ALPHAGEN INTELLIGENCE CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS AND YEAR ENDED

JUNE 30, 2024

OVERVIEW

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, 2024, of AlphaGen Intelligence Corp. (Formerly: Alpha Metaverse Technologies Inc.) (the "Company"). Such consolidated financial statements have been prepared in accordance with 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 payments, 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, as the Company's presentation currency is the Canadian dollar. The Company and Shape Immersive Entertainment Inc.'s ("Shape") functional currency is the Canadian dollar, while Esports Enterprises Inc. and GamerzArena LLC's functional currency is the US dollar.

The Company's management is responsible for the preparation of the Company's consolidated financial statements as well as other information contained in this MD&A. The Board of Directors of the Company has approved this MD&A on October 28, 2024**.**

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

AlphaGen Intelligence Corp. 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") which now trade under the symbol, "AIC".

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

January 17, 2024, the Company announces commencement of development of an innovative AI hologram and CSR ecommerce solution. This initiative, developed in partnership with DataStars AI (“DataStars”), seeks to redefine the landscape of virtual customer interaction and brand representation. Harnessing the synergy of DataStars AI capability and our 3D media production, this collaboration aims to develop cutting-edge AI sales assistance and intelligent hologram beings powered by sophisticated realtime language processing capabilities, which, if successful, the Company believes can enable the creation of virtual sales personnel, brand ambassadors, and interactive game characters. Our designs will be intended for compatibility with a variety of platforms including Apple Vision Pro.

March 14, 2024, the Company announced its strategic partnership with the renowned game development and visual effects company, XCAVE Studios Inc (“XCAVE”). This collaboration plans to create branded experiences within the Fortnite universe, targeting Fortune 500 clients and leveraging the massive market opportunity presented by new sponsorship, content creation and commerce opportunities inside gaming ecosystems.

April 1, 2024, the Company announce the beta launch of the world’s largest virtual beauty metropolis. This marked a significant milestone in AlphaGen’s journey, following the multimillion dollar contract with a major retail client beginning in 2023. The virtual beauty metropolis elevates ecommerce experiences by offering an immersive platform for brands that bridges the gap between virtual and physical beauty retail. Subsequently, the project has been put on pause and has yet to make it past the soft launch stage. The Company has taken steps to reduce spending until the project is picked back up, or new costumers are obtained.

June 28, 2024, the Company appointed Paul Sparkes as the new CEO, effective immediately. Mr. Brian Wilneff has stepped down as CEO and resigned from the Board of Directors of the Company. Mr. Sparkes is an accomplished business leader and entrepreneur with over twenty-five years of experience in media, finance, capital markets and Canada’s political arena. Paul spent a decade as a leader in the broadcast and media industry as CTV globemedia’s Executive Vice President, Corporate Affairs. He also held senior positions in public service, including with the Government of Canada as Director of Operations to Prime Minister Jean Chretien and Special Assistant for Atlantic Canada, and as a senior aide to two Premiers of Newfoundland and Labrador. Paul was a Co-Founder and Executive Vice Chairman at Difference Capital Financial and serves on several private and public boards. Paul was most recently President of Otterbury Holdings Inc. and the Chief Executive Officer of Vortex Energy Corp. and is an advisor and deal maker for growth companies in the private and public markets.

In connection with Mr. Wilneff’s departure from the Company, the Company subsequently settled outstanding debt owed to Mr. Wilneff in an amount of $102,750 through the issuance of 2,055,000 common shares. Further, pursuant to Milestone’s achieved pursuant to Mr. Wilneff’s CEO contract, Mr. Wilneff will receive an additional 607,444 common shares. The common shares were issued with a price of $0.05 per common share. Any common shares issued to Mr. Wilneff as part of the debt settlement and milestone reached will be subject to a statutory four month and one day hold.

October 7, 2024, the Company changed its auditor from De Visser Gray LLP Inc., Chartered Professional Accountants (“Former Auditor”) to Charlton & Company, Chartered Professional Accountants (“Successor Auditor”), effective October 4, 2024. AlphaGen’s Board of Directors accepted the resignation of the Former Auditor, as of October 4, 2024, and appointed the Successor Auditor as the new auditor of the Company effective October 4, 2024, to hold office until the close of the Company's next annual general meeting of shareholders. There were no reservations in the Former Auditor's audit reports for any financial period during which the Former Auditor was the Company's auditor. There are no "reportable events" (as the term is defined in National Instrument 51-102 - Continuous Disclosure Obligations) between the Company and the Former Auditor.

