ALPHAGEN INTELLIGENCE CORP.
(FORMERLY: ALHA METAVERSE TECHNOLOGIES INC.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED
June 30, 2023 and 2022

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, 2023 and 2022 of AlphaGen Intelligence Corp. (Formerly: Alpha Metaverse Technologies Inc.) (the "Company"). Such consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

In this MD&A, reference is made to adjusted EBITDA which does not have any standardized meaning under IFRS and is not a measure of financial performance under IFRS, and therefore, may not be comparable to similar measures presented by other companies. Management believes this measure provides useful information to investors as it is a commonly used measure in the capital markets and as management believes that it is a close proxy for repeatable cash generated by operations. While management believes EBITDA is a useful measure, it has limitations as an analytical tool, and it should not be considered in isolation or as a substitute for analysis of other IFRS financial measures. Some of the limitations of EBITDA are that it does not reflect the dilution that results from share-based compensation, does not reflect the cost to replace amortized property and equipment and right-of-use assets and does not reflect income tax payments.

The Company calculates adjusted EBITDA as follows: Net income (loss), plus (minus) the add-backs or reversals of the following: unrealized foreign exchange (gains) losses, interest (income) expense, tax (recovery) expense, depreciation expense, share-based payments, gain on debt settlements/ extinguishments, and certain one-time non-operating expenses, as determined by management.

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 October 30, 2023**.**

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 is a technology-driven organization specializing in the creation of immersive content for the metaverse and augmented reality landscapes. Our expertise extends to various domains, including gaming and gaming-as-a-service (GaaS) applications, as well as the implementation of generative artificial intelligence (AI). We are dedicated to metaverse development and offer services aimed at enhancing the profitability and engagement within esports and gaming ecosystems.

EXTERNAL MARKET FACTORS

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, the outbreaks of the coronavirus (COVID-19) pandemic, relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

HIGHLIGHTS

On August 17, 2022, the Company entered into a partnership with SPACE Metaverse ("SPACE") to assist in development of ecommerce experiences in the metaverse. SPACE is a leader in metaverse ecommerce world and aims to provide a powerful platform that allow users to design and create their own custom virtual rooms in addition to buying and selling their products and services. SPACE's goal is to create a metaverse that provides consumers with a seamless and straightforward virtual experience for shopping, events, gamification, and other fun social activities without physical borders. The Company's subsidiary, Shape Immersive, will be a preferred vendor of SPACE and will create retail stores and ecommerce experiences on the SPACE platform for leading brands who are entering the metaverse. Since being founded in 2018, Shape has been extremely successful in building award-winning brand and retail experiences in the metaverse and accumulated an impressive portfolio of leading brands, including RedBull, Coca Cola and RTFKT (acquired by Nike).

During September 2022, Alpha's wholly owned web3 and metaverse studio, Shape Immersive, including James Basenett (CEO of Shape) and Dan Burgar (Co-Founder of Shape) featured speakers at the GLOBAL METAVERSE FORUM and ELEVATE FESTIVAL taking place in September of 2022

During December 2022, the Company amended the acquisition agreement with Shape Immersive, deferring the final payment of $500,000, with $100,000 paid on the date of amendment (paid) and the remaining $400,000 to be paid through either, the financial performance of Shape, or a financing within the Company with the balance due no later than September 28, 2023. As a result of the deferred acquisition payment, the common shares issued to the former shareholders of Shape were released from escrow.

On January 25, 2023, the Company launched its Center of Excellence for artificial intelligence ("AI") in 3D and Content Production. The AI center focuses on developing cutting-edge AI technologies to improve the efficiency and quality of 3D modeling, optimization and automated content production. The Company use of AI in 3D asset production has reduced costs and time required for asset creation and has increased profitability of such projects. By automating repetitive tasks and enabling real-time adjustments to assets, the implementation of AI into the process has streamlined the production process, improved real time creativity and innovation into the final product.

The Company plans to staff the center with a team of experts in AI and 3D asset production, who are expected to work closely with other departments within The Company with the aim of integrating AI technologies into the Company's existing production pipelines for its customers in order to drive higher levels of closed sales and profitability in solutions and services.

On February 23, 2023, the Company announced the launch of its AI tool that enables companies to generate concept art to create 3D assets for metaverse experiences at a significantly reduced cost and time.

As companies increasingly experiment with metaverse content production, the cost of creating 3D assets has become a major challenge. To address this challenge, the Company developed an AI pipeline and automation tool enable companies to create concept art for 3D assets quickly and cost-effectively.

