

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR GAMEON ENTERTAINMENT
TECHNOLOGIES INC.**

Nine-month period ended September 30, 2022 and 2021

Expressed in Canadian Dollars

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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 condensed consolidated interim financial statements and the related notes thereto for the nine months ended September 30, 2022 and 2021 as well as 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 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 November 23, 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.

Letter from CEO

Shareholders,

2022 has presented us with unprecedented volatility in the broader public market. In spite of this, we've been emboldened to remain patient, optimize resources, and focus diligently on revenue. A number of high-value opportunities have emerged as a result, allowing us to grow our addressable market, revenue, and profitability.

As Q3 rounds out, we have a slew of exciting announcements, many of which were shared at our investor webinar on November 16. Watch the webinar recording [at this link](#).

On Track for Profitability

Our three year plan to become profitable remains well on track.

2021 was the year of building: We raised \$5.8 million in the process of publicly-listing, and with that we hired fast, built faster, [acquired](#) a fantasy company, and positioned our B2B technology to be sellable and scalable.

2022 has been the year of product-market fit: With the platform built, expenses are lower and we've hit the pavement for customers. We recently [announced](#) that we **broke even for the first time in October**, catalyzed by a flurry of new deals and representing more than \$1.4 million in projected year one revenue. In Q1, Q2, & Q3 2022, GameOn reported \$509,548 of revenue, up from \$10,081 in the first three quarters of 2021. Management believes we are on track to \$1 million in revenue by end-of-2022.

2023 is expected to be profitable: Our goal is to scale customers and revenue without the need to increase expenses. Our platformized technology allows us to do so. Management projects \$3 million in revenue in 2023, laying the foundation to be cash flow positive.

New Partner Highlights

Such significant growth is due to continued aggressive sales. GameOn's partners pay us in three ways: one-time setup fees, monthly recurring license fees, and revenue share on any income generated from products.

Our most recently-announced partner is [Karate Combat](#), a landmark deal for GameOn. We're set to launch a playable fighter NFT mint and fantasy game. **GameOn will keep 80% of the revenue.** We'll leverage a huge audience of over 10 million event viewers watching online and on TV through broadcast partners like CBS Sports, Globo, Eurosport, BeIN Sports, and ESPN.

This is in addition to the partners we've announced over the past 12 months: [Gaming Society and the WNBA](#), [Just Women's Sports and DICK'S Sporting Goods](#), [YOOM \(formerly Tetavi\)](#), [RDB Car Club](#), [Crypto Jets Club](#), [MX Player](#), and others.

Cash Flow & Dilution Events

Finally, the most-asked question from investors recently is, “will there be an imminent dilution event?” Management does not foresee such an event. Our business is in the fortunate position of having access to non-dilutive cash flow. The first and most-obvious is revenue. We continue to close deals at such a rate that investment isn’t needed. Existing customers are also willing to pay 12-24 months of licenses upfront for a small discount, which we’ve taken advantage of. Secondly, our continued growth in web3 has presented opportunities for blockchains to provide non-dilutive grants. In return, we build our products on their chain, driving traffic and volume for their ecosystem. Management is currently exploring this with various potential partners.

In 2023, the game plan remains consistent. We will focus on optimizing resources, aggressive sales, and reaching profitability. The market will remain volatile for a period that we cannot project or control, although we’re confident on how we’ll be positioned when the macro conditions subside.

A handwritten signature in black ink, appearing to read 'Matt Bailey', with a long, wavy horizontal line extending to the right.

Matt Bailey, CEO

Introduction to the business

GameOn partners with the world's biggest sports, media, and entertainment IPs to launch brand-building, money-making web3 games. We turn fans into superfans - engaging, retaining, and monetizing audiences, and getting upside in the entire economic cycle of web3 games. With a diverse team of web3, gaming, sports, and media veterans with experience at Take-Two Interactive, Twitch, EA, Dapper Labs, and the Brooklyn Nets, GameOn works with broadcasters, TV networks, streaming platforms, leagues, tournaments, and web3 companies to launch best-in-class web3 games. Customers include NBCUniversal, Bravo, MX Player, Karate Combat, and Gaming Society.