KEY BUSINESS ACTIVITIES

During the year ended June 30, 2024, the Company focused on development of its multi-million dollar retail metaverse project. This project was paused by the vendor at the soft launch stage and the Company continues to wait and see what the next phases of the contract might entail. In the meantime, the Company has undergone significant cost saving strategies, reducing spending to the bare minimum until new customers are obtained or the project is renewed. The Company remains optimistic that it can serve customer needs, in the event new projects are acquired as its operations are easily scaled with the use of remote consultants.

The Company also looks to new projects and continues to evaluate the best path forward coinciding with the addition of the Company's new CEO, Paul Sparkes.

Subsidiaries and their activities

Shape Immersive Entertainment Inc. is the core of revenue production through its product offerings which include 3D content production, generative AI technology design and implementation, development of virtual retail and other metaverse space applications.

Business acquisitions

None to report during the year ended June 30, 2024.

TRANSACTIONS IN PROGRESS

None to report as of the date of this MD&A.

OVERALL PERFORMANCE

The Company recognized revenues from its wholly owned subsidiaries and continues pursuing AI technology design and implementation, 3D content production and retail metaverse environments, esports platform and GaaS related operating activities.

At June 30, 2024, the Company was in a net liability position of $559,602 (2023 – net asset position of $2,446,543). The assets consisted of the following:

The Company's assets consisted of the following:

As at	June 30, 2024	June 30, 2023
Cash	17,125	154,356
Accounts receivable	-	260,027
GST receivable	11,000	19,549
Prepaids	-	140,899
Goodwill	-	2,425,425
TOTAL ASSETS	**28,125**	**3,000,256**

The Company's liabilities consisted of the following:

As at	June 30, 2024	June 30, 2023
Accounts payable and accrued liabilities	416,363	363,713
Related party loans	115,000	65,000
Acquisition payable	-	65,000
Government loan (long term and short term)	56,364	60,000
TOTAL LIABILITIES	**587,727**	**553,713**

SELECTED ANNUAL INFORMATION

For the Years Ended June 30,	2024	2023	2022
	$	$	$
Revenues	794,771	1,859,182	209,734
Cost of sales	(196,753)	(788,767)	(107,154)
Gross margin	598,018	1,070,415	102,580
Operating expenses	(1,221,698)	(2,519,925)	(6,867,564)
Loss for the year	(3,189,921)	(1,254,578)	(8,833,294)
Total assets	28,125	3,000,256	3,884,064
Total long-term liabilities	32,728	60,000	60,000

RESULTS OF OPERATIONS

The following highlights the key operating expenditures for the year ended June 30, 2024 compared to 2023:

For the Years Ended June 30,	2024	2023	Change
	$	$	$
Revenues	794,771	1,859,182	(1,064,411)
Cost of sales	(196,753)	(788,767)	592,014
GROSS MARGIN	**598,018**	**1,070,415**	**(472,397)**
EXPENSES			
Advertising and marketing	31,364	6,752	24,612
Consulting and payroll	542,300	762,910	(220,610)
Management fees	240,037	337,886	(97,849)
Office and miscellaneous	90,361	139,631	(49,270)
Professional fees	99,575	98,787	788
Share-based payments	183,776	1,100,581	(916,805)
Tournament prizes	-	20,942	(20,942)
Transfer agent and filing fees	34,285	52,436	(18,151)
OPERATING EXPENSES	**(1,221,698)**	**(2,519,925)**	**1,298,227**
TOTAL OPERATING LOSS	**(623,680)**	**(1,449,510)**	**825,830**

- Revenues and cost of sales decreased from the prior year from comparable periods as a result of the revenues in the prior year arising from the business of Shape Immersive Entertainment (“Shape”) and the milestone-level metaverse contract completing and pause of further phases. In the current period, the contract completed during the third quarter. Although the Company’s primary focus has been on operational success and revenue growth, the loss of its significant customer has resulted in loss of revenues and the need to conserve cash.

- Consulting and salary costs decreased from the prior year comparable periods, due to reducing spending and outsourcing all project work to on-demand external consultants. In the last few months of the year, there were no new projects and the employees were terminated.

- Management fees decreased from the prior year comparable periods due to reduction in compensation related to declining revenues.

- Share-based payments decreased due to the vesting of equity awards granted at the end of last year, compared to none in the comparative period.

