

I3 Interactive Inc.
(Formerly, Interactive Games Technologies Inc.)

Management Discussion and Analysis
For the period ended March 31, 2021
(Expressed in Canadian Dollars)

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This management's discussion and analysis provides an analysis of our financial situation which will enable the reader to evaluate important variations in our financial situation for the period ended March, 2021, compared to the three-month ended March 31, 2020. This report prepared as at May 31, 2021 intends to complement and supplement our condensed interim consolidated financial statements (the "financial statements") as at March 31, 2021 and should be read in conjunction with the financial statements and the accompanying notes. Our financial statements and the management's discussion and analysis are intended to provide a reasonable base for the investor to evaluate our financial situation.

Our financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). All dollar amounts contained in this MD&A are expressed in Canadian dollars, unless otherwise specified.

Where we say "we", "us", "our", the "Company" or "I3", we mean I3 Interactive Inc. Inc. and/or its subsidiaries, as it may apply.

Additional information, including news releases, has been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") and is available under the Company's profile at www.sedar.com

NOTE REGARDING FORWARD-LOOKING STATEMENTS

Information set forth in this MD&A may involve forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect management's expectations regarding the Company's growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target" or the negative of these terms or other comparable terminology. Forward-looking statements in this MD&A include, but are not limited to:

- Assumption and expectations described in the Company's critical accounting policies and estimates;
- The Company's expectations regarding the adoption and impact of certain accounting pronouncements;
- The ability to enter and participate in market opportunities;
- The Company's expectations with respect to the Company's future financial and operating performance;
- Expectations with respect to future expenditures and capital activities;
- The Company's ability to achieve profitability without future equity or debt financing;
- Uncertainty around the COVID-19 pandemic and the related effects of government and other measures;
- An economic downturn as a result of the COVID-19 pandemic;
- User base and capacity expectations including plans or potential expansion facilities;
- The expectations in regards to the development timeline of the Company's online platform;
- The projected growth of users of the Company's online platform;
- The competitive conditions of the online and mobile sports betting industry;
- The competitive and business strategies of the Company;
- Expectations with respect to the successes of the Company's strategic partnerships and joint ventures;
- the costs and success of our sales and marketing efforts, and our ability to promote our brand;
- The impacts of potential litigation;
- our ability to protect our intellectual property rights and any costs associated therewith;
- The Company's intention to build branding and develop gaming services targeted to specific population segments of the market;
- The current political, legal and regulatory landscape surrounding sports betting and casino markets
- the applicable laws, regulations and any amendments thereof;
- The receipt of any regulatory and stock exchange approvals required at any given time;

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS (CONTINUED)

- Expectations with respect to the advancement and adoption of new product lines;
- the acceptance by customers and the marketplace of new products and solutions;
- the ability to attract new customers and develop and maintain existing customers;
- expectations with respect to future product and service costs;
- the ability to attract and retain personnel;
- anticipated labour and general operational costs;
- the Company's competitive condition and expectations regarding competition, including pricing and demand expectations and the regulatory environment in which the Company operates; and
- anticipated trends and challenges in the Company's business and the markets and jurisdictions in which the Company operates or may operate.

The risk factors described in this MD&A are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in the Company's forward-looking statements. In addition, any forward-looking statements represent the Company's estimates only as of the date of this MD&A and should not be relied upon as representing the Company's estimates as of any subsequent date. The material factors and assumptions that were applied in making the forward-looking statements in MD&A include: (a) execution of the Company's existing plan to produce and distribute licensed cannabis and cannabis related products for medical purposes. Forward looking statements are based on a number of assumptions that may prove to be incorrect including but not limited to assumptions about: the impact of competition; the ability to obtain new financing on acceptable terms; the ability to retain skilled management and staff; currency, exchange and interest rates; the availability of financing opportunities, risks associated with economic conditions, dependence on management and conflicts of interest. The preceding list is not exhaustive of all possible factors. All factors should be considered carefully when making decisions with respect to the Company. Readers should not place undue reliance on the Company's forward-looking statements, as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that such forward-looking statements will materialize.

Unless required by applicable securities laws the Issuer disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, see "Risk Factors".

While the Company considers these assumptions may be reasonable based on information currently available to it, these assumptions may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in the section titled "Risk Factors".

COMPANY OVERVIEW

I3 Interactive Inc. (Formerly, Interactive Games Technologies Inc.) (the "Company") was incorporated on May 25, 2007 under the British Columbia *Business Corporations Act*. The Company is in the business of providing its customers with entertaining, exciting and engaging on-line gaming products with a unique brand position and a blend of skill-based games and games of chance. The company's product suite includes social gaming, fantasy sports, quiz games, poker, rummy, sports betting, as well as thrilling games of chance as part of its certifiably fair on-line casino. The product offering is available in countries in line with each jurisdiction current regulatory environment. The Company's principal office is located at Suite 810 – 789 West Pender Street, Vancouver, BC, V6C 1H2, Canada. The Company's shares trade on the Canadian Stock Exchange ("CSE") under the ticker symbol: BETS and on the Frankfurt Stock Exchange under the ticket symbol: F003.

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COMPANY OVERVIEW (CONTINUED)

On May 19, 2021, the Company changed its corporate name to “i3 Interactive Inc.” at the start of trading on May 21, 2021 on the Canadian Securities Exchange. The Company’s ISIN and CUSIP numbers for the common shares will change to CA45073W1068 and 45073W106, respectively. The ISIN and CUSIP numbers for the warrants will change to CA45073W1142 and 45073W114, respectively.

On June 18, 2020, the Company and 1250313 B.C. Ltd. (“Subco”), a wholly owned subsidiary of the Company entered into a business combination agreement (the “Business Combination Agreement”) with Influencers Interactive Inc. (“Influencers”), a private entity and completed a reverse take-over (“RTO”). The RTO was completed on June 29, 2020 by a 1:1 common share exchange transaction between the Company and Influencers. Prior to the completion of the RTO, the Company changed its name from Fairmont Resources Inc. to I3 Interactive Inc and the newly formed Company became a publicly listed entity on the CSE under the ticker symbol: BETS. The consolidated financial statements of the Company prior to the RTO are that of Influencers, being the accounting acquirer.

