FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: KINGS ENTERTAINMENT GROUP INC.________ (the "Issuer").

Trading Symbol: JKPT

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
(b) A description of the transaction(s), including those for which no amount has been recorded.
(c) The recorded amount of the transactions classified by financial statement category.
(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
(e) Contractual obligations with Related Persons, separate from other contractual obligations.
(f) Contingencies involving Related Persons, separate from other contingencies.

See Note 10 to the condensed interim financial statements for the three and nine months ended September 30, 2023 and 2022.

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
July 14, 2023	Common shares	Acquisition	59,289,392	$0.10	N/A	Business acquisition	N/A	N/A

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
N/A						

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

(b) number and recorded value for shares issued and outstanding,

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

See Note 9 to the condensed interim financial statements for the three and nine months ended September 30, 2023 and 2022.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Steve Budin, CEO, Director; Kelvin Lee, CFO, Director; Robin Godfrey, Director; Laryssa Hetmanczuk, Director; Joseph Krutel, Director; Hanna Chaban, Director; Jakub Babelek, Director.

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated November 29, 2023.

Kelvin Lee
Name of Director or Senior Officer

/s/ Kelvin Lee
Signature

CFO
Official Capacity

Issuer Details *Name of Issuer* **Kings Entertainment Group Inc.**	*For Quarter Ended* **September 30, 2023**	*Date of Report* *YY/MM/DD* **23/11/29**
Issuer Address **1500, 1055 West Georgia Street**		
City/Province/Postal Code **Vancouver, British Columbia, V6E 4N7**	*Issuer Fax No.*	*Issuer Telephone No.* **(236) 521-6500**
Contact Name **Kelvin Lee**	*Contact Position* **Chief Financial Officer**	*Contact Telephone No.* **(236) 521-6500**
Contact Email Address **klee@k2capital.ca**	*Web Site Address* **https://www.kingsentertainment.games/home**	

SCHEDULE A: FINANCIAL STATEMENTS
SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

KINGS ENTERTAINMENT GROUP INC. (formerly 1242455 B.C. Ltd.)

Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2023 and 2022

(Unaudited - Expressed in US dollars)

Notice of Disclosure of Non-auditor Review of the Condensed Interim Consolidated Financial Statements for the Three and Nine Months Ended September 30, 2023 and 2022

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*, part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Kings Entertainment Group Inc. for the interim periods ended September 30, 2023 and 2022, have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting,* as issued by the International Accounting Standards Board, and are the responsibility of management.

The independent auditors, Reliant CPA PC, have not performed a review of these unaudited condensed interim consolidated financial statements.

November 28, 2023

KINGS ENTERTAINMENT GROUP INC. (formerly 1242455 B.C. Ltd.)
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in US dollars)

	Note	September 30, 2023	December 31, 2022
		$	$
ASSETS			
Current			
Cash and cash equivalents		**1,113,676**	1,191,694
Trade and other receivables		**2,434,936**	435,966
Due from processors	6	**733,197**	524,816
Goods and services tax recoverable		**84,662**	68,516
Prepaid expenses and deposits		**209,600**	138,595
Loan receivable	7	**-**	1,477,980
		4,576,071	3,837,567
Goodwill	5	**344,214**	-
Intangible asset	5	**4,377,841**	-
Property, plant and equipment		**3,253**	3,259
Deferred income tax assets		**594,415**	45,262
Due from related parties	10	**283,479**	301,637
Total assets		**10,179,273**	4,187,725
LIABILITIES			
Current			
Accounts payable and accrued liabilities	8	**3,873,225**	2,377,943
Deferred revenue		**76,367**	128,203
Income tax payable		**31,653**	96,734
Total liabilities		**3,981,245**	2,602,880
SHAREHOLDERS' EQUITY			
Share capital	9(b)	**19,585,198**	14,547,436
Reserves		**2,892,843**	2,892,843
Accumulated other comprehensive loss		**(187,430)**	(158,319)
Deficit		**(16,092,583)**	(15,697,115)
Total shareholders' equity		**6,198,028**	1,584,845
Total liabilities and shareholders' equity		**10,179,273**	4,187,725

Nature of operations and going concern (Note 1)

Approved and authorized for issue on behalf of the Board of Directors:

/s/ "Kelvin Lee"	*/s/ "Steve Budin"*
Director	Director

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

KINGS ENTERTAINMENT GROUP INC. (formerly 1242455 B.C. Ltd.)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in US dollars, except per share amounts and number of shares)

	Note	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
		$	$	**$**	$
Revenue					
Lottery procurement revenue		**1,397,375**	539,252	**3,002,142**	1,743,492
Online casino and scratchcard revenue		**190,315**	684,113	**671,706**	1,468,255
Other revenue		**91,635**	18,797	**91,635**	30,884
		1,679,325	1,242,162	**3,765,483**	3,242,631
Costs					
Processing costs		**177,853**	135,103	**436,090**	372,633
License fees		**38,327**	30,243	**99,955**	139,436
Commissions		**523,075**	207,016	**1,012,273**	734,774
		739,255	372,362	**1,548,318**	1,246,843
Gross profit		**940,070**	869,800	**2,217,165**	1,995,788
Operating expenses					
Bank charges		**54,309**	49,189	**127,299**	129,745
Depreciation		**7,416**	-	**7,416**	-
Expected credit loss reversal		**-**	(7,847)	**-**	(11,909)
General and administrative		**434,947**	103,936	**571,753**	332,750
Information technology services		**63,643**	161,081	**180,403**	487,134
Management fees	11	**65,800**	-	**268,212**	-
Marketing expenses		**258,354**	57,183	**355,224**	442,570
Professional fees	11	**120,934**	1,212,942	**1,090,650**	2,392,923
Salaries and benefits	11	**459,243**	451,763	**1,371,554**	1,345,089
Share-based compensation	11	**-**	-	**-**	2,707,337
Travel		**-**	-	**3,204**	11,196
Operating loss		**1,464,646**	2,028,247	**3,975,715**	7,836,835
Other income (expense)					
Foreign exchange gain (loss)		**(30,472)**	534,092	**(103,467)**	1,198,767
Legal fees settlement	7	**-**	-	**1,294,510**	-
Other income		**30,651**	43,021	**195,508**	74,135
Transaction costs	5	**(566,657)**	-	**(566,657)**	-
		(566,478)	577,113	**819,894**	1,272,902
Net loss before income taxes		**(1,091,054)**	(581,334)	**(938,656)**	(4,568,145)
Current income tax recovery (expense)		**-**	6,630	**(11,337)**	(53,155)
Deferred income tax recovery (expense)		**544,419**	(6,005)	**554,525**	(5,473)
Net loss		**(546,635)**	(580,709)	**(395,468)**	(4,626,773)
Currency translation differences		**(57,667)**	(607,408)	**(29,111)**	(1,062,109)
Comprehensive loss		**(604,302)**	(1,188,117)	**(424,579)**	(5,688,882)
Net loss per share:					
Basic and diluted		**(0.01)**	(0.01)	**(0.01)**	(0.07)
Weighted average number of common shares:					
Basic and diluted		**125,253,974**	68,463,500	**87,601,682**	67,355,760

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

KINGS ENTERTAINMENT GROUP INC. (formerly 1242455 B.C. Ltd.)
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in US dollars)

	Nine months ended September 30,	
	2023	2022
	$	$
Operating activities:		
Net loss for the period	**(395,468)**	(4,626,773)
Items not affecting cash:		
Depreciation	**7,416**	-
Share-based compensation	**-**	2,707,337
Transaction cost	**521,507**	-
Deferred income tax (recovery) expense	**(549,153)**	5,473
Changes in non-cash working capital:		
Trade and other receivables	**34,106**	(300,000)
Due from processors	**(208,381)**	(52,721)
Goods and services tax recoverable	**(16,146)**	16,587
Prepaid expenses and deposits	**(70,882)**	232,371
Loan receivable	**-**	(332,867)
Due from related parties	**-**	(727,170)
Accounts payable and accrued liabilities	**(704,460)**	(444,926)
Deferred revenue	**(51,836)**	(93,426)
Income taxes payable	**(65,081)**	9,554
Due to related parties	**18,158**	1,212
Cash used in operating activities	**(1,480,220)**	(3,605,349)
Investing activities		
Development expenditures	**(47,388)**	-
Cash used in investing activities	**(47,388)**	-
Financing activities:		
Proceeds from collection of loan receivable	**1,477,980**	-
Cash provided by financing activities	**1,477,980**	**-**
Effect of exchange rate on changes in cash	**(28,390)**	1,779,861
Change in cash and cash equivalents	**(78,018)**	(1,825,488)
Cash and cash equivalents, beginning of period	**1,191,694**	4,369,593
Cash and cash equivalents, end of period	**1,113,676**	2,544,105
Supplemental cash flow information		
Cash paid for interest expense	**-**	-
Cash paid for income tax	**63,466**	-
Cash received from legal fees reimbursement	**1,294,510**	
Fair value of common shares issued for acquisition of Braight AI	**4,516,255**	-
Fair value of common shares issued for transaction costs issued to Finders’	**521,507**	-

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

KINGS ENTERTAINMENT GROUP INC. (formerly 1242455 B.C. Ltd.)
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in US dollars, except number of shares)

	Share capital	Share subscription received	Share-based payments reserve	Reserve	Accumulated other comprehensive income (loss)	Deficit	Total shareholders' equity
	$	$	$	$	$	$	$
Balance, December 31, 2021	50,674,500	8,223,957	7,075,405	185,506	12,652	(9,023,537)	6,473,983
Conversion of share subscriptions	17,789,000	7,075,405	(7,075,405)	-	-	-	-
Prepaid issue costs	-	(743,178)	-	-	-	-	(743,178)
Share-based payments	-	-	-	2,707,337	-	-	2,707,337
Currency translation differences	-	-	-	-	(1,062,109)	-	(1,062,109)
Net loss for the period	-	-	-	-	-	(4,626,773)	(4,626,773)
Balance, September 30, 2022	68,463,500	14,556,184	-	2,892,843	(1,049,457)	(13,650,310)	2,749,260
Prepaid issue costs	-	(8,748)	-	-	-	-	(8,748)
Currency translation differences	-	-	-	-	891,138	-	891,138
Net loss for the period	-	-	-	-	-	(2,046,805)	(2,046,805)
Balance, December 31, 2022	68,463,500	14,547,436	-	2,892,843	(158,319)	(15,697,115)	1,584,845
Shares issued for acquisition of Braight AI	59,289,392	4,516,255	-	-	-	-	4,516,255
Shares issued to Finders'	6,846,350	521,507	-	-	-	-	521,507
Currency translation differences	-	-	-	-	(29,111)	-	(29,111)
Net loss for the period	-	-	-	-	-	(395,468)	(395,468)
Balance, September 30, 2023	**134,599,242**	**19,585,198**	**-**	**2,892,843**	**(187,430)**	**(16,092,583)**	**6,198,028**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Kings Entertainment Group Inc. (formerly 1242455 B.C. Ltd.) ("Kings" or the "Company") was incorporated pursuant to the Business Corporations Act of British Columbia on February 27, 2020. The head office and registered and records office of the Company is located at Suite 1500 - 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7. The Company is listed on the Canadian Security Exchange under the symbol “JKPT”.