- Tournament prizes and transfer agent and filing fees all decreased due to using less of these services and no longer hosting paid for tournaments.

In addition to the above, the Company impaired the value of goodwill arising on the acquisition of its operating subsidiary, Shape Immersive Entertainment Inc., due to the loss of its revenue streams. The Company has reduced all spending in its subsidiary until new contracts have been identified. There were no such indicators of impairment in the prior year. Further, there were no bad debts or gain on extinguishment of debt in the current year.

REVENUES AND SEGMENTED DISCLOSURES

During the years ended June 30, 2024 and 2023, the Company recognized revenue from the following segmented revenue streams:

For the Years Ended June 30,	2024	2023
	$	$
Product development – United States based	792,758	1,850,192
Monthly online subscriptions	2,013	8,990
Total	**794,771**	**1,859,182**

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

For the Years Ended June 30,	2024	2023
	$	$
Customer 1	792,758	1,574,565
Customer 2	-	221,020
Customer 3	-	54,607

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, 2024 ($)	March 31, 2024 ($)	December 31, 2023 ($)	September 30, 2023 ($)
Revenue	-	67,947	132,142	594,682
Net loss	(2,654,877)	(302,759)	(351,884)	119,599
Loss per share, basic and diluted	(0.03)	(0.00)	(0.00)	0.00

In Canadian dollars	June 30, 2023 ($)	March 31, 2023 ($)	December 31, 2022 ($)	September 30, 2022 ($)
Revenue	744,546	839,104	166,958	108,574
Net loss	(1,042,122)	499,768	(373,760)	(338,464)
Loss per share, basic and diluted	(0.01)	0.01	(0.01)	(0.00)

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 results shows that the Company has incurred mostly expenses as follows:

- During the first two quarters of 2023, the net and comprehensive loss stayed consistent with previous quarters, while revenues saw an increase in the third quarter of 2023. The Company focused its efforts on operational success pouring efforts into driving revenue and profit targets and reducing spending where it could.

- During the third and fourth 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 9,450,000 equity incentives and recognized $1,100,581 in share-based payment expense for the period.

- During the first, second and third quarters of 2024, the Company completed the first phase of its contract with its largest customer for the development of Sephora Universe.

- In the fourth quarter of 2024, the Company's sole customer paused the launch of the virtual retail metaverse platform and elected not to enter into the next phases of the contract, due to a change in strategic direction. This resulted in loss of revenues. The Company took immediate action to stop operational losses by cutting all spending. The Company continues to look for opportunities in the AI technology and metaverse space.

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 Years Ended June 30,	
	2024	**2023**
Net (Loss)	**$ (3,189,921)**	**$ (1,254,578)**
Share-based payments	183,776	1,100,581
Foreign exchange	(84)	(13,648)
Write-off of prepaid	140,900	-
Impairment of goodwill	2,425,425	-
Reversal of liabilities	-	(257,953)
Interest expense	-	4,310
Bad debt	-	72,359
EBITDA (Non-IFRS)	**$ (439,904)**	**$ (348,929)**

EBITDA loss for the year ended June 30, 2024, was $439,904 (2023 - $348,929). The change was primarily due to significant decrease in revenues through completion and subsequent pause of its main revenue contract. The Company continues to look for 3D production revenues and as contracts are secured, but for the time being has reduced its spending significantly.

LIQUIDITY

As at June 30, 2024, the Company had cash of $17,125 (2023 - $154,356) and working capital deficit of $526,874 (2023 – working capital surplus of $81,118).

There were no equity financings during the year ended June 30, 2024.

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 $118,595 (2023 –$643,504) in operating activities during the year ended June 30, 2024.

Investing Activities

During the year ended June 30, 2024, the Company paid cash of $65,000 (2023 - $435,000) toward the final acquisition payment of Shape. Of the final $500,000 acquisition payment, a total of $nil remains as of June 30, 2024.

<u>Acquisition of Shape Immersive Entertainment Inc.</u>

The Company completed the acquisition of Shape on May 5, 2022, pursuant to the following consideration:

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 (the "Amended Agreement"), deferring payment of the second $500,000 (the "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 June 30, 2024, the Company has fully paid the acquisition payable of $500,000 through positive EBITDA earned through Shape operations.

Financing Activities

The Company generated net cash inflows of $46,364 (2023 – $25,000) from financing activities during the year ended June 30, 2024. The positive cash flow was mainly due to proceeds from a short-term loan of $50,000, partially offset by the repayment of a government loan totaling $3,636.

