ALPHA METAVERSE TECHNOLOGIES INC.
(formerly Alpha Esports Tech Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2022 and 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 condensed interim consolidated financial statements and notes thereto for the three and nine months ended March 31, 2022 and 2021 of Alpha Metaverse Technologies Inc. (formerly Alpha Esports Tech Inc.) (the "Company"). Such condensed consolidated interim 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.

The board of directors of the Company has approved this MD&A on May 30, 2022**.**

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 Metaverse Technologies Inc. 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 May 14, 2021, the Company's shares began trading on the Canadian Securities Exchange ("CSE") under the symbol, "ALPA".

The Company focuses on using technology and providing services to improve the future of esports and creating a gaming ecosystem for users.

COVID-19

The COVID-19 pandemic continues to impact the global economic recovery. The current situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Company is not known at this time. Estimates and judgements made by management in the preparation of these financial statements are subject to a higher degree of measurement uncertainty during this volatile period.

CORPORATE TRANSACTIONS

On January 24, 2022, the Company announced the signing of a letter of intent ("LOI") to acquire Shape Immersive Entertainment Inc. ("Shape") The LOI contemplates the acquisition by the Company of 100% of the issued and outstanding shares of Shape in exchange for 14,840,000 common shares of the Company and $1 million in cash. On May 5, 2022, the Company completed the acquisition of Shape.

On January 24, 2022, the Company also announced a brokered private placement financing for up to $4.0 million. The Company entered into an agreement with Research Capital Corporation, as sole agent and sole bookrunner, in connection with a best efforts, brokered private placement of up to 16,000,000 units of the Company (the "Units") at a price of $0.25 per Unit for gross proceeds of up to $4,000,000. Each Unit will be comprised of one common share of the Company (a

“Common Share”) and one Common Share purchase warrant (a “Warrant”). Each Warrant shall be exercisable to acquire one additional Common Share (a “Warrant Share”) at an exercise price of $0.40 per Warrant Share for a period of 24 months after the closing of the private placement financing. On March 8, 2022 the Company closed its first tranche raising gross proceeds of $2,780,125.

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. The Company has began recognizing revenues from it’s wholly owned subsidiary and continues pursuing esports and technology related operating activities.

At March 31, 2022, the Company was in a net asset position of $2,507,500. The assets consisted of the following:

As at	**March 31, 2022**	**June 30, 2021**
Cash	1,759,575	1,716,642
Accounts receivable	8,533	-
Subscription receivable	275,000	-
GST receivable	159,522	64,011
Prepaid expenses	427,193	1,538,473
Equipment	188	1,978
Intangible assets	1,777,226	1,806,984
Goodwill	402,561	402,561
TOTAL ASSETS	**4,809,798**	**5,530,649**

The liabilities consisted of the following:

As at	**March 31, 2022**	**June 30, 2021**
Accounts payable and accrued liabilities	975,849	940,673
TOTAL LIABILITIES	**975,849**	**940,673**

RESULTS OF OPERATIONS

The following highlights the key operating expenditures for the nine months ended March 31, 2022 compared to the nine months ended March 31, 2021:

For the Three and Nine Months Ended March 31,	**Three Months Ended 2022**	**2021**	**Change**	**Nine Months Ended 2022**	**2021**	**Change**
Revenues	51,513	11,107	40,406	107,592	14,576	93,016
Cost of Sales	(27,200)	-	(27,200)	(53,117)	-	(53,117)
GROSS MARGIN	**24,313**	**11,107**	**13,206**	**54,475**	**14,576**	**39,899**
EXPENSES						
Advertising and marketing	846,048	50,148	795,900	2,076,789	246,234	1,830,555
Consulting	120,549	350,720	(230,171)	701,271	795,625	(94,354)
Depreciation	186,875	157,724	29,151	532,379	313,430	218,949
Management fees	59,914	91,500	(31,586)	227,298	276,075	(48,777)
Office and miscellaneous	24,309	53,304	(28,995)	135,126	213,022	(77,896)
Professional fees	124,399	24,806	99,593	182,369	134,247	48,122
Service fees	49,968	-	49,968	96,467	-	96,467
Share-based payments	264,241	78,751	185,490	2,178,887	686,786	1,492,101
Tournament prizes	12,357	11,334	1,023	70,033	21,802	48,231
Transfer agent and filing fees	14,389	12,691	1,698	49,705	12,836	36,869
Travel	-	-	-	5,615	-	5,615
OPERATING EXPENSES	**1,703,049**	**830,978**	**872,071**	**6,255,939**	**2,700,057**	**3,555,882**
TOTAL OPERATING INCOME	**(1,678,736)**	**(819,871)**	**(858,865)**	**(6,201,464)**	**(2,685,481)**	**(3,515,983)**

- Revenues and cost of sales increased from the prior year comparable periods as a result of the launch of GamerzArena.

