MANAGEMENT DISCUSSION AND ANALYSIS FOR GAMEON ENTERTAINMENT TECHNOLOGIES INC. (FORMERLY V2 GAMES INC.)

Year ended December 31, 2021

Expressed in Canadian Dollars

Contents

This management's discussion and analysis ("MD&A") of the performance, financial condition, and results of operations of GameOn Entertainment Technologies Inc. ("GameOn Entertainment", “GameOn” or the "Company"), should be read in conjunction with the Company's the consolidated annual audited financial statements and the related notes thereto for the years ended December 31, 2021 and 2020 (the "Financial Statements"), copies of which are available on SEDAR at www.sedar.com.

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB").

Unless otherwise indicated, the information contained in this MD&A is as of April 27, 2022.

Unless otherwise indicated, references to "$" or "dollars" are to Canadian dollars and references to "US$" are to United States dollars.

Forward Looking Information

This MD&A includes certain "forward-looking information" within the meaning of applicable Canadian securities legislation. All information, other than information regarding historical facts, included in this MD&A that addresses activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company's and its equity investees' businesses, operations, plans and other such matters is forward-looking information.

When used in this MD&A, the words "estimate", "plan", "anticipate", "expect", "intend", "believe", "will", "should", "could", "may" and similar expressions are intended to identify forward-looking information. This information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information.

The forward-looking information may include statements regarding:

- timelines;
- strategic plans;
- the business and operations of the Company;
- the Company's business objectives and discussion of trends affecting the business of the Company;
- the funds available to the Company and the principal purposes of those funds;
- anticipated revenues and cash flows from operations and funding requirements of the Company;
- capital, operating and general expenditures;
- expectations regarding the ability to raise capital;
- anticipated revenues to be realized by the Company from future contracts;
- treatment under governmental regulatory regimes and expectations with respect to regulatory approvals; and
- other forward-looking information including, but not limited to, information concerning the intentions, plans and future actions of the Company.

Forward looking information is based on reasonable assumptions, estimates, analysis, and opinions of management made considering its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such information is made available. Forward looking information is inherently subject to known and unknown risks and uncertainties and other factors that may cause the actual results, level of activity, performance, or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, or intended, including the factors and risks described or referred to elsewhere herein, as well as unanticipated and/or unusual events. Many of such factors are beyond the Company's ability to predict or control. Risks and uncertainties that may affect forward-looking information herein include, but are not limited to, those which relate to:

- the Company's limited operating history as a revenue-generating company;
- the Company's current lack of profitability;
- the need to obtain additional financing and uncertainty as to the availability and terms of future financing;
- the ability to acquire funds necessary for general working capital and continuing operations;
- reliance on sale of equity or investments to access funds required;

- the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain;
- uncertainties associated with business opportunities that may be presented to, or pursued by the Company;
- parameters and assumptions underlying future investments and acquisitions;
- risks associated with investments in small and mid-capitalization companies;
- the Company's operations and profitability may be adversely affected by competition from other similar entities;
- uncertainties related to early stage of technology and product development; uncertainties related to regulatory regimes and laws;
- dependence on key personnel;
- fluctuations in the currency markets and stock market volatility;
- going concern considerations;
- conflicts of interest;
- competition for, among other things, capital, acquisitions, equipment, and skilled personnel;
- operating or technical difficulties in connection with business activities;
- the possibility of cost overruns or unanticipated expenses; and
- the other factors discussed under "*Risks and Uncertainties*".

Should one or more of these risks or uncertainties materialize, or should the assumptions set out in the section titled "*Risks and Uncertainties*" underlying those forward-looking statements prove incorrect, actual results may vary materially from those described herein. These forward-looking statements are made as of the date of this MD&A, and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by law.

Introduction to the business

GameOn (CSE: GET) (OTCQB: GMETF) (FSE:9E7) powers the biggest sports, media and entertainment companies with the most innovative white label game technologies. GameOn provides broadcasters, TV networks, streaming platforms, leagues, tournaments, sportsbooks and NFT projects with white label prediction games, fantasy games and NFT-based games. Since completing the Comcast NBCUniversal LIFT Labs Accelerator powered by Techstars in 2018, GameOn has secured revenue-generating partnerships with global companies including NBCUniversal, Bravo and MX Player.