GameOn has a dynamic and experienced management team led by CEO, Matt Bailey (Brooklyn Nets, Barclays Center) and Director of Engineering, Ivan Soto (Ask Media Group), as well as its Directors, David Meltzer (Sports 1 Marketing), Shafin Tejani (Victory Square Technologies), Katrina Palanca (Twitch, Brooklyn Nets, San Antonio Spurs) and Carey Dillen (YYOGA, FIFA, IOC). 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 Company has been laser focused on execution and has achieved several important milestones.

Highlights include:

- Announced a significant addition to the Board of Directors: Katrina Palanca (Vice President of Global Partnerships at Spurs Sports & Entertainment), replacing Liz Schimel who resigned from the Board of Directors effective January 25, 2022. Katrina brings experience with brands including the Brooklyn Nets, Twitch, Team Liquid, Honda, and Verizon
- Completed its acquisition of certain assets, including all of the intellectual property, from Inplay Labs for aggregate consideration of \$500,000, pursuant to a purchase agreement dated February 4, 2022. Created by London-based Inplay Labs, FanClash uses proprietary real-time fantasy technology to create innovative gameplay around live events. The integration of FanClash's technology is expected to provide the Company with access to the expanding fantasy sports and entertainment market. The Company 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. Additionally, Inplay Labs Founder Sohail Godall was appointed VP of Operations and Head of Europe to spearhead the Company's expanded operation.
- Powered Just Women's Sports Bracket for 2022 NCAA Women's Basketball Tournament. Working with Just Women's Sports furthers the Company's goal to support women's sports following the Company's partnership with the Kevin Garnett-backed Gaming Society, which was announced in November. The bracket was sponsored by Dick's Sporting Goods with the largest prize in women's NCAA bracket history at US\$100,000.
- Announced a partnership with immersive content pioneer, Tetavi, to launch a first-of-its-kind, innovative NFT music discovery game. Through the partnership, the Company and Tetavi will enable everyday fans to build their own record label via undiscovered artist NFT investments. The game will leverage the Company's underlying blockchain capabilities, which allow the ability to mint music-based NFTs and ultimately provide fans the opportunity to invest in the world's next generation of artists, receiving royalties for streams in perpetuity.

- Announced the appointment of Luke Gniwecki as Special Advisor focused on Web3 and NFT product innovation.
- Announced a significant addition to the Board of Directors: David Meltzer (Co-Founder of Sports 1 Marketing), replacing J Moses who resigned from the Board of Directors effective June 16, 2022. Dave is an industry veteran with a vast network and experience in sports marketing. J Moses has assumed a non-board role as Special Advisor to the CEO. Carey Dillen has assumed the role of Chairwoman.
- Obtained a non-convertible loan from Proje Ventures Inc. ("Proje") whereby the Company borrowed US\$550,000 maturing 18 months after closing with simple interest payable monthly at 14%.
- Announced the licensing partnership with the Women's National Basketball Association ("WNBA") and Gaming Society to create the "Bet on Women" prediction game, powered by GameOn.
- Announced a partnership with RDB Car Club to license its game technologies. RDB LA customers include model Kendall Jenner, NFL Super Bowl champion Jalen Ramsey, eight-time NBA All-Star Dwight Howard, and singer-songwriter sensations Khalid and Billie Eilish.
- Announced a partnership with Crypto Jets Club, a metaverse for aviation enthusiasts that centers around future gaming and membership utility, to license its game technologies.
- Announced a partnership with Karate Combat, the world's premier striking league with millions of followers and livestreamers worldwide, to launch an NFT mint and fantasy game. Fans will be able to buy fighter NFTs, craft a lineup they have ownership in, and win exclusive prizes like pit-side VIP tickets and \$KARATE tokens. GameOn will keep 80% of revenue generated.
- Announced that the company broke even in October for the first time, closing five deals in two months, and on track for profitability in 2023.

