# LottoGopher Holdings Inc.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

## BACKGROUND

This management discussion and analysis ("MD&A") of the financial position of LottoGopher Holdings Inc. (the "Company" or "LottoGopher") and results of its operations for the Nine months ended September 30, 2018 is prepared as at April 2, 2019. This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2018 and the supporting notes. Those unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures included therein and in the following M&DA are quoted in Canadian dollars. Additional information relevant to the Company can be found on SEDAR at www.sedar.com.

## FORWARD-LOOKING INFORMATION

This discussion contains "forward-looking statements" that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made.

This MD&A contains forward-looking statements that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. The assumptions on which such forward-looking statements are based and the risk factors that could cause such forward-looking statements to vary include items discussed under "Risk Factors".

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein.

Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. Except as required by applicable law, the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

## COMPANY OVERVIEW

The Company was incorporated under the Business Corporations Act (British Columbia) on February 10, 2016.

On January 22, 2018, the Company completed a private placement and issued 22,009,649 units at a price of $0.13 per share for gross proceeds of $2,861,254. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to acquire an additional share at a price of $0.25 cents per share for a period of 5 years from January 22, 2018.

On January 31, 2018, the Company announced its intent to complete a change of business transaction pursuant to the policies of the Canadian Exchange and become an investment issuer company focused on investments in cryptocurrency, blockchain technology, and the cannabis sector, including LottoGopher.com.

On February 13, 2018, the Company announced the addition of Ali Zamani to its Board of Directors, replacing Lloyd Lemmon. Lloyd Lemmon has joined the Company's advisory board.

On February 20, 2018, the Company announced the addition of Savneet Singh and Ravi Sood to its Board of Directors, replacing Norman Wareham and Kevin Harrington. Norman Wareham and Kevin Harrington have joined the Company's advisory board.

On March 15, 2018, the Company subscribed 666,665 units for GreenTec Holdings ("GTEC") for total consideration of $999,998, paid in cash. Each unit was sold at a price of $1.50. Each unit consists of one common share of GTEC and one-half of one share purchase warrant. Each whole warrant entitles the Company to acquire one share of GTEC at a price of $2.50 for 24 months from the date of the satisfaction of the escrow release conditions. GTEC is a private corporation based out of Kelowna, British Columbia. GTEC's mission is to identify and consolidate licensed producers of craft cannabis brands. GTEC currently holds over 23,000,000 square feet of expansion capabilities throughout Canada and holds a 100% interest in each of GreenTec Bio-Pharmaceuticals Corp., Grey Bruce Farms Incorporated, Zenalytic Laboratories Ltd., Falcon Ridge Naturals Ltd., Tumbleweed Farms Corp., and Alberta Craft Cannabis Inc. (formerly Grenex Pharms Inc.). The investment in GTEC was closed on May 1, 2018.

On May 22, 2018, the Company acquired a SMS-ENGINE, a text-based gaming engine for use in lottery, sports betting and sweepstakes FamCom Inc. ("FamCom").

In consideration for the acquisition, the Company will:

- Pay Famcom US$150,000, following the closing date and within five days of the Company completing a financing or financings for aggregate gross proceeds of at least C$1,000,000, provided that such payment must be made within 10 days of the closing date of the acquisition; and

- issue 3,000,000 common shares to Famcom.

On May 29, 2018, the Company issued 3,000,000 common shares to FamCom with a fair value of $240,000.

On June 5, 2018, the Company completed a private placement and issued 17,000,000 common shares at a price of $0.075 per share for gross proceeds of $1,275,000.

On July 11, 2018, the Company completed a private placement and issued 3,248,400 common shares at a price of $0.075 per share for gross proceeds of $243,600.

On July 18, 2018, the Company fulfilled a binding agreement to acquire 88% of the issued and outstanding shares of PlasmaNet Inc. ("PlasmaNet"), one of the largest online sweepstakes companies in the U.S. and one of the largest online marketing and free member acquisition companies in the world.

