PLAYGON GAMES INC.

Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

(Unaudited - expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

PLAYGON GAMES INC.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - expressed in Canadian Dollars)

	Note	March 31, 2023	December 31, 2022
		$	$
ASSETS			
Current assets			
Cash		76,797	206,781
Amounts receivable		308,906	260,115
Sales tax receivable		182,937	164,361
Prepaids		291,406	250,800
		860,046	882,057
Other assets		441,605	440,454
Property and equipment	4	542,851	657,737
Intangible assets	5	5,427,958	6,041,870
Right-of-use asset	6	133,575	191,247
		7,406,035	**8,213,365**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7,8,11	4,329,147	3,669,286
Loans payable	8	7,206,885	5,807,202
Purchase obligation payable		36,054	34,718
Current portion of lease liability	6	143,463	203,348
		11,715,549	9,714,554
Convertible debenture subscriptions received		-	920,000
Convertible debenture	9	1,907,469	-
		13,623,018	10,634,554
SHAREHOLDERS' DEFICIENCY			
Share capital	10	54,533,474	54,533,474
Reserves	10	4,873,174	4,665,687
Accumulated other comprehensive loss		59,753	68,853
Accumulated deficit		(65,683,384)	(61,689,203)
		(6,216,983)	(2,421,189)
		7,406,035	**8,213,365**

Nature and going concern (Note 1)
Subsequent events (Note 15)

Approved on behalf of the Board of Directors on May 30, 2023:

/s/ Darcy Krogh
Darcy Krogh
Director

/s/ Mike Marrandino
Mike Marrandino
Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

PLAYGON GAMES INC.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited - expressed in Canadian Dollars)

	Note	Three months ended March 31, 2023	Three months ended March 31, 2022
		$	$
Revenue	14	288,009	140,877
Operating expenses			
Advertising and promotion		15,611	109,808
Consulting fees		354,343	396,268
Data access fees		248,824	200,667
Depreciation and amortization	5, 6	785,725	828,173
Interest and bank charges	6, 8	203,028	31,221
Management and director's fees	11	202,416	200,658
Other general and administrative expenses		179,973	193,284
Professional fees	11	54,763	69,949
Regulatory and shareholder services		9,300	19,662
Rent		31,614	28,199
Sales commissions		63,330	-
Salaries and benefits		2,035,380	1,699,881
Share-based compensation	11	53,975	240,577
Travel		18,263	21,887
		4,256,545	4,040,234
Loss before other income (expenses)		(3,968,536)	(3,899,357)
Other income (expenses)			
Interest income		1,133	9,249
Foreign exchange gain (loss)		(26,778)	(9,447)
		(25,645)	(198)
Loss for the period		(3,994,181)	(3,899,555)
Foreign currency translation adjustment		(9,100)	7,856
Comprehensive loss for the period		**(4,003,281)**	**(3,891,699)**
Basic and diluted loss per common share		(0.02)	(0.02)
Weighted average number of common shares outstanding			
Basic and diluted		253,331,449	253,331,449

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

PLAYGON GAMES INC.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - expressed in Canadian Dollars)

	Three months ended March 31, 2023	2022
	$	$
Cash flows used in operating activities		
Loss for the period	(3,994,181)	(3,899,555)
Items not affecting cash:		
Accrued interest expense	133,425	23,608
Accretion expense	18,580	-
Depreciation and amortization	785,725	828,173
Share-based compensation	53,975	240,577
Unrealized foreign exchange	-	(7,139)
Changes in non-cash working capital:		
Amounts receivable	(48,791)	(141,905)
Sales tax receivable	(18,576)	(41,324)
Prepaids	(41,757)	36,208
Accounts payable and accrued liabilities	507,044	(380,054)
	(2,604,556)	(3,341,411)
Cash flows provided by investing activity		
Acquisition of property and equipment	-	(13,901)
	-	(13,901)
Cash flows provided by financing activities		
Loan proceeds	1,400,000	-
Convertible note proceeds	1,145,000	-
Repayment of lease liability	(62,895)	(104,079)
	2,482,105	(104,079)
Effect of foreign exchange on cash	(7,533)	15,714
Change in cash during the period	(129,984)	(3,443,677)
Cash, beginning of period	206,781	5,930,003
Cash, end of period	**76,797**	**2,486,326**