Additional information related to the Company is available for view on SEDAR at www.sedar.com or by requesting further information from the Company’s head office in Vancouver.

HIGHLIGHTS

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

On January 14, 2021, the Company closed the initial tranche of the previously announced above acquisition of LivePools. The Company's subsidiary Redrush, has closed on the initial tranche of US\$1,400,000 and has been issued 10,125 shares of LivePools, being 12.61% of the economic ownership in LivePools. Unless otherwise agreed, the remaining three tranches are expected to close on or before April 1, 2021, October 12, 2021, and February 1, 2022, respectively, for a total additional consideration of US\$6,100,000.

On February 11, 2021, the Company completed a non-brokered private placement of 6,666,667 units of the Company (the “Units”) for gross proceeds of \$1,500,000. The Company paid finder fees of \$32,695 and issued 533,333 finder warrants. Each warrant entitles the holder to acquire one common share at an exercise price of \$0.40 for a period of 2 years. The finder’s warrants were measured using the Black-Scholes Option Pricing Model with the following assumption range: Stock price – \$0.68 exercise price – \$0.40; expected life – 2 years; volatility – 133%; dividend yield – \$0; and risk-free rate – 0.26%.

Sportsbook - Development of the Product Offering

On February 12, 2019, the Company secured a three-year licensing agreement with Amelco UK Limited (“Amelco”) to develop the Product Offering. The Amelco Licensing Agreement has been assigned to the Company. Under the agreement, the Company has licensed from Amelco a fully customizable technology platform to enable the Company to develop and offer the Product Offering, a full web and mobile sports betting platform, a casino platform in the United States, and an online social gaming product which does not involve the wagering of real money. The Company has paid Amelco an initial set up fee of USD \$250,000 in order to develop the Product Offering. The Company will pay Amelco a second set-up fee of USD \$250,000 on commencement of set up services for the Real Money Gaming Offering in the United States. The Company will also pay Amelco a share of monthly revenue share equal to 21% of net gaming revenue earned through the Real Money Gaming Offering. The Company’s Product Offering launched on August 1, 2020. As at December 31, 2020, the Real Money Gaming Offering in the United States has not been launched.

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HIGHLIGHTS (CONTINUED)

Influencers Interactive Business Combination Agreement

As briefly discussed in the Company Overview section of this MD&A, on June 18, 2020, the Company and 1250313 B.C. Ltd., a wholly owned subsidiary of the Company entered into the business combination agreement with Influencers, a private entity and completed an RTO.

On June 29, 2020 (“Effective Date”), the Business Combination Agreement was completed whereby the Company acquired 100% of the issued and outstanding common shares of Influencers in exchange for 89,872,140 common shares. Immediately prior to the effective date, the Company consolidated its shares on the basis of one post consolidation share for each ten pre-consolidated shares and adjusted outstanding share purchase warrants, settled debt of \$1,600,000 for 40,000,000 units (“Unit”) and issued 7,000,000 finder Units. Each Unit consists of one common share and one warrant with an exercise price of \$0.25 and matures on June 29, 2023. Immediately prior to the completion of the RTO, the Company had 47,449,110 common shares. Upon completion of the RTO, the Company changed its name to I3 Interactive Inc. Common shares were exchanged for equivalent securities of the Company on the basis of one Influencers share for every 1 share of the Company.

Jolt Solutions Ltd.

On June 16, 2020, the Company entered into a collaboration agreement with Jolt Solutions Ltd. (“Jolt”). Under the terms of the Collaboration Agreement, Jolt will function as an operating partner of the Company whereby Jolt will help facilitate and guide the development and the launch of the Real Money Gaming Offering into the United States; Jolt will harness its expansive i-Gaming network to source legal gaming opportunities for the Company in various jurisdictions and will facilitate any potential launch of i-Gaming initiatives into such jurisdictions; and Jolt will source promotional opportunities and partnerships for the Company among its i-Gaming network. In exchange, under the terms of the agreement, the Company has issued 12,729,333 shares to the Jolt with the fair value of \$876,273 and will pay Jolt a monthly fee of \$33,334 for services performed.

Blitzpoker – India Gaming Website

On December 15, 2020, the closed the previously announced transaction to acquire a controlling interest in an Indian entity that owns an active Indian poker brand. The completion of the transaction marks the latest step in the company's continued efforts to capitalize on the international growth of poker and create long-term value for its shareholders.

The transaction, which was completed pursuant to the terms of the business combination agreement dated Aug. 10, 2020, entered into by and among the company and an arm's-length, private British Columbia corporation (B.C. Corp.), was completed by way of a three-cornered amalgamation under the Business Corporations Act (British Columbia), among the company, B.C. Corp. and 1260039 B.C. Ltd. (Subco), a wholly owned subsidiary of the company incorporated for the purposes of completing the amalgamation. Under the amalgamation, B.C. Corp. and Subco amalgamated to combine their corporate existence, with the entity resulting from the amalgamation continuing as a wholly owned subsidiary of the company under the name i3 India Holdings Corp. (the British Columbia India holding subsidiary).

Pursuant to the transaction, the company acquired all the issued and outstanding shares of B.C. Corp. and, in exchange, issued, to the former shareholders of B.C. Corp., one common share in the capital of the company for each target share held prior to the amalgamation. An aggregate of 7,859,600 common shares were issued to the former shareholders of B.C. Corp.

Upon completion of the Acquisition, the Company acquired 100% of Red Redrush Online Private Ltd. (“Redrush”) which owns, 67% controlling interest in Esperanza Gaming Private Ltd. (“Esperanza”). Esperanza holds ownership of various active Indian poker brands.

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SUBSEQUENT HIGHLIGHTS

On April 1, 2021, the Company completed the second payment of its previously announced acquisition of 51% of LivePools Private Limited ("LivePools"), a skill-based fantasy sports company, which has since been rebranded as BLITZPOOLS. The Company's subsidiary Redrush Online Private Limited ("Redrush"), has closed on the second tranche of US\$2,350,000 and now owns 27,120 shares of LivePools, being 30.72% of the economic ownership in LivePools.