The new AI tool is built on advanced machine learning models like OpenAI's products, and the tool's automation capabilities enable the creation of high-quality concept art to develop 3D assets with minimal human intervention. This automation reduces the potential for human error and saves considerable time and cost for businesses.

The Company is in the process of launching a user friendly Beta version of our AI tool through in the Company's website where users can generate 3D art through a written descriptions or an uploaded image.

On March 14, 2023 the Company announces it entered a contract to build a metaverse experience for a multinational category leading brand (the "Brand"). This project will be revealed upon launch and will allow the Brand to showcase its products and services in an immersive and interactive virtual environment, taking customer engagement to a whole new level. The contract is a major milestone for Alpha and reflects the growing demand for metaverse solutions and artificial intelligence in today's digital landscape. The Company's expertise in developing virtual worlds and immersive experiences is being recognized by category leading brands and organizations around the world.

On May 24, 2023, the Company announces the launch of its GaaS platform (“Mana”) in conjunction with ClashTV’s NBA2K esports tournament. The Company’s Mana platform aims to provide players with a seamless, low-latency gaming experience, providing the opportunity for ClashTV viewers’ to interactively experience engagement with their favorite players, teams, and content creators. ClashTV will license Alpha’s Mana platform to power interactive NBA2K fan-facing esports tournaments, launching in tandem with ClashTV’s 2023 live streaming season of iconic New York City Summer Streetball. This collaboration is expected to enhance fan engagement for ClashTV’s users by enabling them to connect and interact with the popular basketball video game as well as several of New York’s top streetball leagues that already participate in the NBA2K ecosystem, including Gersh and Rucker Park. ClashTV will utilize features of Alpha’s Mana platform, such as in platform currency, and Alpha’s cloud-based infrastructure to provide scalability and a seamless immersive gaming experience for their users. Additionally, tournament play will livestream on the ClashTV platform, across iOS, Android and Web application.

On May 30, 2023, the Company announced its third quarter financial results and notes its best performance yet, surpassing $830,000 in revenues for the three months ended March 31, 2023, and reaching $1.1 million for the nine months ended March 31, 2023. A significant contributor to the Company’s financial success is the successful acquisition of a large retail metaverse contract with a multinational brand. In addition, the Company has expanded its offerings into additional verticals, including generative AI and its gaming-as-a-service (“GaaS”) “Mana" platform (“Mana”). Mana being a powerful gaming platform which has the capability to enable customers to enhance user engagement and monetization.

On June 14, 2023, the Company changed its name from “Alpha Metaverse Technologies Inc.” to “AlphaGen Intelligence Corp.”, and its ticker symbol from “ALPA” to “AIC”, subject to the approval of the Canadian Securities Exchange (the “CSE”). The Company will also be assuming a new CUSIP number (02080J107), and a new ISIN number (CA02080J1075) for is common shares.

On June 21, 2023, the Company announces the following:

- The intention to complete a non-brokered private placement for total gross proceeds of up to C$500,000;
- The appointment of Eli Dusenbury to its Board of Directors and the resignation of Matthew Schmidt;
- The grant of 8,100,000 restricted share units (“RSUs”) and 1,350,000 stock options (“Options”) pursuant to the Company’s amended and restated equity incentive plan (the “Plan”); and
- The approval of $150,000 in investor relations marketing spend with Financial Star.

On the date of this Management Discussion and Analysis (MDA), the Company has not concluded the non-brokered private placement in order to provide an opportunity for its share price to rebound. Furthermore, the Company is currently suspending its marketing contract with Financial Star temporarily and is aiming to sustain corporate growth and address cash flow requirements through its favorable EBITDA.

On June 30, 2023, The Company announces its collaboration with KLKTN Ltd. (“KLKTN”), to work on the development of virtual experiences and digital collectibles. Alpha’s studio, Shape Immersive (“Shape”) has previously collaborated with KLKTN, developing innovative NFT manga and anime platforms, including Weebox. Weebox is a premier platform catering to the needs of manga and anime enthusiasts, offering a virtual retail space to acquire and trade officially licensed digital collectibles. Be sure to check out Weebox’s webpage to learn more.

CORPORATE TRANSACTIONS

There were no corporate transactions in the year ended June 30, 2023.

OVERALL PERFORMANCE

The Company recognized revenues from its wholly owned subsidiaries and continues pursuing esports and technology related operating activities.