The Company is a global business to consumer service provider specializing in online lotteries and casino-style games under established brands such as www.wintrillions.com, www.trillionaire.com, and www.LottoKings.com. Operating under the Curacao Gaming License, the Company offers a seamless transition between lottery and casino gambling experiences, including lottery subscriptions and a variety of browser-based casino games.

Going concern

These unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2023 and 2022 (“financial statements”) have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months. As at September 30, 2023, the Company has working capital of $594,826 (December 31, 2022 - $1,234,687) and an accumulated deficit of $16,092,583 (December 31, 2022 - $15,697,115). For the three and nine months ended September 30, 2023, the Company recorded a net loss of $546,635 and $395,468 respectively (2022 - $580,709 and $4,626,773, respectively). These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern. As a result, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company’s ability to continue as a going concern is dependent upon its ability to generate positive cash flows from operations, and/or raise adequate funding through equity or debt financing to discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

Should the Company be unable to continue as a going concern, asset and liability realization values may be substantially different from their carrying values. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on November 28, 2023.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*. These financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company’s audited financial statements for the years ended December 31, 2022 and 2021 (the “Annual Financial Statements”).

b) Basis of presentation

The financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS, as well as information presented in the condensed interim consolidated statements of cash flows.

c) Functional and presentation currency

The financial statements are presented in United States dollars (“US dollar” or “USD”). The functional currency is the currency of the primary economic environment in which an entity operates and listed in Note 2(d) below.

(Unaudited - Expressed in US dollars, except where noted)

2. BASIS OF PREPARATION (continued)

A summary of references to currencies other than US dollar is as below:

Currencies	References
Euros	EUR
Canadian dollars	CAD
Mexican pesos	MXN
Great British pounds	GBP
Uruguayan pesos	UYU
Polish zloty	PLN

d) Basis of consolidation

These financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the financial statements from the date control commences until the date control ceases.

A summary of the Company's subsidiaries included in these financial statements as at September 30, 2023 is as follows:

Name of subsidiary	References	Country of incorporation	Percentage ownership	Functional currency	Principal activity
Legacy Eight Curacao N.V.	L8 Curacao	Curacao	100%	USD	Operating
Legacy Eight Malta Ltd.	L8 Malta	Malta	100%	EUR	Operating
Bulleg Eight Limited	Bulleg	Cyprus	100%	EUR	Operating
Azteca Messenger Services S.A. de C.V.	Azteca	Mexico	99.82%	MXN	Operating
Phoenix Digital Services Ltd.	Phoenix	UK	100%	GBP	Operating
Litermi S.A.	Litermi	Uruguay	100%	UYU	Operating
Braight AI Technologies Inc.	Bright AI	Canada	100%	CAD	Operating
Epeer r Spółka Z Ograniczoną Odpowiedzialnością (through Bright AI)	Epeer	Poland	100%	PLN	Operating

e) Common control transactions

IFRS 3 *Business Combinations* does not include specific measurement guidance for transfers of businesses or subsidiaries between entities under common control. Accordingly, the Company has developed a policy to account for such transactions taking into consideration other guidance in the IFRS framework and pronouncements of other standard-setting bodies. The Company's policy is to record assets and liabilities recognized as a result of transactions between entities under common control at the carrying amount on the transferor's financial statements, and to have the interim consolidated statements of financial position, interim consolidated statements of income (loss) and comprehensive income (loss) and statements of cash flows reflect the results of combining entities for all periods presented for which the entities were under the transferor's common control, irrespective of when the combination takes place.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of these financial statements are consistent with those applied and disclosed in Note 3 to the Annual Financial Statements except as described below.

a) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration of each business combination is measured, at the date of the exchange, as the aggregate of the fair value of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree. Under the guidance of IFRS 10 *Consolidated Financial Statements*, control is established by having power over the acquiree, exposure or rights to variable returns from the investor's involvement with the acquiree, and the ability to use its power over the acquiree to affect the amount of the acquirer's returns. The acquiree's identifiable assets, liabilities, and contingent liabilities are recognized at their fair value at the acquisition date.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Goodwill

The Company allocates goodwill arising from business combinations (Note 5) to each cash generating unit ("CGU") or group of CGUs that are expected to receive the benefits from the business combination. The carrying amount of the CGU or group of CGUs to which goodwill has been allocated is tested annually for impairment or when there is an indication that the goodwill may be impaired. Any impairment is recognized as an expense immediately. Should there be a recovery in the value of a CGU, any impairment of goodwill previously recorded is not subsequently reversed.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and further periods if the revision affects both current and future periods.

Significant judgments exercised by management in applying the Company's accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are consistent with the Annual Financial Statements except for as follows:

a) Assessment of the transactions as asset acquisitions or business combinations

Management applied judgement relating to the acquisition of Braight AI (Note 5) to assess whether the acquisition was an asset acquisition or business combination. Management applied a three-element process to determine whether a business or an asset was purchased, considering inputs, processes and outputs of the acquisition in order to reach a conclusion. The Company has determined the operations constitute a business by assessing that the following exist: Inputs – tangible and intangible assets, Processes – business operations, management and staff, Outputs – revenue generating from data operations. The acquisition method of accounting requires management to measure the fair value of consideration transferred and net assets acquired. To measure the fair value of consideration transferred and assets acquired at acquisition date, management is required to make certain judgements and assumptions, including but not limited to the selection of the most appropriate valuation methodology, assessment of economic viability of the intangible assets, future operating costs, capital expenditures, discount rates, future sales prices, and long-term foreign exchange rates. Preliminary measurements of assets and liabilities acquired may be adjusted retrospectively if new information becomes available. These adjustments are made until the final measurements are determined within one year of the acquisition date.

Significant assumptions about the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of the Company's assets and liabilities in the next year are consistent with the Annual Financial Statements except for as follows:

b) Valuation of net assets acquired in business combinations

Estimates were made as to the fair value of assets and liabilities acquired in business combinations (Note 5). In certain circumstances, such as the valuation of intangible assets, the Company will rely on independent third-party valuators. The Company measured all assets acquired and liabilities assumed at their acquisition date fair values.

c) Review of asset carrying values and impairment assessment

The assessment of the fair value of goodwill, intangible assets, property, plant and equipment requires the use of estimates and assumptions for long-term prices, discount rates, foreign exchange rates, capital requirements, and operating performance. Changes in any of the estimates or assumptions used in determining the fair values could impact the impairment analysis.

(Unaudited - Expressed in US dollars, except where noted)

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Each asset or CGU is evaluated every reporting period to determine whether there are any indicators of impairment. If any such indicators exist, which is often judgment-based, a formal estimate of the recoverable amount is performed and an impairment charge is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset or CGU of assets is measured at the higher of fair value less cost to dispose ("FVLCTD") or value in use ("VIU").

The evaluation of asset carrying values for indications of impairment includes consideration of both external and internal sources of information, including such factors as market and economic conditions, product/service sales prices and volumes, discount rates, operating costs, taxes and future capital expenditures. The determination of FVLCTD and VIU requires management to make estimates and assumptions on all these factors. The estimates and assumptions are subject to risk and uncertainty; hence, there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired or the impairment charge reversed with the impact recorded in profit or loss.

5. ACQUISITION OF BRAIGHT AI

On July 14, 2023, the Company acquired 100% ownership of Braight AI (the "Acquisition"), an intellectual property acquisition and development company.

Consideration for the Acquisition comprised 59,289,392 common shares of the Company issued to the shareholders of Braight AI with a fair value of $4,516,255.

The Acquisition has been accounted for by the Company as a business combination under IFRS 3 *Business Combinations*, with the assets and liabilities acquired recorded at their fair values at the acquisition date. The Company is required to determine the fair value of tangible and identifiable intangible assets acquired and liabilities assumed.

Given the complexity of certain assets and liabilities acquired, primarily intangibles and income tax items, the purchase accounting recorded in the accompanying interim financial statements is preliminary and the amounts presented below are provisional. The Company is completing a full and detailed valuation of the fair value of the net assets acquired using income, market, and cost valuation methods with the assistance of an independent third party. The fair value of assets acquired, and liabilities assumed are subject to change for up to one year from the acquisition date. Additionally, any consequential impact on the deferred tax liabilities, has yet to be finally determined. If new information arises which would impact management's assessment of the fair value at the acquisition date, any adjustments to the allocation of the purchase consideration will be recognized retrospectively and comparative information will be revised. Consequently, the final allocation of the purchase price consideration may result in material adjustments to the amounts shown in these financial statements.

The following table is a preliminary summary of the Company's allocation of the purchase price to the fair values of assets acquired and liabilities assumed at the acquisition date.

	$
Consideration	
Fair value of 59,289,392 shares issued to shareholders of Braight AI	4,516,255
	4,516,255
Net assets acquired	
Trade and other receivables	2,033,076
Prepaid expenses and other assets	123
Intangible assets	4,338,584
Accounts payable and accrued liabilities	(2,199,742)
	4,172,041
Goodwill	**344,214**

Trade and other receivables comprise of receivables generated from sales from its data analytic services to customers.