On April 20, 2021, the Company entered into a binding letter of intent (the "LOI") to merge with a leading company in the online gaming space in India ("Target"). This transaction (the "Transaction") aims to transform IGT.BET's existing business by accelerating its mission to achieve a user base of over 20 million players across Fantasy Sports, Poker, Rummy and Mobile eSports by the end of 2022. The objective of the Company on a post-Transaction basis is to grow the combined revenue of the entities to exceed USD\$50 million within the next 2 years. The Transaction, an arm's length transaction, if completed, will constitute a "fundamental change" for the Company under the policies of the Canadian Securities Exchange (the "CSE").

May 14, 2021, the Company closed a non-brokered private placement for gross proceeds of \$6,732,779 (the "Offering") through the issuance of 20,402,362 common shares in the capital of the Company ("Common Shares") at a price of \$0.33 per Common Share. In connection with the closing of the Offering, the Company paid aggregate finder's fees of \$15,576 and issued an aggregate of 47,200 finders warrants (the "Finder Warrants") to registered finders. Each Finder Warrant entitles the holder to purchase one Common Share at a price of \$0.33 for a period of 24 months from the closing of the Offering.

Furthermore, on May 14, 2021, the Company entered into a share subscription agreement with a leading company within the online gaming space in India (the "Target"), as previously disclosed in the press release dated April 20, 2021. The Company has agreed to purchase USD\$5,000,000 worth of compulsorily convertible cumulative preference shares of the Target, fulfilling the initial funding commitment of the acquisition of the Target by the Company.

RESULTS OF OPERATIONS

Revenue and Cost of Sales Analysis

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
	\$	\$
Revenue	568,293	-
Cost of sales	(38,335)	-
Gross profit	529,958	-
Gross profit %	93%	-

- The Company operates a full web and mobile betting platform and casino platform. The Company earns a portion of all wagers, called gross gaming revenue. Sales are shown as net gaming revenue. The Company's betting platform became operational on August 1, 2020, and generated \$568,293 (2020 - \$Nil) in net gaming revenue over the period since operation. Since the date of acquisition of 1248134 BC Ltd., the Company has earned revenues of \$385,743 (2020 - \$Nil).
- Cost of goods sold consists primarily of variable costs and include payment processing fees and charge backs, platform costs, and depreciation of the Company's platform. The Company incurs payment processing fees on user deposits, withdrawals and deposit reversal from payment processors.
- During the period ended March 31, 2021, revenues increased to \$568,293 in just eight months of operations. Gross margin remains strong at 93%, as the Company incurred minimal payment processing charges.

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RESULTS OF OPERATIONS (CONTINUED)

For the three-month period ended March 31, 2021 compared to the period ended March 31, 2020

During the three-month period ended March 31, 2021, the Company incurred a net loss of \$2,133,448 compared to losses of \$66,726 in the comparative period. The Company has worked to preserve cash and has experienced recent liquidity issues in the current period, resulting in an overall decrease in operating expenditures. The Company intends to remedy the liquidity concerns with future equity financings. While the Company has successfully raised funds through equity financings in the past, there is no guarantee the Company will be successful in the future. An explanation for the changes in consolidated statement of loss and comprehensive for the period ended March 31, 2021 is below:

- Consulting fees increased to \$231,428 (2020 - \$39,429). The increase in expenditure is due to the Company hired consultants to execute the Company's plan to create a consumer facing online gambling platform, structure financing deals, and consult on strategic acquisitions that occurred during period. The Company engages consultants in a variety of fields, such as technical advisors, directors and management.
- Marketing increased to \$253,246 (2020 - \$Nil), as the Company engaged in a corporate development consultant to bring awareness to current and prospective investors in the market place.
- IT support increased to \$820,591 (2020 - \$Nil), which consists of support for the Company's operation on online gaming to help support users of the platform.
- Professional fees of \$191,034 (2020 - \$Nil), as the Company incurred costs in acquisition of LivePool Private Limited and to advise on general business matter. As well, the Company's lawyers are currently in the process of settling various legal matters.
- Share-based compensation increased to \$427,393 (2020 - \$Nil) as the Company conserved cash through compensating for services provided by arm's length parties of the Business Development Agreement, Collaboration Agreement through the issuance of shares and issued 2,818,500 options to management and consultants of the Company during the period ended March 31, 2021.
- During the period ended, the US dollar strengthened relative the Canadian dollar, resulting in a loss in foreign exchange of \$4,022.
- Loss of debt settlement of \$125,293 was incurred on share issuance transactions to settle outstanding owing.

QUARTERLY FINANCIAL INFORMATION

The following table presents selected unaudited consolidated financial information for the previous eight quarters:

	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
	\$	\$	\$	\$
Revenue	568,293	270,658	94,041	-
Net loss	(2,181,338)	(2,967,155)	(10,357,348)	(17,775,115)
Basic loss per share	(0.01)	(0.03)	(0.11)	(0.23)
Diluted loss per share	(0.01)	(0.03)	(0.11)	(0.23)
Assets	33,765,832	5,912,311	1,194,998	6,195,803
Non-current liabilities	-	-	-	-

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QUARTERLY FINANCIAL INFORMATION (CONTINUED)

	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
	\$	\$	\$	\$
Revenue	-	-	-	-
Net loss	(66,726)	13,895	1,634,018	430,847
Basic loss per share	(0.00)	(0.00)	(0.02)	(0.01)
Diluted loss per share	(0.00)	(0.00)	(0.02)	(0.01)
Assets	1,213,560	806,080	482,270	2,630,600
Non-current liabilities	-	-	-	-

The quarterly financial information presented are prepared in accordance with IFRS.

During the year ended December 31, 2020, the Company completed a reverse take-over and incurred a listing expense of \$11,813,913 and settled debt resulting in a loss on settlement of debt of \$1,135,550. The Company issued warrants with a fair value of \$7,221,855 and issued stock options with a fair value of \$2,160,231. In the comparative periods, the Company had limited operating activities.

During the quarter ended December 31, 2020, the Company acquired Deluxe Crown B.V. and 1248134 BC Ltd, through asset acquisitions and a business combination, resulting an increase in total assets. Also, the Company's subsidiary, 1248134 BC Ltd has an active operation in India on online gaming platforms, increasing revenue as well.

During the quarter ended March 31, 2021, the Company acquired LivePools Private Limited, through business combination, resulting an increase in total assets. Also, LivePools has an active operation in India on online gaming platforms, increasing revenue as well.