GameOn has a dynamic and experienced management team led by CEO, Matt Bailey (Brooklyn Nets, Barclays Center), Chief Product Officer, Santiago Jaramillo (Dapper Labs, NBA Top Shot, EA Sports) and VP of Partnerships, Ryan Nowack (Madison Square Garden, New York Knicks, New York Rangers), as well as its Directors, J Moses (Take-Two Interactive), Shafin Tejani (Victory Square Technologies), Katrina Palanca (Twitch, Brooklyn Nets, San Antonio Spurs) and Carey Dillen (YYOGA, FIFA, IOC).

The Company was formerly incorporated as “V2 Games Inc.” and changed names to “GameOn Entertainment Technologies Inc.” on January 13, 2021. The consolidated financial statements comprise the financial statements of the Company and its wholly owned subsidiary V2 Games USA Inc. The Company’s registered office and principal address is at Suite 401, 750 West Pender Street, Vancouver, British Columbia, V6C 2T7.

Overall Performance

The year of 2021 was successful for GameOn. The Company has been laser focused on execution and has achieved several important milestones.

Highlights include:

- Announced significant additions to the Board of Directors and Advisors: J Moses (Take-Two Interactive), Mike Vorhaus (DraftKings, Skillz), Sean Hurley (DraftKings), Katrina Palanca (Twitch, Brooklyn Nets, San Antonio Spurs), Carey Dillen (YYOGA, International Olympic Committee, FIFA), Tim Cahill (former EPL and World Cup athlete), Boris Gartner (LaLiga North America), Sabrina Carrozza (FC Barcelona, Drive by DraftKings), Shauna Griffiths (SportsBusiness Journal Game-Changer), Aly Habib (INDOCHINO), Mick Batyske (Anchor, Buzzer, dotdotdash), Shafin Diamond Tejani (Victory Square Technologies) and Ernest Lupinacci (ESPN, Nike, the NFL).
- Grown the team from three to 20+ full-time team, including personnel with experience from Electronic Arts (FIFA), Dapper Labs (NBA Top Shot), Madison Square Garden, the New York Knicks, the New York Rangers, IAC (Dotdash, Handy, Investopedia, Ask.com), the International Olympic Committee and more.
- Oversubscribed a pre-IPO financing of $5.8 million.
- Completed a public listing on the Canadian Securities Exchange (CSE: GET).
- Announced DTC-eligibility and subsequent OTCQB listing, showcasing our commitment to accessibility, volume and liquidity for shareholders and investors around the world.
- Announced multiple revenue-generating partnerships including MX Player (Indian OTT platform with 1 billion downloads), Gaming Society (sports betting platform led by former NBA player, Kevin Garnett), Chibi Dinos (NFT collection that sold out it’s 10,000 basketball-themed digital dinosaurs in 18 minutes), Phat Fish (a yet-to-be-launched NFT project), Tetavi (an innovative volumetric capture metaverse company) and Just Women’s Sports (a content platform dedicated to women’s sports). All partners leverage GameOn’s NFT and/or game technologies and drive both license and revenue share income streams. Since launching, products have reached more than 500,000 users and driven tens of millions of predictions made.

- Announced strategic investments from Times Internet, India's biggest media conglomerate and parent company of MX Player, to drive business further in India, as well as Polygon, one of the world's biggest blockchains, to fast-track GameOn's NFT/blockchain development. Both investments are in the form of resources like advertising assets, sales team and technical engineers.
- Completed an acquisition of FanClash, a proprietary real-time fantasy technology to create innovative gameplay around live events. The integration of FanClash's technology is expected to provide GameOn with access to the expanding fantasy sports and entertainment market. GameOn anticipates that it will white label the real-time fantasy technology to broadcasters, TV networks, streaming platforms, leagues, tournaments, sportsbooks and NFT projects to drive license and revenue share partnerships.
- Featured in key media and at events such as Sports Business Journal, SportsPro and Sportico, while also announcing and distributing our own content series - GAMETIME - taking a peek behind the ticker to learn more about the people behind the business.

