LottoGopher Holdings Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2018

BACKGROUND

This management discussion and analysis ("MD&A") of the financial position of LottoGopher Holdings Inc. (the "Company" or "LottoGopher") as at December 31, 2018 and the results of its operations for the year then ended is prepared as at October 28, 2019. This MD&A should be read in conjunction with the consolidated financial statements for the years ended December 31, 2018 and 2017, and the supporting notes. Those consolidated 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 consisted 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 until January 22, 2023.

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. The change of business transaction was never solidified and the Company sold all investments in this direction.

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

On March 15, 2018, the Company subscribed for 666,665 units of GreenTec Holdings ("GTEC") for total consideration of $999,998, paid in cash. Each unit was acquired at a price of $1.50. Each unit consisted of one common share of GTEC and one-half of one share purchase warrant. Each whole warrant entitled 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 made on March 15th 2018 and all shares were sold by September 26, 2018.

On May 22, 2018, the Company acquired a SMS-ENGINE, a text-based gaming engine for use in lottery, sports betting and sweepstakes from 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, no payment has been made to date; and.

- Issued 3,000,000 common shares to FamCom with a fair value of $240,000 on May 29, 2018.

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 paid the following consideration to PlasmaNet:

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

(Expressed in Canadian Dollars)

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 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 signed a definitive agreement with Bravio Technologies Limited ("Bravio") to combine the organizations resulting in a reverse takeover of LottoGopher by Bravio (the "Proposed Bravio Transaction").

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.

To facilitate the Arrangement, among other things, LottoGopher is to incorporate a new wholly-owned subsidiary ("LottoGopher Subco"), is to 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 is to 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 Bravio 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.

With the signing of the definitive agreement the Company will continue in the gaming industry as currently structured.

SELECTED INFORMATION

Selected Financial Information

	For the year ended		
	December 31, 2018	**December 31, 2017**	**December 31, 2016**
Sales	$ 2,248,512	$ 39,901	$ 9,705
Operating expenses	5,745,978	7,180,271	348,986
Other expenses	13,239,223	4,788,268	24,030
Loss and comprehensive loss	$ 17,503,262	$ 11,888,387	$ 347,450

As at:	**December 31, 2018**	**December 31, 2017**	**December 31, 2016**
Working capital deficiency	$ 1,772,885	$ 301,893	$ 1,093,602
Total assets	1,478,180	442,772	66,580
Total liabilities	11,667,332	651,025	1,107,146
Total Shareholders deficiency	$ 10,189,152	$ 208,253	$ 1,040,566

With acquisition of PlasmaNet the Company's financial Revenue, Assets, Liabilities and Shareholder Equity have increased.

(Expressed in Canadian Dollars)

Assets: The majority consist of cash on hand and deposits as security for lease and banking agreements.
Liabilities: The majority consist of short and long term prize liabilities of $6,498,983 (see Note 12)
Revenue: PlasmaNet revenue of $2,175,699 (for the period from its acquisition to December 31, 2018) is 97% of LottoGopher's total revenue for the year.
Shareholder Equity: PlasmaNet has incurred to date a shareholder deficit of $5,897,767, largely due to the current year write off of goodwill. $714,444 of the deficit accrues to PlasmaNet's minority shareholders.

RESULTS OF OPERATIONS

Summary of Quarterly Information *(unaudited)*

	Three months ended			
	December 31, 2018	**September 30, 2018**	**June 30, 2018**	**March 31, 2018**
Sales	$ 1,175,107	$ 1,041,412	$ 15,431	$ 16,562
Cost of goods sold	128,412	206,511	-	-
Operating expenses	1,380,153	1,768,027	829,170	1,433,705
Other expenses	11,677,748	1,270,525	269,445	21,505
Net loss	$ (12,011,206)	$ (2,203,651)	$ (1,083,184)	$ (1,438,648)