At June 30, 2023, the Company was in a net asset position of $2,651,543. The assets consisted of the following:

As at	March 31, 2023	June 30, 2022
Cash	154,356	1,207,860
Accounts receivable	465,027	72,751
GST receivable	19,549	178,028
Prepaid	140,899	
Goodwill	2,425,425	2,425,425
TOTAL ASSETS	**3,205,256**	**3,884,064**

The liabilities consisted of the following:

As at	March 31, 2023	June 30, 2021
Accounts payable and accrued liabilities	428,713	723,524
Acquisition payable	65,000	500,000
Government loan	60,000	60,000
TOTAL LIABILITIES	**553,713**	**1,283,524**

RESULTS OF OPERATIONS

The following highlights the key operating expenditures for the year ended June 30, 2023 compared to 2022:

For the year Ended June 30,	2023	2022	Change
	$	$	$
Revenues	2,064,182	209,734	1,854,448
Cost of Sales	(788,767)	(107,154)	(681,613)
GROSS MARGIN	**1,275,415**	**102,580**	**1,172,835**
EXPENSES			
Advertising and marketing	6,752	2,535,980	(2,529,228)
Consulting	762,910	797,069	(34,159)
Depreciation	-	715,928	(715,928)
Management fees	337,886	300,035	37,851
Office and miscellaneous	139,631	157,694	(18,063)
Professional fees	98,787	286,702	(187,915)
Share-based payments	1,100,581	1,886,451	(785,870)
Tournament prizes	20,942	118,728	(97,786)
Transfer agent and filing fees	52,436	68,977	(16,541)
OPERATING EXPENSES	**(2,519,925)**	**(6,867,564)**	**4,347,639**
TOTAL OPERATING LOSS	**(1,244,510)**	**(6,764,984)**	**5,520,474**

- Revenues and cost of sales increased from the prior year from comparable periods as a result of the revenues arising from the business of Shape Immersive Entertainment (“Shape”) and milestone metaverse contract(s) with a multinational Brand. The Company’s primary focus has been on operational success and revenue growth.

- Advertising and marketing decreased from the prior year comparable periods as the Company completed advertising and marketing campaigns in the prior year and shifted its focus primarily to further building operations and conserving cash.

- Consulting and salary costs decreased from the prior year comparable periods, as the prior year included consulting costs related to the acquisition of Shape and financings.

- Depreciation decreased to $nil during the current period as the Company no longer holds any depreciable assets.

- Office and miscellaneous decreased from the prior year comparable periods, as a result of the prior year including costs related to the financing and acquisition of Shape.

- Share-based payments decreased due to the relative fair value assigned to the amount of vesting equity awards in the current year.

- Tournament prizes decreased from the prior year comparable periods, due to the Company’s switch from GamerzArena plus subscription model and restricting cash-based tournaments.

OTHER ITEMS IMPACTING NET INCOME

The Company recorded $257,953 in income recognized through writing off accounts payable (June 30, 2022 - $nil). These are one-time write downs and not expected to continue.

REVENUES AND SEGMENTED DISCLOSURES

During the years ended June 30, 2023 and 2022, the Company recognized revenue from the following segmented revenue streams:

For the Year Ended June 30,	2023	2022
	$	$
Software services	-	52,371
Online gaming	-	72,697
Product development – United States based	2,055,192	72,913
Monthly online subscriptions	8,990	11,753
Total	**2,064,182**	**209,734**

The Company's major customers for its product development revenues are as follows:

For the Year Ended June 30,	2023	2022
	$	$
Customer 1	1,779,565	-
Customer 2	221,020	-
Customer 3	54,607	-

** During the ended June 30, 2022, no individual customer accounted for a significant portion of the Company's revenues.*

The Company's cost of sales consists of cost of direct labour related to the creation of product development. All of the Company's assets and labour is located in Canada.

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	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
Revenue	949,546	839,104	166,958	108,574
Net income (loss)	(837,122)	499,768	(373,760)	(338,464)
Income (loss) per share, basic and diluted	0.01	0.01	(0.04)	(0.00)

In Canadian dollars	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
Revenue	102,242	51,413	52,434	3,645
Net loss	(2,084,891)	(1,614,804)	(2,317,168)	(2,216,431)
Loss per share, basic and diluted	(0.03)	(0.02)	(0.04)	(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 fiscal 2022, the net and comprehensive loss included costs similar to 2021, but decreased significantly due to no equity award issuances and no impairment of intangible assets. The Company has shifted focus to build and focus on Shape operations;

- During the first two quarters of 2023, the net and comprehensive loss improved over 2022 due in part to the increased revenues, but also as a result of a decrease in advertising, office, share-based payments and depreciation.

