



**PLAYGON GAMES INC.**  
**(Formerly Global Daily Fantasy Sports Inc.)**  
**Management Discussion and Analysis**  
For the three and six months ended June 30, 2020

**Playgon Games Inc.**  
**Management's Discussion and Analysis**  
**For the three and six months ended June 30, 2020**

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This discussion and analysis of financial position and results of operation is prepared as at August 31, 2020 and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2020 of Playgon Games Inc. (formerly Global Daily Fantasy Sports Inc.) ("Playgon" or the "Company") and the consolidated financial statements of the Company for the year ended December 31, 2019. The following disclosure and associated financial statements are presented in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

**FORWARD LOOKING STATEMENTS**

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The Company's condensed interim consolidated financial statements for the three and six months ended June 30, 2020 and this accompanying MD&A contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102. *Continuous Disclosure Obligations of the Canadian Securities Administrators*.

It is important to note that, unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of August 31, 2020.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, "forward-looking statements". These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words "believes", "expects", "anticipates", "estimates", "intends", "plans", "forecasts", or similar expressions. Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on current expectations that involve certain risks, uncertainties and assumptions. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The Company has no intention and undertakes no obligation to update or revise any forward-looking statements, whether written or oral that may be made by or on the Company's behalf, except as may be required by applicable law.

All of the Company's public disclosure filings may be accessed via [www.sedar.com](http://www.sedar.com) and readers are urged to review these materials.

**DESCRIPTION OF THE COMPANY'S BUSINESS**

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The Company is a B2B technology provider focused on developing and licensing digital content for the growing iGaming Market. The Company platforms provide a multi-tenant gateway that allows online operators the ability to offer their customers innovative iGaming software solutions ("Live Dealer Product") and a customized daily fantasy sports ("DFS") software solution ("DFS Product"). The Company filed Articles of Amendment under the *Business Corporations Act* (British Columbia) to change its name from Global Daily Fantasy Sports on July 29, 2020 to better describe its business to the investment community. In addition, the trading symbol on the TSX Venture Exchange was changed from "DFS" to "DEAL" on July 31, 2020.

On June 19, 2020, the Company completed the purchase of Playgon Interactive Inc. ("Playgon Interactive") from its shareholders (the "Playgon Acquisition"). Playgon Interactive, a private British Columbia corporation, is a leading technology innovator in the gaming market that has developed a suite of digital products that bring the fun and entertainment of casinos to casino players everywhere via their unique and proprietary mobile first interface and the traditional desktop medium. Playgon Interactive's value proposition

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offers the proven appeal of physical casinos, with a suite of interactive live dealer games that appeal to players in a very personal way by giving real human interaction between dealers and players. Playgon Interactive's proprietary live dealer technology is designed to operate in both real money and social gaming verticals. In a live casino game, a human dealer runs the game in real time from a casino gaming table, which can be seen via a live streaming video link. Players can make betting decisions via their mobile device or desktop and can communicate with the dealer in real time via a software interface.

As a true business-to-business digital content provider, the Company's products are ideal turn-key solutions for online casinos, sportsbook operators, land-based operators, media groups, and big database companies. The Company enables its customers to seamlessly integrate into its Live Dealer Product, E-Table games and DFS Product thereby allowing their individual end users easy access to iGaming software solutions and content.

### **Live Dealer Product**

Its current software platform includes Live Dealer Casino which includes the most popular table games, and E-Table games, which are Playgon Interactive's version of random number generated (RNG) table games.

Operating through its wholly-owned subsidiary, Playgon Interactive the Company is devoted to leading the innovation curve in Live Dealer Casino technology, featuring an unmatched mobile platform. Playgon will stream the first and only Live-Dealer Casino action from Las Vegas, Nevada (Vegas Lounge™) for the regulated online casino gaming markets globally. Live-dealer gaming is one of the fastest growing segments in the online casino market where mobile-devices generate over 70% of casino revenues. For the first time, players can now experience a supreme gaming experience through any browser on any mobile device with Playgon's Live-Dealer casino from Las Vegas, Nevada.

Through Playgon Interactive, the Company owns a 12,000 sq. ft state-of-the-art broadcasting studio streaming live casino games with dealers straight from Las Vegas. The Live Dealer Casino ("LDC") games cover the classic and most played casino favorites, from Roulette and Blackjack to Baccarat and Casino Hold'em, with new in game features and functionality to boost online casino revenues.

Playgon Interactive's proprietary live dealer technology is designed to operate in both real money and social gaming verticals. In an LDC game, a human dealer runs the game in real time from a casino gaming table, which can be seen via a live streaming video link. Players can make betting decisions via their mobile device or desktop and can communicate with the dealer in real time via a software interface.

### **Daily Fantasy Sports Product**

The Company's daily fantasy sports (DFS) software and network is licensed to customers to offer a customized and fully branded DFS Product to their end users. DFS is an accelerated variant of traditional Fantasy Sports Games that are conducted over shorter periods, such as a weekly or daily competition, as opposed to those that are played across an entire season, and is one of the fastest growing segments of the fantasy sports industry today.

DFS is a subset of year-long Fantasy Sport Games. As with traditional fantasy sports games, site end users compete against others by building a team of professional athletes from a particular league or competition and earn points based on the actual statistical performance of the players in real-world competitions. DFS are an accelerated variant of traditional Fantasy Sports Games that are conducted over short-term periods, such as a week or single day of competition, as opposed to those that are played across an entire season. DFS are structured in the form of competitions referred to as a contest, where site end users pay an entry fee in order to participate, and build a team of athletes in a certain sport while complying with different contest rules. Depending on the overall performance of the athletes selected, site end users may win a share of a pre-determined prize pool.

### ***Revenue Segmentation***

The Company anticipates three sources of revenue. The first are set-up fees which typically pay for the integration, customization and branding of the customer site for the use of our Live Dealer product and DFS product. The second is for licensing and use of the Company's software-as-a-solution (SaaS). The third is for managed services, which is only applicable to the DFS product for marketing and support services for customers requiring fully managed services of the Company's staff.