Supplemental disclosure with respect to cash flows (Note 12)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

PLAYGON GAMES INC.
Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency
(Unaudited - expressed in Canadian Dollars)

	Share Capital	Share Capital	Reserves	Accumulated Other Comprehensive Loss	Deficit	Total
	#	$	$	$	$	$
Balance, December 31, 2021	**253,331,449**	**54,533,474**	**4,051,237**	**67,655**	**(44,865,856)**	**13,786,510**
Share-based compensation	-	-	240,577	-	-	240,577
Foreign exchange on translation	-	-	-	7,856	-	7,856
Loss for the period	-	-	-	-	(3,899,555)	(3,899,555)
Balance, March 31, 2022	**253,331,449**	**54,533,474**	**4,291,814**	**75,511**	**(48,765,411)**	**10,135,388**
Share-based compensation	-	-	373,873	-	-	373,873
Foreign exchange on translation	-	-	-	(6,658)	-	(6,658)
Loss for the period	-	-	-	-	(12,923,792)	(12,923,792)
Balance, December 31, 2022	**253,331,449**	**54,533,474**	**4,665,687**	**68,853**	**(61,689,203)**	**(2,421,189)**
Equity component of convertible debenture	-	-	153,512	-	-	153,512
Share-based compensation	-	-	53,975	-	-	53,975
Foreign exchange on translation	-	-	-	(9,100)	-	(9,100)
Loss for the period	-	-	-	-	(3,994,181)	(3,994,181)
Balance, March 31, 2023	**253,331,449**	**54,533,474**	**4,873,174**	**59,753**	**(65,683,384)**	**(6,216,983)**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. NATURE AND GOING CONCERN

Playgon Games Inc. ("Playgon") was incorporated on December 2, 1985, under the laws of the Province of British Columbia. All references in this document to the "Company" refer to Playgon Games Inc. and its wholly owned subsidiaries. The Company is listed and traded on the TSX Venture Exchange ("TSXV") under the symbol "DEAL". The Company's principal office is located at #1100 - 1199 West Hastings Street, Vancouver, British Columbia, V6E 3T5, Canada.

The Company's principal business is the development and licensing of digital content for the growing iGaming market. The Company provides a multi-tenant gateway that allows online operators the ability to offer their customers innovative iGaming software solutions. Its current software platform includes Live Dealer Casino, E-Table games ("Live Dealer Product") and Daily Fantasy Sports ("DFS") which, through a seamless integration at the operator level, allows customer access without having to share or compromise any sensitive customer data.

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 three months ended March 31, 2023, the Company incurred a net loss of $3,994,181 (2022 - $3,899,555). As at March 31, 2023, the Company has a working capital deficit balance of $10,855,503 (December 31, 2022 – $8,832,497) and an accumulated deficit of $65,683,384 (December 31, 2022 - $61,689,203). The Company recognizes that its objectives and scope of expenditures may change with ongoing results and, as a result, it will need to seek 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. These factors indicate the existence of a material uncertainty that 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 consolidated financial statements.

On March 11, 2020, the World Health Organization ("WHO") declared coronavirus COVID-19 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 could 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 condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PRESENTATION

Statement of compliance
These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2022.

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year December 31, 2022.

The condensed interim consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, except for certain financial assets and liabilities that are measured at fair value. The consolidated financial statements are presented in Canadian dollars unless otherwise noted.

Basis of consolidation
These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries at the end of the reporting period as follows:

	Incorporation	Percentage owned 2023	Percentage owned 2022
Playgon Interactive Inc.	Canada	100%	100%
Companies owned by Playgon Interactive			
Cleebo Games Inc.	Canada	100%	100%
Bitrate Productions ("Bitrate")	USA	100%	100%
Playgon Distribution Limited	Cyprus	100%	100%
Playgon Malta Holding Limited	Malta	100%	100%
Companies owned by Playgon Malta Holding Limited			
Playgon Malta Limited	Malta	100%	100%

All significant intercompany accounts and transactions between the Company and its subsidiary have been eliminated upon consolidation.

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the condensed interim consolidated financial statements from the date that control commences until the date that control ceases.