In consideration of the acquisition, the Company will pay the following consideration to PlasmaNet:

i. 11,600,000 common shares of the Company;

**(Expressed in Canadian Dollars)**

ii. an unsecured promissory note in the aggregate principal amount of $1,496,655, convertible into up to 21,229,148 common shares of the Company at a price of $0.0705 per common share, subject to certain restrictions;
iii. a promissory note in the aggregate principal amount of US$1,760,000, secured against the PlasmaNet shares, and
iv. share purchase warrants of the Company, each of which will entitle the holder to acquire one common share at an exercise price of $0.1410 per common share at any time prior to three years from the date of issuance.

On September 28, 2018 the Company has signed a definitive agreement with Bravio Technologies Limited "Bravio" to combine the organizations resulting in a reverse takeover of LottoGopher by Bravio.
When completed as contemplated by the Definitive Agreement, LottoGopher would acquire all of the issued and outstanding shares of Bravio in exchange for shares of LottoGopher, which would result in the shareholders of Bravio holding approximately 70% of the issued and outstanding shares of LottoGopher, calculated on a non-diluted basis, following the completion of the proposed transaction. To facilitate the Arrangement, among other things, LottoGopher will incorporate a new wholly-owned subsidiary ("LottoGopher Subco"), will complete a 10:1 share consolidation (reducing the number of issued and outstanding LottoGopher shares from 197,520,605 to approximately 19,752,061 LottoGopher shares) and will create preferred shares of LottoGopher (the "LottoGopher Pref Shares"). The purpose of the creation of the LottoGopher Pref Shares is to provide for a tax-efficient mechanism for pre-Proposed Transaction shareholders of Bravio to be issued one additional LottoGopher Share for each whole LottoGopher Pref Share in the event that in the 12-month period following the closing of the Proposed Transaction, Bravio achieves revenue of $500,000 in any one particular month. In the event that this revenue target is not met, the LottoGopher Pref Shares would be cancelled without any further action by the holder.

As of September 28, 2018, with the signing of the definitive agreement the Company will not complete a change of business transaction pursuant to the policies of the Canadian Exchange to become an investment issuer company as previously reported. The Company will continue in the gaming industry as structured.

## SELECTED INFORMATION

***Selected Financial Information***

| | For the nine months ended | | |
|---|---|---|---|
| | **September 30, 2018** | **September 30, 2017** | **September 30, 2016** |
| Sales | $ 866,894 | $ 29,084 | $ - |
| Operating expenses | 4,030,902 | 6,060,785 | 61,332 |
| Other expenses | 1,561,475 | 4,849,669 | 11,862 |
| Loss and comprehensive loss | (4,725,483) | (10,881,370) | (73,194) |

| ***As at:*** | **September 30, 2018** | **December 31, 2017** | **December 31, 2016** |
|---|---|---|---|
| Working capital | $ (1,102,988) | $ (301,893) | $ (1,093,602) |
| Total assets | 14,516,473 | 442,772 | 66,580 |
| Total liabilities | 13,167,155 | 651,025 | 1,107,146 |
| Total Shareholders' equity (deficiency) | 1,349,318 | (208,253) | (1,040,566) |

**(Expressed in Canadian Dollars)**

With acquisition of PlasmaNet the Company's financial Revenue, Assets, Liabilities and Shareholder Equity have materially increased.
Assets: The majority consist of Intangible assets $12,049,650 which represents Goodwill, the customer data base and technology.
Liabilities: The majority consist of Prize Liabilities short and long term of $7,372,970
Revenue: PlasmaNet revenue of $1,023,461 is 98% of LottoGopher's total revenue for the quarter.
Shareholder Equity: PlasmaNet had a shareholder deficit of $2,296,706 of which $245,676 is owned by minority shareholders.