The online gaming industry is heavily regulated and it is the Company's intention to only provide its product to customers who hold an appropriate gambling license. Initially, the Company's target markets are Europe, Asia, Africa and Latin America. The North American market may provide some near term opportunities; ultimately revenue opportunities in this marketplace will be driven by customer demand.

### ***Principal Products and Services***

The Company platforms are a multi-tenant B2B gateway, which allows customers to offer their end users a Live Dealer Product or a DFS Product. Both Products have been built with a mobile first philosophy that allows for seamless integration at the customer level without having to share or compromise any sensitive end user data. Joining the Company's network allows customers to capitalize on a mature infrastructure with shared liquidity, without conflict of interest and built specifically for regulated market environments.

As a true business-to-business digital content provider, the Company offers a SaaS product that provides a turn-key solution for sportsbook operators, land-based operators, media groups and big database groups to experience its Live Dealer Product or a DFS Product, without having to incur large upfront costs to monetize this new business and add incremental revenue to their business.

The Company's online offering is designed for gaming operators worldwide. The platforms integrate into a gaming operator's website, whereby the Live Dealer Product or the DFS Product will be immediately available to the end users. The end user will easily be able to access the Live Dealer Product or the DFS Product using any modern browser via a desktop or mobile device. This allows any customer end-user the ability to access the content from any device accessible to him or her, with the benefit that a user can pause and transition the experience across any number of devices. While the end user accesses the offering through an operator's website, the Company maintains and operates the platform to ensure a safe and secure ecosystem without conflict of interest.

Available Live Dealer games include Blackjack (Regular & Common Draw), Roulette (European & American), and Baccarat (Regular & No Commission).

Available E-Table games (Multiplayer & Single player) include, Blackjack, Baccarat, Roulette, Craps, SicBo, Pai Gow, Pai Gow Poker, Andar Bahr, Dragon Tiger, Red Dog, Holdem Poker and Three Card Poker.

DFS contests currently offered are the five major European football leagues and North American and European golf.

### ***Product Development***

#### ***Live Dealer***

Playgon Interactive was founded in 2016 and is a leading innovator in the online casino gaming space, developing a suite of products that bring the complete fun and entertainment of casinos to everyone, everywhere. Playgon Interactive's value proposition offers the proven appeal of casinos, with a core of interactive live dealer casino table games that appeal to players in a very personal way. Playgon Interactive will further enhance its offering with E-table games.

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Playgon Interactive employs best in breed technology to deliver a seamless, interactive, and immersive online casino experience. Playgon Interactive is a mobile-first developer, where every game created has been made with mobile gaming in mind. Playgon Interactive's focus is on mobile-first ergonomic designs and single-touch interactivity, bringing cutting-edge handheld features and functionality to gambling enthusiasts who have long been demanding a world-class mobile experience.

Playgon Interactive's proprietary technology is built for robustness, scalability, and user experience. Playgon Interactive makes use of the latest technologies, like Progressive Web Apps, to deliver a fast, secure, native-like unmatched user experience.

***Daily Fantasy Sports***

Effective May 12, 2016, the Company and Bellwether Technologies, Inc. ("Bellwether") entered into an agreement (the "Bellwether Agreement") pursuant to which Bellwether: (i) granted the Company a perpetual license for a software platform (the "Bellwether Platform License"); (ii) agreed to build and integrate a proprietary software (the "DFS Product") onto the Bellwether Platform for commercial use; and (iii) agreed to provide maintenance and support for the Bellwether Platform and the DFS Product for an initial term of two years, subject to extension for an additional three-year period.

As at June 30, 2020, the Company has paid Bellwether development fees totaling \$2,147,972 in connection with the development of the DFS Product and \$506,868 for software development and support. During the year ended December 31, 2018 the Company fully impaired the Bellwether license See also "DFS Platform and Network Update".

***Distribution Methods***

The Company's products and services will be distributed through the Internet via mobile and desktop, which may provide customers/network partners with advantages over traditional offline gaming competitors, including global reach and additional mobility, a reduced cost base, 24/7/365 access, greater levels of player liquidity and enhanced innovation with respect to product offerings and technology.

The recent events of Covid-19 pandemic have accelerated the need for land-based gaming operator's to adopt a digital strategy as most land-based businesses have been exposed to the pandemic shut downs. This confirms the Company's strategy and distribution methods in the area of digital commerce.

***Principal Markets and Restricted Markets***

The Company will operate in markets worldwide and license its product to customers who hold a gambling license. The Company plans to have a global presence with an initial focus to partner with gaming operators in the Europe, Africa, Latin America, and Asia. The management of the Company believes that these markets offer the best potential for growth that exists for both Live Dealer and Daily Fantasy Sports products.

Additional opportunities for expansion may exist across North America as the regulatory environment continues to improve for online sports betting and casino gaming.

***Marketing Plans and Strategies***

***Live Dealer***

Live Casino has changed from being viewed as merely a strategic option for the online gaming brands into a key gaming segment that offers rich growth and expansion opportunities in new and existing markets.

Globally the online casino gaming market continues to show trends for growth and reach. It has strong player demand across multiple territories and has exhibited greater commercial potential due to regulation, technological innovation and multiple distribution channels. This trend is expected to continue as more

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regions regulate their individual online casino gaming markets and land-based and digital businesses converge.

The market opportunity for the Company is significant, Real money casino revenues globally in 2019 were projected to reach \$16B USD and are anticipated to reach \$22B USD by 2025 which represents a 37.5% increase between 2019 – 2025 and a CAGR of 5.4% during that same period<sup>1</sup>.

Live Dealer today is an integral part of any online casino operator's portfolio and market strategy. It offers players a unique experience of real and dynamic gaming with a core human element. Operators gain a distinctive segment of games that can strongly incorporate their brand values and appeal as well as expand the demographic and geographic reach of their platform.