LIQUIDITY AND CAPITAL RESOURCES

The Financial Statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to execute the Company's business interests and develop profitable operations or a combination thereof, which is not assured, given today's volatile and uncertain financial markets. The Company may revise the Company's business programs depending on its working capital position.

The Company's liquidity depends on existing cash reserves, to be supplemented as necessary by equity and/or debt financings. As of March 31, 2021, the Company had current assets \$7,379,829 (December 31, 2020 - \$2,960,645) and current liabilities of \$1,983,117 (December 31, 2020 - \$2,052,273). The Company has a working capital of \$5,396,712 (December 31, 2020 - \$908,372).

The Company may seek such additional financing through debt or equity offerings. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests. The Company's future revenues, if any, are expected to be from online casino sales and related products and services. There is no guarantee that the Company will be able to successfully grow its online casino sales, sportsbook sales and other product offerings.

Cash flow from operating activities

During the period ended March 31, 2021, The Company cash outflow from operations was \$3,695,411 (2020 - \$406,630). This consists mainly of cash paid for consulting, professional fees, regulatory, listing and due diligence on the various acquisitions, contracts and website development the Company is pursuing.

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Cash flow from investing activities

During the period ended March 31, 2021, The Company cash outflow from investments was \$15,727 (2020 –Nil). This consists mainly of purchase of equipment of \$39,597, consideration payable \$15,632, and funds acquired from acquisition of LivePools.

Cash flow from financing activities

During the period ended March 31, 2021, The Company cash inflow from financing activities was \$6,034,481 (2020 –\$406,170). In the same period, the Company received loans of \$650,000 (2020 - \$Nil) from management and an arm’s length party to assist with funding. During the period ended March 31, 2021, the Company received \$1,467,305 (2020 - \$Nil) pursuant to private placement, net of share issuance costs, \$3,752,509 (2020 - \$Nil) pursuant to warrant exercises, and \$164,667 (2020 - \$Nil) pursuant to option exercises.

The Company has relied on funding through the issuance of common shares and loans.

Liquidity risk is the risk that the Company will not meet its financial obligations as they become due. The Company has a planning and budgeting process to monitor operating cash requirements, including amounts projected for capital expenditures, which are adjusted as input variables change. These variables include, but are not limited to, the ability of the Company to generate revenue from current and prospective customers, general and administrative requirements of the Company and the availability of capital markets. As these variables change, liquidity risks may necessitate the need for the Company to issue equity or obtain debt financing.

COMMITMENTS AND CONTINGENCIES

On November 6, 2018, the Company entered into a Social Media Influencer Agreement (the “Agreement”) with an arm’s length party. This individual will promote the Blitz Bet brand to prospective customers. The Agreement commences once the Company completes a going public transaction by way of reverse takeover, IPO, or other similar transaction. Following the commencement date, the Company will pay the third-party individual \$1,200,000 United States dollars per annum.

On June 17, 2020 Esperanza entered into a Network Agreement allowing them to use a third-party’s online gambling software. As part of this agreement, Esperanza is required to pay network fees which are the higher of either (a) INR 300,000 per month plus applicable GST or (b) revenue share that is equal to 13.5% of the gross rake for the relevant month plus applicable GST. These are to be paid to the network provider on a monthly basis.

On February 12, 2019 the Company entered into an agreement to use the sports and gaming software of a third party. As part of this agreement, the Company is required to pay the third party 21% royalty on revenues earned from using this software.

Consideration paid to certain consultants from private placement proceeds:

On June 29, 2020, the Company issued 22,899,508 units for gross proceeds of \$5,724,876. Of the gross proceeds, \$236,177 was raised through consultants, which were to satisfy the Company's obligations under the consulting agreements.

OFF-BALANCE SHEET ARRANGEMENTS

The Company is unaware of any off-balance sheet arrangements as at March 31, 2021.

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RELATED PARTY TRANSACTIONS

Troy Grant – Interim CEO and director
James Henning – CFO and Director
Binyomin Posen – Director
Brendan Purdy - Director

The Company’s key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and consists of its directors and officers.

Key management personnel include those who have authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company’s Board of Directors, key shareholders and its executive officers.

The Company’s key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and consists of its directors and officers.

	March 31, 2021	March 31, 2020
	\$	\$
Consulting fees paid or accrued to a director of the Company	-	39,429
	-	39,429

As at March 31, 2021, the Company has outstanding shareholder loans due to a director of the Company, totalling \$100,000 (December 31, 2020 - \$133,063) which is included in the loan balance in the consolidated statement of financial position. The loans are non-interest bearing, due on demand, and unsecured.

During the period ended March 31, 2021, the Company has a shareholder loan receivable of \$804,136 (December 31, 2020 - \$ payable of \$40,766). As of March 31, 2021, the amount is outstanding in full which is included in the shareholders loan receivable balance reported in the consolidated statement of financial position. The loans are non-interest bearing, due on demand, and unsecured.

FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial Risk Management

The Company’s financial instruments are exposed to certain financial risks, which include credit risk, liquidity risk, currency risk, and interest rate risk.

Credit Risk

Credit risk arises from cash as well as credit exposures to counterparties of outstanding receivables and committed transactions. There is no significant concentration of credit risk other than cash deposits. The Company’s cash deposits are primarily held with a Canadian chartered bank.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company’s main source of cash resources is through equity financings. The Company’s financial obligations are limited to its current liabilities which have contractual maturities of less than one year. The Company manages liquidity risk as part of its overall “Management of Capital” as described below.

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FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and has no material exposure related to foreign exchange rate risk.

Interest Rate Risk

When the Company has sufficient cash, it is invested in term deposits which can be reinvested without penalty after thirty days should interest rates rise. As at March 31, 2021, the Company did not have any interest-bearing loans or interest-bearing investments. Accordingly, the Company does not have significant interest rate risk.

Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to pursue the development of its production facility. The Company relies mainly on equity issuances to raise new capital. In the management of capital, the Company includes the components of equity. The Company's investment policy is to invest its cash in savings accounts or highly liquid short-term deposits with terms of one year or less and which can be liquidated after thirty days without penalty. The Company is not subject to any externally imposed capital requirements.