## RESULTS OF OPERATIONS

***Summary of Quarterly Information***

| | Three months ended | | | |
|---|---|---|---|---|
| | **September 30, 2018** | **June 30, 2018** | **March 31, 2018** | **December 31, 2017** |
| Sales | $ 834,901 | $ 15,431 | $ 16,562 | $ 10,817 |
| Operating expenses | 1,768,027 | 829,170 | 1,433,705 | 1,293,326 |
| Other expenses | 1,131,197 | 269,445 | 21,505 | (235,241) |
| Net loss (income) | (2,064,323) | (1,083,184) | (1,438,648) | (1,047,268) |

| | Three months ended | | | |
|---|---|---|---|---|
| | **September 30, 2017** | **June 30, 2017** | **March 31, 2017** | **December 31, 2016** |
| Sales | $ 13,390 | $ 7,845 | $ 7,849 | $ 5,796 |
| Operating expenses | 3,481,247 | 2,165,836 | 239,862 | 187,324 |
| Other expenses | 259,933 | 4,757,053 | 6,523 | 6,024 |
| Net loss | (3,727,790) | (6,915,044) | (238,536) | (187,552) |

**Three months ended September 30, 2018 compared with three months ended September 30, 2017**

During the three months ended September 30, 2018, the Company completed an acquisition of 88% of the controlling shares of PlasmaNet Inc. ("PlasmaNet"). Consideration for this investment consists of the issuance of common shares and promissory notes convertible to common shares and secured by common shares of LottoGopher.
The company also sold all of its shares in GTEC recognizing a loss on investment of $128,702 an increase in loss from the fair value investment loss of $266,666 recognized in Q2 2018.

During the three months ended September 30, 2018:
The Company generated gross revenue of $1,041,412 increased $1,028,022 from September 30, 2017 revenue of $13,390. PlasmaNet revenue of $1,023,461 is attributed to this increase. Gross revenue less cost of goods sold of ($206,511) attributed to PlasmaNet is reported as sales $834,901 for the period.
The Company incurred a net loss of $2,203,651, representing a decrease of $1,525,139 when compared to a net loss of $3,727,790 during the three months ended September 30, 2017.
During the three months ended September 30, 2018, the Company incurred the following significant operating expenditures:

- Advertising and promotion expenses of $529,879 (September 30, 2017 - $1,361,072)
- Consulting fees of $138,837 (September 30, 2017 - $84,532)
- Office and general expense of $198,068 (September 30, 2017 - $81,845)
- Professional fees of $89,994 (September 30, 2017 - $79,749)

## RESULTS OF OPERATIONS (CONTINUED)

- Salaries and benefits of $287,820 (September 30, 2017 - $133,607)
- Share-based compensation of $19,833 (September 30, 2017 - $1,452,382)
- Website support and design expenses of $286,217 (September 30, 2017 - $79,829)

The above expenditures have been impacted by the consolidation of PlasmaNet's activities in the three-month period. PlasmaNet related expenses consolidated for the period ending September 30, 2018 are as follows:

- Advertising and promotion expenses of $300,797
- Office and general expense of $57,892
- Salaries and benefits of $112,345
- Website support and design expenses of $236,796

**Nine months ended September 30, 2018 compared with Nine months ended September 30, 2017**

Due to the acquisition of PlasmaNet, the comparability of period over prior period results is limited as the results in the nine months ended September 30, 2017 only include the financial results of LottoGopher.

During the nine months ended September 30, 2018: The Company had revenue of $1,073,405 representing an increase of $1,044,321 over September 30 2017 of $29,084. PlasmaNet revenue from July 18, 2018 to September 30$^{th}$, 2018 of $1,023,461 is attributed to this increase. Gross revenue less cost of goods sold of ($206,511) attributed to PlasmaNet is reported as sales $866,894 for the period.

The Company incurred a net loss of $4,725,483 representing a decrease of $6,155,887 when compared to a net loss of $10,881,370 during the nine months ended September 30, 2017.

During the nine months ended September 30, 2018, the Company recognized a net loss of $395,368 on sale of all of its shares GTEC.

During the nine months ended September 30, 2018, the Company incurred the following significant operating expenditures.