Intangible assets represent the software and intellectual property developed internally for providing data analytical services.

(Unaudited - Expressed in US dollars, except where noted)

5. ACQUISITION OF BRAIGHT AI (continued)

Accounts payable and accrued liabilities represents Braight AI's payroll and payroll tax liabilities, value-added tax liabilities, and cost relating to operation of the business.

The goodwill generated from the Acquisition related to other intangible assets that did not qualify for separate recognition.

In connection with the Acquisition, the Company issued 6,846,350 common shares with a fair value of $521,507 to finders ("Finders'") in relation to the Acquisition to settle of fees for services provided pursuant to the terms of a consulting services agreement. In addition, the Company incurred $45,150 in legal and consulting costs in order to complete the Acquisition. These transaction costs of $566,657 have been expensed in accordance with IFRS 3.

6. DUE FROM PROCESSORS

A summary of the Company's amounts due from processors is as follows:

	September 30, 2023	December 31, 2022
	$	$
Due from processors	**750,695**	539,955
Less: chargebacks and reversals	**(16,639)**	(14,280)
Less: expected credit losses	**(859)**	(859)
	733,197	524,816

Chargebacks and reversals payable to processors are offset against amounts due from processors as there is a legally enforceable right to settle the amounts with processors on a net basis, and management has the intention to settle the balances on a net basis.

7. LOAN RECEIVABLE

On May 25, 2022, the Company announced that it had entered into an arm's length business combination agreement (the "Definitive Agreement") dated May 24, 2022 with Sports Venture Holdings Inc. ("SVH") to combine SVH and the Company (the "Business Combination"). In connection with the Business Combination, the Company has agreed to make available to SVH a senior secured non-interest-bearing credit facility of up to $3,694,950 (CAD$5,000,000). The credit facility is due on demand. During the year ended December 31, 2022, pursuant to this credit facility, the Company advanced a loan receivable to SVH of $1,477,980 (CAD$2,000,000). On March 17, 2023, the Company announced the termination of the proposed Business Combination, noting that subsequent to December 31, 2022 and until the termination date, the Company had advanced an additional loan receivable of $369,495 (CAD$500,000).

As part of the termination agreement, SVH committed to repay the Company the loan receivable balance of $1,847,475 (CAD$2,500,000) and reimburse the Company its costs and expenses incurred in connection with the proposed Business Combination totaling $1,294,510 (CAD$1,750,000).

As at September 30, 2023. the Company has been repaid the loan receivable and has been reimbursed for Business Combination costs.

(Unaudited - Expressed in US dollars, except where noted)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILTIIES

A summary of the Company's accounts payable and accrued liabilities is as follows:

	September 30, 2023	December 31, 2022
	$	$
Trade payables	**3,166,444**	1,933,845
Customer claims payable	**137,921**	132,746
Payroll accruals	**156,657**	112,899
Tax liabilities	**215,220**	-
Accrued expenses	**196,983**	198,453
	3,873,225	2,377,943

9. SHARE CAPITAL

a) Authorized share capital

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

b) Issued share capital

As at September 30, 2023, 134,599,242 (December 31, 2022 - 68,463,500) common shares were issued and outstanding.

During the nine months ended September 30, 2023, the Company had the following share capital transactions:

- On July 14, 2023, pursuant to the closing of the Acquisition (Note 5), the Company issued 59,289,392 shares to the shareholders of Braight AI with a fair value of $0.08 (CAD$0.10) per share for an aggregate fair value of $4,516,255. In addition, the Company issued 6,846,350 shares to Finders' with a fair value of $0.08 (CAD$0.10) per share for an aggregate fair value of $521,507.

During the year ended December 31, 2022, the Company had the following share capital transactions:

- Subsequent to the completion of a reverse takeover transaction ("RTO") during the year ended December 31, 2021, 17,789,000 common shares were issued in relation to subscription receipts received in the year ended December 31, 2021. The subscription receipts were originally issued at CAD$0.50 per share and were subjected to escrow conditions and were release upon the completion of the RTO. The Company incurred $751,926 in share issuance cost relating to the issuance of subscription received and were recognized as a reduction in share capital upon conversion of subscription receipts.

c) Warrants

During the year ended December 31, 2021, the Company issued 1,067,880 agent warrants, each of which entitles the subscriber to acquire one additional share at a price of CAD$0.50 per warrant until December 31, 2023. The Company assigned a fair value of $185,506 to the warrants using the Black-Scholes option pricing model with the following key inputs: share price of $0.40 (CAD$0.50), volatility of 113%, expected life of 2 years, risk-free rate of 0.23%, and forfeiture rate and dividend yield of 0.00%. As at September 30, 2023, all of the agent warrants remain outstanding with a weighted average exercise price of $0.40 (CAD$0.50) and a weighted average remaining life of 0.25 years.

As at September 30, 2023, 1,067,880 warrants are outstanding and exercisable (December 31, 2022 - 1,067,880). The weighted average contractual remaining life of the warrants is 0.25 years, with a weighted average exercise price of $0.40 (CAD$0.50).

(Unaudited - Expressed in US dollars, except where noted)

9. SHARE CAPITAL (continued)

d) Stock options

A summary of Company's stock option activity is as follows:

	Number of stock options	Weight average exercise price
	#	$
As at December 31, 2021	-	-
Granted	10,012,000	0.50
Balance, September 30, 2023 and December 31, 2022	10,012,000	0.50

On January 24, 2022, the Company granted 10,012,000 stock options to directors, officers, employees and consultants with an exercise price of CAD$0.50, expiry date of January 24, 2027, and were immediately vested upon grant. The fair value of the options was estimated at $2,707,337 using the Black-Scholes option pricing model with assumption disclosed below.

	2022
Weighted average exercise price	$0.40 (CAD$0.50)
Weighted average share price	$0.32 (CAD$0.40)
Weighted average risk-free interest rate	1.63%
Weighted average expected stock price volatility	132%
Expected dividend yield	0.00%
Expected life	5 years

During the three and nine months ended September 30, 2023, the Company recorded share-based compensation of $nil and $nil, respectively (2022 - $nil and $2,707,337, respectively).

As at September 30, 2023, 10,012,000 stock options are outstanding and exercisable (December 31, 2022 - 10,012,000). The weighted average contractual remaining life of the options is 3.32 years, with a weighted average exercise price of $0.40 (CAD$0.50).

10. DUE TO AND FROM RELATED PARTIES

A summary of the Company's due from (to) related parties is as follow:

	September 30, 2023	December 31, 2022
	$	$
Due from related party		
Legacy Eight Group Ltd.	**373,010**	390,555
	373,010	390,555
Due to related parties		
WestOcean S.A.	**(69,591)**	(69,591)
Former shareholder of Phoenix [(1)]	**(19,940)**	(19,327)
	(89,531)	(88,918)
	283,479	301,637

1. The former shareholder of Phoenix sold all of his shares in Phoenix to Legacy Eight Ltd., parent corporation of L8 Curacao in February 2021. The former shareholder of Phoenix is also the corporate secretary of Legacy Eight Group Ltd., the parent corporation of Legacy Eight Ltd.

During the three and nine months ended September 30, 2023, L8 Curacao advanced $nil and $nil, respectively (2022 - $nil and $30,000, respectively), to Legacy Eight Group Ltd.

The due from (to) related parties' balances relate to amounts owed for funds provided for working capital needs by the related parties. These balances are non-interest bearing with no fixed term of repayment.

(Unaudited - Expressed in US dollars, except where noted)

10. DUE TO AND FROM RELATED PARTIES (continued)

As at September 30, 2023 and December 31, 2022, balances due from related parties and due to related parties have been offset in the interim consolidated statements of financial position as the parties have an intention to settle on a net basis and an agreement has been established between the related parties that provides a legal enforceable right to offset the recognized amounts.

A summary of the Company's offsetting of balances due from (to) related parties is as follows:

	Ledonford Ltd.	Legacy Eight Group Ltd.	R.S. World Services Ltd.	WestOcean S.A.	Former shareholder of Phoenix	Total
	$	$	$	$	$	$
Due from related party	1,213,532	998,377	879,816	9,888,643	-	12,980,368
Due to related party	-	(170,037)	(38,916)	(12,467,996)	(19,940)	(12,696,889)
Balance offset	(1,213,532)	(455,330)	(840,900)	2,509,762	-	-
Balance, September 30, 2023	**-**	**373,010**	**-**	**(69,591)**	**(19,940)**	**283,479**
Due from related party	1,213,544	932,828	898,315	9,887,592	-	12,932,279
Due to related party	-	(104,402)	(38,917)	(12,467,996)	(19,327)	(12,630,642)
Balance offset	(1,213,544)	(437,871)	(859,398)	2,510,813	-	-
Balance, December 31, 2022	**-**	**390,555**	**-**	**(69,591)**	**(19,327)**	**301,637**

11. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

The Company has identified its directors and senior officers as key management personnel. Key management personnel are those persons responsible for planning, directing and controlling the activities of the Company, and include executives and non-executive directors.

A summary of the Company's compensation paid to key management personnel is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	**2023**	2022
	$	$	**$**	$
Chief Executive Officer ("CEO") (1)	**28,300**	-	**115,800**	-
Chief Financial Officer ("CFO") (2)	**22,500**	22,500	**67,500**	67,500
Directors (3)	**56,957**	48,625	**154,207**	136,459
Former officers (2) (4)	**-**	38,460	**105,000**	157,100
	107,757	109,585	**442,507**	361,059

1. The compensation paid to the CEO is included in management fees in profit and loss.
2. The compensation paid to the former Chief Operating Officer ("COO") and Chief Financial Officer ("CFO") is included in salaries and benefits in profit and loss. COO left the Company in July 2022.
3. The compensation paid to directors is included in salaries and benefits in profit and loss.
4. The Chief Marketing Officer's ("CMO") compensation is included in professional fees in profit and loss.