The following key transactions were recorded in the condensed consolidated interim financial statements of the Company for the nine-month period ended September 30, 2022:

- On January 4, 2022, the Company closed on the issuance of a \$2,541,600 (USD \$2,000,000) non-interest bearing, unsecured convertible note to BCCL Worldwide Inc., a California company ("BWI") engaged in the business of purchasing bulk media and selling it onwards on a retail basis to other companies.
- In connection with the above convertible note issuance, on January 5, 2022, the Company advanced the entire proceeds to BWI for prepaid marketing credits to be used over the ensuing 24 months.
- On January 13, 2022, the Company granted 54,627 options to an employee exercisable at \$0.22 and expiring on January 13, 2024.
- Also on January 13, 2022, the Company granted 937,363 restricted share units ("RSUs) to three employees.
- On February 4, 2022, pursuant to an asset purchase agreement (the "APA"), the Company completed its acquisition of certain assets of real-time fantasy technology, FanClash, from London-based Inplay Labs for aggregate consideration of \$500,000 (the "Upfront Purchase Price"). The Upfront Purchase Price is payable as follows: (i) \$200,000 in cash with on the date of closing of the Transaction (the "Closing Date"), and (ii) 1,538,461 common shares of the Company ("GameOn Shares") with an aggregate value of \$300,000 at a deemed price per GameOn Share equal to \$0.195, which such shares is subject to securities law mandated hold period lasting until June 5, 2022 and contractual escrow with tranching release over a period of 24 months.
- On April 7, 2022, the Company granted 1,248,861 stock options to employees, a consultant, and a director exercisable at \$0.16 and expiring on April 7, 2024.
- On April 26, 2022, the Company cancelled an aggregate of 3,931,529 common share stock options at the consent of the optionees.

- On June 29, 2022, the Company granted 3,279,522 options to various employees, consultants, and advisors exercisable at \$0.10 per common share and expiring on June 29, 2024.
- During the six month period ended September 30, 2022, the Company cancelled 621,986 RSUs.
- On June 29, 2022, the Company granted 295,190 RSUs to one employee and two contractors. The RSUs vest evenly every month to the end of 2022.
- On July 8, 2022, the Company issued a Promissory Note in the amount of US\$550,000. The Note bears interest at the simple non-compounding rate of 14% per annum payable monthly and matures 18 months after issuance. The Note is not convertible to equity of the Company. In connection with the Note, the Company issued 5,683,533 warrants to the Principal of the Noteholder exercisable at \$0.06 per share and expires two years from the date of grant. Also, in connection to the Note, the Company executed a consulting agreement with the Noteholder wherein the Company agreed to issue 1,250,377 RSUs in consideration for consulting and advisory services.
- On October 18, 2022, the Company granted 2,124,184 stock options to two employees, a director, and an advisor exercisable at \$0.10 for two years.
- On November 8, 2022, the Company granted 292,350 stock options to an employee and a consultant exercisable at \$0.10 for two years.
- Subsequent to the period end, a total of 1,600,000 stock options were cancelled unexercised.

Selected Financial Information

Selected information for the Company is as follows:

Discussion of Operations

REVENUE

Revenue for the three months ended September 30, 2022, was \$179,067 compared to \$Nil for the period ended September 30, 2021. Revenue for the nine months ended September 30, 2022, was \$509,548 compared to \$10,081 for the period ended September 30, 2021. The increase in revenue is attributable to GameOn's B2B business model gathering traction with several partner contracts. This is driven primarily by recurring license fees and revenue share agreements.

EXPENSES

For the three months ended September 30, 2022, total expenses were \$1,164,284 compared to \$1,594,884 for the period ended September 30, 2021. For the nine months ended September 30, 2022, total expenses were \$3,920,121 compared to \$6,085,501 for the comparative period.

Material variances over the comparable year are discussed below.