The following key transactions were recorded in the consolidated financial statements of the Company for the year ended December 31, 2021:

- On January 15, 2021, the Company settled the loan payable through the issuance of 916,702 shares with a value of $229,175. For the year ended December 31, 2021, a gain on settlement of debt of $65,902 was recognized.
- During the first three months of this year, the Company received all payments for the Just Games loan receivable in full for a total cash receipt of $1,697,912.
- During the first half of the year, the Company completed a non-brokered private placement for subscription receipts at a price of $0.35 per unit for proceeds of $5,457,444, net of share issuance costs. The subscription receipts were subsequently converted into 16,505,536 common shares at a price of $0.25 and 8,252,776 warrants and 375,103 broker warrants. The warrants are exercisable for one common share of the Company at an exercise price of $0.52 for 2 years.
- On February 10, 2021, the Company granted 2,164,000 stock options to employees, consultants, and directors exercisable at $0.25 and expiring on February 10, 2023.
- On March 15, 2021, the Company granted 1,777,680 stock options to employees, consultants, directors exercisable at $0.25 and expiring on March 15, 2023. On March 15, 2021, the Company also granted 369,645 stock options to employees and consultants exercisable at $0.35 and expiring on March 15, 2023.
- On May 30, 2021, the Company issued 960,000 warrants to various consultants of the Company which are exercisable for 1 common share of the Company at an exercise price of $0.25 for 2 years. The value of these consultant warrants was $200,138 recorded as consulting expense.
- On June 1, 2021, in connection with the Company completed listing on the CSE and in accordance with his employment agreement, the CEO received a cash bonus of US $100,000 and 600,000 in Company warrants exercisable at $0.04 and expiring on June 1, 2023. As of December 31, 2021, 210,000 of these 600,000 CEO bonus warrants have vested. Total equity-based compensation recorded for the year ended December 31, 2021, in related to the vested CEO bonus warrants was $113,307.
- On June 28, 2021, the Company granted 592,356 stock options to employees, consultants, and directors exercisable at $0.41 and expiring on June 28, 2023.
- On July 19, 2021, the Company granted 100,425 stock options to employees, consultants, and directors at $0.31 and expiring on July 19, 2023.
- On August 5, 2021, the Company granted 120,637 stock options to employees, consultants exercisable and directors at $0.29 and expiring on August 5, 2023.

- On September 7, 2021, the Company granted 304,575 stock options to employees, consultants exercisable and directors at $0.34 and expiring on September 7, 2023.
- On October 14, 2021, the Company granted 124,379 stock options to employees, consultants exercisable and directors at $0.32 and expiring on October 13, 2023.
- On November 5, 2021, the Company granted 591,581 stock options to employees, consultants exercisable and directors at $0.27 and expiring on November 5, 2023.
- On December 9, 2021, the Company granted 115,107 stock options to employees, consultants, and directors exercisable at $0.28 and expiring on December 9, 2023.

Selected Financial Information

Selected information for the Company is as follows:

	As at December 31, 2021	As at December 31, 2020
Current assets	$ 1,794,369	$ 1,903,239
Non-current assets	4,374,283	5,462,973
Total assets	6,168,652	7,366,212
Currrent liabilities	384,671	3,228,540
Non-current liabilities	40,693	140,280
Total liabilities	425,364	3,368,820

	For the year ended December 31, 2021	2020
Total revenue	$ 12,664	$ 2,626
Net income (loss)	(9,121,433)	(980,872)
Comprehensive income (loss)	(9,070,649)	(980,872)
Net income (loss) per share, basic	(0.16)	(0.04)
Net income (loss) per share, diluted	(0.16)	(0.04)

Discussion of Operations

REVENUE

Revenue for the year ended December 31, 2021, was $12,664 compared to $2,626 for the year ended December 31, 2020. Revenue for the three months ended December 31, 2021, was $2,583 compared to $2,626 for the three months ended December 31, 2020. The increase in revenue is attributable to GameOn's B2B business model just starting to come to life. This is driven primarily by recurring license fees and revenue share agreements, which is expected to be more present in Q1, 2022.

EXPENSES

For the year ended December 31, 2021, total expenses were $8,856,926 compared to $1,239,963 for the year ended December 31, 2020.

Material variances over the comparable year are discussed below.