A summary of the Company's fair value of stock options issued to key management personnel as part of the share-based compensation is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	**2023**	2022
	$	$	**$**	$
CEO	**-**	-	**-**	318,318
CFO	**-**	-	**-**	63,664
Directors	**-**	-	**-**	133,693
Former officers	**-**	-	**-**	82,763
	-	-	-	598,438

(Unaudited - Expressed in US dollars, except where noted)

11. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION (continued)

As at September 30, 2023, a total of $84,832 (December 31, 2022 - $nil) was due to the related parties and included in accounts payable and accrued liabilities. The amounts are unsecured, non-interest-bearing and have no fixed term of repayment.

12. GEOGRAPHIC INFORMATION

The Company has only one reportable segment being lottery procurement and online casino and scratchcard.

A summary of the Company's geographic segmentation of the Company's revenues for the three months ended September 30, 2023 is as follows:

	Mexico	Brazil	OLAM (1)	Others (1)	Total
	$	$	$	$	$
Lottery procurement revenue	331,222	55,895	568,776	441,482	1,397,375
Online casino and scratchcard revenue	43,997	(5,822)	144,751	7,389	190,315
	375,219	**50,073**	**713,527**	**448,871**	**1,587,690**

A summary of the Company's geographic segmentation of the Company's revenues for the three months ended September 30, 2022 is as follows:

	Mexico	Brazil	OLAM (1)	Others (1)	Total
	$	$	$	$	$
Lottery procurement revenue	161,776	32,355	231,879	113,242	539,252
Online casino and scratchcard revenue	109,458	136,823	362,579	75,253	684,113
	271,234	**169,178**	**594,458**	**188,495**	**1,223,365**

A summary of the Company's geographic segmentation of the Company's revenues for the nine months ended September 30, 2023 is as follows:

	Mexico	Brazil	OLAM (1)	Others (1)	Total
	$	$	$	$	$
Lottery procurement revenue	780,557	120,086	1,290,921	810,578	3,002,142
Online casino and scratchcard revenue	87,322	13,434	476,911	94,039	671,706
	867,879	**133,520**	**1,767,832**	**904,617**	**3,673,848**

A summary of the Company's geographic segmentation of the Company's revenues for the nine months ended September 30, 2022 is as follows:

	Mexico	Brazil	OLAM (1)	Others (1)	Total
	$	$	$	$	$
Lottery procurement revenue	505,613	104,610	802,006	331,263	1,743,492
Online casino and scratchcard revenue	205,556	176,191	1,013,095	73,413	1,468,255
	711,169	**280,801**	**1,815,101**	**404,676**	**3,211,747**

1. "Other Latin American countries" and "Other" categories represent Latin American and non-Latin American countries with insignificant revenue which have been grouped together.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

(Unaudited - Expressed in US dollars, except where noted)

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The carrying values of the Company's trade and other receivables, due from processors, loan receivable, accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The carrying value of balance due from related parties approximate fair value as the Company has an intention to net settle these balances with future amounts due to the related parties.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's main credit risk relates to its amounts due from processors balance. The Company does not provide credit to its customers, however, credit risks arise as the payments might not be collectible from processors. The maximum credit risk is the carrying value of the amounts due from processors. As at September 30, 2023, 92% (December 31, 2022 - 91%) of the amounts due from processors balance is owing from four processors (December 31, 2022 - four processors).

The Company has applied the simplified approach to providing for expected credit losses, which permits the use of a lifetime expected credit loss provision for all amounts due from processors balances, which are of similar nature to trade receivables. To measure the expected credit losses, a full allowance is provided for a processor balance when there is doubt about the processor's future capacity to fulfill its payment obligations. For the remaining amounts due from processor balances, each processors' ability of fulfilling the payments in the future are evaluated specifically based on the information available on the date of the interim consolidated statements of financial position. The loss allowances at September 30, 2023 and December 31, 2022 were determined as follows for amounts due from processors balances based upon the Company's historical default rates over the expected life of the balances, adjusted for forward looking estimates.

A summary of the Company's due from processors, net is as follows:

	September 30, 2023	December 31, 2022
	$	$
Carrying amount, net of refund liability	**734,056**	525,675
Lifetime expected credit loss	**(859)**	(859)
	733,197	524,816

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities that are settled by cash or another financial asset. The primary sources of liquidity risk are accounts payable and accrued liabilities and amounts due to related party. The Company's ability to meet its obligations depends on the receipt of funds from its operations. Management monitors its working capital to ensure the obligations under current liabilities are met on a timely basis.

As at September 30, 2023 and December 31, 2022, all of the Company's financial liabilities are due within 12 months from the date of these financial statements. To address the settlement of these liabilities, the Company maintains a prudent level of cash and cash equivalents. As of September 30, 2023, the Company held cash and cash equivalents balances of $1,113,676 (December 31, 2022 - $1,191,694) and current liabilities of $3,981,245 (December 31, 2022 - $2,602,880). The Company has implemented effective cash management strategies and is actively pursuing opportunities to optimize its working capital, reduce costs, and generate additional cash flow to ensure timely settlement of its financial obligations.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is not exposed to equity price risk.

(Unaudited - Expressed in US dollars, except where noted)

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. If interest rates increase, the Company will incur more interest expense. The sensitivity of the Company's profit or loss to changes in the interest rate would be as follows: a 1% change in the interest rate would change the Company's profit or loss by approximately $225.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from financial instruments, primarily cash, amounts due from processors, amounts due from related party, accounts payable and accrued liabilities and amounts due to related party, denominated in a currency other than the functional currency of the entity. All entities included in these interim consolidated financial statements do not use derivative financial instruments to manage its currency risk. As at September 30, 2023, a 10% appreciation (depreciation) of foreign currencies against USD will result in an increase (decrease) in income and comprehensive income of $94,463 (December 31, 2022 - 77,525).

A summary of the Company's balances denominated in currencies other than USD as at September 30, 2023 is as follows:

	CAD	EUR	MXN	UYU	PLN	Other
	$	$	$	$	$	$
Cash	695,720	105,997	103,564	28,072	62,714	6,638
Due from processors	1,718	395,411	268,562	-	-	85,004
Government remittance recoverable	-	18,388	52,389	13,824	-	60
Trade and other receivables	-	-	-	-	1,970,080	3,585
Accounts payable and accrued liabilities	(231,045)	-	-	(756,644)	(2,149,137)	753
Income taxes recoverable (payable)	-	(2,116)	(16,377)	7,488	-	(20,648)

14. CAPITAL MANAGEMENT

The Company considers capital to include items within shareholders' equity. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The management of the capital structure is based on the funds available to the Company in order to support the acquisition, exploration and evaluation of mineral properties and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or issue debt instruments. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to any capital restrictions and the Company's approach to capital management has not changed.

KINGS ENTERTAINMENT GROUP INC. (FORMERLY 1242455 B.C. LTD.)

Management's Discussion and Analysis

For the three and nine months ended September 30, 2023 and 2022

(Expressed in United State dollars)

This Management's Discussion and Analysis ("MD&A") of Kings Entertainment Group Inc. (formerly 1242455 B.C. Ltd.) and its subsidiaries ("Kings" or the "Company") supplements but does not form part of the condensed interim consolidated financial statements and the notes thereto for the three and nine months ended September 30, 2023 and 2022 (collectively referred to hereafter as the "financial statements"). This MD&A provides management's comments on the Company's operations for the three and nine months ended September 30, 2023 and 2022 and the Company's financial condition as at September 30, 2023, as compared with the prior year comparative period.

The financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee. Other information contained in this document has been prepared by management and is consistent with the data contained in the financial statements. All amounts are presented in United States dollars, the Company's presentation currency, unless otherwise stated.

The Company's certifying officers are responsible for ensuring that the financial statements and MD&A do not contain any untrue statements of a material fact or omissions of material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's certifying officers certify that the financial statements together with the other financial information included in the filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company as at the date of and for the periods presented in the filings.

In this MD&A, the words "we", "us", or "our", collectively refer to Kings Entertainment Group Inc. (formerly 1242455 B.C. Ltd.) and its subsidiaries. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The nine months ended September 30, 2023 and 2022 are referred to as "YTD 2023" and "YTD 2022", respectively.

This MD&A takes into account information available up to the approval of the financial statements and MD&A by the Board of Directors on November 28, 2023.

The Company's Board of Directors provides an oversight role with respect to all public financial disclosures by the Company.

Management is responsible for the preparation and integrity of the Company's financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is responsible for ensuring that information disclosed externally, including the information contained within the Company's financial statements and MD&A, is complete and reliable.

For a complete understanding of the Company's business environment, risks and uncertainties and the effect of accounting estimates on its results of operations and financial condition, this MD&A should be read together with the Company's financial statements.

Certain statements made may constitute forward-looking statements. Such statements involve a number of known and unknown risks, uncertainties and other factors. Actual results, performance and achievements may be materially different from those expressed or implied by these forward-looking statements.

This MD&A references non-IFRS financial measures, including those under the headings "Selected Financial Information" and "Limitations of Key Metrics and Other Data" below. The Company believes these non-IFRS financial measures will provide investors with useful supplemental information about the financial performance of its business, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key metrics used by management in operating its business and making decisions. Although management believes these financial measures are important in evaluating the Company, they are not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with IFRS. Non-IFRS measures are not recognized measures under IFRS and do not have standardized meanings prescribed by IFRS. These measures may be different from non-IFRS financial measures used by other companies, limiting their usefulness for comparison purposes. Moreover, presentation of some of these measures is provided for period-over-period comparison purposes, and investors should be cautioned that the effect of the adjustments provided herein have an actual effect on the Company's operating results.

For purposes of this MD&A, the term "gaming license" refers collectively to all of the different licenses, consents, permits, authorizations, and other regulatory approvals that are necessary to be obtained in order for the recipient to lawfully conduct (or be associated with) gaming in a particular jurisdiction.