Critical accounting estimates and judgements
The Company uses the same critical accounting estimates and judgements as those that applied to the annual consolidated financial statements for the year ended December 31, 2022.

3. OTHER ASSETS

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 retained Ernst & Young LLP, 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. The Company has 46,047 euro (CAD$67,726) (December 31, 2022 - 46,047 euro (CAD$63,789)) in a bank account at Satabank and is in the process of transferring these funds to a new bank in Malta. As the funds are not currently available, the cash amount has been categorized as "Other assets" in the consolidated statement of financial position. Dialogue with Satabank's appointed receiver is ongoing and the Company continues to work towards the release of these funds.

On December 14, 2020, Devkey Consulting Limited ("Devkey"), a company controlled by the former CFO of Playgon, Paul Dever, initiated a civil claim against the Company in the Supreme Court of British Columbia (the "Court") for failure to pay monthly fees and invoiced expenses from July 2018 to August 2020 and an unpaid severance amount upon termination of his consulting contract. The claim was for €231,569 (CAD - $373,878) and on December 16, 2020, the Court ordered the full amount claimed be garnished from the Company and paid into court until a judgement on the claim is reached. The Company has retained legal counsel regarding this matter and strongly believes the garnishment order will be lifted. As at March 31, 2023, the Company has recorded the full amount of the garnishment as "Other Assets" on the condensed interim consolidated statement of financial position.

(Unaudited - expressed in Canadian Dollars)

4. PROPERTY AND EQUIPMENT

	Computers	Computer Software	Furniture and Equipment	Other Equipment	Leasehold Improvements	Total
	$	$	$	$	$	$
Cost:						
At December 31, 2021	**119,954**	**4,494**	**315,505**	**321,691**	**924,421**	**1,686,065**
Additions	19,482	-	-	10,149	-	29,631
Net exchange differences	6,145	-	19,637	22,389	63,145	111,316
At December 31, 2022	**145,581**	**4,494**	**335,142**	**354,229**	**987,566**	**1,827,012**
Additions	-	-	-	-	-	-
Net exchange differences	(80)	-	(250)	(288)	(802)	(1,420)
At March 31, 2023	**145,501**	**4,494**	**334,892**	**353,941**	**986,764**	**1,825,592**
Amortization:						
At December 31, 2021	**43,391**	**1,457**	**111,428**	**79,083**	**390,139**	**625,498**
Additions	47,593	607	41,792	50,421	343,352	483,765
Net exchange differences	3,330	-	8,500	7,467	40,715	60,012
At December 31, 2022	**94,314**	**2,064**	**161,720**	**136,971**	**774,206**	**1,169,275**
Additions	6,948	121	8,542	10,701	88,013	114,325
Net exchange differences	(51)	-	(117)	(106)	(585)	(859)
At March 31, 2023	**101,211**	**2,185**	**170,145**	**147,566**	**861,634**	**1,282,741**
Net book value:						
At December 31, 2022	**51,267**	**2,430**	**173,422**	**217,258**	**213,360**	**657,737**
At March 31, 2023	**44,290**	**2,309**	**164,747**	**206,375**	**125,130**	**542,851**

(Unaudited - expressed in Canadian Dollars)

5. INTANGIBLE ASSETS

	Gaming Platform
	$
Cost:	
At December 31, 2021	**12,278,261**
Internally developed additions	-
At December 31, 2022 and March 31, 2023	**12,278,261**
Amortization:	
At December 31, 2021	**3,780,739**
Additions	2,455,652
At December 31, 2022	**6,236,391**
Additions	613,912
At March 31, 2023	**6,850,303**
Net book value:	
At December 31, 2022	**6,041,870**
At March 31, 2023	**5,427,958**

Gaming Platform

Upon completion of the Playgon Interactive Inc. acquisition the Company allocated $11,671,258 of acquisition costs to intangible assets related to Playgon Interactive’s Gaming Platform. Of the $11,671,258 of intangible assets acquired, $399,923 was recorded as an asset by Playgon Interactive at the time of acquisition. The multi-tenant B2B gateway allows operators the ability to offer their customers innovative iGaming software solutions including Live Dealer Casino and E-table games.