- Advertising and promotion expenses of $912,221 (September 30, 2017 - $2,028,088)
- Consulting fees of $289,230 (September 30, 2017 - $238,078)
- Investor relations of $114,220 (September 30, 2017 - $159,688)
- Office and general expense of $410,475 (September 30, 2017 - $208,310)
- Professional fees of $268,298 (September 30, 2017 - $279,547)
- Salaries and benefits of $649,581 (September 30, 2017 - $403,906)
- Share-based compensation of $548,136 (September 30, 2017 - $2,330,684)
- Travel expenses of $184,125 (September 30, 2017 - $57,903)
- Website support and design expenses of $402,631 (September 30, 2017 - $186,787)

The above expenditures have been impacted by the consolidation of PlasmaNet activities in the nine-month period. PlasmaNet related expenses consolidated for the period ending September 30, 2018 are the same as for the three-month period as the acquisition occurred July 18, 2018. Please see the three-month period above.

## LIQUIDITY / CAPITAL RESOURCES

The Company's previous activities have been funded through equity financings. The Company will continue to utilize the current source of cash and that from the PlasmaNet Acquisition until it develops cash flow from future operations.

There can be no assurances the Company will be successful in its endeavors. If such funds are not available or other sources of finance cannot be obtained, then the Company will be forced to curtail its activities to a level for which funding is available or can be obtained.

The Company has begun to generate revenues from operations. As at September 30, 2018, the Company had a working capital deficiency of $418,269 (December 31, 2017 – working capital deficiency of $1,102,988) including cash of $401,980 (December 31, 2017 – $301,893).

On January 22, 2018, the Company completed a private placement and issued 22,009,649 units at a price of $0.13 per share for gross proceeds of $2,861,254.

On June 5, 2018, the Company completed a private placement and issued 17,000,000 common shares at a price of $0.075 per share for gross proceeds of $1,275,000.

On July 11, 2018, the Company completed a private placement and issued 3,248,400 common shares at a price of $0.075 per share for gross proceeds of $243,630.

On August 1, 2018, the Company issued 198,985 common shares to settle a payable with an investor's relation consultant.

The Company has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants. Management believes the Company has sufficient working capital at this time to meet its ongoing financial obligations.

## COMMITMENT

On March 12, 2018, the Company entered into an amended employment agreement with its CEO, James Morel, pursuant to which Mr. Morel will receive an annual salary of USD $250,000 and share awards of an aggregate of up to 950,000 common shares, with 350,000 common shares being issued upon entering into the agreement (March 13, 2018) and an additional 200,000 common shares being issued on the dates that are 6 months (August 1, 2018), 12 months (February 1, 2019) and 18 months from the date of the agreement (August 1, 2019), subject to Mr. Morel remaining as an employee of the Company.

## SUBSEQUENT EVENTS

Subsequent to September 30th, 2018: Through the process of consolidation and assessment of asset value management has determined that asset write downs were necessary. Prepaid marketing expenses have been written down and the SMS gaming engine has also been written down as of September 30th 2018. Please also refer to the September 30th, 2018 Financial Statement Note 19.

## OUTSTANDING SHARE DATA AS AT SEPTEMBER 30, 2018 AND THE DATE OF THIS MD&A

At September 30, 2018, the Company had 127,958,124 common shares (December 31, 2017 – 70,201,090) common shares issued and outstanding.

*During the nine months ended September 30, 2018*

- On January 22, 2018, the Company completed a private placement and issued 22,009,649 units ("Units") at a price of $0.13 per share for gross proceeds of $2,861,254. Each Unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to acquire an additional share at a price of $0.25 per share for a period of 5 years from January 22, 2018.

  In connection with the private placement, the Company paid a cash commission of $150,068 and issued 883,916 finder's warrants ("Finder's Warrants") to the agents. Each Finder's Warrant will entitle the holder thereof to subscribe for one common share of the Company at an exercise price of 0.25 per common share of the Company until January 18, 2023.

- On March 13, 2018, the Company issued a total 350,000 common shares to the Company's CEO according to the agreement.

- On May 29, 2018, the Company issued 3,000,000 common shares to FamCom with a fair value of $240,000.