	Three months ended			
	December 31, 2017	**September 30, 2017**	**June 30, 2017**	**March 31, 2017**
Sales	$ 10,817	$ 13,390	$ 7,845	$ 7,849
Cost of goods sold	-	-	-	-
Operating expenses	1,293,326	3,481,247	2,165,836	239,862
Other expenses	(235,241)	259,933	4,757,053	6,523
Net loss	$ (1,047,268)	$ (3,727,790)	$ (6,915,044)	$ (238,536)

Three months ended December 31, 2018 compared with three months ended December 31, 2017 (unaudited)

During the three months ended December 31, 2018, the Company ended the unprofitable operations of LottoGopher's lottery ticket sales while it prepares for the Proposed Bravio Transaction. Employee resources supporting LottoGopher operations were transitioned to PlasmaNet to support their technical and operational processes.

For the three months ended December 31, 2018:
The Company generated gross revenue of $1,175,107, an increase of $1,164,290 from the three months ended December 31, 2017 revenue of $10,817. PlasmaNet revenue of $1,023,461 is attributed to this increase.

The Company incurred a net loss of $12,011,206. an increase of $10,963,938 from the net loss of $1,047,268 for the three months ended December 31, 2017.

For the three months ended December 31, 2018, the Company incurred the following operating expenditures (with comparative figures for the three months ended December 31, 2017):

- Advertising and promotion expenses of $251,468 (2017 - $176,687)

- Consulting fees of $491 (2017 - $432,391)
- Office and general expense of $179,145 (2017 - $95,993)
- Professional fees of $196,706 (2017 - $77,771)
- Salaries and benefits of $274,220 (2017 - $150,858)
- Share-based compensation of $57,707, (2017 - $68,783)
- Website support and design expenses of $264,793 (2017 - $77,813)
- Write off of assets $11,667,964 (2017 - $nil)

The above expenditures have been impacted by the consolidation of PlasmaNet's activities for the three-months ended December 31, 2018. PlasmaNet related expenses consolidated for the three months ended December 31, 2018 should be considered as part of the variance when comparing 2018 to 2017. The corresponding PlasmaNet expenses are as follows:

- Advertising and promotion expenses of $221,014
- Office and general expense of $95,715
- Salaries and benefits of $101,872
- Professional Fees of $30,032
- Website support and design expenses of $247,835
- Write off of assets $5,693,496

Year ended December 31, 2018 compared with Year ended December 31, 2017

Due to the acquisition of PlasmaNet, the comparability of period over prior period results is limited as the results in the year ended December 31, 2017 only include the financial results of LottoGopher and its other subsidiaries. PlasmaNet expense detail from the acquisition date to the year end is provided for comparative assessment.

For the year ended December 31, 2018: The Company had revenue of $2,248,512 representing an increase of $2,208,611 over 2017 of $39,901. PlasmaNet revenue from its acquisition July 18, 2018 to December 31st, 2018 of $2,175,699 is attributed to this increase. Revenue less cost of goods sold of ($334,923) attributed to PlasmaNet is reported as gross profit $1,913,589 for the period. [Not sure what this sentence means.]

The Company incurred a comprehensive loss of $17,503,262, an increase of $5,614,875 when compared to a comprehensive loss of $11,888,387 for the year ended December 31, 2017.

For the year ended December 31, 2018, the Company recognized a net loss of $395,368 on the sale of all of its shares in GTEC.

For the year ended December 31, 2018, the Company incurred the following significant operating expenditures (with comparative figures for the year ended December 31, 2017):

- Advertising and promotion expenses of $1,163,689 (2017 - $2,204,775)
- Consulting fees of $289,721 (2017 - $670,469)
- Investor relations of $106,613 (2017 - $263,031)
- Office and general expense of $589,620 (2017 - $290,216)
- Professional fees of $465,004 (2017 - $357,318)
- Salaries and benefits of $923,801 (2017 - $554,764)

- Share-based compensation of $605,843 (2017 - $2,239,714)
- Travel expenses of $218,963 (2017 - $118,941)
- Website support and design expenses of $667,424 (2017 - $264,600)
- Write off (recovery) of asset $12,790,585 (2017 – Nil)