A summary of references to currencies other than US dollar is as below:

Currencies	**References**
Euros	EUR
Canadian dollars	CAD
Mexican pesos	MXN
Great British pounds	GBP
Uruguayan pesos	UYU
Polish zloty	PLN

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A may contain forward-looking information and statements (collectively, "forward-looking statements") within the meaning of the Canadian securities legislation and applicable securities laws, including financial and operational expectations and projections. These statements, other than statements of historical fact, are based on management's current expectations and are subject to a number of risks, uncertainties, and assumptions, including market and economic conditions, business prospects or opportunities, future plans and strategies, projections, technological developments, anticipated events and trends and regulatory changes that affect the Group, its subsidiaries and their respective customers and industries. Although the Company and management believe the expectations reflected in such forward-looking statements are reasonable and are based on reasonable assumptions and estimates as of the date hereof, there can be no assurance that these assumptions or estimates are accurate or that any of these expectations will prove accurate. Forward-looking statements are inherently subject to significant business, regulatory, economic and competitive risks, uncertainties and contingencies that could cause actual events to differ materially from those expressed or implied in such statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "would", "should", "believe", "objective", "ongoing", "imply" or the negative of these words or other variations or synonyms of these words or comparable terminology and similar expressions.

By their nature forward-looking statements are subject to known and unknown risks, uncertainties, and other factors which may cause actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such factors include, among other things, the Company's stage of development, long-term capital requirements and future ability to fund operations, future developments in the Company's markets and the markets in which it expects to compete, risks associated with its strategic alliances and the impact of entering new markets on the Company's operations. Each factor should be considered carefully, and readers are cautioned not to place undue reliance on such forward-looking statements. See the section, "Risk Factors and Uncertainties", below noting that these factors are not intended to represent a complete list of the factors that could affect the Company.

Shareholders and investors should not place undue reliance on forward-looking statements as the plans, assumptions, intentions or expectations upon which they are based might not occur. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. Unless otherwise indicated by the Company, forward-looking statements in this MD&A describe the Company's expectations as of November 28, 2023 and, accordingly, are subject to change after such date. The Company does not undertake to update or revise any forward-looking statements, except in accordance with applicable securities laws.

COMPANY OVERVIEW

Kings Entertainment Corporation Inc. is a business to consumer service provider that allows users to participate in lotteries and casino-style online games throughout the world all from the comfort of their own homes with a simple login and access. The Company offers an easy transition from lottery to casino gambling that attracts players to easily participate in both game types. Players are of age of majority and are monitored according to requirements under the Curacao Gaming License. Lottokings Group operates through multiple established brands and websites, which include www.wintrillions.com, www.trillionaire.com and www.LottoKings.com (the "Brands").

The Brands' sites are a destination for users to participate in lottery jackpots operated by fully regulated and legal lotteries across the world. Users may directly participate in lotteries or purchase shares in a pool of lottery plays by joining lottery teams or syndicates. Users may also utilize lottery subscriptions to participate in every draw of a specific lottery without the stress or worry of ever missing another draw.

In addition to the lottery services, the Company offers a connected experience that enables users to play and switch with ease between scratch cards and casino games. The Company's software technology provides casino games within a user's own web browser, without the need for any download. Users may easily access and enjoy a variety of different casino-style games. The games have several variations with minimum and maximum betting ranges, with winnings automatically credited to a user's account.

Kings' strategy includes promoting the Brands' sites through a variety of international advertisers and through strategic business relationships with online gaming affiliates all in compliance with the Curacao Gaming License.

The development, licensing, and protection of intellectual property is a core part of the Company's business strategy and is a key element to its success. The current intellectual property rights currently provide broad and comprehensive coverage and access for our products and services. The Company's business practices protect our intellectual property rights in our core business through non-disclosure and confidentiality policies and provisions and the use of appropriate intellectual property ownership and assignment provisions and restrictive covenant agreements with, among others, our employees, contractors, consultants, manufacturers, suppliers, customers and stakeholders. The Company actively seeks to protect and enforce its intellectual property rights to prevent unauthorized use by third parties, including through applications for injunctive relief and litigation, as necessary.

Kings continues to invest in building a strong, experienced management team to drive these strategic initiatives. The design, development and distribution of online lotteries and casino-style games requires specialized skills and knowledge. The Company's management team has considerable specialized skill, knowledge and experience in the online gaming industry.

Kings was incorporated on February 27, 2020 under the laws of the Province of British Columbia, Canada by a Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (British Columbia). The registered head office and the office of the books and records of the Company is located in Vancouver, British Columbia.

HIGHLIGHTS DURING THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023

On March 17, 2023, the Company announced the termination of the proposed business combination with Sports Venture Holdings Inc. ("SVH"). As part of the termination agreement, SVH committed to repay the Company the loan receivable balance of $1,847,475 (CAD$2,500,000) and reimburse the Company its costs and expenses incurred in connection with the proposed transaction totalling $1,294,510 (CAD$1,750,000). As at September 30, 2023. the Company has been repaid the loan receivable and has been reimbursed for costs associated with the proposed transaction.

On July 14, 2023, the Company acquired 100% ownership of Braight AI (the "Acquisition"), an intellectual property acquisition and development company. Pursuant to the closing of the Acquisition, the Company issued 59,289,392 shares to the shareholders of Braight AI with a fair value of $0.08 (CAD$0.10) per share for an aggregate fair value of $4,516,255. In addition, the Company issued 6,846,350 shares to finders with a fair value of $0.08 (CAD$0.10) per share for an aggregate fair value of $521,507.

ACQUISITION OF BRIGHT AI

On July 14, 2023, the Company acquired 100% ownership of Braight AI, an intellectual property acquisition and development company.

Consideration for the Acquisition comprised 59,289,392 common shares of the Company issued to the shareholders of Braight AI with a fair value of $4,516,255.

The Acquisition has been accounted for by the Company as a business combination under IFRS 3 *Business Combinations*, with the assets and liabilities acquired recorded at their fair values at the acquisition date. The Company is required to determine the fair value of tangible and identifiable intangible assets acquired and liabilities assumed.

Given the complexity of certain assets and liabilities acquired, primarily intangibles and income tax items, the purchase accounting recorded in the accompanying interim financial statements is preliminary and the amounts presented below are provisional. The Company is completing a full and detailed valuation of the fair value of the net assets acquired using income, market, and cost valuation methods with the assistance of an independent third party. The fair value of assets acquired, and liabilities assumed are subject to change for up to one year from the acquisition date. Additionally, any consequential impact on the deferred tax liabilities, has yet to be finally determined. If new information arises which would impact management's assessment of the fair value at the acquisition date, any adjustments to the allocation of the purchase consideration will be recognized retrospectively and comparative information will be revised. Consequently, the final allocation of the purchase price consideration may result in material adjustments to the amounts shown in these financial statements.

The following table is a preliminary summary of the Company's allocation of the purchase price to the fair values of assets acquired and liabilities assumed at the acquisition date.

	$
Consideration	
Fair value of 59,289,392 shares issued to shareholders of Braight AI	4,516,255
	4,516,255
Net assets acquired	
Trade and other receivables	2,033,076
Prepaid expenses and other assets	123
Intangible assets	4,338,584
Accounts payable and accrued liabilities	(2,199,742)
	4,172,041
Goodwill	**344,214**

Trade and other receivables comprise of receivables generated from sales from its data analytic services to customers.

Intangible assets represent the software and intellectual property developed internally for providing data and information for credit lending.

Accounts payable and accrued liabilities represents Braight AI's payroll and payroll tax liabilities, value-added tax liabilities, and cost relating to operation of the business.

The goodwill generated from the Acquisition related to other intangible assets that did not qualify for separate recognition.

In connection with the Acquisition, the Company issued 6,846,350 common shares with a fair value of $521,507 to finders in relation to the Acquisition to settle fees for services provided pursuant to the terms of a consulting services agreement. In addition, the Company incurred $45,150 in legal and consulting costs in order to complete the Acquisition. These transaction costs of $566,657 have been expensed in accordance with IFRS 3.

LIMITATIONS OF KEY METRICS AND OTHER DATA

The Company's key metrics are calculated using internal data. While these numbers are based on what the Company believes to be reasonable judgments and estimates of customer numbers for the applicable period of measurement, there are certain challenges and limitations in measuring the usage of its product offerings across its customer base. In addition, the Company's key metrics and related estimates may differ from estimates published by third parties or from similarly titled metrics of its competitors due to differences in methodology and access to information.

For important information on the Company's non-IFRS measures, see the information presented in "Key metrics" and "Selected financial information" below. The Company continually seeks to improve its estimates of its active customer base and the level of customer activity, and such estimates may change due to improvements or changes in the Company's methodology.

SELECTED FINANCIAL INFORMATION

The following financial data has been derived from the Company's financial statements for the three and nine months ended September 30, 2023 and 2022:

	Q3 2023	Q3 2022	**YTD 2023**	YTD 2022
	$	$	**$**	$
Net loss and comprehensive loss	**(546,635)**	(580,709)	**(395,468)**	(4,626,773)
Net loss per share - basic and diluted	**(0.01)**	(0.01)	**(0.01)**	(0.07)

The following financial data has been derived from the Company's financial statements:

	September 30, 2023	December 31, 2022
	$	$
Total assets	**10,179,273**	4,187,725
Total liabilities	**3,981,245**	2,602,880
Working capital	**594,826**	1,234,687

SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected quarterly financial information for the last eight quarters:

	Q3 2023	Q2 2023	Q1 2023	Q4 2022
	$	$	$	$
Revenue	**1,679,325**	1,054,936	1,031,222	1,001,065
Net loss and comprehensive loss	**(546,635)**	(461,645)	612,812	(2,054,207)
EBITDA	**(1,091,054)**	(466,228)	618,626	(2,054,655)
Adjusted EBITDA	**(493,925)**	(415,057)	640,450	(1,092,721)

	Q3 2022	Q2 2022	Q1 2022	Q4 2021
	$	$	$	$
Revenue	1,242,162	779,873	1,220,596	1,309,257
Net loss and comprehensive loss	(580,709)	(609,897)	(3,436,167)	(9,354,831)
EBITDA	(581,334)	(586,740)	(3,400,071)	(9,302,991)
Adjusted EBITDA	(1,115,426)	(1,106,144)	(838,005)	(804,798)

The Company's revenue had been decreasing steadily from Q4 2021 to Q2 2022 due to a reduction of lottery procurement revenue. During Q1 2023, revenue remained relatively consistent with Q4 2022. Fluctuations in EBITDA are primarily a result of share-based compensation in connection with issuance of stock options in Q1 2022, additional professional fees incurred as the Company pursued a business combination with SVH in Q4 2022 and legal fees reimbursement the Company recognized during Q1 2023 as a result of termination of proposed business combination with SVH. Higher revenue in Q3 2023 was mainly due to increase in revenue from lottery procurement and from data analytic services to customers.