RISK FACTORS

This section discusses factors relating to the business of Company that should be considered by both existing and potential investors. The information in this section is intended to serve as an overview and should not be considered comprehensive and the Issuer may face risks and uncertainties not discussed in this section, or not currently known to us, or that we deem to be immaterial. All risks to the Issuer's business have the potential to influence its operations in a materially adverse manner.

Regulation of Gaming Industry

While gaming and sports betting regulation are a creature of state law and vary from state to state, in general there are a number of common principles that underline the concept of gaming regulation. Participation in the gaming industry is considered to be a privilege, not a right, and thus those who seek to participate must submit themselves to licensure as required by the state regulatory body. In this regard, gaming licenses do not create or entail a property right and such licenses cannot be sold or transferred (although ownership interests in license holders may be transferred subject to regulatory approval). These principles are encapsulated in the preliminary provisions to New Jersey's Casino Control Act, which provides that a key element of regulation of gaming is "public confidence and trust in the credibility and integrity of the regulatory process and of casino operations," and therefore the model is to extend "strict state regulation to all persons, locations, practices, and associations related to the operation of licensed casino enterprises and all related service industries. The Company and its officers, directors, major shareholders, key employees, and business partners will be subject to the sports betting and gaming laws and regulations of the jurisdictions in which it will conduct business. In addition, the Company will be subject to the general laws and regulations that apply to all online, digital and e-commerce businesses, such as those related to privacy and personal information, data security, tax, and consumer protection.

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RISK FACTORS (CONTINUED)

Regulation of Gaming Industry (continued)

The laws and regulations vary in each jurisdiction and future legislative and regulatory action, court decisions, and/or other governmental action, which could be affected by, among other things, political pressures, attitudes and climates, may have a material impact on the Company's operations and financial outcomes. The jurisdictions where the Company will operate each have their own regulatory framework. More often than not these frameworks will require the Company to receive a license. Each jurisdiction will normally require the Company to make detailed and extensive disclosures as to its beneficial ownership, source of funds, the probity and integrity of certain persons associated with its business, management competence, structure, and business plans, proposed geographical territories of operation and ability to operate a gaming business in a socially responsible manner in compliance with regulation. Such jurisdictions will also impose ongoing reporting and disclosure obligations, both on a periodic and ad hoc basis in response to material issues affecting the business.

The Company's gaming-related technology will also be subject to testing and certification by the regulators in the jurisdictions in which it operates or will operate. Such testing and certification are generally designed to confirm matters such as the fairness of the gaming products offered by the business, its ability to accurately generate settlement instructions, and recover from outages. Any gaming license may be revoked, suspended, or conditioned at any time. The loss of a gaming license in one jurisdiction could prompt the loss of a gaming license, or affect the Company's eligibility for such a license, in another jurisdiction. These potential losses of licenses would cause the Company to cease offering some or all of its product offerings in the impacted jurisdiction(s). The Company may be unable to obtain or maintain all necessary registrations, licenses, permits or approvals, and could incur fines or experience delays related to the licensing process, which could adversely affect its operations. The process of determining suitability may be expensive and time-consuming. Delay or failure to obtain gaming licenses in any jurisdiction may prevent the Company from offering its products in such jurisdiction, increasing its customer base and/or generating revenues. A gaming regulatory body may refuse to issue or renew a gaming license if the Company, or one of its directors, officers, employees, major shareholders or business partners: (i) is considered to be a detriment to the integrity or lawful conduct or management of gaming, (ii) no longer meets a licensing or registration requirement, (iii) has breached or is in breach of a condition of licensure or registration or an operational agreement with a regulatory authority, (iv) has made a material misrepresentation, omission or misstatement in an application for licensure or registration or in reply to an inquiry by a person conducting an audit, investigation or inspection for a gaming regulatory authority, (v) has been refused a similar gaming license in another jurisdiction, (vi) has held a similar gaming license in that province, state or another jurisdiction which has been suspended, revoked or cancelled, or (vii) has been convicted of an offence, inside or outside of Canada or the United States that calls into question the honesty or integrity of the Company or any of the Company's directors, officers, employees or associates.

Furthermore, the Company's product offerings must be approved in most regulated jurisdictions in which they are offered; this process is not assured or guaranteed. It is a prolonged, potentially extremely costly process to obtain these approvals. A developer and provider of online or mobile sports betting products may pursue corporate regulatory approval with regulators of a particular jurisdiction while it pursues technical regulatory approval for its product offerings by that same jurisdiction. It is also possible that, after incurring significant expenses and dedicating substantial time and effort towards such regulatory approvals, the Company may not obtain either of them. In the event the Company fails to obtain the necessary gaming license in a given jurisdiction, the Company would likely be prohibited from operating in that particular jurisdiction altogether.

If the Company fails to seek, do not receive, or receive a suspension or revocation of a license in a particular jurisdiction for its product offerings (including any related technology and software), then it cannot operate in that jurisdiction and its gaming licenses in other jurisdictions may be impacted. The Company may not be able to obtain all necessary gaming licenses in a timely manner, or at all. These delays in regulatory approvals or failure to obtain such approvals may also serve as a barrier to entry to the market for its product offerings. The Company's operations and future prospects will be affected if it is unable to overcome these barriers to entry.

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RISK FACTORS (CONTINUED)

Regulation of Gaming Industry (continued)

To the extent new sports betting jurisdictions are established or expanded, the Company cannot guarantee it will be successful in penetrating such new jurisdictions. As the Company directly or indirectly enters into new markets, it may encounter legal, regulatory, and political challenges that are difficult or impossible to foresee and which could result in an unforeseen adverse impact on planned revenues or costs associated with the new market opportunity.

In the event the Company is unable to effectively develop and operate directly or indirectly within these new markets or if its competitors are able to successfully penetrate geographic markets that it cannot access or where it faces other restrictions, then the Company's business, operating results, and financial condition could be impaired. The Company's failure to obtain or maintain the necessary regulatory approvals in jurisdictions, whether individually or collectively, would have a material adverse effect on its business, results of operations, financial condition and prospects. The Company may need to be licensed, obtain approvals of its products and/or seek licensure of its officers, directors, major shareholders, key employees or business partners to expand into new jurisdictions. This is a costly and time-consuming process.

