MANAGEMENT DISCUSSION AND ANALYSIS FOR GAMEON ENTERTAINMENT TECHNOLOGIES INC.

Year ended December 31, 2022

Expressed in Canadian Dollars

[1]See Use of Non-GAAP Financial Measures

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 consolidated annual audited financial statements and the related notes thereto for the years ended December 31, 2022 and 2021 (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 June 30, 2023.

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 the CEO

Shareholders,

2022 has presented us with one of the most brutal markets in the last several decades. But in these markets, 'blue collar' teams survive and thrive. Teams with grit, perseverance, and a will to find a way. That's what you have here at GameOn. We've been emboldened to remain patient, optimize resources, and focus diligently on our fastest path to scaled revenue and profitability.

Below are a few key updates from the 2022 fiscal year through June of 2023:

Record Cash Flow

The Company achieved Non-GAAP Adjusted Revenue[1] for 2022 of $1,005,620 in our first full year as a B2B technology platform. This is an incredible result that blows 2021 out of the water and is a reflection of the team's execution. The GET machine is just starting to warm up as we achieve product-market fit and aim to scale in 2023 and beyond.

The Company believes the following Non-GAAP financial measure provides meaningful insight to its shareholders in understanding the Company's performance, and may assist in the evaluation of the Company's business relative to that of its peers:

		2022		2021
Adjusted Revenue	$	1,005,620	$	-
Deduct - deferred revenue		442,842		-
Deduct - blockchain grant		181,506		-
GAAP Revenue	$	381,272	$	12,664

Karateka Sellouts

We're happy to report that our first three Karateka sales windows have sold out emphatically.

As a reminder, Karateka is a collection of 'playable digital fighters' that represent real life fighters from the Karate Combat league (that just raised $18m and was the topic of Joe Rogan's podcast recently). Karatekas can be used in fantasy and card battles games, so when your fighters win in the pit, you win outside of the pit. Cash prizes, VIP tickets, money-can't buy experiences, and more.

We've minted almost 3,000 Karatekas and 2,000+ gear packs. 500+ Dojo accounts with wallets (or 'lockers') have been created, with a following of 8,000+ across social, email, and Discord. This project is just getting started, with fighter reveal on July 5, 2023, and several more batch sales scheduled.

This was achieved organically without a dollar of ad spend. Fundamental to our business model is leveraging the hyper-engaged communities of our partners, in this case Karate Combat.

Platform, Pipeline, & Major League Focus

Remember, Karateka is powered by GameOn's PLAYN3XT platform. The technology is quickly scalable and monetized by any sport or league worldwide. In this case, we're selling 'playable digital fighters.' Next

[1]See Use of Non-GAAP Financial Measures

could be playable digital quarterbacks, ballers, pitchers, batters, horses, jockeys, Olympians, cars, bikes, and so on.

If you joined our VST webinar last month, you'll know that our unrelenting focus is major leagues with multi-million-dollar revenue opportunities. We have active deals in-contract and in the pipeline. We will share more shortly.

Convertible Note & Grant Funding

This month, we announced a $1.81m strategic financing from industry heavyweights, Lightning Capital and Flow, the blockchain platform started by NBA Top Shot maker Dapper Labs. The funds will be used to accelerate GameOn's PLAYN3XT platform and acquisition of major league IP partners. This is in addition to previous grant funding received from Polygon and Hedera.

Earning conviction from web3 powerhouses is a nod to our team, product, and business. We continue to surround ourselves with resources, people, and organizations that foster success. We're aggressively honing in on major league IP acquisition that will return scaled profitability, fueled by best-in-class product and execution. Watch this space.

Organic News Pickup

As a result of our momentum, we've had great organic news pickup. Most notably, I joined MarketScale to talk about GameOn, Karateka, and web3. You'll hear me voice my frustrations with web3's 'branding problem,' and how GameOn is addressing this opportunity with innovation. Spoiler alert: our mission is to make it easy for fans to engage in web3 in a way they're comfortable and familiar with. We lead with web2-friendly rails (credit card checkout & automatic wallet or 'locker' creation). We market benefits (ownership and rewards), not the technology itself. Fun fact: my Mum bought her first Karateka NFT in about 60 seconds without knowing she was engaging in web3! This is the true essence of what we do!