- During the 3rd and 4th quarters of 2023, the Company was awarded a significant retail metaverse contract with a multinational leading Brand. Revenues and margins increased as a result. The Company also greatly reduced expenses through write-offs of accounts payable totalling $257,953. The Company also granted 9.45M equity incentives and recognized $1,100,581 in share-based payment expense for the period.

The Company's primary focus is to continue increasing revenues through its Shape operations.

Adjusted EBITDA

Adjusted EBITDA is a non-IFRS financial measure that does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Management believes this measure provides useful information to investors as it is a commonly used measure in the capital markets and as management believes that it is a close proxy for repeatable cash generated by operations. While management believes EBITDA is a useful measure, it has limitations as an analytical tool, and it should not be considered in isolation or as a substitute for analysis of other IFRS financial measures. Some of the limitations of EBITDA are that it does not reflect the dilution that results from share-based compensation, does not reflect the cost to replace amortized property and equipment and right-of-use assets and does not reflect income tax payments.

The Company calculates adjusted EBITDA as net income (loss), plus (minus) the add-backs or reversals of the following: unrealized foreign exchange (gains) losses, interest (income) expense, tax (recovery) expense, depreciation expense, share-based payments, gain (loss) on settlement/ extinguishment of debt and one-time non-operating expenses, impairments and disposals of assets as determined by management as follows:

	For the three months Ended June 30		For the Year Ended June 30,	
	2023	**2022**	**2023**	**2022**
Net Income	**$ (837,122)**	**$ (6,142,519)**	**$ (1,049,578)**	**$ (8,833,294)**
Depreciation	-	532,379	-	715,928
Share-based payments	1,100,581	2,178,887	1,100,581	1,886,451
Foreign exchange	(3,386)	13,542	(13,648)	16,327
Gain on debt extinguishment	49,070	(72,487)	-	(104,647)
Reversal of liabilities	-	-	(257,953)	-
Interest expense	11	-	4,310	-
Bad debt	9,657	-	72,359	-
Loss on disposal of assets	-	-	-	225,045
Impairment of intangible asset	-	-	-	1,403,024
Impairment of goodwill	-	-	-	402,561
EBITDA (Non-IFRS)	**$ 318,811**	**$ (3,490,198)**	**$ (143,929)**	**$ (4,288,605)**

EBITDA for the three months ended June 30, 2023, was $318,811 (2022 - EBITDA loss $3,490,198). The change was primarily due to significant decrease in spending and significant increase in revenues through its 3D content production contract with a multinational-brand. The company primarily reduced spending over advertising, consulting, management and professional to reflect its focus on operations and focus on conservation of cash.

EBITDA loss for the year ended June 30, 2023, was $143,929 (2022 - EBITDA loss $4,288,605). The change was primarily due to significant decrease in spending and significant increase in revenues through its 3D content production contract with a multinational-brand which began during January 2023. The company primarily reduced spending over advertising, professional and tournament prizes to reflect its shift in focus on 3D content production activities and conservation of cash.

LIQUIDITY

As at June 30, 2023, the Company had cash of $154,356 (June 30, 2022 - $1,207,860) and working capital of $286,118 (June 30, 2022 – $235,115).

There were no equity financings during the year ended June 30, 2023.

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 $618,504 (June 30, 2022 – $2,115,520) in operating activities during the year ended June 30, 2023.

Investing Activities

During the year ended June 30, 2023, the Company paid cash of $435,000 toward the final acquisition payment of Shape. Of the final $500,000 acquisition payment, a total of $nil remains as of the date of this MD&A.

The Company used net cash of $435,000 (June 30, 2022 – $843,449) in investing activities during the year ended Juen 30, 2023.

Acquisition of Shape Immersive Entertainment Inc. ("Shape")

The Company completed the acquisition of Shape on May 5, 2022, pursuant to the following consideration (with acquisition shares subject to certain escrow restrictions):

a) Payment of an aggregate of $500,000 in cash to the Shape shareholders on the closing date of the acquisition (paid);
b) Issuance of an aggregate of 14,000,000 common shares in the capital of the Company to the Shape shareholders on the closing date (issued);
c) Payment of an aggregate of $500,000 in cash to the Shape shareholders by November 1, 2022 (paid); and
d) Issuance of an aggregate of 840,000 common shares to certain individuals for services rendered in connection with the successful completion of the transaction (issued).