- On June 5, 2018, the Company completed a private placement and issued 17,000,000 common shares at a price of $0.075 per share for gross proceeds of $1,275,000.

- The Company issued a total 150,000 common shares with a fair value of $21,000 to the Company's investor relations consultant according to the agreement dated on November 1, 2017.

- The Company granted 2,850,000 stock options to certain of its directors, officers, consultants and advisory board members with an exercise price of $0.20. The options are exercisable for a period of five years. The options are fully vested immediately at the date of grant.

- On July 11, 2018, the Company completed a private placement and issued 3,248,400 common shares at a price of $0.075 per share for gross proceeds of $243,600.

- On July 18, 2018, the Company issued 11,600,000 common shares of the Company and 16,413,071 share purchase warrants of the Company to FreeLotto Holdings LLC "FreeLotto" . Each warrant entitles FreeLotto to acquire one common share at an exercise price of $0.1410 per common share at any time prior to three years from the date of issuance,

- On August 1, 2018, the Company issued 198,985 common shares to settle a payable with an investor's relation consultant.

- On August 2, 2018, the Company issued a total 200,000 common shares to the Company's CEO according to the employment agreement.

**(Expressed in Canadian Dollars)**

## OUTSTANDING SHARE DATA AS AT SEPTEMBER 30, 2018 AND THE DATE OF THIS MD&A (CONTINUED)

- 6,795,700 warrants expired unexercised.

- 2,421,469 options expired unexercised.

*Subsequent to September 30, 2018*

As at September 30th and the date of this MD&A, there have been no changes to the outstanding Shares of the Company:

- 127,958,124 common shares issued and outstanding;
- 47,803,105 warrants with exercise prices ranging from \$0.1415 to \$0.63 per share outstanding; and
- 5,451,799 stock options with exercise prices ranging from \$0.20 to \$0.47 per share outstanding.

## RELATED PARTY TRANSACTIONS

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined its key management personnel to be executive and non-executive officers and directors of the Company.

The remuneration of key management personnel during the nine months ended September 30, 2018 and 2017 were as follows:

| | For the nine months ended | |
|---|---|---|
| | **September 30, 2018** | **September 30, 2017** |
| Consulting fees | **$ -** | $ 27,023 |
| Directors' fees | **12,990** | 41,278 |
| Professional fees | **162,023** | 92,165 |
| Salaries and benefits | **234,103** | 199,332 |
| Share-based payments | | |
| - Shares (Note 10 (e)) | **131,278** | 123,840 |
| - Options | **28,886** | 707,267 |
| | **$ 569,280** | $ 1,190,905 |

Details of fees paid as listed above are reported in Note 13 of the financial statements.

## CONTRACTUAL OBLIGATIONS

There are no significant contractual obligations.

## OFF-BALANCE SHEET ARRANGEMENT

The Company has no off-balance sheet arrangements.

## CRITICAL ACCOUNTING ESTIMATES

The preparation of the unaudited condensed consolidated interim financial statements requires management to use judgment and make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the audited consolidated financial statements and the reported amount of expenses during the year. Actual results could materially differ from these estimates. Refer to note 2 of the Company's the audited consolidated financial statements for the year ended December 31, 2017 for a more detailed discussion of the critical accounting estimates and judgments.

## ADOPTION OF NEW ACCOUNTING STANDARDS AND UPCOMING CHANGES ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

***Adoption of new and amended accounting standards***

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning before or on January 1, 2018.

The adoption of the following IFRS pronouncement will result in enhanced financial statement disclosures in the Company's annual consolidated financial statements. This pronouncement did not affect the Company's financial results nor did it result in adjustments to previously-reported figures.

- IFRS 9 – New standard that replaced IAS 39 for classification and measurement.

- IFRS 15 - New standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Refer to note 3 of the Company's unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2018 for a more detailed discussion on the impact of the adoption of the new pronouncement.