Any delays in obtaining or difficulty in maintaining regulatory approvals needed for expansion within existing markets or into new jurisdictions can negatively affect the Company's opportunities for growth. Future legislative and regulatory action, and court decisions or other governmental action, may have a material impact on the Company's operations and financial results. There can be no assurance that legally enforceable and prohibiting legislation will not be proposed and passed in jurisdictions relevant or potentially relevant to the Company's business to prohibit, legislate, or regulate various aspects of the Internet, e-commerce, payment processing, or the online and mobile wagering and interactive entertainment industries (or that existing laws in those jurisdictions will not be interpreted negatively). Moreover, legislation may require us to pay certain fees in order to operate a sports betting-related business. Such fees may include integrity fees paid to sports leagues and/or fees required to obtain official sports-wagering related data. Compliance with any such legislation may have a material adverse effect on the Company's business, results of operations, financial condition and prospects. The success of online and mobile sports betting and product offerings may be also be affected by future regulatory and marketplace developments related to mobile platforms and application storefronts, social networks, advertising networks, payment processing and banking, data and information privacy, cloud and other infrastructure hosting, and other regulatory and marketplace developments that the Company may be unable to predict and is beyond its control. As a result, the Company's future operating results relating to the Company's sports betting products are difficult to anticipate, and the Company cannot provide assurance that its product offerings will grow as expected or with success in the long term. Adverse developments in these areas may have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

Additionally, the Company's ability to successfully pursue its sports betting strategy depends on the laws and regulations relating to wagering through interactive channels. There is considerable debate and opposition to online and interactive real money gaming. There can be no assurance that this opposition will not succeed in preventing the legalization of online and mobile sports betting in jurisdictions where it is presently prohibited, prohibiting, or limiting the expansion of such activities where it is currently permitted or causing the repeal of legalized online or mobile sports betting in any jurisdiction. Any successful effort to limit the expansion of, or prohibit legalized online or mobile sports betting could have an adverse effect on the Company's results of operations, cash flows and financial condition. Combatting such efforts to curtail expansion of, or limit or prohibit, legalized online and mobile sports betting can again be time-consuming and can be extremely costly.

In the United States, the Unlawful Internet Gambling Enforcement Act of 2006 ("UIGEA") prohibits among other things, the acceptance by a business of a wager by means of the Internet where such wager is prohibited by any federal or state law where initiated, received or otherwise made. Under UIGEA severe criminal and civil sanctions may be imposed on the owners and operators of such systems and on financial institutions that process wagering transactions.

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RISK FACTORS (CONTINUED)

Regulation of Gaming Industry (continued)

The law contains a safe harbour for wagers placed within a single state (disregarding intermediate routing of the transmission) where the method of placing the wager and receiving the wager is authorized by that state's law, provided the underlying regulations establish appropriate age and location verification. The Illegal Gambling Business Act ("IGBA"), makes it a crime to conduct, finance, manage, supervise, direct or own all or part of an "illegal gambling business" and the Travel Act makes it a crime to use the mail or any facility in interstate commerce with the intent to "distribute the proceeds of any unlawful activity," or "otherwise promote, manage, establish, carry on, or facilitate the promotion, management, establishment, or carrying on, of any unlawful activity." For there to be a violation of either the IGBA or the Travel Act there must be a violation of underlying state law. Until 2011, there was uncertainty as to whether the Federal Wire Act of 1961 (the "Wire Act") prohibited states from conducting intrastate lottery transactions via the Internet if such transactions crossed state lines. In late 2011, the Office of Legal Counsel (the "OLC") of the Department of Justice ("DOJ") issued an opinion which concluded that the prohibitions of the Wire Act were limited to sports gambling and thus did not apply to state lotteries at all (the "2011 DOJ opinion"). Following the issuance of the 2011 DOJ opinion, within the past few years, state-authorized Internet casino gaming has been launched in Delaware, New Jersey, Pennsylvania and state authorized online poker has been launched in Nevada. In 2018, at the request of the Criminal Division, the OLC reconsidered the 2011 DOJ opinion's conclusion that the Wire Act was limited to sports gambling. On January 14, 2019, the OLC published a legal opinion dated November 2, 2018 (the "2018 DOJ opinion"), which concluded that the 2011 DOJ opinion had incorrectly interpreted the Wire Act. In the 2018 DOJ opinion, the OLC concluded that the restrictions on the transmission in interstate or foreign commerce of bets and wagers in the Wire Act were not limited to sports gambling but instead applied to all bets and wagers. The OLC also found that the enactment of the UIGEA described above did not modify the scope of the Wire Act. The OLC acknowledged that its conclusion in the 2018 DOJ opinion, which was contrary to the 2011 DOJ opinion, will make it more likely that the executive branch's view of the law will be tested in the courts. At this time, the Company is unable to determine whether the 2018 DOJ opinion will be upheld by the courts, or what impact it will have on the Company. If the Company fails to comply with any existing or future laws, rules, regulations, approvals, registrations, permits, licenses or other requirements, regulators may take action against it. Such action may include fines, the conditioning, suspension or revocation of approvals, registrations, permits or licenses, and other disciplinary action. If the Company fails to adequately adjust to any such potential changes, its business, results of operations or financial condition could also be harmed.

Support of Banks and Payment Processors

The Company will rely on payment processing and banking providers to facilitate the movement of funds between the Company and its intended customer base for its various online platforms. Anything that could interfere with the formation or otherwise harm the Company's future relationships with payment and banking service providers could have a material adverse effect on its business, results of operations, financial condition and prospects. The Company's ability to accept payment from its future customers or facilitate withdrawals by them may be restricted by any introduction of legislation or regulations restricting financial transactions with online or mobile sports betting operators or prohibiting the use of credit cards and other banking instruments for online or mobile sports betting transactions, or any other increase in the stringency of regulation of financial transactions, whether in general or in relation to the gambling industry in particular. Stricter anti-money laundering regulations may also affect the quickness and accessibility of payment processing systems, resulting in added inconvenience to its customers. Card issuers and acquirers may dictate how transactions and products need to be coded and treated which could also make an impact on acceptance rates. Card issuers, acquirers, payment processors and banks may also cease to process transactions relating to the online or mobile sports betting industry as a whole or certain operators. This could be due to reputational and/or regulatory reasons or in light of increased compliance standards of such third parties that seek to limit their business relationships with certain industry sectors considered as "high risk".

