PLAYGON GAMES INC.

Management Discussion and Analysis

For the three months ended March 31, 2022

This management discussion and analysis ("MD&A") of financial position and results of operation is prepared as at May 27, 2022 and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2022 of Playgon Games Inc. and its wholly owned subsidiaries ("Playgon" or the "Company") and the consolidated financial statements of the Company for the year ended December 31, 2021. The following disclosure and associated financial statements are presented in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

FORWARD LOOKING STATEMENTS

The Company's condensed interim consolidated financial statements for the three months ended March 31, 2022, and this accompanying MD&A contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102. *Continuous Disclosure Obligations of the Canadian Securities Administrators*.

It is important to note that, unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of May 27, 2022.

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

All of the Company's public disclosure filings may be accessed via www.sedar.com and readers are urged to review these materials.

DESCRIPTION OF THE COMPANY'S BUSINESS

The Company is a Business-to-Business ("B2B") Software-as-a-Service ("SaaS") technology provider focused on developing digital content for the growing iGaming Market. The Company platforms provide a multi-tenant gateway that allows online operators the ability to offer their customers innovative iGaming software solutions ("Live Dealer Product") and a customized daily fantasy sports ("DFS") software solution ("DFS Product"). The Company's common shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol "DEAL".

On June 19, 2020, the Company completed the purchase of Playgon Interactive Inc. ("Playgon Interactive") from its shareholders (the "Playgon Acquisition"). Playgon Interactive, a private British Columbia corporation and leading technology innovator in the gaming market, developed a suite of digital products that bring the fun and entertainment of casinos to casino players everywhere via their unique and proprietary mobile first interface and the traditional desktop medium. Playgon Interactive's value proposition offers the proven appeal of physical casinos, with a suite of interactive live dealer games that appeal to players in a very personal way by giving real human interaction between dealers and players. Playgon

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

In addition, Playgon develops all of its live dealer games in E-Table versions, which is Playgon's version of the live dealer games using a random number generator. Playgon has introduced unique digital table games to players world-wide, all optimized for one-handed play.

As a true B2B SaaS provider, the Company's products are ideal turn-key solutions for online casinos, sportsbook operators, land-based operators, media groups, and big database companies. The Company enables its customers to seamlessly integrate into its Live Dealer Product, E-Table games and DFS Product thereby allowing their individual end users easy access to iGaming software solutions and content. thereby allowing their individual end users easy access to iGaming software solutions and content.

Highlights

During the three months ended March 31, 2022, the Company recorded $140,877 in revenue from its Live Dealer Product. During the three months ended March 31, 2022, the Company was able to successfully onboard 9 operators for a total operator count of 35 as at March 31, 2022. During the three months ended March 31, 2022, the Company saw increased player activity as a result of additional operators going live. This was offset by an increase in player win percentage resulting in decreased player loss during the period. Player win percentage is subject to a significant level of volatility on a month-to-month basis but is expected to normalize over an extended period of time.

In addition to onboarding new operators, the Company plans to enter new regulated markets in 2022 with a focus on Latin America and North America to complement its customer growth in Europe.

On May 4, 2022, the Company announced that it has applied for a Gaming Related Supplier – Manufactures License with the Alcohol and Gaming Commission of Ontario (the "AGCO"). The License will enable the Company to supply AGCO approved operators with its Live Dealer Product.

On February 24, 2022, the Company announced that Bobby Soper was appointed to the Company's Board of Directors. Mr. Soper brings two decades of experience overseeing the development of numerous projects from the ground-up. He has served as International President of Mohegan Gaming & Entertainment, as well as the CEO of the Mohegan enterprise. Upon the appointment of Mr. Soper, Jason Meretsky stepped down from the board of directors.

On Jan 12, 2022, the Company signed a multijurisdictional software licensing and distribution agreement with Relax Gaming. Under the terms of the agreement, Relax Gaming will add and market Playgon's proprietary mobile first live dealer and E-table game offerings under the VegasLoungeTM brand, to its content library for availability and distribution to all Relax Gaming's global client base. The agreement is for three years with licence fees based on commercial revenue sharing rates.

Live Dealer Product

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

The Company is focused on leading the innovation curve in LDC technology with an unmatched mobile first platform. Playgon will stream the first and only LDC action from Las Vegas, Nevada (Vegas Lounge™) for regulated online casino gaming markets globally. Live dealer gaming is one of the fastest growing segments in the online casino market where mobile-devices generate over 70% of casino revenues. Players are able to experience a highly interactive gaming experience through any browser on any mobile device with Playgon's Live-Dealer casino from Las Vegas, Nevada.