- Advertising and marketing increased from the prior year comparable periods as the Company's successful listing directly lead to higher capital market promotional activities (approximately $1.3 million), an increase in brand awareness and user engagement activities (approximately $0.7 million) and press release and dissemination services ($0.1 million)

- Consulting and salary costs decreased from the prior year comparable periods, as the prior year included consulting costs related to the Company's successful listing, which were not incurred in the current period.

- Depreciation increased from the prior year comparable periods, as a result of the increase in depreciable assets through additions and acquisitions. The gaming rights are being depreciated over three years and did not exist in the comparative period. Depreciation expense also includes depreciation expense related to the Heavy Chips Casino and Sports Betting acquisition which closed on November 3, 2021.

- Management fees decreased from the prior year comparable periods, pursuant to a change in management and not having termination fees in the current period.

- Office and miscellaneous decreased from the prior year comparable periods, as a result of the previous period including costs related to the successful IPO and higher costs related to rent expense.

- Professional fees increased from the prior year comparable periods, as a result of legal and accounting costs incurred in the current periods related to the acquisition of Shape and the closing of the brokered private placement.

- Service fees increased from the prior year comparable periods, as a result of operating the Heavy Chips website, which was acquired during the nine months ended March 31, 2022.

- Stock-based compensation increased from the prior year comparable periods, as a result of the non-cash fair value of stock options, warrants and restricted share units previously issued and vested during the period.

- Tournament prizes increased from the prior year comparable periods, as a result of the launch of GamerzArena, which incurs costs related to tournament prizes.

- Transfer agent and filing fees increased from the prior year comparable periods, as the entity now incurs costs as it is a publicly traded entity.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's financial results for the eight most recently completed interim quarters:

In Canadian dollars	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Revenue	51,413	52,434	3,645	2,103
Net and comprehensive loss	(1,614,804)	(2,317,168)	(2,216,431)	(2,646,213)
Loss per share, basic and diluted	(0.02)	(0.04)	(0.04)	(0.05)

In Canadian dollars	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Revenue	11,107	3,469	-	-
Net and comprehensive loss	(824,668)	(1,403,315)	(465,346)	(1,418,185)
Loss per share, basic and diluted	(0.01)	(0.04)	(0.01)	(0.04)

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 company in its development phase.

An analysis of the quarterly result from inception shows that the Company has incurred mostly expenses as follows:

- During 2020, the net and comprehensive loss included non-cash share-based payment expenses, consulting fees and professional fees related to the newly formed entity and work performed to complete acquisitions and pursue its successful listing on the CSE.

- During 2021, the net and comprehensive loss included costs similar to 2020, alongside increased expenditures related to advertising and marketing to improve brand awareness following the launch of GamerzArena.

- During 2022, the net and comprehensive loss included costs similar to 2021.

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

At March 31, 2022, the Company had cash of $1,759,757 (June 30, 2021 - $1,716,642) and working capital of $1,918,974 (June 30, 2021 –$2,378,453).

During the nine months ended March 31, 2022, the following share transactions occurred:

- 1,442,143 Restricted Share Rights ("RSRs") of the Company were exercised for 1,442,143 shares of the Company being issued to the RSR holders.
- 11,120,500 common shares were issued through private placements, raising $2,510,465 in net capital.
- 2,416,239 common shares were issued to settle $749,034 in aggregate indebtedness.
- 48,000 common shares were issued in consideration of consulting services received. These shares had a fair value of $16,800.

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 $2,957,174 (nine months ended March 31, 2021 – used $2,299,178) in operating activities during the nine months ended March 31, 2022.

Financing Activities

The Company received net cash of $3,524,499 (nine months ended March 31, 2021 – received $5,749,509) in financing activities during the nine months ended March 31, 2022.

Investing Activities

The Company used net cash of $524,392 (nine months ended March 31, 2021 – used $131,241) in investing activities during the nine months ended March 31, 2022.