Our financing was also picked up by BetaKit, Venture Capital Journal, and Vancouver Tech Journal.

As we see the market shift to friendlier waters, we're excited for what 2023 will bring. We thank you for your continued support and look forward to sharing more news with you shortly.

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 (with intuitive web2-friendly rails). We turn fans into superfans - engaging, retaining, and monetizing audiences. With a diverse team of web3, gaming, and sports veterans with experience at Take-Two Interactive, Twitch, EA, Dapper Labs, and the Brooklyn Nets, our platform is proven and executed at scale with millions of users, gameplays, and revenue. GameOn has launched products for NBCUniversal, Bravo, Karate Combat, Times Internet, the WNBA, DICK'S Sporting Goods, and Gaming Society.

Overall Performance

2022 was a successful year for GameOn. Despite a tough market, 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 Karate Combat, the world’s premier striking league with millions of followers and live streamers 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.
- On June 13, 2023, the Company announced a strategic financing raising a total of $1.7M from two instruments:
    - A series of convertible notes led by a Digital Asset Investment Firm signed on June 8, 2023. The investment has a face value of $1.2M and simple interest at the annual rate of 10% per annum. Unless earlier converted into common shares (“Shares”), the principal and accrued interest of the Investment will be due and payable by GameOn to the holders of the Investment (the “Holders”) on the date that is twenty-four (24) months from the date of the issuance of the Investment (the “Maturity Date”); prior to the Maturity Date with the acceptance of the Holders (provided GameOn pays the Holder all of the interest that would have been due had the Holders held the Investment until the Maturity Date), or upon demand by the Holders. The Investment plus any accrued but unpaid interest thereon will be convertible into Shares of GameOn at a price of $0.10 per Share. The securities issued will be subject to a 4-month one day hold period from the date of issue of the convertible notes forming the Investment, or the Shares. The completion of the private placement remains subject to the receipt of all necessary approvals, including the approval of the CSE. Proceeds of the offering will be used for general working capital purposes.
    - A non-dilutive grant from a blockchain platform fund signed on June 5, 2023, which is subject to certain project milestones.

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

Selected Financial Information

Selected information for the Company is as follows:

	As at December 31, 2022	As at December 31, 2021
Current assets	$ 517,749	$ 1,794,369
Non-current assets	5,039,772	4,374,283
Total assets	5,557,521	6,168,652
Currrent liabilities	1,646,907	384,671
Non-current liabilities	621,374	40,693
Total liabilities	2,268,281	425,364
	Years ended December 31,	
	2022	**2021**
Total revenue	$ 381,272	$ 12,664
Net loss	(4,241,920)	(9,121,433)
Comprehensive loss	(4,241,920)	(9,070,649)
Net loss per share, basic	(0.07)	(0.16)
Net loss per share, diluted	(0.07)	(0.16)

Discussion of Operations

REVENUE

Revenue for the year ended December 31, 2022, was $381,272 compared to $12,664 for the year ended December 31, 2021. In addition to the reported revenue, the Company received deposits from multiple other customers totaling $442,842 which have been recorded as deferred revenue at December 31, 2022. These amounts are expected to be recognized as revenues in early fiscal 2023 as the Company completes the deliverables stated in the contracts. 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. In 2021, the Company was focused on building out the platform.

EXPENSES

For the year ended December 31, 2022, total expenses were $4,665,189 compared to $8,856,926 for the year ended December 31, 2021. For the three months ended December 31, 2022, total expenses were $1,100,208 compared to $2,771,425 for the three months ended December 31, 2021.

Material variances over the comparable year are discussed below.

General and administrative

General and administrative expenses were $532,030 for the year ended December 31, 2022, compared to $447,711 for the year ended December 31, 2021. For the three months ended December 31, 2022, general and administrative expenses were $173,336 compared to $148,092. The increase in general and administrative expenses is due to an increase in costs related to operations and an increase in insurance premiums related to directors and officers insurance.