Amortization

Amortization for the year ended December 31, 2021, was $603,346 compared to $632,507 for the year ended December 31, 2020. Amortization was $155,170 for the three months ended December 31, 2021, as compared to $158,991 for the three months ended December 31, 2020. The balance of amortization in both years related to the amortization of the Company's investment in 1108641 BC Ltd., a video game classified as intangible assets and being amortized since the date of launch in August 2019. In 2021, the Company also began recording amortization on another investment, Bonavita, which relates to a film that was released in February 2021 and amortized thereafter. Neither investment is a focus of the business moving forward.

Foreign exchange

Foreign exchange for the year ended December 31, 2021, was a $13,280 gain compared to a $113,436 gain for the year ended December 31, 2020. Foreign exchange was a $19,114 gain for the three months ended December 31, 2021, as compared to $20,482 gain for the three months ended December 31, 2020. The foreign exchange gain recorded in 2020 was mainly due to the Just Games Entertainment loan held in the 2020 comparative year and fully settled in the current 2021 year. The loan was denominated in USD but reported in CAD at each year end, resulting in significant foreign exchange entries each year in 2020.

General and administrative

General and administrative expenses were $447,711 for the year ended December 31, 2021, compared to $13,873 for the year ended December 31, 2020. General and administrative expenses were $148,092 for the three months ended December 31, 2021, as compared to $13,126 for the three months ended December 31, 2020. The increase in operating expenses in the year and quarter ended December 31, 2021 as compared to 2020 is attributable to the December 2020 acquisition of GameOn App Inc., the primary focus of the Company, and the related costs associated with building of the B2B business, which is now the primary focus of the Company.

Interest and Accretion

Interest and accretion were $326,517 for the year ended December 31, 2021, compared to $300,204 for the year ended December 31, 2020. Interest and accretion were $55,973 for the three months ended December 31, 2021, as compared to $69,665 for the three months ended December 31, 2020. In 2020, this amount was driven by interest on convertible debentures which were issued in May 2019 as well as interest on a loan with Runway Finance which bore interest at 16% per annum. The increase in the balance in 2021 is also attributable to the convertible debentures as well as a convertible promissory note between the Company and its parent company, which was non-interest bearing but which was discounted to the present value of the $1,400,000 face value and was being accreted at an implied rate of 22% for two years until maturity. The convertible promissory note was extinguished at year end. The Runway Finance loan was also settled in January 2021 with no interest being accrued to the loan in the current year.

Professional and Consulting fees

Professional and consulting fees for the year ended December 31, 2021, were $1,849,718 compared to $221,926 for the year ended December 31, 2020. Professional and consulting fees were ($331,459) for the three months ended December 31, 2021, as compared to $220,144 for the three months ended December 31, 2020. The decrease in professional and consulting expenses in the quarter and increase in the year ended December 31, 2021, as compared to 2020 is attributable the reclassification of consulting expense to share-based compensation at year end and to the December 2020 acquisition of GameOn App Inc. and the related costs associated with the operations and building of the B2B business. This increase is also attributable to costs specifically related to the Company's Initial Public Offering (IPO), which required additional spend in legal and accounting consultants.

Sales and marketing

Sales and marketing expenses for the year ended December 31, 2021, were $800,243 compared to $11,970 for the year ended December 31, 2020. Sales and marketing expenses were $140,768 for the three months ended December 31, 2021, as compared to a recovery of $6,790 for the three months ended December 31, 2020. The increase in sales and marketing expenses for the quarter and year ended December 31, 2021 as compared to 2020 is attributable to costs specifically related to the Company's Going Public transaction, which required significant expenditures for public relations, investor relations and market making services. Additionally, the Company underwent a re-brand in the first half of 2021 which resulted in incremental marketing costs.

Transfer agent and regulatory fees

Transfer agent and regulatory fees for the year ended December 31, 2021, were $78,568 compared to $9,791 for the year ended December 31, 2020. Transfer agent and regulatory fees were $11,669 for the three months ended December 31, 2021, as compared to $4,007 for the three months ended December 31, 2020. The 2020 transfer agent costs related only to the convertible debentures held by the Company, whereas in 2021 the Company became publicly listed on the CSE and began using a transfer agent for common shares and subscription receipts therefore increasing costs in this area.