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 during the periods ended March 31, 2022 and 2021 were as follows:

	March 31, 2022	March 31, 2021
Management fees	$ 208,548	$ 202,167
Share-based payments	391,526	389,505
Total	**$ 600,274**	**$ 591,672**

Notes:
1) For the nine-months ended March 31, 2022, the Company incurred $109,001 of management fees in provision of CEO services from companies controlled by the CEO and former CEO of the Company.
2) For the nine-months ended March 31, 2022, the Company incurred $54,000 of management fees and $85,267 of share-based payments in provision of CFO services from a company controlled by the CFO and Director of the Company.
3) For the nine-months ended March 31, 2022, the Company incurred $45,547 of management fees and $306,458 in share-based payments in provision of director services from companies controlled by Directors of the Company.

As at March 31, 2022, $33,568 (June 30, 2021 – $73,500) 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.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

SUBSEQUENT EVENTS & PROPOSED TRANSACTIONS

On April 13, 2022, the Company signed a definitive agreement with Shape and all the shareholders of Shape, to acquire 100% of the issued and outstanding share capital of Shape (the “Acquisition”).

On May 5, 2022, the Company completed the Acquisition for the following consideration (certain escrow restrictions apply):

a) Payment of an aggregate $500,000 in cash to the Shape Shareholders (collectively) on the closing date of the Acquisition (the “Closing Date”);
b) Issuance of an aggregate 14,000,000 common shares in the capital of the Company (each, a “Alpha Share”) to the Shape Shareholders (collectively) on the Closing Date;
c) Payment of an aggregate $500,000 in cash to the Shape Shareholders (collectively) within one hundred and eighty (180) days following the Closing Date; and
d) Issuance of an aggregate of 840,000 Alpha Shares to certain individuals for services rendered in connection with the successful completion of the transaction contemplated by the Agreement on the Closing Date.

In connection with the acquisition of Shape, 3,500,000 performance warrants that were issued on September 1, 2020 to certain consultants have vested in accordance with their terms and become exercisable. See Note 7 of the financial statements for additional information.

CHANGES IN 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.

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

An analysis of material components of the Company’s expenses is disclosed in the “Overall Performance” section above.

DISCLOSURE OF OUTSTANDING SHARE DATA

a) Authorized Share Capital

The authorized capital of the Company consists of an unlimited number of voting Class A common shares (without par value) and an unlimited number of non-voting Class B common shares (without par value).

b) Shares Issued

Common shares issued and outstanding as March 31, 2022 are 75,333,380 (June 30, 2021 – 60,306,498).

During the year ended June 30, 2021, 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 consolidated interim financial statements are stated post-split.

During the nine months ended March 31, 2022, the Company issued common shares as follows:

	Description	Number of shares issued	RSRs exercised	Exercise price	Fair value reclassified to share capital	Proceeds/Value of services
September 2021	RSRs exercised	295,000	295,000	$ Nil	$ 83,600	$ Nil
October 7, 2021	RSRs exercised	478,571	478,571	$ Nil	$ 167,500	$ Nil
November 1, 2021	Share issuance	720,000	N/A	N/A	N/A	$ 265,000
November 2, 2021	Share issuance	48,000	N/A	N/A	N/A	$ 16,800
November 19, 2021	RSRs exercised	40,000	40,000	$ Nil	$ 12,400	$ Nil
November 29, 2021	RSRs exercised	189,285	189,285	$ Nil	$ 54,893	$ Nil
November 30, 2021	RSRs exercised	250,000	250,000	$ Nil	$ 61,250	$ Nil
February 17, 2022	RSRs exercised	189,287	189,287	$ Nil	$ 79,500	$ Nil
March 7, 2022(1)	Share issuance	11,120,500	N/A	$ Nil	N/A	$ 2,510,465
March 8, 2022(2)	Share issuance	2,416,239	N/A	$ Nil	N/A	$ 676,547
March 31, 2022(3)	Share cancellation	(720,000)	N/A	$ Nil	N/A	$ (265,000)

Notes:

1) On March 7, 2022, the Company completed the first tranche of its best-efforts private placement offering, issuing an aggregate of 11,120,500 unites of the Company (the "Units") at a price equal to $0.25 per Unit for aggregate gross proceeds of $2,780,125 (share issuance costs of $269,660). Each unit is comprised of one common share of the Company and one Common Share Purchase Warrant ("Share Purchase Warrant"). Each Share Purchase Warrant is exercisable to acquire one additional common share at an exercise price of $0.40 per share until March 7, 2024. As consideration for the services rendered by external firms in connection with the private placement, the Company paid share issuance costs equal to $269,660 and issued an aggregate of 889,640 broker warrants. Each broker warrant entitles the holder thereof to purchase one Unit, having the same terms of a unit at an exercise price of the warrant equal to the unit price of $0.25 per unit.
2) On March 8, 2022, the Company settled $749,034 in aggregate indebtedness through the issuance of an aggregate of 2,416,239 common shares in the capital of the Company, with the common shares issued having a deemed value of $0.31 per common share. The settlement led to gain on settlement of $72,487.
3) The Company cancelled shares 720,000 shares that were issued in error on November 1, 2021

c) Share Purchase Warrants

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

	Number of Warrants	Weighted Average Exercise Price
Balance, June 30, 2021	**11,999,850**	**$ 0.63**
Granted	11,250,500	0.40
Cancelled	(2,322,760)	1.00
Balance, March 31, 2022	**20,927,590**	**$ 0.47**

As of March 31, 2022, the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
880,000	$1.00	May 20, 2022
8,408,090	$0.50	December 22, 2022
389,000	$0.50	December 22, 2022
11,250,500	$0.40	March 7, 2024
20,927,590		

As of March 31, 2022, the weighted-average remaining life of the outstanding warrants was 1.35 years.

d) Broker Warrants

As consideration for the services rendered by external firms in connection with the private placement, the Company issued an aggregate of 889,640 broker warrants. Each broker warrant entitles the holder thereof to purchase one Unit, having the same terms of a unit at an exercise price of the warrant equal to the unit price of $0.25 per unit.

During the nine months ended March 31, 2022, the Company recognized $145,104 in share-based payment expense in connection with the broker warrants granted.

At March 31, 2022, the weighted-average remaining life of the outstanding performance warrants was 1.93 years.

e) Performance Warrants

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.

At March 31, 2022, management has applied vesting probability of 0% to the vesting of performance warrants and as a result no expense has been recorded to date.

Pursuant to the acquisition of Shape closing on May 5, 2022, the Company will recognize finders' performance warrants expense on 3,500,000 performance warrants expected to vest. The expense will be recorded in the three months ended June 30, 2022. The remaining 3,500,000 performance warrants, management will continue to apply a vesting probability of 0%.

At March 31, 2022, the weighted-average remaining life of the outstanding performance warrants was 1.67 years.

f) Options

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

	Options		Weighted Average Exercise Price
Balance, June 30, 2021	**5,485,000**	**$**	**0.44**
Granted	300,000		0.34
Balance, March 31, 2022	**5,785,000**	**$**	**0.43**

The Company’s stock options as at March 31, 2022 are as follows:

Expiry date	Options outstanding	Options exercisable		Exercise Price
December 1, 2023	2,300,000	2,300,000	$	0.35
November 22, 2023	750,000	437,500		0.35
May 11, 2024	2,135,000	1,425,000		0.50
May 14, 2024	300,000	300,000		0.92
October 7, 2024	300,000	133,333		0.34
	5,785,000	**4,595,833**	**$**	**0.43**

At March 31, 2022, the weighted-average remaining life of the outstanding options was 1.90 years.

During the nine months ended March 31, 2022, the Company recognized $151,281 in share-based payment expense in connection with the granting and vesting of options.

The fair value of options granted during the nine-month period ended March 31, 2022 was determined using the following weighted average Black-Scholes Option Pricing Model assumptions:

	March 31, 2022
Share price	$ 0.34
Exercise price	$ 0.34
Expected life	2 to 3 years
Volatility	100%
Risk-free interest rate	0.70%

g) Restricted Share Rights

During the nine months ended March 31, 2022, the Company granted the following RSRs subject to certain performance and time-based vesting conditions to directors, officers, and consultants:

	RSUs
Balance, June 30, 2021	**2,560,000**
Granted	857,143
Exercised	(1,147,143)
Balance, March 31, 2022	**1,975,000**

During the nine months ended March 31, 2022, the Company recognized $1,878,502 in share-based payment expense related to the granting and vesting of RSRs.

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 nine-month period ended March 31, 2022. 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 technology 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.