The Company leases a 12,000 sq. ft. state-of-the-art broadcasting studio streaming live casino games with dealers from Las Vegas. The LDC games cover the classic and most played casino favourites, Roulette, Blackjack, Baccarat and Tiger Bonus Baccarat™, a proprietary game. All LDC games come with new in game features and functionality to boost online casino revenues and enhance player engagement.

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

Daily Fantasy Sports Product

The Company's DFS software and network can be licensed to customers offering a customized and fully branded DFS to their end users.

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

Revenue Segmentation

The Company currently anticipates two sources of revenue. The first is for licensing and use of the Company's SaaS products. The second are set-up fees which typically pay for the integration, customization and branding of the customer site for the use of our Live Dealer and DFS products.

The online gaming industry is heavily regulated, and the Company will license its products to customers who hold a gaming license. Initially, the Company's target markets are outside of North America, however, due to the accelerated growth of the United States and Canadian market the Company has advanced plans to enter the North American market as well.

On March 23, 2021, the Company commenced its United States strategy towards licensing efforts in New Jersey, Pennsylvania and Michigan, by engaging Duane Morris LLP in New Jersey. Completion of this process would allow the Company to offer its Live Dealer technology to customers within those states. The timing for entry is fluid and will be driven by customer acquisition and studio cost consideration to service individual markets. The iGaming and Sport Betting industry is expected to exceed $12.9 billion in market size by 2025[1] and presents a significant opportunity for the Company.

On April 4, 2022, iGaming Ontario (iGO), a subsidiary of the Alcohol and Gaming Commission of Ontario (AGCO) launched a new regulated regime for on-line gaming in Ontario. The Company has made application with the AGCO to service this market with its current Las Vegas studio. The decision on market entry will depend on customer acquisition. Ontario's licensed online gaming and sports betting market will generate gross revenues of C$989m in its first year of opening, growing to C$1.86bn by 2026. Ontario, the first province to allow private operators to offer online gambling, is set to be one of the largest online gambling markets in North America, alongside Pennsylvania, New Jersey and Michigan.

[1] *Vixio Gambling Compliance*

Principal Products and Services

The Company platforms are a multi-tenant B2B gateway, which allows customers to offer their end users a Live Dealer product or a DFS product. Both products have been built with a mobile first philosophy that allows for seamless integration at the customer level and provides a gaming experience that is optimized for one-handed play.

As a true B2B digital content provider, the Company offers a SaaS product that provides a turn-key solution for sportsbook operators, land-based operators, media groups and big database companies to experience its Live Dealer Product or a DFS Product, without having to incur large upfront costs to monetize this new business and add incremental revenue to their business.

The Company's online offering is designed for gaming operators worldwide. The platforms integrate into a gaming operator's website, whereby the Live Dealer Product or the DFS Product will be immediately available to the end users. The end user will easily be able to access the Live Dealer or the DFS products using any modern browser via a desktop or mobile device. This allows any customer end-user the ability to access the content from any device, with the benefit that a user can pause and transition the experience across any number of devices. While the end user accesses the offering through an operator's website, the Company maintains and operates the platform, but not the wallet which is in the control of the end operator, to ensure a safe and secure ecosystem without conflict of interest.

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

Available E-Table games (multiplayer & single player) include Blackjack, Baccarat and Roulette. The Company's development roadmap will include the following E-Table games dictated by customer demand Craps, SicBo, Pai Gow, Pai Gow Poker, Andar Bahr, Dragon Tiger, Red Dog, Holdem Poker and Three Card Poker.

Product Development

<u>*Live Dealer*</u>

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

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

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

<u>*Daily Fantasy Sports*</u>

DFS is currently developed for the five major European football leagues and North American and European golf. As the industry further matures the Company will revisit the marketing of the DFS product.

Distribution Methods

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

The advance in technology, increased consumer demand for digital content, new regulated markets and the COVID-19 global pandemic have accelerated growth in the online gaming industry and the need for land-based gaming operators to adopt a digital strategy as most land-based businesses have been exposed to the global pandemic shutdowns. This validates the Company's strategy and distribution methods in the area of digital commerce.

Principal Markets

The Company's offerings are available globally. As a B2B SaaS supplier the Company's customers include gaming operators and content aggregators ("Customers"). The management of the Company intend to focus on those Customers that it believes offer the best potential for growth that exists for both Live Dealer and Daily Fantasy Sports products.

Additional opportunities for expansion exist across Europe, North America and LATAM as the regulatory environment continues to be increasingly receptive towards online sports betting and casino gaming.