Share-based compensation

Share-based compensation for the year ended December 31, 2021, was $2,668,707 compared to $Nil for the year ended December 31, 2020. Share-based compensation was $1,415,446 for the three months ended December 31, 2021, as compared to $Nil for the three months ended December 31, 2020. The current year was the first in which the Company granted and vested stock options to directors, employees, and consultants.

Wages

Wages were $1,284,708 for the year ended December 31, 2021, compared to $74,138 for the year ended December 31, 2020. Wages was $411,837 for the three months ended December 31, 2021, as compared to $36,580 for the three months ended December 31, 2020. The increase in wages seen in the 2021 year is due to 2021 being the first full year of operations after the acquisition of the GameOn App and increased activity within the Company including the addition of several more employees hired in 2021 to support the growing operations of the Company.

Summary of Quarterly Results

The following information is derived from quarterly financial information:

Fiscal Quarter Ended	Revenue	Net Income / (Loss) for the Period	Basic Income / (Loss) Per Share	Diluted Income / (Loss) Per Share
December 31, 2021	2,583	(3,356,866)	(0.05)	(0.05)
September 30, 2021	-	(1,544,078)	(0.02)	(0.02)
June 30, 2021	7,290	(2,665,076)	(0.06)	(0.06)
March 31, 2021	2,791	(1,504,629)	(0.03)	(0.03)
December 31, 2020	2,626	187,974	-	-
September 30, 2020	-	(935,340)	(0.03)	(0.03)
June 30, 2020	-	(220,574)	(0.01)	(0.01)
March 31, 2020	-	(12,932)	-	-

Liquidity

At December 31, 2021, the Company had total current assets of $1,794,369 (December 31, 2020 - $1,903,239) comprised of $1,610,215 (December 31, 2020 - $135,476) in cash, $137,934 (2020 - $60,620) in prepaid expenses, $2,583 (December 31, 2020 - $Nil) in accounts receivable, $43,637 (December 31, 2020 - $9,231) in government sales tax receivable, and loan receivable of $Nil (December 31, 2020 - $1,697,912). Conversely, the Company had total current liabilities of $384,671 (December 31, 2020 - $3,228,540) comprised of $110,774 (December 31, 2020 - $104,161) in accounts payable, $157,493 (December 31, 2020 - $56,771) in accrued liabilities, $21,404 (December 31, 2020 - $21,405) in income tax payable, $Nil (December 31, 2020 - $295,077) in loans payable, $Nil (December 31, 2020 - $104,542) in share consideration, $Nil (December 31, 2020 - $237,655) in other payables, $95,000 (December 31, 2020 - $95,000) in obligation to issue convertible debentures, $Nil (December 31, 2020 - $1,447,872) in convertible debentures classified as current as they matured in May 2021, and $Nil (2020 - $866,057) in related party loans.

At December 31, 2021, the Company had working capital of $1,409,698 compared to working capital deficiency of $1,325,301 at December 31, 2020.

The Company's ability to meet its obligations and activities over the long-term depends on its ability to generate cash flow through the issuance of common shares of the Company pursuant to equity financings and short-term or long-term loans. Capital markets may not be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings. The Company has minimal cash flow from operations and is dependent upon raising equity financing to sustain its operations. The Company is expecting cash flow from B2B customer revenue in 2022.

Capital Resources

As at December 31, 2021, the Company has 63,192,385 issued and fully paid common shares, 10,187,879 warrants outstanding, and 7,652,385 stock options outstanding. The warrants are exercisable at prices between $0.04 and $0.52 for two years. The stock options are exercisable at prices between $0.25 and $0.41 for two years from the date of grant.

Off-Balance Sheet Arrangements

As at the date of this report, the Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial performance or financial condition, including with respect to revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Related Party Transactions

During the year ended December 31, 2021, and 2020, the Company entered into the following transactions with related parties:

	December 31, 2021	December 31, 2020
Professional and consulting fees	$ 203,265	$ -
Executive and director compensation	$ 545,495	$ -
Share-based compensation to related parties	$ 1,099,298	$ -

Key Management Compensation

The Company’s key management personnel have authority and responsibility for overseeing, planning, directing, and controlling the activities of the Company and consist of the Company’s Board of Directors and the Company’s executive leadership team. Such compensation was comprised $545,495 (2020 - $Nil) in executive compensation and $Nil (2020 - $90,000) in management fees to GameOn’s former parent company.