Interest and Accretion

Interest and accretion expense was $123,800 for the year ended December 31, 2022, compared to $326,517 for the year ended December 31, 2021. For the three months ended December 31, 2022, interest and accretion expense was $66,389 compared to $55,973 for the comparative period. In 2022, this amount was comprised primarily of accretion on the loan payable issued in early July 2022. 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 year ended December 31, 2022, was $181,527 compared to $810,688 for the year ended December 31, 2021. For the three months ended December 31, 2022, investor relations was $15,000 compared to $783,043 for the comparative period. The decrease over the comparative year is due to 2021 being the first year in which the Company incurred meaningful costs related to investor relations, market making, and public relations which were higher in 2021 to support the going public transaction.

Professional and Consulting fees

Professional and consulting fees for the year ended December 31, 2022, were $1,124,824 compared to $1,849,718 for the year ended December 31, 2021. For the three months ended December 31, 2022, professional and consulting fees was $30,657 compared to $572,307 for the comparative period. The decrease in professional and consulting expenses from the prior year is primarily due to fees incurred in 2021 in anticipation of the Company's June 1, 2021 IPO as well as higher technical consulting fees when building out the platform in 2021.

Sales and marketing

Sales and marketing expenses for the year ended December 31, 2022, were $689,101 compared to $800,243 for the year ended December 31, 2021. For the three months ended December 31, 2022, sales and marketing expenses was $22,039 compared to $140,768 for the three months ended December 31, 2021. The decrease in sales and marketing expenses in 2022 as compared to 2021 is attributable to a lower level of promotional and sales generation expenses in 2022 than in 2021 due to a concerted effort to conserve cash in a difficult market environment. Furthermore, $498,908 of sales and marketing expenses represents non-cash expenditures that were received from BWI in exchange for common shares under a convertible instrument.

Share-based compensation

Share-based compensation for the year ended December 31, 2022, was $772,094 compared to $2,668,707 for the year ended December 31, 2021. For the three months ended December 31, 2022, share-based compensation was $496,158 compared to $511,680 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. In 2022, much of the share-based compensation expense was for restricted share units that were issued at a depressed share price, resulting in a lower expense.

Transfer agent and regulatory fees

Transfer agent and regulatory fees for the year ended December 31, 2022, was $40,281 compared to $78,568 for the year ended December 31, 2021. For the three months ended December 31, 2022, transfer agent and regulatory fees were $7,769 compared to $11,669 for the comparative period. 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 $1,012,494 for the year ended December 31, 2022, compared to $1,284,708 for the year ended December 31, 2021. For the three months ended December 31, 2022, wages expense was $54,879 compared to $411,837 for the comparative period. Wages remained fairly consistent on an annual basis, but declined substantially in the fourth quarter to conserve cash. Included in wages expense is approximately $90,000 of grant funding allocated from blockchain grant funding.

Amortization of intangible assets

Amortization for the year ended December 31, 2022, was $123,267 compared to $603,346 for the year ended December 31, 2021. For the three months ended December 31, 2022, amortization of intangible assets is $123,267 compared to $155,170 for the comparative period. Amortization in the current year, recorded in the fourth quarter, relates to amortization of intangible assets related to the core GameOn platform and the FanClash acquired and integrated technology. The comparative year 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 year ended December 31, 2022, was a $65,771 loss compared to a $13,280 gain for the year ended December 31, 2021. For the three months ended December 31, 2022, foreign exchange was $110,714 compared to a gain of $19,114 for the comparative period. The balances in both years were entirely related to operating expenses and reflect normal fluctuations in exchange rates.

Liquidity

At December 31, 2022, the Company had total current assets of $517,749 (December 31, 2021 - $1,794,369) comprised of $21,424 (December 31, 2021 - $1,610,215) in cash, $11,470 (December 31, 2021 - $137,934) in prepaid expenses, $45,382 (December 31, 2021 - $2,583) in accounts receivable $390,340 in contract asset, and $49,133 (December 31, 2021 - $43,637) in government sales tax receivable. Conversely, the Company had total current liabilities of $1,646,907 (December 31, 2021 - $384,671) comprised of $606,392 (December 31, 2021 - $110,775) in accounts payable, $146,435 (December 31, 2021 - $157,492) in accrued liabilities, $108,513 (December 31, 2021 - $Nil) in line of credit, $442,842 (December 31, 2021 - $Nil) in deferred revenue, $Nil (December 31, 2021 - $21,404) in income tax payable, $95,000 in other payable (December 31, 2021 - $95,000), and $247,725 in contingent consideration payable (December 31, 2021 - $Nil).