(Unaudited - expressed in Canadian Dollars)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use asset

	Office Lease $
Cost:	
At December 31, 2021	**714,078**
Derecognition	(283,607)
Net exchange difference	29,404
At December 31, 2022	**459,875**
Net exchange differences	(373)
At March 31, 2023	**459,502**
Depreciation:	
At December 31, 2021	**140,408**
Additions	400,312
Derecognition	(283,607)
Net exchange differences	11,515
At December 31, 2022	**268,628**
Additions	57,487
Net exchange differences	(188)
At March 31, 2023	**325,927**
Net book value:	
At December 31, 2022	**191,247**
At March 31, 2023	**133,575**

Depreciation of right-of-use assets is calculated using the straight-line method over the remaining lease term.

Lease liability

On June 1, 2021, the Company entered into an office lease agreement with a 19-month term and monthly payments of $15,805. The office lease ended on December 31, 2022.

On November 1, 2021, the Company entered into an office lease agreement with a 24-month term and monthly payments of US$14,917.

At the date of recognition, the lease liabilities were measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 7% and 8%, respectively. The continuity of the lease liabilities is presented in the table below:

(Unaudited - expressed in Canadian Dollars)

	March 31, 2023	December 31, 2022
	$	$
Balance, beginning of period	203,348	579,340
Additions	-	-
Lease payments	(62,895)	(424,078)
Interest expense	3,207	29,554
Net exchange difference	(197)	18,442
	143,463	203,348
Less: current portion of lease liability	(143,463)	203,348
Non-current portion of lease liability	**-**	**-**

The remaining minimum future lease payments, excluding estimated operating costs, for the term of the lease including assumed renewal periods are as follows:

April 1, 2023 to December 31, 2023	$146,831

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2023	December 31, 2022
	$	$
Accounts payable	3,384,896	3,016,399
Accrued liabilities	360,260	249,075
Payroll taxes payable	138,478	124,445
Accrued interest payable (Note 8)	445,513	279,367
	4,329,147	**3,669,286**

8. LOANS PAYABLE

	Promissory Notes	Loans Payable	CEBA	Total
	$	$	$	$
Balance, December 31, 2021	**200,000**	**499,231**	**60,000**	**759,231**
Additions	5,023,000	-	-	5,023,000
Foreign exchange adjustment	-	24,971	-	24,971
Balance, December 31, 2022	**5,223,000**	**524,202**	**60,000**	**5,807,202**
Additions	1,400,000	-	-	1,400,000
Foreign exchange adjustment	-	(317)	-	(317)
Balance, March 31, 2023	**6,623,000**	**523,885**	**60,000**	**7,206,885**

Promissory Notes
During the three months ended March 31, 2023, the Company received $1,400,000 in promissory notes which are due on demand and accrue interest at 8% per annum. Of the $6,355,000 in promissory notes received, $4,590,000 were from related parties.

(Unaudited - expressed in Canadian Dollars)

As at March 31, 2023, the Company owes $6,355,000 (December 31, 2022 - $5,223,00) in short-term promissory notes. The promissory notes are unsecured and as at March 31, 2023, the amount outstanding is due on demand and incurs interest of 8% to 12% per annum. During the three months ended March 31, 2023, the Company recorded interest expense of $123,789 (March 31, 2022 - $7,609) on the promissory notes. As at March 31, 2023, $336,742 (December 31, 2022 - $212,944) remains outstanding and is included in accounts payable and accrued liabilities.

Subsequent to March 31, 2023, $5,125,000 in promissory notes were repaid. (Note 15).

Loans Payable
As at March 31, 2023, the Company has $133,660 and US$288,351 (CAD $390,542) unpaid and outstanding to various third-party lenders. The loans are unsecured and bear interest at 5% per annum. On November 17, 2021, the Company closed a private placement of units of the Company ("Units") for aggregate gross proceeds to the Company of $10,491,334. A condition of the loans is that they became due and payable upon the Company completing a financing greater than $5,000,000. Playgon Interactive is the obligor under the loans and as of today they remain owing and unpaid. During the three months ended March 31, 2023, the Company recorded $6,454 (March 31, 2022 - $5,688) in interest expense on the loans payable and as at March 31, 2023, interest of $72,842 (December 31, 20212 - $66,423) remains outstanding and is included in accounts payable and accrued liabilities.