The combination of entertainment, trust rendering human element, exciting games and opportunities for real time interaction underpins the foundation for strong growth and market expansion in existing regulated markets worldwide There is also further potential as additional regulated markets become available.

The Company plans to build its marketing campaign by attending industry conferences virtually initially and when possible in person, using direct sales tactics, utilizing a multi-pronged search engine optimization strategy, developing its website, utilizing print advertisements in trade magazines and connecting and networking with third party platform aggregators.

### **Daily Fantasy Sports**

The DFS industry is young and in development phase in Europe and other markets outside of North America. As the Company's focus will be building a B2B platform and network, it will benefit from the focus of consumer facing platforms. Central to the Company's marketing strategy is to align with key distribution partners in its target markets. These distribution partners will have relationships and access to potential target customers. The Company intends to leverage their customer databases and will not have to invest marketing dollars to acquire end users of the DFS Product. On May 31, 2016 the Company entered into an agreement (the "NYX Agreement") with NYX Digital Gaming (USA), LLC ("NYX"), a wholly owned subsidiary of NYX Gaming Group Limited, NYX Gaming Group Limited was purchased by Scientific Games Corporation (NASDAQ: SGMS) ("SGC") in January 2018; Scientific Games is a global leader in technology-based gaming systems, table games, table products and instant games, and a leader in products, services and content for gaming, lottery and interactive gaming markets. Scientific Games combined the acquired company with its own online B2B gaming division to create a new division SG Digital.

The NYX Agreement establishes a strategic relationship between the Company and NYX (now SGC and hereafter referred to as SGC) to develop and distribute the DFS Product on SGC's proprietary platform (the "OGS Platform") and SGC's customer base (the "OGS Network") to SGC clients worldwide.

As part of the agreement: (i) the Company and SGC are co-operating in the development of the DFS Product; (ii) SGC granted the Company an exclusive, irrevocable, non-transferable (except to an affiliate or a third-party non-competitor of SGC) worldwide right to distribute the DFS Product on the OGS Network (the "Network Distribution Rights"); (iii) SGC has granted the Company an exclusive, irrevocable, non-sub-licensable and nontransferable (except to an affiliate or a third party non-competitor of SGC) worldwide license to use and exploit the OGS Platform and to use, display, install, copy and create derivative works or otherwise exploit the OGS Platform in connection with the distribution of the DFS Product on the OGS Network (the "OGS License"); and (iv) SGC has agreed to offer and promote the DFS Product to its current and future customer base as its sole daily fantasy sports solution and to use its sales and marketing teams to maximize commercial exploitation of the DFS Product throughout the OGS Network.

<sup>1</sup>H2 Gambling Capital Inc.

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In consideration for the Network Distribution Rights and the OGS License, the Company has paid SGC a total of \$322,663 (US\$250,000). The Company must also make a payment of US\$250,000 to SGC upon the commercial launch of the DFS Product on the OGS Platform and the OGS Network. In addition, the Company will pay to SGC a monthly royalty payment for clients through the OGS Network with some minimum guarantees after the product is launched.

The Company's obligation to remit the applicable DFS Royalty will begin 30 days after the commercial launch of the DFS Product on the OGS Platform and the OGS Network. The term of the SGC Agreement is five years from the commercial launch of the DFS Product on the OGS Platform and the OGS Network, which initial term may be renewed by the Company on written notice to SGC for an additional five-year period. To date, SGC has not provided any customers to the Company through its marketing efforts, which have entered into a licensing agreement.

In general, the Company plans to build its marketing campaign by attending industry conferences, initially virtually and, when possible, in person, using direct sales tactics, utilizing a multi-pronged search engine optimization strategy, developing its website, utilizing print advertisements in trade magazines and connecting and networking with third party platform aggregators.

***Competition***

The Company may not be able to compete successfully against current and future competitors, and the competitive pressures the Company faces could harm its business and prospects. Broadly speaking, the Internet media, entertainment, fantasy sports, and iGaming industry are highly competitive. The level of competition is likely to increase as current competitors improve their product offerings and as new participants enter the market. Some of the Company's current and potential competitors have longer operating histories, larger customer bases, greater name and brand recognition and significantly greater financial, sales, marketing, technical and other resources than the Company. Additionally, these competitors have research and development capabilities that may allow them to develop new or improved products that may compete with products the Company markets and distributes.

***Proprietary Protections***

The Company owns 100% of the Live Dealer Product and DFS Product. The Company will rely on a combination of trademark, copyright and trade secret laws, as well as confidentiality agreements and technical measures to protect its proprietary rights.

***Regulatory Matters***

The Company has received a B2B skilled gaming license from the Malta Gaming Authority ("MGA") on April 6, 2018, enabling it to provide its Product to licensed operators of the MGA. The license entitles the Company to manufacture, supply, install and adapt gambling software for electronic devices or websites in a network setting.

On August 10, 2017, the Company received Gaming Laboratories International ("GLI") certification for its DFS platform for Italy and the United Kingdom. The GLI certification covers both the Company's sports offerings of European Football and European and PGA Golf and provided the necessary accreditation required to launch the Company's platform in Italy and in the UK.

The Company plans to upgrade its current MGA license to accommodate the licensing of its newly acquired B2B Live Dealer Products from a Type 4 to a Type 1 license category. The Company may also seek other licensing authority in the future as customer business dictates.

***iGaming Platforms***

The Company's proprietary Live Dealer Product provides the following competitive advantages:

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- Enables multiple operators to gain access to one Live Dealer studio which is streaming from Las Vegas, Nevada;
- Product development is mobile focused to enhance player UI and UX, attracting the most sought-after player segment; the discerning, higher value, returning player;
- Product development uses Progressive Web App (PWA) technology, device agnostic, every user, every browser, every device;
- Cloud based technology built for robustness, scalability and zero latency with streaming; and
- Portrait only Live Dealer and E-Table games offering single hand Ergonomics which provides effortless gameplay for the mobile user.