***New standards and interpretations not yet adopted***

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 16 – Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019. The Company will not adopt the standard early. Leases will be recorded on the Statement of Financial Position, except short-term leases and leases of low-value items. This will result in a material increase to both assets and liabilities upon adoption of the standard in 2019.

## FINANCIAL INSTRUMENTS

In the normal course of business, the Company is inherently exposed to certain financial risks, including market risk, credit risk and liquidity risk, through the use of financial instruments. The timeframe and manner in which the Company manages these risks varies based upon management's assessment of the risk and available alternatives for mitigating risk. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. All transactions undertaken are to support the Company's operations. These financial risks and the Company's exposure to these risks are provided in various tables in note 17 of our unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2018. For a discussion on the significant assumptions made in determining the fair value of financial instruments, refer also to note 2 of the audited consolidated financial statements for the year ended December 31, 2017.

## RISKS AND UNCERTAINTIES

The Company is subject to a number of risk factors due to the nature of its business. These risks and uncertainties may impact the Company's ability to successfully execute its key strategies and may affect future events, performance or results. Certain of these risks and uncertainties are described in this MD&A. However, the risks and uncertainties set out in this MD&A are not exhaustive. New risk factors may emerge from time to time and it is not possible for management to predict all such risk factors, nor can it assess the impact of all such risk factors on the Company's business performance, condition, operations or strategies and plans.

### ***General***

The Company through its subsidiary operations is engaged in the business of providing consumers a legally compliant option to order lottery tickets online in the state of California. The recoverability of the amounts shown for intellectual property is dependent upon the ability of the Company to obtain the necessary financing to complete a transaction to further its operations, and upon the future development of profitable operations. The Company's ability to continue its operations is dependent on its ability to secure additional financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. In order to continue developing its operations, management is actively pursuing such additional sources of financing; however, in the event this does not occur, there is doubt about the ability of the Company to continue as a going concern. The Financial Statements and management's discussion and analysis of the financial condition, changes in financial condition and results of operations of the Company for the period ended September 30, 2018 do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

The amount of the Company's administrative expenditures is related to the level of financing and ongoing activities that are being conducted, which in turn may depend on the Company's recent operational experience and prospects, as well as the general market conditions relating to the availability of funding for early stage businesses.

### ***Operate in a heavily regulated environment***

State lotteries and gambling are subject to extensive regulation and laws. The Company believes we abide by all lottery commission regulations in each state in which we operate. However, there is a possibility that one or more governmental agencies or other persons or entities may take a position that some of our activities are not in compliance with application laws, rules or regulations. In such case, we may be forced to commit financial and other resources defend our actions and our business and operations may be materially and adversely affected.

## RISKS AND UNCERTAINTIES (CONTINUED)

***Credit card processing***

The Company has entered into agreements with third-party credit card processors. The third-party processors have agreements in place with and are the only parties to the agreement with the underlying credit card companies (e.g. Visa, MasterCard, American Express). The underlying agreements with the credit card companies could be arbitrarily amended which would impact the processing fees to be charged to the Company.

***Business plan contains inherent risks***

Our business plan is innovative and non-traditional. As such, we cannot be certain of commercial or any other kind of success for us and cannot guarantee same.

***Ongoing Need for Financing***

It is intended that the Company will continue to make investments to support business growth and may require additional funds to respond to business challenges. Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of the Company's shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, additional financing may not be available on favourable terms, if at all. If the Company is unable to obtain adequate financing or financing on terms satisfactory to them, when they require it, their ability to continue to support business growth and to respond to business challenges could be significantly limited.

***Issuance of Debt***

From time to time, the Company may enter into transactions to acquire the assets or shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. The level of the Company's indebtedness from time to time could impair its ability to obtain additional financing in the future, on a timely basis, to take advantage of business opportunities that may arise.

***Managing future growth***

Execution of our business plan will require significant growth. This will place a significant burden on our financial, managerial and other resources. Our ability to manage our growth effectively will require us to improve our operational, financial and management information systems and to attract and retain key personnel. If our senior management personnel were unable to manage growth effectively, our business, operating results and financial condition would be materially and adversely affected.