Canada Emergency Business Account
As at March 31, 2023, the Company owes the Government of Canada $60,000 (December 31, 2021 - $60,000) in relation to two loans received under the Canada Emergency Business Account ("CEBA") program. The CEBA loans are interest free and mature December 31, 2023. Should the Company repay the balance of the loans before the maturity date, up to $20,000 of the loan will be forgiven.

9. CONVERTIBLE NOTES

	Total
	$
Balance, December 31, 2022	**-**
Additions, net of issuance costs and transaction fees	1,888,889
Accretion expense	18,580
Balance, March 31, 2023	**1,907,469**

On January 19, 2023, and March 24, 2023, the Company raised gross proceeds of $2,095,000 through the issuance of 2,095 convertible note units at a price of $1,000 per unit. Each unit consists of $1,000 in principal amount of an unsecured convertible note of the Company. The convertible note units will mature on January 19, 2025, and March 24, 2025, respectively, and bear interest at a simple rate of 10% per annum. Interest is payable semi-annually on June 30 and December 31. The entire principal amount of the convertible note may be converted at the election of the holder into common shares of the Company at a conversion price of $0.10 per share at any time prior to the maturity date. The accrued interest may also be converted into common shares at a conversion price equal to the 25-day WVAP of the Company's common shares on the TSXV immediately preceding the date the interest is due.

In connection with the offering, the Company paid cash finders' fees of $30,000 and incurred $22,599 in other transaction costs.

The fair value of the liability component of the convertible notes on inception was estimated at $1,937,531 based on an estimated 15% market discount rate less $48,642, the pro-rata portion of the $52,599 transaction costs. The remaining value of $157,469 and $3,957 of transaction costs was allocated to the equity component.

(Unaudited - expressed in Canadian Dollars)

During the three months ended March 31, 2023, $18,580 (2022 - $nil) of accretion and $6,511 (2022 - $nil) of interest expense was recorded on the convertible notes. As at March 31, 2023, $6,511 (2022 - $nil) of accrued interest is recorded in accounts payable and accrued liabilities (Note 13).

10. SHARE CAPITAL AND RESERVES

Authorized share capital

The Company is authorized to issue an unlimited number of common shares without par value.

Issued share capital

During the three months ended March 31, 2023 and year ended December 31, 2022, the Company did not issue any shares

Share options

The Company has established a rolling share option plan (the “Plan”), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The minimum exercise price of the options is set at the Company’s closing share price on the day before the grant date, less allowable discounts in accordance with the policies of the TSXV. The vesting provisions are determined by the Board of Directors and, unless otherwise stated, fully vest when granted.

During the three months ended March 31, 2023, the Company granted 500,000 share options to a consultant of the Company with a total fair value of $27,074. Of the options granted, 125,000 vest immediately and 125,000 vest every four months. During the three months ended March 31, 2023, the Company recorded $53,975 in share-based compensation (March 31, 2022 - $240,577).

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide a reliable measure of the fair value of the Company’s share options.

The following weighted average assumptions were used in the Black-Scholes option-pricing model for the valuation of the share options granted:

	March 31, 2023	December 31, 2022
Risk-free interest rate	4.27%	2.30%
Dividend yield	Nil	Nil
Expected life	5 years	4.36 years
Volatility	100.14%	86.85%
Weighted average fair value per options	0.05	0.10

(Unaudited - expressed in Canadian Dollars)

Share option transactions are summarized as follows:

	Number of Share Options	Weighted Average Exercise Price
		$
Balance, December 31, 2021	**13,875,000**	0.32
Granted	2,350,000	0.18
Expired	(2,391,668)	0.41
Forfeited	(33,332)	0.31
Balance, December 31, 2022	**13,800,000**	0.28
Granted	500,000	0.10
Forfeited	(100,000)	0.48
Balance, March 31, 2023	**14,200,000**	0.27
Unvested	**(3,058,331)**	0.25
Exercisable, March 31, 2023	**11,141,669**	0.28

A summary of the share options outstanding and exercisable at March 31, 2023 is as follows:

Number of Share Options Outstanding	Number of Share Options Exercisable	Exercise Price	Expiry Date
		$	
200,000	200,000	0.15	August 23, 2023
8,450,000	8,116,670	0.28	June 30, 2025
100,000	100,000	0.39	August 12, 2025
500,000	333,333	0.37	September 15, 2025
500,000	333,334	0.37	January 1, 2026
1,000,000	333,334	0.37	January 1, 2027
100,000	66,666	0.40	December 1, 2025
100,000	66,666	0.47	February 10, 2026
50,000	33,333	0.58	March 1, 2026
100,000	33,333	0.38	June 30, 2026
150,000	50,000	0.28	August 25, 2026
100,000	33,333	0.30	September 1, 2026
50,000	16,666	0.32	January 6, 2027
1,550,000	1,033,334	0.21	February 24, 2027
50,000	16,667	0.15	March 9, 2027
50,000	-	0.07	May 2, 2027
100,000	-	0.07	May 9, 2027
50,000	-	0.09	August 22, 2027
500,000	250,000	0.11	September 16, 2024
500,000	125,000	0.10	February 27, 2028
14,200,000	**11,141,669**		

(Unaudited - expressed in Canadian Dollars)

The weighted average life of share options outstanding at March 31, 2023 was 3.20 years.

Warrants

During the three months ended March 31, 2023 and year ended December 31, 2022, the Company did not issue any warrants.

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
		$
Balance, December 31, 2021	**17,924,174**	0.50
Issued	-	-
Balance, December 31, 2022 and March 31, 2023	**17,924,174**	0.50

A summary of the warrants outstanding at March 31, 2023 is as follows:

Number of Warrants Outstanding	Exercise Price	Expiry Date
	$	
17,485,556	0.50	November 12, 2023
438,618	0.30	May 13, 2023
17,924,174		

The weighted average life of warrants outstanding at March 31, 2023 was 0.61 years.

11. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and certain of the members of the Board of Director. 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.

Amounts receivable at March 31, 2023 includes $7,482 (December 31, 2022 - $7,482) receivable from a company related by way of common directors.

Accounts payable and accrued liabilities at March 31, 2023 includes $1,055,050 (December 31, 2022 - $916,985) owing to directors, officers, or to companies significantly controlled by common directors for unpaid fees and expense reimbursements.

During the three months ended March 31, 2023, the Company received $1,150,000 in promissory notes from related parties. As at March 31, 2023, the Company owed interest of $165,505 on promissory notes to related parties.

(Unaudited - expressed in Canadian Dollars)

Summary of key management personnel compensation:

	For the three months ended March 31, 2023	2022
	$	$
Management and directors fees	202,416	200,658
Salaries and benefits	95,000	95,000
Professional fees	37,500	28,500
Share-based compensation	38,689	188,964
	373,605	**513,122**

12. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	For the three months ended March 31, 2023	2022
	$	$
Supplemental cash-flow disclosure		
Interest paid	3,207	9,851
Taxes paid	-	-

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of financial assets and financial liabilities
Financial instruments are classified into one of the following categories: fair value through profit or loss ("FVTPL"); amortized costs; and fair value through other comprehensive income. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	March 31, 2023	December 31, 2022
		$	$
Cash	FVTPL	76,797	206,781
Amounts receivable	Amortized costs	308,906	260,115
Other assets	Amortized costs	441,605	440,454
Accounts payable and accrued liabilities	Amortized costs	(4,329,147)	(3,669,286)
Loans payable	Amortized costs	(7,206,885)	(5,807,202)
Purchase obligation payable	Amortized costs	(36,054)	(34,718)
Lease liability	Amortized costs	(143,463)	(203,348)
Convertible debenture subscriptions received	Amortized costs	-	(920,000)
Convertible debentures	Amortized costs	1,907,469	

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market-place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for cash, amounts receivable, accounts payable and accrued liabilities, loans payable, lease liability and purchase obligation payable approximate their fair value due to their short-term nature. The Company's fair value of cash and other assets under the fair value hierarchy is measured using Level 1 inputs. The Company's lease liability is measured as the present value of the discounted future cash flows.