At December 31, 2022, the Company had a working capital deficiency of $1,129,158 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 2023 and in the ensuing years.

Capital Resources

As at December 31, 2022, the Company has 67,296,131 issued and fully paid common shares, 15,871,412 warrants outstanding, and 9,593,890 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 1,520,035 RSUs outstanding.

At the date of the MD&A, the Company has 67,466,585 issued and fully paid common shares, 15,271,412 warrants outstanding, and 9,491,490 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 1,690,489 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 year ended December 31, 2022, and 2021, the Company entered into the following transactions with related parties:

		December 31, 2022		December 31, 2021
Professional and consulting fees	$	188,253	$	203,265
Executive and director compensation	$	309,840	$	545,495
Share-based compensation to related parties	$	174,767	$	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.

Related Party Balances

As at December 31, 2022, the Company has $164,613 (December 31, 2021 - $84,685) due to related parties included in accounts payable and accrued liabilities. This amount is unsecured, non-interest bearing and have no fixed terms of repayment. The contingent consideration payable is $247,725 (December 31, 2021 - $Nil) is contingent consideration due to the former principal of InPlay Labs, now engaged as a senior consultant of the Company and shareholder. The contingent consideration is based on the estimated fair value of equity consideration based on an earn out clause in the FanClash asset acquisition.

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 as appropriate. After this review, it was determined that there were no further indicators of impairment further to the impairments recognized in the 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 and contingent consideration are measured using level 3 inputs.

The Company's financial instruments consist of cash, accounts receivable, convertible debentures, due to related party, accounts payable, line of credit, loan payable and CEBA loan. The carrying value of financial instruments approximates the fair value as at December 31, 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 bank accounts in Canada and the US. As most of the Company's cash is held by two banks 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 and government sales tax receivable. Based on the evaluation of receivables at December 31, 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 as most of the Company's debt bears a fixed rate of interest. The Company is exposed to fair value 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.

Contractual Obligations As at December 31, 2022		**Total**		**Less than 1 year**		**1-3 years**		**3-5 years**		**After 5 years**
Trade payables and accrued liabilities	$	752,827	$	752,827	$	-	$	-	$	-
Lines of credit		108,513		108,513		-		-		-
Other payable		95,000		95,000		-		-		-
Loans payable		744,920		-		744,920		-		-
CEBA Loans		60,000		-		60,000		-		-
Total Contractual Obligations	$	1,761,260	$	956,340	$	804,920	$	-	$	-

Contractual Obligations As at December 31, 2021		**Total**		**Less than 1 year**		**1-3 years**		**3-5 years**		**After 5 years**
Trade payables and accrued liabilities	$	268,267	$	268,267	$	-	$	-	$	-
Income tax payable		21,404		21,404		-		-		-
Other payable		95,000		95,000		-		-		-
CEBA Loans		60,000		-		60,000		-		-
Total Contractual Obligations	$	444,671	$	384,671	$	60,000	$	-	$	-

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 actively hedge its exposure to fluctuations in foreign exchange rates. The Company's revenues are almost entirely in USD, while a component of operating expenses are incurred in CAD. The Company is exposed to moderate foreign exchange risk. A +/- 10% in the average annual exchange rate of the USD/CAD would have resulted in an approximately $25,000 change in reported revenue. The change in net loss would have been lower than $25,000 as the Company is partially hedged by incurring operating expenses in USD and CAD.

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 a 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 making 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.

Use of Non-GAAP Financial Measures

This release contains references to Non-GAAP financial measures Adjusted Revenue. The Company defines Adjusted Revenue as gross cash income before adjustments for the deferred portion of business partner setup, license, and sponsorship fees and gross and accrued receipts from blockchain grant funding. The Company believes that the measure provides information useful to its shareholders and investors in understanding the Company’s 2022 operating cash flow and may assist in the evaluation of the Company’s business relative to that of its peers more accurately than GAAP financial measures alone. This data is furnished to provide additional information and does not have any standardized meaning prescribed by GAAP. Accordingly, it should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP and is not necessarily indicative of other metrics presented in accordance with GAAP.

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.