Marketing Plans and Strategies

Live Dealer Casino

LDC has changed from being viewed as merely a strategic option for the online gaming brands into a key gaming segment that offers rich growth and expansion opportunities in new and existing markets. Right now, according to a global study in association with H2 Gambling, the leading market data and intelligence research team in iGaming, confirms that live dealer gaming is worth 32% of the iGaming market.2

To put that in perspective, in 2012 live casino gaming only held a 10.8% Gross gaming revenue (GGR) market share which at the time was worth €679.4 million. Today that GGR figure is now worth €5.3 billion in an iGaming market estimated to be worth €17.7 billion. That represents growth that happened in the space of just 8 years. It is a growth figure that means the live casino iGaming market grew 774% in GGR.[2]

Globally the online casino gaming market continues to show trends for growth and reach. It has strong player demand across multiple territories and has exhibited greater commercial potential due to regulation, technological innovation and multiple distribution channels. This trend is expected to continue as more regions regulate their individual online casino gaming markets and land-based and digital businesses converge.

The market opportunity for the Company is significant, real money online casino revenues globally in 2019 reached $16B USD and are anticipated to reach $26B USD by 2023 which represents a 62.5% increase between 2019 – 2023[2].

According to reports by Research and Markets, the online gaming industry is expected to grow at a CAGR of 11.94% between 2021-2026 (https://ibn.fm/dmk2N), and Grandview Research expects the market to reach $127.3 billion by 2027 (https://www.nnw.fm/YUWL8).

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

[2]*H2 Gambling Capital Inc*

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

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

Competition

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

Proprietary Protections

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

Regulatory Matters

The Company has received a B2B skilled gaming license (Type 4) from the MGA on April 6, 2018, enabling it to provide its DFS Product to licensed operators of the MGA. The license entitles the Company to manufacture, supply, install and adapt gambling software for electronic devices or websites in a network setting.

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

On March 10, 2021, the Company received approval from the MGA for a Type 1 Gaming Service License. The approval of the Type 1 license allows the Company to provide its Live Dealer Products to licensed operators of the MGA through its wholly owned Malta subsidiary.

On October 18, 2018, the Company received its GLI-19 certification for its Live Dealer Products.

iGaming Platforms

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

- Enables multiple licensed operators to gain access to one Live Dealer studio from Las Vegas, Nevada. Additional studios will be added in jurisdictions where required;
- Product development is mobile focused to enhance player UI and UX, attracting the most sought-after player segment; the discerning, higher value, returning player;
- Product development uses Progressive Web App (PWA) technology, device agnostic, every user, every browser, every device;

- Cloud based technology built for robustness, scalability and zero latency with streaming; and
- Portrait only Live Dealer and E-Table games offering single hand Ergonomics which provides effortless gameplay for the mobile user.

The Company has established a 12,000 sq ft state-of-the-art live broadcast studio in Las Vegas, Nevada. The Company operates its tables under the strict and fair gaming standards of land-based casinos. During the year ended December 31, 2021, the Company completed an expansion of its Las Vegas studio, doubling its table capacity. During Q2 2021, the studio began full operations that are supervised 24/7 by supervisors with extensive experience in land-based operations. The Company will add additional tables and studios as customer demand requires.

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

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

SUMMARY OF QUARTERLY RESULTS

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

	Three Months Ended ($)			
	March 31, 2022	**December 31, 2021**	**September 30, 2021**	**June 30, 2021**
Revenue	140,877	151,863	5,624	2,218
Comprehensive loss	(3,891,699)	(4,217,179)	(3,542,380)	(3,604,794)
Basic and diluted loss per share*	(0.02)	(0.02)	(0.02)	(0.02)
Dividends per share	Nil	Nil	Nil	Nil
Total assets	12,947,902	17,079,463	11,592,517	14,375,593
Total long-term liabilities	686,454	749,577	1,288,030	1,305,410
Working capital (deficit)	1,522,511	4,404,328	(2,527,464)	49,991

	Three Months Ended ($)			
	March 31, 2021	**December 31, 2020**	**September 30, 2020**	**June 30, 2020**
Revenue	Nil	Nil	Nil	Nil
Comprehensive loss	(3,510,119)	(1,976,973)	(2,639,503)	(1,461,827)
Basic and diluted loss per share*	(0.02)	(0.01)	(0.01)	(0.02)
Dividends per share	Nil	Nil	Nil	Nil
Total assets	17,678,098	13,681,805	14,918,814	17,075,633
Total long-term liabilities	1,227,569	1,220,477	1,293,823	1,359,449
Working capital (deficit)	2,621,518	(1,872,784)	(154,965)	1,082,729

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

During the three months ended June 30, 3020 (2020 Q2), the Company acquired Playgon Interactive and its wholly owned subsidiaries resulting in increased overall expenses.