Related Party Balances

As at December 31, 2021, the Company has $84,685 (December 31, 2020 - $3,668) due to related parties included in accounts payable and accrued liabilities. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

Related Party Receivables

	December 31, 2021	December 31, 2020
Due from Draft Label Technologies Inc.	$ -	$ 103,816
	$ -	$ 103,816

During the year ended December 31, 2021, the Company impaired $1,710 (December 31, 2020 - $42,867) of related party receivables due to management’s assessment that the amounts would not be collected.

During the year ended December 31, 2021, the Company and its parent company entered into an agreement to convert previously received funds into a $1,400,000 convertible promissory note. The note is non-interest bearing and convertible to shares of the Company at a price of $0.25 for 2 years. The face value of the note was discounted using the Company’s cost of borrowing of 20% over 2 years, which resulted in $427,778 being allocated to equity, for the conversion feature. The Company recorded accretion on the convertible promissory note of $205,099 during the year ended December 31, 2021 (December 31, 2020 - $Nil).

At December 31, 2021, management of VST and the Company agreed to derecognize all intercompany balances with no consideration exchanged, including the balance of the convertible promissory note with carrying value of $1,177,321 due to VST, receivable balances from VST for $1,864,513 and $413,222 balances due to VST. The net amount of $273,970 was included in Contributed Surplus.

At December 31, 2021, management of Draft Label Technologies ("DLT"), a subsidiary of VST, and the Company agreed to derecognize all intercompany balances with no consideration exchanged. In total, $103,816 owing from DLT and $7,977 owing to DLT were forgiven and recorded to Contributed Surplus.

At December 31, 2021, management of Fantasy 360 Technologies Inc. ("F360"), a subsidiary of VST, and the Company agreed to derecognize all intercompany balances with no consideration exchanged. In total, $542,383 owing to F360 was forgiven and recorded in Contributed Surplus.

Related Party Loans

	December 31, 2021	December 31, 2020
Due to Victory Square Technologies Inc.	$ -	$ 105,830
Due to Limitless Technologies Inc.	-	202,844
Due to Fantasy 360 Technologies Inc.	-	542,383
Due to CEO of Victory Square Technologies Inc.	-	15,000
	$ -	$ 866,057

During the year ended December 31, 2021, Limitless Technologies Inc., a Company with common ownership, forgive a debt for the amount of $202,844 to the Company and the CEO of VST also forgive a debt to the Company for the amount of $15,000. The forgiveness of these debts was also recorded in Contributed Surplus

During the year ended December 31, 2021, the Company recorded a net increase to contributed surplus of $390,417 (December 31, 2020 - $Nil) resulting from the net reversal of all related party balances described above.

Proposed Transactions

There are no proposed transactions for the Company as of this report. All events which have completed subsequent to the date of the financial statements and prior to the date of issuance of this report are summarized in the subsequent event note to the consolidated financial statements.

Critical Accounting Estimates

The Company's significant accounting estimates are presented in Note 2 in the notes to the consolidated annual audited financial statements. The preparation of these audited consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting year presented and reported amounts of expenses during the same year. Actual outcomes could differ from these estimates. The financial statements include estimates, which, by their nature, are uncertain. The impact of such estimates may require accounting adjustments based on future occurrences. Any revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods if the revision affects the future. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities if actual results differ from assumptions made include, but are not limited to, the following:

- The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, and expenses.
- The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.
- Critical judgements are made regarding assessment of impairment to the carrying value of the Company's assets.
- At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount and the impairment loss is recognized in the statement of loss and comprehensive loss for the period.
- Changes in any of the assumptions used in impairment testing could materially affect the result of the analysis.

As at the date of report, the Company reviewed the carrying value of its assets and impaired investments as appropriate. After this review, it was determined that there were no further indicators of impairment further to the impairments recognized in the audited consolidated financial statements.