RESULTS OF OPERATIONS

The Company has two major sources of revenue:

Lottery procurement revenue:

- Messenger stream in which the Company acts as agent in the transaction and procures lottery tickets on behalf of customers;
- Syndication stream in which customers enter into a betting pool to bet at the winning combination of lotteries. Under the Syndication stream, physical lottery tickets are not purchased.

Scratchcard and online casino revenue:

- Instant scratchcard
- Online casino games

	2023	2022	**2023**	2022
	$	$	**$**	$
Revenue				
Lottery procurement revenue	**1,397,375**	539,252	**3,002,142**	1,743,492
Online casino and scratchcard revenue	**190,315**	684,113	**671,706**	1,468,255
Other revenue	**91,635**	18,797	**91,635**	30,884
	1,679,325	1,242,162	**3,765,483**	3,242,631
Costs				
Processing costs	**177,853**	135,103	**436,090**	372,633
License fees	**38,327**	30,243	**99,955**	139,436
Commissions	**523,075**	207,016	**1,012,273**	734,774
	739,255	372,362	**1,548,318**	1,246,843
Gross profit	**940,070**	869,800	**2,217,165**	1,995,788
Operating expenses				
Bank charges	**54,309**	49,189	**127,299**	129,745
Depreciation	**7,416**	-	**7,416**	-
Expected credit losses	**-**	(7,847)	**-**	(11,909)
General and administrative	**434,947**	103,936	**571,753**	332,750
Information technology services	**63,643**	161,081	**180,403**	487,134
Management fees	**65,800**	-	**268,212**	-
Marketing expenses	**258,354**	57,183	**355,224**	442,570
Professional fees	**120,934**	1,212,942	**1,090,650**	2,392,923
Salaries and benefits	**459,243**	451,763	**1,371,554**	1,345,089
Share-based compensation	**-**	-	**-**	2,707,337
Travel	**-**	-	**3,204**	11,196
Operating loss	**1,464,646**	2,028,247	**3,975,715**	7,836,835
Other income				
Foreign exchange gain (loss)	**(30,472)**	534,092	**(103,467)**	1,198,767
Legal fees settlement	**-**	-	**1,294,510**	-
Other income	**30,651**	43,021	**195,508**	74,135
Transaction costs	**(566,657)**	-	**(566,657)**	-
	(566,478)	577,113	**819,894**	1,272,902
Net loss before income taxes	**(1,091,054)**	(581,334)	**(938,656)**	(4,568,145)
Current income tax recovery (expense)	**-**	6,630	**(11,337)**	(53,155)
Deferred income tax recovery (expense)	**544,419**	(6,005)	**554,525**	(5,473)
Net loss	**(546,635)**	(580,709)	**(395,468)**	(4,626,773)
Currency translation differences	**(57,667)**	(607,408)	**(29,111)**	(1,062,109)
Comprehensive loss	**(604,302)**	(1,188,117)	**(424,579)**	(5,688,882)

Q3 2023 compared to Q3 2022

The Company reported a net loss of $546,635 compared to $580,709 in the prior year comparable period. The primary drivers of this decrease in the net loss and comprehensive loss were as follows:

- Revenue was $1,679,325 compared to $1,242,162 in the prior year comparable period, mainly due to increase in lottery procurement revenue, partly offset by decrease in revenue from online casino and scratchcard as the management is focused on bringing in revenue with higher margin.
- Information technology services was $63,643 compared to $161,081 in the prior year comparable period, mainly due to decreased maintenance and upgrade works done on the Company's website.
- Professional fees were $120,934 compared to $1,212,942 in the prior year comparable period, mainly due to reduced professional services at corporate level. The Company incurred significant legal and consulting expenses in prior year period related to the proposed transaction with Sport Venture Holdings, which was initiated on May 25, 2022 and terminated on March 17, 2023.
- Deferred income tax recovery was $544,419 compared to expense of $6,005 in the prior year comparable period, mainly due to the deferred income tax asset recognized with respect to the acquisition of Bright AI in the current year period.

Offsetting the increase in the net loss and comprehensive loss were decreases to certain expenses as follows:

- General and administrative was $434,947 compared to $103,936 in the prior year comparable period, mainly due to incorporating Braight AI's expenditures on rent, insurance and administrative expenses after acquisition.
- Marketing expenses were $258,354 compared to $57,183 in the prior year comparable period, mainly due to reduced marketing activities.
- Foreign exchange loss was $30,472 compared to gain of $534,092 in the prior year comparable period. The gain/loss represents unrealized gain/loss from conversion of monetary assets and liabilities denominated in a currency other than the subsidiaries' functional currencies.
- Transaction costs were $566,657 compared to $nil in the prior year comparable period resulting from legal and professional cost and fair value of shares issued to Finders for the closing of the acquisition of Braight AI.

YTD 2023 compared to YTD 2022

The Company reported a net loss and comprehensive loss of $395,468 compared to $4,626,773 in the prior year comparable period. The primary drivers of this decrease in the net loss and comprehensive loss were as follows:

- Revenue was $3,765,483 compared to $3,242,631 in the prior year comparable period, mainly due to increase in lottery procurement revenue, partly offset by decrease in revenue from online casino and scratchcard as the management is focused on bringing in revenue with higher margin.
- Information technology services was $180,403 compared to $487,134 in the prior year comparable period, mainly due to decreased maintenance and upgrade works done on the Company's website.
- Marketing expenses were $355,224 compared to $442,570 in the prior year comparable period, mainly due to reduced marketing activities.
- Professional fees were $1,090,650 compared to $2,392,923 in the prior year comparable period, mainly due to reduced professional services at corporate level. The Company incurred significant legal and consulting expenses in prior year period related to the proposed transaction with Sport Venture Holdings, which was initiated on May 25, 2022 and terminated on March 17, 2023.
- Share-based compensation was $nil compared to $2,707,337 in the prior year comparable period, mainly due to the stock options granted to directors and officers on January 24, 2022, which vested immediately.
- Legal fees reimbursement was $1,294,510 compared to $nil in the prior year comparable period. The Company received proceeds from compensation of legal costs incurred with the proposed transaction with Sport Venture Holdings, which was initiated on May 25, 2022 and terminated on March 17, 2023.
- Transaction costs were $566,657 compared to $nil in the prior year comparable period resulting from legal and professional cost and fair value of shares issued to Finders for the closing of the acquisition of Braight AI.
- Deferred income tax recovery was $554,525 compared to expense of $5,473 in the prior year comparable period, mainly due to the deferred income tax asset recognized with respect to the acquisition of Bright AI in the current year period.

Offsetting the decrease in the net loss and comprehensive loss were increases to certain expenses as follows:

- General and administrative was $571,753 compared to $332,750 in the prior year comparable period, mainly due to incorporating Braight AI's expenses after acquisition, with offsetting decrease in office rent and insurance expense.
- Foreign exchange loss was $103,467 compared to $1,198,767 in the prior year comparable period. The gain/loss represents unrealized gain/loss from conversion of monetary assets and liabilities denominated in a currency other than the subsidiaries' functional currencies.

SOURCES AND USES OF CASH

	YTD 2023	YTD 2022
	$	$
Cash used in operating activities	**(1,480,220)**	(3,605,349)
Cash used in investing activities	**(47,388)**	-
Cash provided by financing activities	**1,477,980**	-
Impact of foreign exchange on cash	**(28,390)**	1,779,861
Change in cash during the period	**(78,018)**	(1,825,488)
Cash, beginning of the period	**1,191,694**	4,369,593
Cash, end of the period	**1,113,676**	2,544,105

YTD 2023 compared to YTD 2022

Cash used in operating activities of $1,480,220 compared to $3,605,349 during the prior year comparable period. The Company incurred significant legal and consulting expenses in prior year period related to the proposed transaction with Sport Venture Holdings, which was initiated on May 25, 2022 and terminated on March 17, 2023.

Cash used in investing activities of $47,388 related to the development expenditures of software and intellectual property developed for providing data and information for credit lending.

Cash provided by financing activities was $1,477,980 resulted from the repayment of other loan receivable from the borrower in the current period.

DUE TO AND FROM RELATED PARTIES

A summary of the Company's due from (to) related parties is as follow:

	September 30, 2023	December 31, 2022
	$	$
Due from related party		
Legacy Eight Group Ltd.	**373,010**	390,555
	373,010	390,555
Due to related parties		
WestOcean S.A.	**(69,591)**	(69,591)
Former shareholder of Phoenix [(1)]	**(19,940)**	(19,327)
	(89,531)	(88,918)
	283,479	301,637

1. The former shareholder of Phoenix sold all of his shares in Phoenix to Legacy Eight Ltd., parent corporation of L8 Curacao in February 2021. The former shareholder of Phoenix is also the corporate secretary of Legacy Eight Group Ltd., the parent corporation of Legacy Eight Ltd.

During the three and nine months ended September 30, 2023, L8 Curacao advanced $nil and $nil, respectively (2022 - $nil and $30,000, respectively), to Legacy Eight Group Ltd.

The due from (to) related parties' balances relate to amounts owed for funds provided for working capital needs by the related parties. These balances are non-interest bearing with no fixed term of repayment.

As at September 30, 2023 and December 31, 2022, balances due from related parties and due to related parties have been offset in the consolidated statements of financial position as the parties have an intention to settle on a net basis and an agreement has been established between the related parties that provides a legal enforceable right to offset the recognized amounts.