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.

All transactions with related parties have occurred in the normal course of operations and have been measured at the exchange amount, which the amount agreed to by the related parties.

The aggregate value of transactions relating to key management personal during the year ended June 30, 2024 and 2023 were as follows:

	2024	2023
	$	$
Management fees(1)(2)(3)	240,037	337,886
Other fees(4)	4,305	12,550
Share-based payments	97,040	166,337
Total	**341,382**	**516,773**

Notes for the year ended June 30, 2024, the Company incurred:

1) $102,750 (2023 - $201,535) of management fees in provision of CEO services from the former CEO of the Company. Further, the Company recognized $12,149 (2023 - $nil) in share-based payments for milestones achieved and settled through the issuance of 607,444 common shares issued subsequent to year end.
2) $72,000 (2023 - $72,000) of management fees in provision of CFO services from a company controlled by the CFO and Director of the Company.
3) $65,287 (2023 - $64,351) of management fees in provision of director services from a company controlled by Director of the Company.
4) $4,305 (2023 - $12,550) was paid to a company controlled by the brother of a director of the Company.

As at June 30, 2024, a balance of $236,725 (2023 - $100,042) was owing to key management personnel for fees 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, 2024, the Company had a balance of $40,000 (2023 - $40,000) of loan payable owing to a director of the Company. The amount is non-interest bearing, unsecured, and has no specific terms of repayment.

As at June 30, 2024, the Company had a balance of $75,000 (2023 - $25,000 of loan payable owing to a Company controlled by the brother of a Director of the Company. The amount is non-interest bearing, unsecured, and has no specific terms of repayment.

Subsequent to year end, the Company issued 2,055,000 common shares to the former CEO of the Company to settle $102,750 in contractual fees payable.

OFF-BALANCE SHEET ARRANGEMENTS

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

SUBSEQUENT EVENTS & SED TRANSACTIONS

Subsequent to year end, the Company:

- issued 2,055,000 common shares to settle $102,750 in unpaid fees to the Company's former CEO. Further, the Company issued 607,444 common shares pursuant to milestones reached, recorded at the grant date fair value of the shares $12,149, recognized within Shares to be Issued as of June 30, 2024.

- received loans totaling $15,000 from a company controlled by the brother of a Director of the Company. The amounts are non-interest bearing, unsecured, and have no specific terms of repayment.

- 300,000 stock options with an exercise price of $0.34 expired unexcised.

CRITIAL ACCOUNTING POLICES AND ESTIMATES

The details of the Company's material accounting policies and accounting estimates are presented in Notes 3 and 4 of the audited consolidated financial statements for the year ended June 30, 2024. These policies are considered by management to be essential to understanding the processes and reasoning that go into the preparation of the Company's financial statements and the uncertainties that could have a bearing on its financial results.

NEWLY ADOPTED ACCCOUTING POLICIES

Certain pronouncements have been issued by the IASB that are effective for accounting periods beginning on or after January 1, 2024. The Company has reviewed these updates and determined that none are applicable or consequential to the Company and have been excluded from discussion within these material accounting policies.

CAPITAL MANAGEMENT

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

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

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

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

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks which are discussed in detail in Note 12 of the Company's consolidated financial statements for the year ended June 30, 2024.

MANAGEMETN'S REPORT ON INTERNAL CONTROL OVER FINANCING REPORTING

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

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, 2024, the Company issued no common shares.

As at June 30, 2024, the Company has 91,223,380 common shares outstanding. As of the date of this MD&A, the Company has 93,885,824 shares outstanding.

b) Share Purchase Warrants

As at June 30, 2024 and the date of this MDA, the Company had no warrants outstanding

c) Performance Warrants

As at June 30, 2024 and the date of this MDA, the Company had no performance warrants outstanding

d) Options

As at the date of this MD&A, the Company held the following options:

Expiry date	Options outstanding	Options exercisable		Exercise Price
June 21, 2026	1,185,000	1,185,000		0.14
	1,185,000	**1,185,000**	**$**	**0.14**

As at June 30, 2024, the Company held 1,485,000 options.

Restricted Share Rights

As at June 30, 2024 and the date of this MDA, the Company had 5,075,000 RSRs outstanding.

RISK FACTORS

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

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

Risks Related to the Company's Business

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

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

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

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

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 since inception. 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.