On December 28, 2022, the Company amended the acquisition agreement ("Amended Agreement"), deferring payment of the second $500,000 ("Second Payment") until September 24, 2023, provided, however, that:

i) Shape has positive net income (adjusted for certain non-cash items) during a calendar month, in which case the Company will pay down all or part of the Second Payment; or
ii) The Company raises sufficient debt or equity financing to satisfy any remaining amount due, in which case the Company will pay the Second Payment.

As of the date of this MD&A, the Company has fully paid the acquisition payable of $500,000 through positive EBITDA earned through Shape operations.

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 year ended June 30, 2023 and 2022 were as follows:

For the year ended June 30,	2023	2022
	$	$
Management fees(1)(2)(3)	337,886	300,036
Share-based payments	166,337	404,203
Total	**504,223**	**704,239**

Notes:

1) For the year ended June 30, 2023, the Company incurred $201,535 (2022 - $142,315) of management fees in provision of CEO services from Brian Wilneff, the CEO of the Company.
2) For the year ended June 30, 2023, the Company incurred $72,000 (2022 - $72,000) of management fees in provision of CFO services from a company controlled by Eli Dusenbury, the CFO and Director of the Company.
3) For the year ended June 30, 2023, the Company incurred $64,351 (2022 - $55,721) of management fees in provision of director services from a company controlled by Joanathan Anastas, Director of the Company.
4) For the year ended June 30, 2022, the Company incurred $30,000 of management fees in provision of CEO services to the former CEO of the Company.

As at June 30, 2023, a balance of $89,045 was owing to key management personnel for fees and expenses incurred on behalf of the Company with these amounts all included in accounts payable and accrued liabilities. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

As at June 30, 2023, the Company had a balance of $40,000 of loan payable owing to a director of the Company with this amount included in accounts payable and accrued liabilities. The amount is non-interest bearing, unsecured, and has no specific terms of repayment.

OFF-BALANCE SHEET ARRANGEMENTS

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

SUBSEQUENT EVENTS & PROPOSED TRANSACTIONS

There are no subsequent events or proposed transactions.

CHANGES IN ACCOUNTING POLICIES

There were no changes to accounting policies for the year ended June 30, 2023.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company’s financial instruments are exposed to certain financial risks which are discussed in detail in Note 13.5 of the Company’s consolidated financial statements for the year ended June 30, 2023.

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 and Issued 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).

During the year ended June 30, 2023 and 2022, the Company issued no common shares.

As at June 30, 2023 and the date of this MDA, the Company has 91,223,380 common shares outstanding.

b) Share Purchase Warrants

As at June 30, 2023 and the date of this MDA, the Company had 11,910,140 warrants outstanding with a weighted average exercise price of $0.39, and remaining life of 0.69 years.

Expiry Date	Exercise Price ($)	Number of Warrants
March 7, 2024	0.40	11,020,500
March 7, 2024	0.25	889,640
	0.39	**11,910,140**

On December 22, 2022, 8,797,090 warrants at an exercise price of $0.50 per warrant expired unexercised.

c) Performance Warrants

On September 1, 2020, the Company granted an aggregate of 7,000,000 performance warrants to certain consultants as consideration for the performance of ongoing services. These warrants were to become exercisable subject to the Company achieving certain milestones.

During the year ended June 30, 2022, 50% of the performance warrants (3,500,000 performance warrants) vested and became exercisable. As a result, the Company recognized the fair value of the performance warrants in share-based payments, which was measured at $317,144 using the Black-Scholes pricing model based on the following assumptions: risk-free interest rate of 2.61%, expected stock price volatility of 100%, expected life of 1.33 years, and expected dividend yield of $nil. At June 30, 2023, the weighted-average remaining life of the performance warrants was 0.17 years (June 30, 2022 – 1.17 years).

On September 1, 2023, the remaining 3,500,000 performance warrants expired unexercised.

d) Options

As at June 30, 2023 and the date of this MDA, the Company had 6,785,000 stock options with a weighted-average outstanding life of 1.12 years as follows:

Expiry date	Options outstanding	Options exercisable		Exercise Price
November 22, 2023	500,000	500,000	$	0.35
December 1, 2023	2,300,000	2,300,000		0.35
May 11, 2024	2,135,000	2,035,000		0.50
May 14, 2024	300,000	300,000		0.92
October 7, 2024	300,000	300,000		0.34
June 21, 2026	1,350,000	-		0.14
	6,785,000	**5,435,000**	**$**	**0.38**

Restricted Share Rights

As at June 30, 2023 and the date of this MDA, the Company had 9,575,000 RSRs outstanding and 9,350,000 exercisable.

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 months ended March 31, 2023. 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.