The Company has an established a 12,000 sq ft state-of-the-art live broadcast studio in Las Vegas, Nevada. The Company operates its tables under the strict and fair gaming standards of land-based casinos. Studio operations are planned to launch in Q4 2020 and will be supervised 24/7 by supervisors with extensive experience in land-based operations. The Company will add additional studios as customer business dictates.

The Company's proprietary DFS Platform provides the following competitive advantages:

- Enables multiple operators to join a network as regulation permits to share liquidity; which means each operator's end user is able to participate in a common pool of other operators end users to promote larger contest sizes;
- enables operators the option to offer its clients entry into ring-fenced contests or network wide contests for enhanced liquidity and prize pools;
- uniquely designed, guided custom lobby experience will ensure players easy access to enter contests and maximize customer retention;
- designed games such as the "pick 'em" which will provide the casual new user unprecedented ease of entry in new emerging markets;
- platform architecture has been designed to scale;
- proprietary skill matching algorithm for head to head matches to promote a healthy game economy; and
- mobile accessible on Android and iOS.

With the MGA license received April 6, 2018, the Company is in a position to partner with licensed operators and launch a network for all markets not requiring a specific license. The Company's expectation is to launch a network in fiscal 2021 but ultimately will be determined by customer agreements and integration into the new network. In addition, the company is reevaluating its product and strategy from its network experience in the Italian market, this network was discontinued after the 2018/19 Serie A season due to economic viability of the network.

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***Acquisition of Playgon Interactive***

On June 19, 2020, the Company acquired 16,850,447 (100%) common shares of Playgon Interactive through the issuance of 63,333,333 common shares of the Company at \$0.15 per common share for a total value of \$9,500,000. The acquisition has been treated as an acquisition of an intangible asset.

The assets and liabilities of Playgon Interactive and its subsidiaries on acquisition were as follows:

	\$
Cash	30,206
Amounts receivable	7,482
Sales tax receivable	50,952
Prepays	836
Security deposit	91,205
Property and equipment	631,816
Intangible assets	399,923
Right-of-use asset	186,460
Accounts payable and accrued liabilities	(1,025,761)
Loans payable	(560,000)
Long-term debt	(1,280,775)
Lease liability	(204,332)
Net liabilities	(1,671,988)

The total consideration for the acquisition was as follows:

	\$
Value of common shares issued	9,500,000
Net liabilities acquired	1,671,988
Total consideration	11,171,988

Pursuant to the terms of the purchase agreement, 4,608,891 Common Shares (the "Indemnity Escrow Consideration Shares"), were placed in escrow to satisfy any indemnity claims. Subject to the satisfaction of any agreed claims under the purchase agreement, 50% of the Indemnity Escrow Consideration Shares will be released to certain selling shareholders on the one-year anniversary of the closing date of the Playgon Acquisition and the balance will be released on the 18-month anniversary of the closing date of the Playgon Acquisition. In addition, 41,480,009 common shares of the Company (the "Release Escrow Consideration Shares") will be subject to resale restrictions, such that 12.5% of the Release Escrow Consideration Shares shall be released for sale on a quarterly basis following the initial six-month anniversary of the closing date of the Playgon Acquisition. If the aggregate of indemnity claims exceeds the number of Indemnity Escrow Consideration Shares multiplied by \$0.15 per share, the Release Escrow Consideration Shares shall also be subject to recovery by the Company to a maximum indemnity cap of \$5,000,000.

***Purchase of Mondogoal Assets***

Effective May 11, 2017, the Company entered into an asset purchase agreement (the "Mondogoal Purchase") with Mondogoal whereby the Company purchased Mondogoal's operating assets consisting of intellectual property, trademarks and client contracts (the "Mondogoal Purchased Assets") for the Company's DFS B2B operations to be conducted in Italy. The purchase price paid for the Mondogoal Purchased Assets was US\$247,500 plus certain unpaid liabilities of Mondogoal related to the assets. In addition, the Company agreed to pay Mondogoal an amount equal to the value of the net gaming revenues derived from the Mondogoal Purchased Assets during each of the first three anniversary periods, to be payable in common shares of the Company that are priced in the context of the market (the "Earn-out Shares") to a maximum of US\$300,000 and subject to TSXV approval. As of June 30, 2020, no Earn-out Shares have been issued.

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Mondogoal has ceased operations and has failed to perform its obligations under the Mondogoal Purchase. The Company believes it has no further obligations owing under the Mondogoal Purchase and has the right to certain damages under the Mondogoal Purchase. The Company has no customers using Mondogoal's operating assets it acquired as three of Mondogoal's Italian operators were not renewed on July 31, 2019.

**SUMMARY OF QUARTERLY RESULTS**

The following selected financial information is derived from the unaudited condensed interim consolidated financial statements of the Company prepared in accordance with IFRS.

	Fiscal 2020		Fiscal 2019				Fiscal 2018	
	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec.31, 2018	Sept. 30, 2018
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Operations:</b>								
Revenue	Nil	Nil	Nil	Nil	6,139	44,650	42,211	16,738
Expenses	1,472,572	373,434	615,156	526,340	491,531	677,510	(960,275)	(1,395,189)
Other items	10,745	(37,876)	(20,722)	13,560	(795)	9,118	(3,129,976)	11,619
Net loss	(1,461,827)	(411,310)	(637,188)	(512,780)	(484,597)	(623,860)	(4,048,040)	(1,366,832)
Basic and diluted loss per share	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.07)	(0.03)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Statement of Financial Position:</b>								
Working capital (deficiency)	1,082,729	(1,593,343)	(1,188,205)	(596,883)	(432,050)	(574,351)	(184,578)	524,390
Total assets	17,075,633	189,084	253,379	259,939	363,095	281,894	542,057	4,212,622
Total long-term liabilities	1,359,449	Nil	Nil	Nil	Nil	Nil	Nil	Nil

The quarterly fluctuations in net loss are generally correlated to the level of management's activities related to the acquisition of companies, rights, licenses and other projects. Loss is also impacted by the non-cash fluctuations in the Company's amortization of intangible assets, share based compensation, and other corporate costs. Comprehensive loss is impacted by the foreign currency translation adjustment resulting from Bitrate reporting their financial statements in CAD rather than their functional currency of USD.