During Q3 and Q4 2020, the Company was focussed on the completion of upgrades to its Las Vegas Studio and additional development of its SaaS offerings. Additionally, as the Company completed a soft launch during Q4 2020 there were increased staffing costs associated with the Las Vegas Studio resulting in increased loss.

RESULTS OF OPERATIONS – Three Months Ended March 31, 2022

For the three months ended March 31, 2022, the Company had sales of $140,877 and a net loss of $3,899,555 compared to sales of $nil and a net loss of $3,487,021, respectively, for the three months ended March 31, 2021. The increase in net loss is due to the following:

I. Amortization expense increased to $828,173 (March 31, 2021 - $746,801) related to the amortization of property, plant and equipment and intangible assets acquired in the Playgon Interactive Acquisition.
II. Data access fees increased to $200,658 (March 31, 2021 - $148,741) as the Company increased the number of operators live on the Live Dealer Product.
III. Salaries and benefits increased to $1,699,881 (March 31, 2021 - $1,234,416) as the Company increased the number of dealers and supervisors as additional operators have gone live.
IV. Share-based compensation decreased to $240,577 (March 31, 2021 - $445,042) primarily relating to less share options granted during the period.
V. Professional fees decreased to $69,949 (March 31, 2021 - $161,364) primarily relating to less legal fees incurred during the period.

LIQUIDITY AND CAPITAL RESOURCES

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, 2022, the Company incurred a net loss of $3,899,555 (March 31, 2021 - $3,487,021). As at March 31, 2022, the Company has a working capital balance of $1,522,511 (December 31, 2021 – $4,404,328) and an accumulated deficit of $48,765,411 (December 31, 2021 - $44,865,856). The Company recognizes that its objectives and scope of expenditures may change with ongoing results and, as a result, it may be required to obtain additional financing. While the Company has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future.

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

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

FINANCING ACTIVITIES AND CAPITAL EXPENDITURES

During the three months ended March 31, 2022, there were no share issuances.

During the three months ended March 31, 2021, the Company incurred $13,901 (March 31, 2021 - $302,010) of capital expenditures, primarily relating to the purchase of computer equipment.

As at March 31, 2022, the Company owes various third party lenders $200,000. The loans are secured by assets of the Company with due dates ranging from demand loans to periods of one year that incur interest at 12% per annum. As at March 31, 2022, the amount outstanding was due on demand and incurred interest of 12% per annum. Interest of $62,187 (December 31, 2021 - $54,579) remains outstanding and is included in accounts payable and accrued liabilities.

As at March 31, 2022 the Company has $133,660 and US$288,351 (CAD $360,323) owing to various third party lenders. The loans are secured by assets of the Company and bear interest at 5% per annum. The loan repayment schedule is based on an amount equal to 25% of the free cash flow of the Company, that is cash flow generated by operations after deducting all expenditures ("Available Cash Flow"). As at March 31, 2022, the Company does not expect to have Available Cash Flow, over the next twelve months, for the purposes of debt repayments and accordingly, has recorded the debt as a long-term liability. The Company evaluates the likelihood of having Available Cash Flow for debt repayments on a quarterly basis. Interest of $43,985 (December 31, 2021 - $38,297) remains outstanding and is included in accounts payable and accrued liabilities.

As at March 31, 2022, the Company owes the Government of Canada $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 a third of the loan will be forgiven.

During the three months ended March 31, 2022, financing activities used $104,079 (March 31, 2021 – ($6,895,826) in cash flows due to repayment of the lease liability.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS AND BALANCES

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

(a) Transactions with Key Management Personnel

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

Summary of key management personnel compensation:

	For the three months ended March 31, 2022	2021
	$	$
Management and directors fees[1]	200,658	183,909
Salaries and benefits[2]	95,000	65,000
Professional fees[3]	28,500	15,750
Share-based compensation	188,964	320,061
	513,122	**584,720**

1) Fees earned by Qwest Capital Inc., a company controlled by Darcy Krogh, CEO; Penturn & Company Ltd., a company whose managing partner is James Penturn, Executive Chairman; Mike Marrandino and William Scott, independent directors; Jason Meretsky, former director; and COO Steve Baker
2) Fees earned by Guido Ganschow, a director of the Company
3) Fees earned by Harry Nijjar, CFO. The Company has a consulting agreement with Malaspina Consultants Inc., a company where Mr. Nijjar is a managing director.

Accounts payable and accrued liabilities at March 31, 2022 includes $190,402 (December 31, 2021 - $471,193) owing to directors, officers, or to companies significantly controlled by common directors for unpaid fees and expense reimbursements.