Financial Instruments and Other Instruments

Fair value

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies, as disclosed below. However, considerable judgment is required to develop certain of these estimates. Accordingly, these estimated values are not necessarily indicative of the amounts the Company could realize in a current market exchange. The estimated fair value amounts can be materially affected by the use of different assumptions or methodologies. The methods and assumptions used to estimate the fair value of each class of financial instruments are discussed below.

The different levels for valuation of financial instruments carried at fair value have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Quoted market prices for an identical asset or liability represent a Level 1 valuation. When quoted market prices are not available, the Company maximizes the use of observable inputs within valuation models. When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the use of significant unobservable inputs are considered Level 3.

Cash is measured using Level 1 inputs. Investments in private companies are measured using level 3 inputs.

The Company's financial instruments consist of cash, accounts receivable, amounts due from related parties, advances, loan receivable, certain investments, related party loans, convertible debentures, accounts payable, CEBA loan, derivative liability and loan payable. The carrying value of financial instruments approximates the fair value as at December 31, 2021 and December 31, 2020.

Other Risks and Uncertainties

FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The cash is deposited in a bank account in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a bank that is a high credit quality financial institution as determined by rating agencies. Credit risk on cash is assessed as low.

The Company's receivables consist of trade receivables, due from related parties, government sales tax receivable, advances, and loan receivable. Based on the evaluation of receivables at December 31, 2021, the Company believes that its receivables are collectable. However, due to the current COVID-19 pandemic, there is an increase in the uncertainty of collectability and management has determined credit risk to be high.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, considering its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's main source of funding has been loans from related parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The Company is not exposed to significant foreign exchange risk.

The Company has no material ongoing revenue or income from operations. The Company has limited capital resources and must rely upon private placements for cash required to make new investments and to fund the administration of the Company.

These risks may not be the only risks faced by the Company. Additional risks and uncertainties not presently known by the Company, or which are presently considered immaterial may also adversely impact the Company's business, results of operations and financial performance. The most significant risks and uncertainties faced by the Company are set out below.

Limited Operating History

The Company has limited operating history as a revenue producing entity. The Company and its business prospects must be viewed against the background of the risks, expenses, and problems frequently encountered by companies in the early stages of their development, particularly companies in new and rapidly evolving markets. There is no certainty that the Company will be able to operate profitably.

Going-Concern Risk

The Company's financial statements have been prepared on a going-concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing equity or debt financing or in achieving profitability. The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern and such adjustments could be material.

Negative Cash Flow

The Company has a limited history of operations, and very little history of earnings, cash flow or profitability. The Company has had negative operating cash flow since the Company's inception, and the Company will continue to have negative operating cash flow for the foreseeable future. No assurance can be given that the Company will ever attain positive cash flow or profitability or that additional funding will be available for operations.

Additional Requirements for Capital

Substantial additional financing may be required if the Company is to be successful in developing their current portfolio of games and to make future strategic acquisitions. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated investments.

Technology Sector Risk

General risks of technology companies include the risks of rapidly changing technologies, short product life cycles, fierce competition, aggressive pricing and reduced profit margins, loss of patent, copyright and trademark protections, cyclical market patterns, evolving industry standards and frequent new product introductions. Certain technology companies may be smaller and less experienced companies, with markets or financial resources and fewer experienced management or marketing personnel.

Small and Mid-Capitalization Companies Risk

Small and mid-capitalization companies may have limited product lines, markets, or financial resources; may lack management depth or experience; and may be more vulnerable to adverse general market or economic developments than large companies. Some of these companies may distribute, sell or produce products which have recently been brought to market and may be dependent on key personnel.

The prices of small and mid-capitalization company securities are often more volatile than prices associated with large company issues, and can display abrupt or erratic movements at times, due to limited trading volumes and less publicly available information. Also, because small and mid-capitalization companies normally have fewer shares outstanding and these shares trade less frequently than large companies, it may be more difficult for the Company to buy and sell significant amounts of such shares. The securities of small and mid-capitalization companies are often traded on "over the counter" markets and may not be traded in the volumes typical of a national securities exchange.

Regulatory Risks

Changes in or more aggressive enforcement of laws and regulations could adversely impact companies involved in the technology sector. Failure or delays in obtaining necessary approvals, changes in government regulations and policies and practices could have an adverse impact on such businesses' future cash flows, earnings, results of operations and financial condition.