The Company was generating revenues through its DFS operations until June 30, 2019 (2019 Q2). During the three months ended December 31, 2018 (2018 Q4), a \$3,114,144 impairment of the Company's intangible assets was recorded. During the three months ended June 30, 2020 (2020 Q2), the Company acquired Playgon Interactive and its wholly owned subsidiaries resulting in increased overall expenses.

**RESULTS OF OPERATIONS – Three Months Ended June 30, 2020**

For the three months ended June 30, 2020 the Company had sales of \$nil and a net loss of \$1,461,827 compared to sales of \$6,319 and a net loss of \$484,594, respectively, for the three months ended June 30, 2019. The increase in net loss is due to the following:

- I. Sales decreased to \$nil (June 30, 2019 - \$6,139) as the Company did not have any DFS operations during the period ended June 30, 2020.
- II. Amortization expense increased to \$122,148 (June 30, 2019 - \$nil) related to the amortization of intangible assets acquired in the Playgon Acquisition.
- III. Consulting fees decreased to \$36,152 (June 30, 2019 - \$218,100) as the Company has reduced the number of external consultants.

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- IV. Interest expense increased to \$25,791 (June 30, 2019 - \$nil) as the Company received loans during the year and acquired additional loans in the Playgon Acquisition.
- V. Professional fees increased to \$252,452 (June 30, 2019 - \$69,133) as the Company incurred additional costs associated with completing the Playgon Acquisition
- VI. Share-based compensation increased to \$638,162 (June 30, 2019 – credit of \$53,657) as the Company granted options to directors and officers of the Company.

**RESULTS OF OPERATIONS – Six Months Ended June 30, 2020**

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For the six months ended June 30, 2020 the Company had sales of \$nil (2019 - \$50,789) and a net loss of \$1,873,137 compared to a net loss of \$1,108,339 for the six month period ended June 30, 2019. The increase in net loss is due to the following:

- I. Sales decreased to \$nil (June 30, 2019 - \$50,789) as the Company did not have any DFS operations during the period ended June 30, 2020.
- II. Amortization expense increased to \$122,148 (June 30, 2019 - \$nil) related to the amortization of intangible assets acquired in the Playgon Acquisition.
- III. Consulting fees decreased to \$154,372 (June 30, 2019 - \$542,051) as the Company has reduced the number of external consultants.
- IV. Interest expense increased to \$37,106 (June 30, 2019 - \$nil) as the Company received loans during the year and acquired additional loans in the Playgon Acquisition.
- V. Professional fees increased to \$273,650 (June 30, 2019 - \$88,480) as the Company incurred additional costs associated with completing the Playgon Acquisition
- VI. Share-based compensation increased to \$644,190 (June 30, 2019 – credit of \$90,669) as the Company granted options to directors and officers of the Company.

**LIQUIDITY AND CAPITAL RESOURCES**

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The Company's operations have been primarily funded from equity financings, which are dependent upon many external factors and may be difficult to secure or raise when required on terms acceptable to the Company or at all. During the six months ended June 30, 2020, the Company incurred a net loss of \$1,873,137, has working capital of \$1,082,729 (December 31, 2019 - negative working capital of \$1,188,205) and an accumulated deficit of \$25,503,845 (December 31, 2019 - \$23,630,708). The Company recognizes that its objectives and scope of expenditures may change with ongoing results and, as a result, it may be required to obtain additional financing. While the Company has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future.

On March 11, 2020 the World Health Organization (“WHO”) declared a global pandemic. In order to combat the spread of COVID-19 governments worldwide, including Canada, have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures will have a significant, negative effect on the economy of all nations for an undeterminable period of time, the extent of which is also uncertain.

These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. If for any reason the Company is unable to continue as a going concern, it could impact the Company's ability to realize assets at their recognized values and to meet its liabilities in the ordinary course of business at the amounts stated in the unaudited condensed consolidated interim financial statements.

**FINANCING ACTIVITIES AND CAPITAL EXPENDITURES**

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During the six months ended June 30, 2020:

On June 17, 2020, the Company completed a subscription receipt financing, including the exercise of a compensation option issued to Beacon Securities Limited (the “Agent”), of an aggregate of 38,331,588 subscription receipts of the Company (the “Subscription Receipts”) at a price of \$0.15 per Subscription

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Receipt for aggregate gross proceeds of \$5,749,738 (the "Financing"). The proceeds of the Subscription Receipts, less 50% of the Agent's aggregate cash fee of \$364,080, were paid into escrow and released on completion of the Playgon Acquisition on June 19, 2020. The Agent was also issued 1,171,866 compensation options and received 96,960 common shares of the Company in lieu of cash compensation, which shares were issued at a deemed price of \$0.15 per share.

On June 19, 2020 the Company issued 63,333,333 common shares at \$0.15 per common share for a total value of \$9,500,000 for the acquisition of Playgon Interactive (Refer to *Acquisition of Playgon Interactive* above).

Subsequent to June 30, 2020 the Company issued 3,150,000 common shares for total proceeds of \$630,000 in connection with the exercise of 3,150,000 warrants at \$0.20.

Upon completion of the Playgon Acquisition, the Company acquired short term loans of \$560,000 which are short term in nature and with interest rates ranging from 5% to 7%. During the six months ended June 30, 2020, the Company received additional loan proceeds of \$199,750 for working capital purposes (2019 - \$300,000) and made loan payments of \$60,000 (2019 - \$nil).

As at June 30, 2020 the Company has \$133,660 and US\$822,194 (CAD\$ - 1,120,486) owing to various third party lenders. The loans are secured by assets of the Company and bear interest at 5% per annum. The loan repayment schedule is based on an amount equal to 25% of the free cash flow of the Company, that is cash flow generated by operations after deducting all expenditures ("Available Cash Flow"). As at June 30, 2020 the Company does not expect to have Available Cash Flow, over the next twelve months, for the purposes of debt repayments and has recorded the debt as a long-term liability. The Company evaluates the likelihood of having Available Cash Flow for debt repayments on a quarterly basis.