A summary of the Company's offsetting of balances due from (to) related parties is as follows:

	Ledonford Ltd.	Legacy Eight Group Ltd.	R.S. World Services Ltd.	WestOcean S.A.	Former shareholder of Phoenix	Total
	$	$	$	$	$	$
Due from related party	1,213,532	998,377	879,816	9,888,643	-	12,980,368
Due to related party	-	(170,037)	(38,916)	(12,467,996)	(19,940)	(12,696,889)
Balance offset	(1,213,532)	(455,330)	(840,900)	2,509,762		-
Balance, September 30, 2023	**-**	**373,010**	**-**	**(69,591)**	**(19,940)**	**283,479**
Due from related party	1,213,544	932,828	898,315	9,887,592	-	12,932,279
Due to related party	-	(104,402)	(38,917)	(12,467,996)	(19,327)	(12,630,642)
Balance offset	(1,213,544)	(437,871)	(859,398)	2,510,813	-	-
Balance, December 31, 2022	**-**	**390,555**	**-**	**(69,591)**	**(19,327)**	**301,637**

During the three and nine months ended September 30, 2023, L8 Curacao advanced $nil and $nil, respectively (2022 - $nil and $30,000, respectively), to Legacy Eight Group Ltd.

RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

The Company has identified its directors and senior officers as key management personnel. Key management personnel are those persons responsible for planning, directing and controlling the activities of the Company, and include executives and non-executive directors.

A summary of the Company's related party transactions is as follows:

	2023	2022	**2023**	2022
	$	$	**$**	$
Chief Executive Officer ("CEO") (1)	**28,300**	-	**115,800**	-
Chief Financial Officer ("CFO") (2)	**22,500**	22,500	**67,500**	67,500
Director (3)	**56,957**	48,625	**154,207**	136,459
Former officers (2) (4)	**-**	38,460	**105,000**	157,100
	107,757	109,585	**442,507**	361,059

1. The compensation paid to the CEO is included in management fees in profit and loss.
2. The compensation paid to the former Chief Operating Officer ("COO") and CFO is included in salaries and benefits in profit and loss. COO left the Company in July 2022.
3. The compensation paid to directors is included in salaries and benefits in profit and loss.
4. The Chief Marketing Officer's ("CMO") compensation is included in professional fees in profit and loss.

A summary of the Company's fair value of stock options issued to key management personnel as part of the share-based compensation is as follows:

	Q3 2023	Q3 2022	**YTD 2023**	YTD 2022
	$	$	**$**	$
CEO	**-**	-	**-**	318,318
CFO	**-**	-	**-**	63,664
Director	**-**	-	**-**	133,693
Former officers	**-**	-	**-**	82,763
	-	-	**-**	598,438

As at September 30, 2023, a total of $84,832 (December 31, 2022 - $nil) was due to the related parties and included in accounts payable and accrued liabilities. The amounts are unsecured, non-interest-bearing and have no fixed term of repayment.

OUTSTANDING SHARE DATA

As at the date of this MD&A, the Company had the following issued and outstanding:

	September 30, 2023	MD&A Date
	#	#
Common shares issued and outstanding	134,599,242	134,599,242
Warrants	10,012,000	10,012,000
Options	1,067,880	1,067,880

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

As at September 30, 2023, cash balance was $1,113,676 (December 31, 2022 - $1,191,694).

As at September 30, 2023, trade and other receivable increased to $2,434,936 (December 31, 2022 - $435,966) comprising mainly of receivables generated from sales from its data analytic services to customers.

As at September 30, 2023, due from processors increased to $733,197 (December 31, 2022 - $524,816) in normal course of business.

As at September 30, 2023, government remittance recoverable increased to $84,662 (December 31, 2022 - $68,516).

Prepaid expenses and other assets as at September 30, 2023 increased to $209,600 (December 31, 2022 - $138,595) mainly due to D&O liability insurance renewal.

Deferred tax assets on September 30, 2023 increased to $594,415 (December 31, 2022 - $45,262). The balance relates to the deferred income tax asset recognized with respect to the acquisition of Bright AI in the current year period and net losses for tax purpose in L8 Curacao, which resulted in tax losses available for carry forward, and there is a reasonable expectation that L8 Curacao will generate taxable income to utilize the losses.

The due from related parties balance decreased to $283,479 as at September 30, 2023 (December 31, 2022 - $301,637) due to repayment from Legacy Eight Group and fluctuations in foreign exchange rates.

Accounts payable and accrued liabilities as at September 30, 2023 increased to $3,873,225 (December 31, 2022 - $2,377,943), mainly due to accounts payable acquired in the Acquisition comprising of Bright AI's payroll and payroll tax liabilities, value-added tax liabilities and cost relating to operation of the business. Income taxes payable decreased to $31,653 (December 31, 2022 - $96,734). The Company made payment of income taxes during the nine months ended September 30, 2023 in the amount of $63,466 (2022 - $nil).

The deferred revenue balance represents users' prepaid account balances that have not been utilized yet and consideration collected prior to procurement of lottery tickets. As at September 30, 2023, such balance decreased to $76,367 (December 31, 2022 - $128,203). Fluctuations in this account depend on timing of lottery tickets purchased and collection of the consideration during the quarter.

The Company's principal sources of liquidity are its cash generated from operations and advances from related party. Currently available funds consist primarily of cash on deposit with financial institutions. The Company calculates its working capital requirements from continuing operations as follows:

FINANCIAL RESULTS

EBITDA

The primary non-IFRS financial measure which the Company uses is Adjusted EBITDA. When internally analyzing underlying operating performance, management excludes certain items from EBITDA (earnings before interest, tax, depreciation, and amortization).

With the exception of EBITDA and Adjusted EBITDA, the financial data has been prepared to conform with IFRS as issued by the IASB. These accounting principles have been applied consistently across for all reporting periods.

	Q3 2023	Q3 2022	**YTD 2023**	YTD 2022
	$	$	**$**	$
Net loss for the period	**(546,635)**	(580,709)	**(395,468)**	(4,626,773)
Add (deduct):				
Current income tax provision	**-**	(6,630)	**11,337**	53,155
Deferred income tax provision (recovery)	**(544,419)**	6,005	**(554,525)**	5,473
EBITDA loss	**(1,091,054)**	(581,334)	**(938,656)**	(4,568,145)
Share-based compensation	**-**	-	**-**	2,707,337
Foreign exchange gain (loss)	**30,472**	(534,092)	**103,467**	(1,198,767)
Transaction cost	**566,657**	**-**	**566,657**	**-**
Adjusted EBITDA loss	**(493,925)**	(1,115,426)	**(268,532)**	(3,059,575)

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at September 30, 2023 or at the date of this MD&A.

CONTINGENT LIABILITIES

The Company has no contingent liabilities as at September 30, 2023 or at the date of this MD&A.

PROPOSED TRANSACTIONS

On May 25, 2022, the Company announced that it had entered into an arm's length business combination agreement (the "Definitive Agreement") dated May 24, 2022 with SVH to combine SVH and the Company (the "Business Combination"). In connection with the Business Combination, the Company has agreed to make available to SVH a senior secured non-interest-bearing credit facility of up to $3,694,950 (CAD$5,000,000). The credit facility is due on demand. During the year ended December 31, 2022, pursuant to this credit facility, the Company advanced a loan receivable to SVH of $1,477,980 (CAD$2,000,000). On March 17, 2023, the Company announced the termination of the proposed Business Combination, noting that subsequent to December 31, 2022 and until the termination date, the Company had advanced an additional loan receivable of $369,495 (CAD$500,000).

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The financial statements have been prepared in accordance with IFRS as issued by the IASB. The Company's significant accounting policies are described in the audited annual financial statements for the years ended December 31, 2022 and 2021 except as follows:

a) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration of each business combination is measured, at the date of the exchange, as the aggregate of the fair value of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree. Under the guidance of IFRS 10 *Consolidated Financial Statements*, control is established by having power over the acquiree, exposure or rights to variable returns from the investor's involvement with the acquiree, and the ability to use its power over the acquiree to affect the amount of the acquirer's returns. The acquiree's identifiable assets, liabilities, and contingent liabilities are recognized at their fair value at the acquisition date.

b) Goodwill

The Company allocates goodwill arising from business combinations to each cash generating unit ("CGU") or group of CGUs that are expected to receive the benefits from the business combination. The carrying amount of the CGU or group of CGUs to which goodwill has been allocated is tested annually for impairment or when there is an indication that the goodwill may be impaired. Any impairment is recognized as an expense immediately. Should there be a recovery in the value of a CGU, any impairment of goodwill previously recorded is not subsequently reversed.

SIGNIFICANT ESTIMATES AND JUDGMENTS

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and further periods if the revision affects both current and future periods.

The judgements used in the preparation of the financial statements are consistent with those applied and disclosed in the annual audited consolidated financial statements for the years ended December 31, 2022 and 2021 except as follows:

a) Assessment of the transactions as asset acquisitions or business combinations

Management applied judgement relating to the acquisition of Braight AI to assess whether the acquisition was an asset acquisition or business combination. Management applied a three-element process to determine whether a business or an asset was purchased, considering inputs, processes and outputs of the acquisition in order to reach a conclusion. The Company has determined the operations constitute a business by assessing that the following exist: Inputs – tangible and intangible assets, Processes – business operations, management and staff, Outputs – revenue generating from data operations. The acquisition method of accounting requires management to measure the fair value of consideration transferred and net assets acquired. To measure the fair value of consideration transferred and assets acquired at acquisition date, management is required to make certain judgements and assumptions, including but not limited to the selection of the most appropriate valuation methodology, assessment of economic viability of the intangible assets, future operating costs, capital expenditures, discount rates, future sales prices, and long-term foreign exchange rates. Preliminary measurements of assets and liabilities acquired may be adjusted retrospectively if new information becomes available. These adjustments are made until the final measurements are determined within one year of the acquisition date.

Significant assumptions about the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of the Company's assets and liabilities in the next year are consistent with those applied and disclosed in the annual audited consolidated financial statements for the years ended December 31, 2022 and 2021 except as follows:

b) Valuation of net assets acquired in business combinations

Estimates were made as to the fair value of assets and liabilities acquired in business combinations. In certain circumstances, such as the valuation of intangible assets, the Company will rely on independent third-party valuators. The Company measured all assets acquired and liabilities assumed at their acquisition date fair values.

c) Review of asset carrying values and impairment assessment

The assessment of the fair value of goodwill, intangible assets, property, plant and equipment requires the use of estimates and assumptions for long-term prices, discount rates, foreign exchange rates, capital requirements, and operating performance. Changes in any of the estimates or assumptions used in determining the fair values could impact the impairment analysis.