Dependence on Internet Infrastructure; Risk of System Failures, Security Risks and Rapid Technological Change

The success of any developer of tech platforms will depend by and large upon the continued development of a stable public infrastructure, with the necessary speed, data capacity and security, and the timely development of complementary products such as high-speed modems for providing reliable internet access and services.

Intellectual Property Rights

Companies involved in the development and operation of certain technologies may be dependent on intellectual property rights; the loss of which could harm its business, results of operations and its financial condition. There can be no assurance that any company's products will not violate proprietary rights of third parties or that third parties will not assert or claim that such violation has occurred. Any such claims and disputes arising may result in liability for substantial damages which in turn could harm the underlying business, results of operations and financial condition.

Cyber Security Risks

The Company is dependent on information technologies to conduct its operations, including management information systems and computer control systems. Business and supply chain disruptions, plant and utility outages and information technology system and network disruptions due to cyber-attacks could seriously harm operations and materially adversely affect operation results. Cyber security risks include attacks on information technology and infrastructure by hackers, damage or loss of information due to viruses, the unintended disclosure of confidential information, the issue or loss of control over computer control systems, and breaches due to employee error.

The Company's exposure to cyber security risks includes exposure through third parties on whose systems it places significant reliance for the conduct of its business. There can be no assure that the Company has the resources or technical sophistication to anticipate, prevent, or recover from rapidly evolving types of cyber-attacks. Compromises to its information and control systems could have severe financial and other business implications.

Competition

The market for similar gaming technology is highly competitive on both a local and a national level. Competitors may also have a larger installed base of users, longer operating histories or greater name recognition. There can be no assurance that any company will successfully differentiate its products from its competitors, or that the marketplace will consider one technology to be superior to others.

Key Personnel

The Company is dependent upon the continued availability and commitment of its management, whose contributions to immediate and future operations are of significant importance. The loss of any such management could negatively affect the Company's business operations. From time to time, the Company will also need to identify and retain additional skilled management to efficiently operate its business. Recruiting and retaining qualified personnel is critical to the Company's success and there can be no assurance of its ability to attract and retain such personnel. If it is not successful in attracting and training qualified personnel, the Company's ability to execute its business model and growth strategy could be affected, which could have a material and adverse impact on its profitability, results of operations and financial condition.

Conflicts of Interest

Certain of the Company's directors and officers may, from time to time, serve as directors or officers of other companies involved in similar businesses to the Company and, to the extent that such other companies may participate in the same ventures in which the Company may seek to participate, such directors and officers may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such conflicts of the Company's directors and officers may result in a material and adverse effect on the Company's results of operations and financial condition.

Share Price Volatility Risk

External factors outside of the Company's control may have a significant impact on the market price of the Company's common shares. Global stock markets have experienced extreme price and volume fluctuations from time to time. There can be no assurance that an active or liquid market will develop or be sustained for the Company's common shares.

COVID-19

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s ability to raise funds in the future.

The Company was not immune from the effects of the global pandemic. The Company encountered travel restrictions, and production variables for its operations.

In terms of liquidity, capital resources, and overall financial condition, the balance sheet as at December 31, 2021 was amongst the healthiest it has been in the Company's history. In the first half of 2021, the Company received an additional $5.8M in private placement financing funds and completed their initial public offering on the CSE. The pandemic has not negatively affected the Company in this manner, and while Management continues to monitor such risks, there is no additional risk the COVID-19 pandemic places on the Company in this regard.

While the Company was impacted by "stay at home" measures and other external factors have encountered a decrease in productivity through limited workforce, travel, supply chain and other factors directly correlated to the virus / pandemic. The Company collaborated with their parent company, VST, on providing executive management assistance / leadership and often directly assisting with solving COVID-19 pain points to enable the Company to continue with their micro and macro sales and growth strategies during COVID-19.

DISCLOSURE OF INTERNAL CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109"), 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 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.

INFORMATION AVAILABLE ON SEDAR

Additional information about the Company, including in the form of previously published financial statements, management discussion and analyses and press releases, is available on SEDAR at www.sedar.com.