Amortization

Amortization for the three months ended September 30, 2022, was \$151,189 compared to \$155,170 for the period ended September 30, 2021. For the nine months ended September 30, 2022, amortization was \$151,189 compared to \$448,176 for the period ended September 30, 2021. Amortization in the current period relates to amortization of debt costs on the loan payable recognized at the start of the three months ended September 30, 2022. The comparative period related to the amortization of the Company's investment in two intangible asset game and film properties, neither of which is a focus of the business moving forward. Both investments were written off at the end of 2021.

Foreign exchange

Foreign exchange for the three months ended September 30, 2022, was a \$46,188 gain compared to a \$9,208 loss for the period ended September 30, 2021. For the nine months ended September 30, 2022, foreign exchange was a \$44,943 gain compared to a \$5,834 loss for the period ending September 30, 2021. The balances in both years were entirely related to operating expenses and reflect normal fluctuations in exchange rates.

General and administrative

General and administrative expenses were \$109,143 for the three months ended September 30, 2022, compared to \$78,606 for the period ended September 30, 2021. For the nine months ended September 30, 2022, general and administrative expenses were \$358,694 compared to \$299,619 for the comparative period ended September 30, 2021. The increase in operating expenses in the period ended September 30, 2022, as compared to 2021 is attributable to an increase in administrative costs associated with being a public company as the Company was private for most of the first two quarters of 2021.

Interest and Accretion

Interest and accretion were \$144,690 for the three months ended September 30, 2022, compared to \$55,782 for the period ended September 30, 2021. For the nine months ended September 30, 2022, interest and accretion were \$355,381 compared to \$270,544 for the comparative period. In 2022, this amount was comprised primarily of accretion on the BWI convertible debt issued in January 2022 as well as accretion on the loan payable issued in early July 2022. The expenses from 2022 and 2021 are similar, however the source of the transactions differ. The interest and accretion from 2021 is primarily attributable to the convertible debentures with an arm's length party 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. Both convertible debentures accreted in the 2021 fiscal year were extinguished by December 31, 2021.

Investor Relations

Investor relations for the three months ended September 30, 2022, was \$15,000 compared to \$21,469 for the period ended September 30, 2021. For the nine months ended September 30, 2022, investor relations was \$166,527 compared to \$27,645 for the nine months ended September 30, 2021. The increase over the comparative period is due to 2022 being the first year in which the Company incurred meaningful costs related to investor relations, market making, and public relations and which were incurred primarily in the first half of 2022.

Professional and Consulting fees

Professional and consulting fees for the three months ended September 30, 2022 were \$247,764 compared to \$465,452 for the period ended September 30, 2021. For the nine months ended September 30, 2022, professional and consulting fees were \$1,094,167 compared to \$2,181,177 for the nine months ended September 30, 2021. The decrease in professional and consulting expenses in the three and nine months of 2022 compared to the prior year is primarily due fees incurred in 2021 in anticipation of the Company's June 1, 2021 IPO.

Sales and marketing

Sales and marketing expenses for the three months ended September 30, 2022, were \$258,522 compared to \$188,220 for the period ended September 30, 2021. For the nine months ended September 30, 2022, sales and marketing expenses were \$667,062 compared to \$659,475 for the comparative period. The increase in sales and marketing expenses in 2022 as compared to 2021 is attributable to a higher level of promotional and sales generation expenses in 2022 than early in the first half 2021. In addition the Company has been focused on sales and revenue.

Share-based compensation

Share-based compensation for the three months ended September 30, 2022, was \$Nil compared to \$302,427 for the period ended September 30, 2021. For the nine months ended September 30, 2022, share-based compensation expense was \$181,918 compared to \$1,253,261 for the comparative period. The prior year was the first in which the Company granted and vested stock options to directors, employees, and consultants, and had many large issuances of options that mostly vested immediately in the first quarter of 2021.