As at June 30, 2020 the Company has \$50,000 in long term loans payable to the Government of Canada received under the Canada Emergency Business Account ("CEBA") program. The loans are interest free and mature on December 31, 2022. Should the Company repay the balance of the loans before the maturity date, 25% of the loan will be forgiven.

During the six months ended June 30, 2019, the Company's financing activities provided cash of \$5,155,950 (2019 - \$940,000).

During the year ended December 31, 2019, the Company completed a first tranche of a non-brokered private placement of 11,600,000 units at a price of \$0.10 per unit for gross proceeds of \$1,159,985. Each unit consisted of one common share of the Company and one non-transferable common share purchase warrant. Each warrant entitles, subject to accelerated vesting in certain circumstances, the holder to purchase an additional common share of the Company at an exercise price of \$0.20 per until April 4, 2020. In addition, the Company completed a second tranche of a non-brokered private placement of 3,400,000 units at a price of \$0.10 per unit for gross proceeds of \$340,000. Each unit consisted of one common share of the Company and one non-transferable common share purchase warrant. Each warrant entitles the holder to purchase an additional common share of the Company at an exercise price of \$0.20 per until July 17, 2020.

**CONTRACTUAL COMMITMENTS**

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The Company must make a payment of US \$250,000 to SGC upon the commercial launch of the DFS Product on the OGS Platform and the OGS Network. In addition, the Company will pay to SGC a monthly royalty payment. See also "Marketing Plans and Strategies".

**OFF-BALANCE SHEET ARRANGEMENTS**

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The Company has no off-balance sheet arrangements.

## **CHANGES IN ACCOUNTING PRINCIPLES**

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On January 1, 2020, the Company adopted the amendments to IFRS 3 *Business Combinations*. The amendment:

- clarifies minimum requirements to be a business,
- clarifies market participants ability to replace missing elements,
- clarifies the assessment of whether an acquired process is substantive,
- narrows the definition of outputs, and
- provides for an optional concentration test which is met if substantially all of the fair value of the gross net assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

## **CRITICAL ACCOUNTING ESTIMATES**

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The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. The significant estimates made by management include the determination of useful lives for property and equipment and intangible assets, determination of functional currency, the categorization of financial instruments, estimation of the fair values of financial instruments, determination of impairments of long-lived assets, valuations of allowances for future income tax assets, and assumptions used for share-based compensation. Actual results may differ from those estimates.

## **RELATED PARTY TRANSACTIONS AND BALANCES**

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Transactions with related parties are made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

### *(a) Transactions with Key Management Personnel*

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and its executive officers.

During the six months ended June 30, 2020, the Company incurred \$445,076 for compensation to directors and officers and/or their related companies compared to \$264,278 for the six months ended June 30, 2019. As at June 30, 2020, \$758,112 (December 31, 2019 - \$742,986) remained unpaid and has been included in accounts payable and accrued liabilities.

### *(b) Transactions with Other Related Parties*

During the six months ended June 30, 2020, the Company incurred legal expenses of \$19,196 (2019 - \$19,309) by Meretsky Law Firm, a law firm of which a director of the Company is a partner. As at June 30, 2020, \$50,732 (December 31, 2019 - \$42,550) remained unpaid and has been included in accounts payable and accrued liabilities.

## **RISK FACTORS**

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The business and operations of the Company are subject to numerous risks, many of which are beyond the Company's control. The Company considers the risks set out below to be some of the most significant to potential investors in the Company, but not all of the risks are associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware or which it considers to be material in relation to the Company's business actually occur, the Company's assets, liabilities, financial

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condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

### **Global Pandemics**

On March 11, 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, customers, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses, including ours. This outbreak could decrease spending, adversely affect demand for our product and harm our business and results of operations; however, the Company has also recognized that the pandemic has led to a global increase in screen time and online gaming which is beneficial to the Company's operations. It is not possible for us to predict the duration or magnitude of the adverse results of the outbreak and its effects on our business, results of operations, or how it will impact the Company's ability to conduct financings at this time.

### **Additional Financing**

The Company may need additional financing. The Company's ability to obtain additional financing will depend on investor demand, operating performance, the condition of the capital markets and other factors. If the Company raises additional funds through the issuance of equity, equity-linked or debt securities, those securities may have rights, preferences, or privileges senior to the rights of holders of the Company shares, and existing holders of such shares may experience dilution.

### **Risks Related to Potential Inability to Protect Proprietary Technology**

To protect its proprietary technology, the Company will rely principally upon copyright and trade secret protection. All proprietary information that can be copyrighted will be marked as such. There can be no assurance that the steps taken by the Company in this regard will be adequate to prevent misappropriation or independent third-party development of the Company's technology. Further, the laws of certain countries in which the Company anticipates licensing its technologies and products do not protect software and intellectual property rights to the same extent as the laws of Canada. The Company will generally not include in its software any mechanism to prevent or inhibit unauthorized use, but the Company will generally require the execution of an agreement that restricts unauthorized copying and use of its products. If unauthorized copying or misuse of its products were to occur, the Company's business and results of operations could be materially adversely affected.

While the disclosure and use of the Company's proprietary technology, know-how and trade secrets will be generally controlled under agreements with the parties involved, there can be no assurance that all confidentiality agreements will be honored, that others will not independently develop similar or superior technology, that disputes will not arise concerning the ownership of intellectual property, or that dissemination of the Company's proprietary technology, know-how and trade secrets will not occur. Further, if an infringement claim is brought against the Company, litigation would be costly and time consuming, but may be necessary to protect its proprietary rights and to defend itself. The Company could incur substantial costs and diversion of management resources in the defense of any claims relating to the proprietary rights of others or in asserting claims against others. If the Company cannot prevent other companies from infringing on its technologies, it may not achieve profitability and an investor may lose his or her investment.