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RISK FACTORS (CONTINUED)

Support of Banks and Payment Processors (continued)

It may also result in customers being dissuaded from accessing the Company's product offerings if they cannot use a preferred payment option, or the quality or the speed of the supply is not suitable or accessible to the customers. Any such developments may have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

Losses with Respect to Individual Events or Betting Outcomes.

Sports betting involves betting where winnings are paid on the basis of the stake placed and the odds quoted. Odds are determined with the objective of providing an average return to the bookmaker over a large number of events and therefore, over the long term. In contrast, there can be significant variation in gross win percentage event-by-event and day-by-day. The Company has systems and controls intended to reduce the risk of daily losses occurring on a gross-win basis, but there can be no assurance that these will be effective in reducing its exposure. As a result, in the short term, there is less certainty of generating a positive gross win, and the Company may experience significant losses with regard to individual events or betting outcomes, specifically if large, individual bets are placed on an event or betting outcome or series of events or betting outcomes. Odds compilers and risk managers are capable of human error, thus, even noting that a number of betting products are subject to capped pay-outs, significant volatility can occur. Any significant losses on a gross-win basis could have a material adverse effect on the Company's business, results of operations, financial condition and prospects. Sports betting can also fluctuate due to seasonal trends and other factors. The Company's operations, and thus its financial performance, are also dependent on the seasonal variations dictated by various sports calendars, which will have an effect on its financial performance.

Competition in the Online and Mobile Sports Betting and Media Industry

The Company's current and potential competitors in mobile sports betting include DraftKings, FanDuel, William Hill, FOX Bet, PointsBet, MGM/GVC, Bet 365, Caesars, and other online and mobile gaming operators. Certain competitors have more established relationships and greater financial resources and they can use their resources against the Company in a variety of competitive ways, including by making acquisitions, investing aggressively in research and development, and competing aggressively for strategic partners, advertisers, employees, technologies, digital media rights, websites and applications. These competitors also may spend more money and time on developing and testing products and services, undertake more extensive marketing campaigns, adopt more aggressive pricing or promotional policies, or otherwise develop more commercially successful products or services than the Company's, which could negatively impact its business by affecting its ability to attract and retain existing and new sports betting customers.

Emerging start-ups may be able to innovate and provide products and services faster than the Company can. If competitors are more successful than the Company in developing compelling products and engaging content or in attracting and retaining users, advertisers and digital media rights, the Resulting Issuer's revenues and growth rates and the value of the capitalized digital assets could be negatively affected. There is no assurance that the Company will be able to maintain the Resulting Issuer's position in the marketplace.

The Company must continually introduce and successfully market new and innovative technologies, product offerings and product enhancements to remain competitive and effectively procure customer demand, acceptance, and engagement as a result of the intense industry competition, along with other factors. The process of developing new product offerings and systems is unclear and complexed, and new product offerings may not be well received by customers. Although the Company intends to continue investing in research and development, there can be no assurance that such investments will lead to successful new technologies or timely new product offerings or enhanced existing product offerings with product life cycles long enough to be successful.

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RISK FACTORS (CONTINUED)

Competition in the Online and Mobile Sports Betting and Media Industry (continued)

The Resulting Issuer may not recover the substantial up-front costs of developing and marketing new technologies and product offerings, or recover the opportunity cost of diverting management and financial resources away from other technologies and product offerings.

Regulatory Investigations

The Company has, and may in future, receive formal and informal inquiries from government authorities and regulators from time to time, including securities authorities, tax authorities, privacy commissions and gaming regulators, regarding its compliance with laws and other matters. The Company expects to continue to be the subject of investigations and audits in the future as it continues to grow and expand its gaming operations. Violation of existing or future regulatory orders or consent decrees could subject the Resulting Issuer to substantial monetary fines and other penalties providing a negative effect on its financial condition and results of operations. In addition, there is a possibility that future orders issued by, or inquiries or enforcement actions initiated by, government or regulatory authorities may cause the Company to incur substantial costs, expose it to unanticipated civil and criminal liability or penalties, or require it to change its business practices that may have materially adverse effects on its business.

Shareholders Subject to Extensive Governmental Regulation

A number of jurisdictions' gaming laws may require any of the Company's shareholders to file an application, be investigated, and qualify or have their suitability determined by gaming authorities. Gaming authorities have very broad discretion when ruling on whether an applicant should be deemed suitable or not. Subject to certain administrative proceeding requirements, the gaming regulators have the authority to deny any application or limit, condition, revoke or suspend any gaming license, or fine any person licensed, registered or found suitable or approved, for any cause deemed reasonable by the gaming authorities. Any person found unsuitable by a gaming authority may not hold directly or indirectly ownership of any voting security or the beneficial or record ownership of any non-voting security or any debt security of any company that is licensed with the relevant gaming authority beyond the time prescribed by the relevant gaming authority. A finding of unsuitability by a particular gaming authority impacts that person's ability to associate or affiliate with gaming licensees in that specific jurisdiction and could impact the person's ability to associate or affiliate with gaming license holders in other jurisdictions.

Many jurisdictions also require any person who obtains a beneficial ownership of more than a certain percentage, typically 5%, of voting securities of a publicly-traded gaming company or parent company thereof and, in some jurisdictions, non-voting securities to report the acquisition to gaming authorities. Gaming authorities may require such holders to apply for qualification or a finding of suitability, subject to limited exceptions in certain jurisdictions for "institutional investors" that hold a company's voting securities for investment purposes only. Other jurisdictions may also limit the number of gaming licenses with which a person may be associated.

Social Responsibility Concerns

Public opinion can meaningfully affect sports betting regulation. A negative shift in the perception of sports betting by the public, by politicians, or by others could impact future legislation or regulation in different jurisdictions. Moreover, such a shift could cause jurisdictions to abandon proposals to legalize sports betting, thereby limiting the number of new jurisdictions into which we could expand. Negative public perception can also lead to new, harsher restrictions on sports betting, including restrictions on marketing, betting product offerings, other restrictions on the Company's gaming operations and increased compliance costs. Such changes could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

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RISK FACTORS (CONTINUED)

Digital Sports Media Industry Reliant on Mobile Advertising

The digital sports media industry is a relatively new and rapidly evolving industry and as such it is difficult to predict the prospects for growth. There is no assurance that advertisers will continue to increase their purchases of online and mobile advertising, that the supply of advertising inventory will not exceed demand or that smartphone penetration in the United States and Canada will continue to grow. If the industry grows more slowly than anticipated or the Company's products and services fail to achieve market acceptance, the Company may be unable to achieve its strategic objectives, which could have a material adverse effect on its prospects, business, financial condition or results of operations.