The above expenditures have been impacted by the consolidation of PlasmaNet activities for the year. PlasmaNet related expenses consolidated for the period from its acquisition to December 31, 2018 should be considered as part of the year of over year variance analysis. The corresponding PlasmaNet expenses are as follows:

- Advertising and promotion expenses of $521,807
- Website support and design expenses of $484,631
- Salaries and benefits of $214,217
- Office and general expense of $153,607
- Professional Fees of $37,755
- Write off of assets $5,693,496

LIQUIDITY / CAPITAL RESOURCES

The Company's previous activities have been funded through equity financings. The Company has utilized its current source of cash and is now dependent on the successful completion of the Proposed Bravio Transaction to fund 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.

As at December 31, 2018, the Company had a working capital deficiency of $1,772,885 (December 31, 2017 – working capital deficiency of $301,893) including cash of $599,725 (December 31, 2017 – $201,833). Cash held by the Company's subsidiary PlasmaNet at December 31, 2018 was $475,938 of that total.

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 relations 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 that with the support of the Bravio transaction the Company should have sufficient working capital to meet its ongoing financial obligations

COMMITMENT

Leases

PlasmaNet leased office space on a month to month basis, up to March 31st, 2018. PlasmaNet entered into a co-working space agreement, effective April 1st, 2018 and expiring March 2023. This agreement requires the company to pay all executor costs such as maintenance, insurance and real estate taxes. Rent expense, net of sublease for the period ending December 31st, 2018 $112,547 (December 31, 2017 $172,864 prior to acquisition).

PlasmaNet has pledged $15,347 in a restricted Cash account as security under its co-working space agreement. See financial statement (note 16)

OUTSTANDING SHARE DATA AS AT DECEMBER 31, 2018 AND THE DATE OF THIS MD&A

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

During the year ended December 31, 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 until January 22, 2023.

  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 22, 2023.

- On February 4th, March 10th, and May 7th 2018, the Company issued 50,000 common shares on each date with a net fair value of $23,750 to the Company's investor relations consultant.

- On March 13, 2018, the Company issued 350,000 common shares with a fair value of $54,250 to the Company's CEO.

- 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.

  In connection with the private placement, the Company incurred shares issue costs of $3,824.

- 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 fully vested at the date of grant.

(Expressed in Canadian Dollars)

- 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 until July 18, 2021.

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

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

- 6,795,700 warrants expired unexercised.

- 250,000 options expired unexercised and 4,171,469 options were forfeited.

Subsequent to December 31, 2018

From December 31th to the date of this MD&A, there were 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
- 3,451,799 stock options with exercise prices ranging from $0.20 to $0.25 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 years ended December 31, 2018 and 2017 were as follows:

	For the years ended	
	December 31, 2018	December 31, 2017
Consulting fees	**$ -**	$ 103,338
Directors' fees	**12,990**	69,517
Professional fees	**204,512**	208,863
Salaries and benefits	**471,210**	279,017
Share-based payments		
- Shares	**145,445**	173,840
- Options	**-**	711,875
	$ 834,157	$ 1,546,450

Details of fees paid as listed above are reported in Note 14 to the financial statements.

CONTRACTUAL OBLIGATIONS

There are no significant contractual obligations.

SUBSEQUENT EVENTS

Subsequent to December 31st, 2018:

- Resignation of directors and executive staff - On January 9, 2019 Savneet Singh resigned as director. On January 28, 2019 James Morel has resigned from his role as director, and CEO. On February 13, 2019, Mr. Edward J. Tobin was appointed to the Board of Directors and as interim Chief Executive Officer. On the same date Mr. Zamani relinquished the CFO role to Greg Cavers. On April 1, 2019 Wayne Welter was appointed to the Board of Directors.