Risk exposure
The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Currency risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's operations are carried out in Canada, the United States, Cyprus and Malta. As at March 31, 2023, the Company had assets totaling US$59,496 and liabilities totalling US$842,420. Additionally, the Company had assets totalling EUR$248,930 and liabilities totaling EUR$512,180. These factors expose the Company to foreign currency exchange rate risk, which could have an adverse effect on the profitability of the Company. A 10% change in the exchange rate with the USD would change other comprehensive income/loss by approximately CAD$106,000 while a 10% change in the exchange rate with the Euro would change other comprehensive income/loss by approximately CAD$39,000. At this time, the Company currently does not have plans to enter into foreign-currency future contracts to mitigate this risk, however it may do so in the future.

b) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in cash and amounts receivable is remote.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. As at March 31, 2023, the Company had a cash balance of $76,797 to settle current liabilities of $11,715,549.

d) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

e) Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The loans included in loans payable bear interest at rates ranging from 0% to 12% per annum with maturity dates occurring within the next twelve months. The Company does maintain bank accounts which earn interest at variable rates, but it does not believe it is currently subject to any significant interest rate risk.

f) Regulatory risk

The Company is exposed to risk due to the regulatory uncertainty of the online gaming industry. The Company is unable to predict whether regulations will be introduced in the future and if so, whether they could negatively impact the operations of the Company.

Capital Management

The Company does not have any externally imposed regulatory capital requirements for managing capital. The Company has defined its capital to mean working capital and shareholders' equity, as determined at each reporting date.

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, or engage in debt financing.

14. REVENUE

During the three months ended March 31, 2023, the Company generated $288,009 (2022 - $140,877) in licensing and use revenue from its Live Dealer Product. Revenue for the three months ended March 31, 2023 and 2022, was generated through the Company's Cyprus and Malta subsidiaries.

15. SUBSEQUENT EVENTS

On May 3, 2023, the Company announced it had closed a brokered private placement of 10% unsecured convertible debentures (the "Debentures") for aggregate gross proceeds to the Company of $2,550,000 (the "Brokered Offering"). The Debentures will mature May 3, 2025 (the "Maturity Date") and holders will be entitled to convert the principal amount of the Debentures at any time on or prior to the Maturity Date into common shares in the capital of the Company at a conversion price of $0.10, subject to standard adjustments and a forced conversion right granted to the Company. The Debentures bear simple interest at 10% per annum, calculated and paid semi-annually on the last day of June and December in each applicable calendar year. The Company may, at its sole discretion, subject to TSXV approval, elect to pay the accrued interest in cash or common shares of the Company at a price per share equal to the 25-day volume-weighted average price on the TSXV immediately preceding the date interest is due, subject to such deemed issuance price being no less than the maximum allowable discount permitted by the TSXV. If the, after the initial statutory hold period of four months plus a day following the closing of the Brokered Offering, the common shares of the Company close at a price equal to $0.25 or more for 10 consecutive trading days on the TSXV, the Company will have the right, in its sole discretion, to force the conversion of the principal amount of the Debentures into common shares at $0.10 per share.

As part of the Brokered Offering, the Company paid Pollitt & Company Inc. (the "Lead Agent") a cash commission in the amount of $153,000 equal to 6.0% of the gross proceeds of the Brokered Offering and issued to the Lead Agent 1,530,000 share purchase warrants ("Broker Warrants") of the Company as is equal to 6.0% of the gross proceeds of the Brokered Offering divided by $0.10 for a period of 24 months following closing.

Additionally, the Company announced that Kathleen Crook invested an additional $6,000,000 (the "Anchor Financing") by way of the purchase of additional unsecured convertible debentures, with such debentures issued upon substantially the same terms as those governing the Debentures issued as part of the Brokered Offering. The Company obtained the required written consent of its shareholders holding more than 50% of the total issued and outstanding common shares, excluding, for calculation purposes, any votes attached to the Interested Securities to approve the creation of Ms. Kathleen Crook as a new "Control Person" (as such term is defined in Policy 1.1 of the TSXV Corporate Finance Manual) of the Company. Assuming full conversion of the debentures issued to Ms. Crook, Ms. Crook would own 91,333,333 Common Shares representing approximately 29.2% of the total issued and outstanding Common Shares on an undiluted basis (approximately 29.5% on a partially diluted basis). The Anchor Financing constitutes a related party transaction. Upon completion of the Anchor Financing, the Company repaid $5,125,000 in promissory notes (Note 8).