Mobile Device Users May Choose Not to Allow Advertising

The success of the Company's online and mobile platforms depends on its ability to deliver targeted, highly relevant ads to users of mobile sports applications and websites. Targeted advertising is done primarily through analysis of data, much of which is collected on the basis of user-provided permissions. This data might include a mobile device's location or data collected when users view an advertisement or when they click on or otherwise engage with an advertisement. Users may elect not to allow data sharing for targeted advertising for a number of reasons, such as privacy concerns, or pricing mechanisms that may charge the user based upon the amount or types of data consumed. In addition, the designers of mobile device operating systems are increasingly promoting features that allow device users to disable some of the functionality, which may impair or disable the delivery of advertisements to their devices, and device manufacturers may include these features as part of their standard device specifications. Although the Company is not aware of any such products that are widely used in the market today, as has occurred in the online advertising industry, companies may develop products that enable users to prevent advertisements from appearing on their mobile device screens. Finally, as discussed more fully below, the delivery of targeted advertising is under increasing scrutiny by regulators in many of the jurisdictions in which we operate, and regulatory changes could impact the Company's business model and may have similar impact for many if not most entities that rely on targeted advertising. If any of these developments were to occur, it could have a material adverse effect on its prospects, business, financial condition and results of operations.

User Data

The Company may require the registration of its users prior to accessing its products or services or certain features of its products or services and the Company may be subject to increased legislation and regulations on the collection, storage, retention, transmission and use of user-data that is collected. The Company's efforts to protect the personal information of its users may be unsuccessful due to the actions of third parties, software bugs or technical malfunctions, employee error or malfeasance, or other factors. In addition, third parties may attempt to fraudulently induce employees or users to disclose information in order to gain access to the Company's data or the Company's users' data.

If any of these events occur, users' information could be accessed or disclosed improperly. Any incidents involving the unauthorized access to or improper use of the information of users or incidents involving violation of the Company's terms of service or policies could damage its reputation and brand and diminish its competitive position. In addition, the affected users or governmental authorities could initiate legal or regulatory action against the Company in connection with such incidents, including in respect of new mandatory breach reporting and record-keeping obligations in Canada and certain states in the United States which will soon become effective, which could cause the Company to incur significant expense and liability or result in orders or consent decrees forcing the Company to modify its business practices and remediate the effects of any such incidents of unauthorized access or use. Any of these events could have a material adverse effect on its prospects, business, financial condition or results of operations. The Company will transmit and store a large volume of data in the course of supporting its website and mobile sports applications.

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RISK FACTORS (CONTINUED)

User Data (continued)

The interpretation of privacy and data protection laws and their application to the Internet is unclear and subject to rapid change in numerous jurisdictions. There is a risk that these laws may be interpreted and applied in a manner that is not consistent with the Company's data protection practices and results in additional compliance or changes in its business practices, or both, and liability or sanction under these laws. In addition, because the Company's website and mobile sports applications is accessible in many jurisdictions, certain foreign jurisdictions may claim that the Company is required to comply with local laws, even where the Company has no local operating entity, employees, infrastructure or other physical presence in those jurisdictions.

In particular, in the spring of 2018, the General Data Protection Regulation ("GDPR"), which provides for extraterritorial enforcement in some cases and includes the possibility of substantial monetary penalties for non-compliance, came into effect in the European Union. In addition, with the United Kingdom leaving the European Union in early 2020, the United Kingdom may adapt an amended version of the GDPR into UK law. The impact of the GDPR and the UK adopted version of the GDPR on the Company's business is uncertain. Likewise, California has enacted a Consumer Privacy Act, to be effective on January 1, 2020, that creates additional rights for consumers with respect to the collection and use of their data, and depending on how it is refined between now and its effective date, or interpreted by the California Attorney General in the promulgation of regulations and enforcement, it could negatively impact our business model. Furthermore, the Company may face conflicting obligations arising from the potential concurrent application of laws of multiple jurisdictions. In the event that the Company is not able to reconcile such obligations, it may be required to change business practices or face liability or sanction.

In addition, a parliamentary committee in Canada has recently recommended certain changes to *Personal Information Protection and Electronic Documents Act* (Canada), the federal privacy and data protection statute in Canada, including new administrative enforcement powers and new financial penalties for non-compliance. There is a risk that the Canadian government may implement changes to this statute that may result in additional compliance or changes in the Company's business practices, or create additional risk of liability or sanction, or all of the foregoing.

Limited Operating History

The Company has a very limited history of operations, is in the early stage of development and, under the CPC Policy, has conducted no active business and has received no revenues other than interest revenues. As such, the Company is subject to many risks common to such businesses, including under-capitalization, cash shortages, and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. The Company has no intention of paying any dividends in the near future.

The Company has limited financial resources, has not earned any revenue since commencing operations and has no source of operating cash flow. There can be no assurance that the Company will be able to obtain any financing in the future or that such financing will be on terms favourable to the Company and its shareholders. Failure to obtain such additional financing could result in delays to or indefinite postponement of further development of the Company's business.

The Company's ability to continue as a going concern depends on its ability to either generate sufficient revenues or to secure sufficient financing, whether debt or equity, to sustain its continued operations. There can be no assurance that the Company can obtain such revenues or financing on commercially favourable terms and there is therefore no guarantee that Fairmont will be able to sustain its ongoing operations in the future.

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RISK FACTORS (CONTINUED)

Dependence on third parties, including users and third-party licensors

The Company is reliant to an extent on third parties, including Jolt and Amelco. There can be no assurance that these business relationships will continue to be maintained or that new ones will be successfully formed. A breach or disruption in these relationships could be detrimental to the future business, operating results and/or profitability of Influencers. Moreover, the Company's financial performance will be significantly determined by its success in adding, retaining, and engaging active users of its services. If users do not perceive the Company's services as interesting, unique and useful, the Company may not be able to attract or retain additional users, which could adversely affect the business.

Reliance on Management

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results or financial condition.