- In January 2019 the contracting staff of LottoGopher, Greg Cavers and Sheryl Elsdon received options on shares in the resulting company in lieu of future salaries and salaries owed. Once the Proposed Bravio Transaction is completed amounts owing are to be paid in cash or shares of the resulting Company.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated 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 consolidated financial statements and the reported amount of expenses for the year. Actual results could materially differ from these estimates. Refer to note 3 of the Company's consolidated financial statements 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 result in enhanced financial statement disclosures in the Company's consolidated financial statements. This pronouncement did not affect the Company's financial results nor did it result in adjustments to previously-reported figures.

Impact of initial application of IFRS 9, Financial Instruments

IFRS 9 Financial Instruments ("IFRS 9") became effective for effective for annual periods beginning on or after January 1, 2018. The Company adopted IFRS 9 and the related consequential amendments to other IFRS on January 1, 2018. IFRS 9 introduced new requirements for:

1. Classification and measurement of financial assets and financial liabilities,
2. Impairment of financial assets, and
3. General hedge accounting.

The following table summarizes the classification of the Company's financial instruments under both standards:

	Original classification IAS 39	New Classification IFRS 9
Financial assets		
Cash	FVTPL	FVTLP
Accounts receivable	Loans and receivables, measured at amortized cost	Amortized cost
Deposit	Financial assets, measured at amortizaed cost	Amortized cost
Financial liabilities		
Accounts payable and accrued liabilities	Financial liabilities, measured at amortized cost	Amortized cost
Loan payable	Financial liabilities, measured at amortized cost	Amortized cost
Prize liabilitiy	Financial liabilities, measured at amortized cost	Amortized cost
Promissory notes	Financial liabilities, measured at amortized cost	Amortized cost

The above changes in classification of the Company's financial instruments had no impact on the carrying amounts.

Measurement

Due to the nature of the financial instruments, the adoption of IFRS 9 had no impact on the opening retained earnings balance as at January 1, 2018. The Company continues to measure accounts cash at FVTPL and accounts receivable, accounts payable and accrued liabilities and advances at amortized cost.

Impairment

IFRS 9 requires an ECL model as opposed to an incurred credit loss model under IAS 39. The ECL model requires the Company to account for ECLs and changes in those ECLs at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

IFRS 9 requires the Company to recognize a loss allowance for ECLs on financial assets that are subsequently measured at amortized cost or fair value through other comprehensive income ("FVTOCI").

The Company has performed an assessment of the ECLs on its accounts receivable on January 1, 2018. The application of IFRS 9 requirements on impairment of financial assets had no impact on the Company's allowance for credit losses on the date of the initial application of IFRS 9.

General hedge accounting

The Company does not use hedge accounting, as such the new requirement of IFRS 9 as it relates to hedge accounting had no impact on the Company's consolidated financial statements.

Impact of initial application of IFRS 15, Revenue from contracts with customers

IFRS 15, Revenue from contracts with customers ("IFRS 15") became effective for annual periods beginning on or after January 1, 2018. There was no impact on comparatives.

New accounting standards not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after January 1, 2018. Updates which are not applicable or are not consequential to the Company have been excluded thereof. The following have not yet been adopted by the Company:

IFRS 16 Leases

In 2016, the IASB issued IFRS 16, Leases, which sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The standard replaces IAS 17, Leases and related interpretations. This standard is effective for annual periods beginning on or after January 1, 2019 and must be applied retrospectively, using either a retrospective approach or a modified retrospective approach. 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 20 of our consolidated financial statements for the year ended December 31, 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 financial statements.

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 consolidated financial statements and MD&A for the year ended December 31, 2018 do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. The Company's ability to continue as a going concern and fund future business activities is dependent on completing the Proposed Bravio Transaction.

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.

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. In January 2019 the subsidiary PlasmaNet lost its main credit card processor and through several secondary processors was able to continue operations but at a significantly reduced level of operations that is unsustainable in the future.

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.

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.

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. As at December 31, 2018 and the date of this MD&A there are no outstanding legal claims.

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.