### **Risks Related to Potential Intellectual Property Rights Claims**

Companies in the Internet, technology and media industries own large numbers of patents, copyrights, trademarks and trade secrets and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. The Company may be subject to intellectual property rights claims in the future and its technologies may not be able to withstand any third-party claims or rights against

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their use. Any intellectual property claims, with or without merit, could be time consuming, expensive to litigate or settle and could divert management resources and attention. An adverse determination also could prevent the Company from offering its products and services to others and may require that it procure substitute products or services for these members.

With respect to any intellectual property rights claim, the Company may have to pay damages or stop using technology found to be in violation of a third party's rights. The Company may have to seek a license for the technology, which may not be available on reasonable terms and may significantly increase its operating expenses. The technology also may not be available for license to the Company at all. As a result, the Company may also be required to develop alternative non-infringing technology, which could require significant effort and expense. If the Company cannot license or develop technology for the infringing aspects of its business, it may be forced to limit its product and service offerings and may be unable to compete effectively. Any of these results could harm the Company's brand and prevent the Company from generating sufficient revenue or achieving profitability.

**Risks Related to Uncertainty of the iGaming Market**

Online, social, casual and mobile gaming are relatively new industries that continues to evolve. The success of this industry and the Company's Live Dealer and Daily Fantasy Sports business will be affected by future developments in the iGaming market, social gaming market, mobile platforms, legal or regulatory developments (such as the passage of new laws or regulations or the extension of existing laws or regulations regarding online gaming activities), data privacy laws and regulations, and other factors that the Company is unable to predict and which are beyond the Company's control.

**Potential Changes in Laws and Regulations Relating to the Resulting Issuer's Business**

Apart from obtaining a gaming license in Malta with the Malta Gaming Authority, the Company does not anticipate requiring any government approvals to carry out its business plan. However, further licensing may be required as the Company's business matures and enters new markets globally. Changes in applicable laws or regulations or evolving interpretations of existing law could, in certain circumstances, result in increased compliance costs or capital expenditures, which could affect the Company's profitability, or impede the Company's ability to carry on its business which could affect its revenues.

Changes in existing gaming regulations or industry standards may hinder or prevent the Company from continuing to operate in those jurisdictions where it intends to carry on business, which would harm its operating results and financial condition. In particular, the enactment of unfavorable legislation or government efforts affecting the iGaming business generally, such as taxing or attempts to restrict the content or access to the Company's products may have a negative impact on the Company's operations. It cannot be assured that the Company will be able to adequately adjust to such potential changes.

Public opinion can also exert a significant influence over the regulation of the iGaming business. A negative shift in the public's perception could affect future legislation in individual jurisdictions. Negative public perception could lead to new restrictions in jurisdictions in which the Company proposes to operate.

**Risks Related to Potential for Regulations that May be Adopted with Respect to the Internet and Electronic Commerce**

In addition to regulations pertaining to the iGaming industry, the Company may become subject to any number of laws and regulations that may be adopted with respect to the Internet and electronic commerce. New laws and regulations that address issues such as user privacy, pricing, online content regulation, taxation, advertising, intellectual property, information security, and the characteristics and quality of online products and services may be enacted. As well, current laws, which predate or are incompatible with the Internet and electronic commerce, may be applied and enforced in a manner that restricts the electronic commerce market. The application of such pre-existing laws regulating communications or commerce in the context of the Internet and electronic commerce is uncertain. Moreover, it may take years to determine the extent to which existing laws relating to issues such as intellectual property ownership and infringement,

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libel and personal privacy are applicable to the Internet. The adoption of new laws or regulations relating to the Internet, or particular applications or interpretations of existing laws, could decrease the growth in the use of the Internet, decrease the demand for the Company's Live Dealer and E-Table games and Daily Fantasy Sports product, increase the Company's cost of doing business or could otherwise have a material adverse effect on the Company's business, revenues, operating results and financial condition.

**Risks Related to Changing Customer Preferences**

The demands of the Company's customers and the end users of the Live Dealer Product, E-Table games and DFS product and their preferences will be continually changing. In the gaming industry, there is constant pressure to develop and market new game content and technologically innovative products. The Company's revenues will be dependent on the earning power and life span of its products. The Company will therefore face increased pressure to design and deploy new successful game content to maintain and increase its revenue and remain competitive. The success of newly introduced technology and products will be dependent on customer acceptance of the Company's products.

As a result of changing consumer preferences, many Internet websites are successfully marketed for a limited period of time. Even if the Company's products become popular, there can be no assurance that any of its products will continue to be popular for a period of time. The Company's success will be dependent upon its ability to develop new and improved product lines. The Company's failure to introduce new features and product lines and to achieve and sustain market acceptance could result in it being unable to continually meet consumer preferences and generate significant revenues.

**Competition**

The Internet gaming industry is highly competitive. New competitors may enter the Company's key market areas. If the Company is unable to obtain significant early market presence or it loses market share to its competitors, it will materially affect its results of operations and future prospects.

**Reliance on Key Personnel and Absence of Key Person Insurance**

The Company's future success will depend heavily upon the continuing services of the members of its senior management team. If one or more of its senior executives or other key personnel are unable or unwilling to continue in their present positions, the Company may not be able to replace them easily or at all, and the Company's business may be disrupted and its financial condition and results of operations may be materially and adversely affected. Competition for senior management and key personnel is intense, the pool of qualified candidates is very limited, and the Company may not be able to retain the services of its senior executives or key personnel, or attract and retain high-quality senior executives or key personnel in the future. It is anticipated that the Company will not initially maintain key man insurance on its senior managers. The loss of the services of its senior management team and employees could result in a disruption of operations that could result in reduced revenues.

**Reliance on Highly Skilled Personnel**

The Company's performance and future success will depend on the talents and efforts of highly skilled individuals. The Company will need to identify, hire, develop, motivate and retain highly skilled personnel for all areas of its organization. Competition in the software industry for qualified employees is intense. The Company's ability to compete effectively will depend on its ability to attract new employees and to retain and motivate existing employees.