RISK FACTORS

The business and operations of the Company are subject to numerous risks, many of which are beyond the Company's control. The Company considers the risks set out below to be some of the most significant to potential investors in the Company, but not all of the risks are associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware or which it considers to be material in relation to the Company's business actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

Global Pandemics

On March 11, 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, customers, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses, including ours. This outbreak could decrease spending, adversely affect demand for our product and harm our business and results of operations; however, the Company has also recognized that the pandemic has led to a global increase in screen time and online gaming which is beneficial to the Company's operations. It is not possible for us to predict the duration or magnitude of the adverse results of the outbreak and its effects on our business, results of operations, or how it will impact the Company's ability to conduct financings at this time.

Additional Financing

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

Risks Related to Potential Inability to Protect Proprietary Technology

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

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

Risks Related to Potential Intellectual Property Rights Claims

Companies in the Internet, technology and media industries own large numbers of patents, copyrights, trademarks and trade secrets and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. The Company may be subject to intellectual property rights claims in the future and its technologies may not be able to withstand any third-party claims or rights against their use. Any intellectual property claims, with or without merit, could be time consuming, expensive to litigate or settle and could divert management resources and attention. An adverse determination also could prevent the Company from offering its products and services to others and may require that it procure substitute products or services for these members.

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

Risks Related to Uncertainty of the iGaming Market

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

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

The Company has obtained a Type 1 gaming license in Malta from the MGA, permitting the Company to offer its Live Dealer product in permitted jurisdictions. The Company expects to offer its Live Dealer product to the US and Canadian market and has engaged Duane Morris LLP to facilitate any licensing applications. Further licensing may be required as the Company's business matures and enters new markets globally. Changes in applicable laws or regulations or evolving interpretations of existing law could, in certain circumstances, result in increased compliance costs or capital expenditures, which could affect the Company's profitability, or impede the Company's ability to carry on its business which could affect its revenues.

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

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

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

In addition to regulations pertaining to the iGaming industry, the Company may become subject to any number of laws and regulations that may be adopted with respect to the Internet and electronic commerce. New laws and regulations that address issues such as user privacy, pricing, online content regulation, taxation, advertising, intellectual property, information security, and the characteristics and quality of online products and services may be enacted. As well, current laws, which predate or are incompatible with the Internet and electronic commerce, may be applied and enforced in a manner that restricts the electronic commerce market. The application of such pre-existing laws regulating communications or commerce in the context of the Internet and electronic commerce is uncertain. Moreover, it may take years to determine the extent to which existing laws relating to issues such as intellectual property ownership and infringement, libel and personal privacy are applicable to the Internet. The adoption of new laws or regulations relating to the Internet, or particular applications or interpretations of existing laws, could decrease the growth in the use of the Internet, decrease the demand for the Company's Live Dealer and E-Table games and Daily Fantasy Sports product, increase the Company's cost of doing business or could otherwise have a material adverse effect on the Company's business, revenues, operating results and financial condition.

Risks Related to Changing Customer Preferences

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

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

Competition

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

Reliance on Key Personnel and Absence of Key Person Insurance

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

Reliance on Highly Skilled Personnel

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

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

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

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

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

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

Reliance on Development and Maintenance of the Internet Infrastructure

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

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

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

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

The growth of Internet usage has caused frequent interruptions and delays in processing and transmitting data over the Internet. There can be no assurance that the Internet infrastructure or the Company's own network systems will be able to meet the demand placed on it by the continued growth of the Internet, the overall online fantasy sports and gaming industries or of the Company's customers.

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

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

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

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

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

Risks Related to the Recovery of Cash at Bank in Malta

In October 2018 the Company's bank in Malta, Satabank, was directed by the Malta Financial Services Authority (MFSA) to refrain, cease and desist from taking further deposits into the accounts of its current customers. The MFSA also 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$63,789) (December 31, 2021 - 46,047 euro (CAD$66,267)) 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 is ongoing and the Company continues to work towards the release of these funds.

OUTSTANDING SHARE DATA

Common Shares

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

All share information is reported as of May 27, 2022, in the following table:

	Number
Issued and outstanding common shares	253,331,449
Share options with a weighted average exercise price of $0.31	15,275,000
Warrants with a weighted average exercise price of $0.50	17,924,175

FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the condensed interim consolidated financial statements for the three months ended March 31, 2022, and this accompanying MD&A (together the "Interim Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Interim Filings on SEDAR at www.sedar.com.

OTHER MD&A REQUIREMENTS

Additional information relating to the Company may be found by visiting www.sedar.com and www.playgon.com.