## RISKS AND UNCERTAINTIES (CONTINUED)

***Competitive conditions***

There are several other companies that provide similar services and products, some of which are larger and have greater experience and financial resources than us. We also compete for advertising dollars with traditional media companies. Additionally, there may be other substantial companies that will enter the market either alone or merged with other competitors to compete with us. We cannot guarantee that we will be able to compete successfully with our current and future competitors.

***Limited operating history***

The Company has a very limited operating history upon which an evaluation of its prospects can be based. The prospects must be evaluated with a view to the risks encountered by a business in an early stage of development. The Company has not been profitable and has incurred net operating losses during its recent operating history. The Company cannot guarantee it will ever be profitable, have a positive cash flow, or be able to continue in business.

***Potential Conflicts of Interest***

Certain directors or officers of the Company are also directors, officers, shareholders and/or Promoters of other reporting and non-reporting issuers. Such associations may give rise to conflicts of interest from time to time. The directors and officers of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict will disclose his interest and abstain from voting on such matter. Conflicts of interest, if any, will be subject to, and will be resolved in accordance with, the procedures and remedies under the BCBCA.

***Reliance on Others and Key Personnel***

The success of the Company will be largely dependent upon the performance of its management and key employees, as well as the talents of its outside consultants and suppliers. The Company may not have any "key man" insurance policies, and therefore there is a risk that the death or departure of any one or more members of management or any key employee could have a material adverse effect on the Company. The Company also faces intense competition for qualified personnel and there can be no assurance that the Company will be able to attract and retain the employees, personnel and/or consultants necessary to successfully carry out its activities.

***We may be unable to protect our copyrights, trademarks, patents, trade secrets and other intellectual property rights that are important to our business***

We regard our copyrights, trademarks, trade secrets and other intellectual property as a component of our success. We rely and/or will rely on copyright and trademark law and trade secret protection and confidentiality and/or license agreements with employees, customers, partners and others to protect our intellectual property. We cannot be certain that we have taken adequate steps to protect our intellectual property. In addition, our third-party confidentiality agreements can be breached and, if they are, there may not be an adequate remedy available to us.

## RISKS AND UNCERTAINTIES (CONTINUED)

***Litigation***

All industries are subject to legal claims, with and without merit. Defense and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material effect on the Company's operations and financial position.

***Dividends***

To date, the Company has not paid any dividends on its outstanding securities and the Company does not expect to do so in the foreseeable future. Any decision to pay dividends on Company's shares will be made by the Board of Directors.

***Changes in Laws***

Changes to any of the laws, rules, regulations or policies to which the Company is subject could have a significant impact on the Company's business. There can be no assurance that the Company will be able to comply with any future laws, rules, regulations and policies. Failure by the Company to comply with applicable laws, rules, regulations and policies may subject it to civil or regulatory proceedings, including fines or injunctions, which may have a material adverse effect on the Company's business, financial condition, liquidity and results of operations. In addition, compliance with any future laws, rules, regulations and policies could negatively impact the Company's profitability and have a material adverse effect on its business, financial condition, liquidity and results of operations.

***Speculative investment***

An investment in the Company's common shares is highly speculative and subject to a number of risks and uncertainties. Only those persons who can bear the risk of the entire loss of their investment should participate. An investor should carefully consider the risks described above and the other information filed with the Canadian securities regulators before investing in the Company's common shares. The risks described are not the only ones faced. Additional risks that the Company currently believes are immaterial may become important factors that affect the Company's business. If any of these risks occur, or if others occur, the Company's business, operating results and financial condition could be seriously harmed and investors may lose all of their investment.

***Cybersecurity***

The Company may experience cybersecurity threats to our information technology infrastructure and systems, and unauthorized attempts to gain access to our proprietary or confidential information, as may our customers, suppliers, subcontractors and joint venture partners.

For a discussion of additional risks and uncertainties faced by the Company, please refer to the Final long form prospectus of the Company filed on SEDAR on May 12, 2017.