Each asset or CGU is evaluated every reporting period to determine whether there are any indicators of impairment. If any such indicators exist, which is often judgment-based, a formal estimate of the recoverable amount is performed and an impairment charge is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset or CGU of assets is measured at the higher of fair value less cost to dispose ("FVLCTD") or value in use ("VIU").

The evaluation of asset carrying values for indications of impairment includes consideration of both external and internal sources of information, including such factors as market and economic conditions, product/service sales prices and volumes, discount rates, operating costs, taxes and future capital expenditures. The determination of FVLCTD and VIU requires management to make estimates and assumptions on all these factors. The estimates and assumptions are subject to risk and uncertainty; hence, there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired or the impairment charge reversed with the impact recorded in profit or loss.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

The carrying values of the Company's trade and other receivable, due from processors, loan receivable, accounts payable and accrued liabilities and due to related parties approximate their fair value due to their short-term nature. The carrying value of balance due from related parties approximate fair value as the Company has an intention to net settle these balances with future amounts due to the related parties.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's main credit risk relates to its amounts due from processors balance. The Company does not provide credit to its customers, however, credit risks arise as the payments might not be collectible from processors. The maximum credit risk is the carrying value of the amounts due from processors. As at September 30, 2023, 92% (December 31, 2022 - 91%) of the amounts due from processors balance is owing from four processors (December 31, 2022 - four processors).

The Company has applied the simplified approach to providing for expected credit losses, which permits the use of a lifetime expected credit loss provision for all amounts due from processors balances, which are of similar nature to trade receivables. To measure the expected credit losses, a full allowance is provided for a processor balance when there is doubt about the processor's future capacity to fulfill its payment obligations. For the remaining amounts due from processor balances, each processors' ability of fulfilling the payments in the future are evaluated specifically based on the information available on the date of the interim consolidated statements of financial position. The loss allowances at September 30, 2023 and December 31, 2022 were determined as follows for amounts due from processors balances based upon the Company's historical default rates over the expected life of the balances, adjusted for forward looking estimates.

A summary of the Company's due from processors, net is as follows:

	September 30, 2023	December 31, 2022
	$	$
Carrying amount, net of refund liability	**734,056**	525,675
Lifetime expected credit loss	**(859)**	(859)
	733,197	524,816

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities that are settled by cash or another financial asset. The primary sources of liquidity risk are accounts payable and accrued liabilities and amounts due to related party. The Company's ability to meet its obligations depends on the receipt of funds from its operations. Management monitors its working capital to ensure the obligations under current liabilities are met on a timely basis.

As at September 30, 2023 and December 31, 2022, all of the Company's financial liabilities are due within 12 months from the date of these financial statements. To address the settlement of these liabilities, the Company maintains a prudent level of cash and cash equivalents. As of September 30, 2023, the Company held cash and cash equivalents balances of $1,113,676 (December 31, 2022 - $1,191,694) and current liabilities of $3,981,245 (December 31, 2022 - $2,602,880). The Company has implemented effective cash management strategies and is actively pursuing opportunities to optimize its working capital, reduce costs, and generate additional cash flow to ensure timely settlement of its financial obligations.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is not exposed to equity price risk.

<u>Interest rate risk</u>

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. If interest rates increase, the Company will incur more interest expense. The sensitivity of the Company's profit or loss to changes in the interest rate would be as follows: a 1% change in the interest rate would change the Company's profit or loss by approximately $225.

<u>Foreign currency risk</u>

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from financial instruments, primarily cash, amounts due from processors, amounts due from related party, accounts payable and accrued liabilities and amounts due to related party, denominated in a currency other than the functional currency of the entity. All entities included in these interim consolidated financial statements do not use derivative financial instruments to manage its currency risk. As at September 30, 2023, a 10% appreciation (depreciation) of foreign currencies against USD will result in an increase (decrease) in income and comprehensive income of $94,463 (December 31, 2022 - $77,525).

A summary of the Company's financial assets and liabilities that are denominated in currencies other than USD is as follows:

	CAD	EUR	MXN	UYU	PLN	Other
	$	$	$	$	$	$
Cash	695,720	105,997	103,564	28,072	62,714	6,638
Due from processors	1,718	395,411	268,562	-	-	85,004
Government remittance recoverable	-	18,388	52,389	13,824	-	60
Trade and other receivables	-	-	-	-	1,970,080	3,585
Accounts payable and accrued liabilities	(231,045)	-	-	(756,644)	(2,149,137)	753
Income taxes recoverable (payable)	-	(2,116)	(16,377)	7,488	-	(20,648)

RISK FACTORS AND UNCERTAINTIES

The Company is subject to many risks that may affect future operations over which the Company has little control. These risks include, but are not limited to, intense competition in the resource industry, market conditions and the Company's ability to access new sources of capital, mineral property title, results from property exploration and development activities, and currency fluctuations. The Company has incurred losses since inception and there is no expectation that this situation will change in the foreseeable future.

For a detailed listing of the risks and uncertainties faced by the Company, please refer to the Company's MD&A for the years ended December 31, 2022 and 2021.

STRATEGIC PROCESS

Kings' strategy includes promoting the Brand sites through a variety of international advertisers and through strategic business relationships with online gaming affiliates all in compliance with the Curacao Gaming License. The Company's growth strategy will be implemented based on the business objectives:

Upgrade the Company's website

The Company has made significant upgrades to the LottoKings and WinTrillions websites providing users with a significantly improved experience on mobile distribution platforms and re-working the user journey to make the process of using the site as simple, intuitive and friction-free as possible. The 'look and feel' of the site has been re-worked to make the site content more modern and attractive with the goal of increasing user conversion rates for first-time visitors and engagement for existing users. Additionally, the site has made new products available to users, adding new casino and instant-win game content all of which will be compliant with the Curacao Gaming License.

Launch native mobile apps

The Company will launch mobile apps on both the iOS and Android operating systems. The app will provide users to access functionality comparable to the Company's desktop sites in a native mobile format, including allowing users to check results from draws and set alerts for jackpots meeting user specified minimum thresholds. Multiple versions of the app may be launched, corresponding to different brands owned by the Company. These apps will result in a more seamless user experience for the Company's mobile users and allow the Company to convert additional users to its platform through its presence on various app stores.

Expand the Company's lottery games offering

The Company will increase the variety of lottery games available through its platform. This will increase user choice and make the Company's offering more competitive in the marketplace. It will also provide a boost to the Company's user acquisition efforts by allowing the Company to reach a previously untapped pool of users who may be aware of the new lottery games the Company plans to offer, however may not have otherwise been aware of the Company's sites or services.

Upgrade the Company's "back end" functionality

The Company will make upgrades to its "back end" systems – the internal systems underlying the Company's various websites. This will improve the user experience for visitors of the websites by increasing their responsiveness and allowing the Company's staff to address user concerns more effectively. It will also allow the Company to scale its operations more effectively by allowing its systems to onboard and support higher numbers of users. Additionally, the upgrades will increase the ease through which the Company may comply with the requirements of various gaming licenses from jurisdictions other than Curacao, allowing it to expand its offering to such jurisdictions more easily if it chooses to do so in the future.

Create 'satellite sites' and upgrade SEO efforts

The Company will create 'satellite sites' advertising its services in various Latin American jurisdictions. These sites will contain SEO-optimized content related to lottery jackpots and other associated matters and will attempt to steer users to the main websites through which the Company offers its products and services. The Company will begin this strategy by creating a few websites in certain targeted jurisdictions and monitoring the results. Subsequently, the Company plans to expand its offering throughout Latin America depending on the success of the targeted websites. In conjunction with this effort, the Company will employ a SEO consultant tasked with overhauling the Company's SEO efforts including improving its organic search engine optimization activities.

Advertising campaign based on LottoHub app

The Company has developed a native app focusing on general lottery content under the name "LottoHub." The app contains general information on various lotteries, including jackpots, drawing dates, and costs to enter. The app is designed in a manner aimed at converting users who initially use the app as a free lottery information resource into paying customers on the Company's other properties. The LottoHub app does not allow users to purchase lottery tickets directly. This allows the app to be marketed through various platforms that restrict direct advertising of gambling services, such as Facebook and Instagram. The Company then engages in a paid advertising campaign on these platforms, with the aim of increasing its user base and converting users to its other properties. The app was launched in February 2022.

Acquire complementary businesses and properties

The Company intends to engage in an acquisition strategy focused on acquiring business and technologies that will complement the Company's business. In particular, the Company will target other business engaged in substantially the same business as the Company, with an established brand name and customer base, whose operations may be easily integrated with those of the Company. The Company will also seek out assets that may assist its marketing strategy, including existing apps or media platforms with a connection to lotteries and an established user base that may be re-purposed to direct users to the Company's platforms.

REGULATORY UPDATES IN VARIOUS GEOGRAPHIES

The Company does not provide gaming, betting or lottery products in jurisdictions other than the one indicated below.

Curacao

L8 Curacao holds a valid Curacao Gaming License, which allows it to provide online gaming products and services, including its gaming platform, from its home jurisdiction. The Curacao Gaming License has few restrictions on what markets L8 Curacao's websites may be accessed for real money play. L8 Curacao is in compliance with the applicable restrictions. The lotteries in which L8 Curacao permits its users to participate through its online platform are operated in full legal compliance with the laws of their home jurisdiction, and in many cases operated by a government entity. L8 Curacao does not allow players that are resident in Canada or the United States to purchase any gaming, betting or lottery services or products from its websites.

OUTLOOK

The Company's continued to invest in various marketing channels, especially on social media, during Q3 2023. The Company's gross margin stayed strong and is looking to facilitate its top line through enhanced marketing activities.

OTHER INFORMATION

Additional information about the Company is available on the Company's website at www.kingsentertainment.games and at www.sedarplus.ca.