As competition in its industry intensifies, it may be more difficult for the Company to hire, motivate and retain highly skilled personnel. If the Company does not succeed in attracting additional highly skilled personnel or retaining or motivating the existing personnel, it may be unable to grow and effectively generate sufficient revenues and achieve profitability.

**Risks Relating to Potential Inability to Adapt or Expand Existing Technology Infrastructure to Accommodate Greater Demand for Services**

The Company expects that its Live Dealer Product, E-Table games and DFS Product will serve a large number of users and customers. The Company's technology infrastructure will be highly complex and may not provide satisfactory service in the future, especially as the number of customers increases. The Company may be required to upgrade its technology infrastructure to keep up with the increasing demand for its services, such as increasing the capacity of its hardware servers and the sophistication of its software. If the Company fails to adapt its technology infrastructure to accommodate greater demand for services, its users and customers may become dissatisfied with its services and switch to competitors' products, which will prevent the Company from achieving profitability.

**Risks Relating to Potential Inability to Develop and Enhance the Company's Products**

The markets for the Company's Live Dealer Product, E-Table games and DFS Products will be characterized by rapidly changing technology, evolving industry standards and increasingly sophisticated customer requirements. The introduction of products embodying new technology and the emergence of new industry standards could render the Company's products obsolete and unmarketable. It is critical to the success of the Company to be able to anticipate, react and adapt quickly to changes in technology or in industry standards and to successfully develop and introduce new, enhanced and competitive products on a timely basis. Further, the Company's competitors may adapt to an emerging technology more quickly or effectively than the Company, resulting in the creation of products that are technologically superior to the Company's, more appealing to customers, or both. The Company cannot give assurance that it will successfully develop new products or enhance and improve its existing products, that new products or an enhanced and improved version of the Company's products will achieve market acceptance or that the introduction of new products or enhanced existing products by others will not render the Company's iGaming products obsolete.

**Reliance on Development and Maintenance of the Internet Infrastructure**

The success of the Company's services will depend largely on the development and maintenance of the Internet infrastructure. This includes maintenance of a reliable network backbone with the necessary speed, data capacity, and security, as well as timely development of complementary products, for providing reliable Internet access and services. The Internet has experienced, and is likely to continue to experience, significant growth in the numbers of users and amount of traffic. The Internet infrastructure may be unable to support such demands. In addition, increasing numbers of users, increasing bandwidth requirements, or problems caused by "viruses", "worms", and similar programs may harm the performance of the Internet. The backbone computers of the Internet have been the targets of such programs. The Internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure, and it could face outages and delays in the future. These outages and delays could reduce the level of Internet usage generally as well as the level of usage of the Company's products and reduce the Company's revenues.

**Risks Related to Potential Interruption or Failure of the Resulting Issuer's Information Technology and Communications Systems**

The Company's ability to provide the Live Dealer Product, E-Table games and DFS Product will depend on the continuing operation of its information technology and communications systems. Any damage to or failure of its systems could interrupt its service. Service interruptions could reduce the Company's revenues and profits and damage its brand if its system is perceived to be unreliable.

**Risks Related to Potential Inability of Internet Infrastructure to Meet the Demand**

The growth of Internet usage has caused frequent interruptions and delays in processing and transmitting data over the Internet. There can be no assurance that the Internet infrastructure or the Company's own

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network systems will be able to meet the demand placed on it by the continued growth of the Internet, the overall online fantasy sports and gaming industries or of the Company’s customers.

The Internet’s viability could be affected if the necessary infrastructure is not sufficient, or if other technologies and technological devices eclipse the Internet as a viable channel.

**Risks Related to Potential Undetected Errors in the Resulting Issuer’s Products**

The Company’s Live Dealer Product, E-Table games and DFS Product could contain undetected errors or “bugs” that could adversely affect its performance. This could cause the Company to lose market share, damage its reputation and brand name, and reduce its revenues.

**Risks Related to Potential Systems, Network Failures or Cyber-Attacks**

The Company’s operations and databases of business or customer information will be susceptible to outages due to fire, floods, power loss, break-ins, cyber-attacks, network penetration, data privacy or security breaches, denial of service attacks and similar events. The Company’s products will be vulnerable to viruses, malicious software, worms, Trojan horses or spy-ware, which could have a material adverse effect on the Company’s business, reputation, operating results and financial condition.

**Risks Related to the Recovery of Cash at Bank in Malta**

In October 2018, the Company’s bank in Malta, Satabank, was directed by the Malta Financial Services Authority (MFSA) to refrain, cease and desist from taking further deposits into the accounts of its current customers. The MFSA also asked Ernst & Young, to take charge of the bank’s assets for the purpose of safeguarding the interests of depositors and to assume control of the bank’s business. While management is confident that the Company will recover the funds held by Satabank, and are working through the process with the bank to move the funds to a new bank, there is a risk that it may be not able to and the funds may remain frozen. The Company has 46,489 euro (CA\$67,220) in two bank accounts at Satabank. Dialogue with Satabank is ongoing and the Company anticipates release in full of these funds in 2020.

**OUTSTANDING SHARE DATA**

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**Common Shares**

The Company’s authorized share capital is unlimited common shares with no par value.

All share information is reported as of August 31, 2020, in the following table:

	<b>Number</b>
Issued and outstanding common shares	179,285,886
Share options with a weighted average exercise price of \$0.30	11,075,000
Warrants with a weighted average exercise price of \$0.23	44,479,154

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**FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES**

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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 have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the condensed interim consolidated financial statements for the three and six months ended June 30, 2020, and this accompanying MD&A (together the “Interim Filings”).

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and

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internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Interim Filings on SEDAR at [www.sedar.com](http://www.sedar.com).

**OTHER MD&A REQUIREMENTS**

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Additional information relating to the Company may be found by visiting [www.sedar.com](http://www.sedar.com) and [www.playgon.com](http://www.playgon.com).