	$451,755
Office and miscellaneous	$207,485	$61,334
Professional fees	$237,438	$289,629
Share-based payments	$1,911,344	-

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, 2021 to which this MD&A relates.

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company is a public 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	61,080,069
Stock Options	5,785,000
Warrants	9,677,090
Performance Warrants	7,000,000
Restricted Shares Rights	2,643,572
Fully Diluted	**86,185,731**

RISK FACTORS

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

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

Risks Related to the Company's Business

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

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

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

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

The Company has minimal operating history

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

History of losses

The Company has incurred losses during the year ended June 30, 2021. 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.