Transfer agent and regulatory fees

Transfer agent and regulatory fees for the three months ended September 30, 2022, were \$10,983 compared to \$19,542 for the period ended September 30, 2021. For the nine months ended September 30, 2022, transfer agent and regulatory fees were \$32,511 compared to \$66,899 for the nine months ended September 30, 2021. The difference between periods is attributable to several larger filing fees in early 2021 in anticipation of undergoing a Going Public Transaction in early June, 2021.

Wages

Wages were \$273,181 for the three months ended September 30, 2022, compared to \$299,008 for the period ended September 30, 2021. For the nine months ended September 30, 2022, wages were \$957,615 compared to \$872,871 for the nine months ended September 30, 2021. The decrease and increase in wages in the three and nine months ended September 30, 2022 respectively, is due to additions and subtractions to staffing levels required to meet the level of operations of the Company from January 1, 2021 onward.

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 / Diluted Income / (Loss) Per Share	(Loss) Per Share
September 30, 2022	179,067	(985,217)	(0.02)	(0.02)
June 30, 2022	123,330	(1,235,114)	(0.02)	(0.02)
March 31, 2022	207,151	(766,642)	(0.01)	(0.01)
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	-	-

Liquidity

At September 30, 2022, the Company had total current assets of \$2,349,816 (December 31, 2021 - \$1,794,369) comprised of \$70,894 (December 31, 2021 - \$1,610,215) in cash, \$2,149,061 (December 31, 2021 - \$137,934) in prepaid expenses, \$64,971 (December 31, 2021 - \$2,583) in accounts receivable, and \$64,890 (December 31, 2021 - \$43,637) in government sales tax receivable. Conversely, the Company had total current liabilities of \$3,675,509 (December 31, 2021 - \$384,671) comprised of \$466,842 (December 31, 2021 - \$110,775) in accounts payable, \$8,207 (December 31, 2021 - \$157,492) in accrued liabilities, \$14,500 (December 31, 2021 - \$Nil) in line of credit, \$21,404 (December 31, 2021 - \$21,404) in income tax payable, \$559,207 in loan payable (December 31, 2021 - \$Nil), \$95,000 (December 31, 2021 - \$95,000) in obligation to issue convertible debentures, \$2,434,357 (December 31, 2021 - \$Nil) in convertible debentures, and \$75,992 in related party loan (December 31, 2021 - \$Nil).

At September 30, 2022, the Company had a working capital deficiency of \$1,325,693 compared to working capital of \$1,409,698 at December 31, 2021.

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 a growing, but limited history of cash flow from operations and is dependent upon raising equity financing to sustain its operations. The Company is expecting significant cash flow from B2B customer revenue in 2022 and ensuing years.

Capital Resources

As at September 30, 2022, the Company has 64,730,846 issued and fully paid common shares, 15,871,412 warrants outstanding, and 6,563,072 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 \$0.10 and \$0.41 for two years from the date of grant. The Company has 448,270 RSUs outstanding.

At the date of the MD&A, the Company has 64,730,846 issued and fully paid common shares, 15,271,412 warrants outstanding, and 7,379,606 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 \$0.10 and \$0.41 for two years from the date of grant. The Company has 1,164,181 RSUs outstanding.

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 period ended September 30, 2022, and 2021, the Company entered into the following transactions with related parties:

	September 30, 2022		September 30, 2021	
Professional and consulting fees	\$	63,812	\$	165,937
Executive and director compensation	\$	94,258	\$	228,293
Share-based compensation to related parties	\$	101,498	\$	771,813

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.

Related Party Balances

As at September 30, 2022, the Company has \$164,613 (December 31, 2021 - \$84,685) due to related parties included in accounts payable and accrued liabilities and \$75,992 (December 31, 2021 - \$Nil) due to Victory Square Technologies. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

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 condensed consolidated interim 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, advances, convertible debentures, due to related party, due from related party, accounts payable, loan payable and CEBA loan. The carrying value of financial instruments approximates the fair value as at September 30, 2022 and December 31, 2021.

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 September 30, 2022, the Company believes that its receivables are collectable.

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 limited 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 assurance 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.