



**ePlay Digital Inc.**

(formerly Network Life Sciences Inc.)

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the nine month period ended September 30, 2016

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This Management's Discussion and Analysis ("MD&A") provides a detailed analysis of the business of ePlay Digital Inc. (formerly Network Life Sciences Inc.) (the "Company") and compares its financial results for the nine months ended September 30, 2016 to prior comparative periods. The MD&A should be read in conjunction with the unaudited consolidated interim financial of the Company for the nine months ended September 30, 2016 and the audited consolidated financial statements of the Company for the year ended December 31, 2015 and related notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Refer to Note 3 of the December 31, 2015 financial statements for disclosure of the Company's significant accounting policies and a discussion of future accounting policy changes. The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars.

This MD&A contains certain statements that may constitute "forward looking statements". Forward looking statements include but are not limited to, statements regarding future anticipated business developments and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company's ability to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

Additional information relating to the Company can be located on the SEDAR website at [www.sedar.com](http://www.sedar.com).

This MD&A is current as at November 29, 2016.

**Overall Performance**

ePlay Digital Inc. was incorporated under the Business Corporations Act (British Columbia) on September 19, 2013 and operates from its registered head office located at 302 – 1107 17 Avenue SW, Calgary, Alberta Canada T2C 0B5. The Company underwent a name change on October 6, 2016 and was previously known as Network Life Sciences Inc. Previous to this, the Company had its name changed from Organach Beverage Acquisition Corp. to Network Oncology Inc. on August 12, 2014 and from Network Oncology Inc. to Network Life Sciences Inc. on June 17, 2016. On November 23, 2016, the Company completed its business change and the CSE re-listed the shares of the Company for resale to the public. The Company's trading symbol changed on this date to "EPY" from "NOI".

The Company entered into an arrangement agreement (the "Arrangement Agreement") on October 23, 2013 with its parent company, Web Watcher Systems Ltd., to conduct a corporate restructuring by way of a statutory plan of arrangement to transfer Web Watcher's interest in a letter of intent with WULU Beverage Co. ("WULU") to the Company. As consideration for the transfer, the Company agreed to issue to the shareholders of Web Watcher the number of shares at the share record distribution date held by the shareholders and multiplied by a conversion factor. The Arrangement Agreement was approved at an annual and special meeting of shareholders of Web Watcher held on December 19, 2013. The Company obtained final approval for the arrangement from the Supreme Court of British Columbia on January 7, 2014. The Letter of Intent was cancelled by WULU on March 21, 2014.

### ***Supply Agreement with Resolute Oncology Limited***

On May 12, 2014, the Company entered into an Acquisition Agreement with Resolute Oncology Limited ("ROL") to acquire certain assets in exchange for \$50,000 in cash (paid in April 2014), issuance of 1,000,000 common shares, assuming \$177,450 (€130,000) in obligation and the payment of a 3% net sales royalty. The Acquisition Agreement also contained a condition requiring the company to seek continued fund raising as part of the private placement. On July 31, 2014, the Acquisition Agreement was amended to change the closing date to the date that the shares of the Company are approved for trading on the Canadian Stock Exchange and to increase the number of shares to be issued to 1,133,333 common shares (issued in January 2015). The fair value of the common shares issued was determined to be \$340,000, or \$0.30 per share, based on the closing trade price of the shares at the time of issuance. As at September 30, 2016, of the liabilities assumed of \$177,450, the Company still has a balance of \$165,319 (€110,000) that remains outstanding, which has been recorded in accounts payable.

The assets acquired by the Company under the Acquisition Agreement comprised the following product license rights:

1. The non-exclusive right to use the dossier and know-how associated with Docetaxel concentrate, to obtain marketing authorizations and to sell Docetaxel based products in certain countries in Europe.
2. The non-exclusive right to use the dossier and know-how associated with Paclitaxel concentrate, to obtain marketing authorizations and to sell Paclitaxel based products in certain countries in Europe.
3. The non-exclusive right to use the dossier and know-how associated with Oxaliplatin concentrate, to obtain marketing authorizations and to sell Oxaliplatin based products in certain countries in Europe.
4. The non-exclusive and non-transferable right to use registration documentation for zoledronic acid 4 mg/5 ml vial to obtain one marketing authorization in Spain, the United Kingdom, Germany, and Italy and two marketing authorizations in France, for the purpose of selling, marketing, and distributing the Zoledronic Acid based products in the territory. The initial term of this agreement is 5 years.

Due to the uncertainty of the future economic benefits of these rights, at December 31, 2015, management determined to write down the intangible assets to \$1 in accordance to IAS 38 Intangible Assets. However, the Company is still liable for the remaining liabilities assumed from ROL.

During the nine months ended September 30, 2016, the Company incurred \$Nil (2015 - \$877,087) in development costs for the various rights in the Acquisition Agreement

### ***Licensing Agreement with bioLytical Laboratories Inc.***

On June 11, 2015, the Company entered into a twenty year license agreement with bioLytical Laboratories Inc. ("bioLytical") for an exclusive worldwide license for a rapid Ebola testing kit for consideration of US\$250,000 in cash (not paid) and 1,000,000 common shares (issued). The fair value of the common shares issued was determined to be \$1,600,000, or \$1.60 per share, based on the closing trade price of the shares at the time of issuance. The Company is also required to pay to bioLytical a royalty payment based on the net sales of the Licensed Product.

As at December 31, 2015, although the Company had issued the 1,000,000 common shares, the Company did not pay the cash consideration of US\$250,000. As a result, bioLytical exercised its right to terminate the licensing agreement on January 9, 2016. The license was fully impaired as at December 31, 2015 and the Company has no further obligation in the cash payment for this license. The Company also recognized the recovery of the obligation related to the license termination.

### ***Acquisition of PokerVision Media Inc. and Mobovivo Inc.***

On August 5, 2016, the Company entered into a letter of intent to acquire PokerVision Media Inc. ("PokerVision") and Mobovivo Inc. ("Mobovivo").

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Mobovivo is a Calgary based company in the multimedia software space. Mobovivo is an award-winning software company that offers a white label interactive video and content marketing platform to engage audiences. Mobovivo's innovative solutions integrate TV, VOD, sports, content marketing, interactively, and social media to create powerful multi-platform destinations and campaigns for brands. Mobovivo technology solutions engage audiences in seven languages and in 18 countries. Customers and target audiences include: the Academy Awards, FIFA World Cup, AXS TV, NFL, NBA, AXN, Time Warner Cable, Los Angeles Lakers, Sportsnet, Fiat, Ford, Samsung, Grolsch, Sony Pictures, The Hollywood Reporter, CPAC, Alliance Films, Globo TV, ESPN, and Intel.

PokerVision is a Calgary based media, events and sports entertainment company focused on building a global multi-platform broadcasting network, the PokerVision Network, to deliver content to consumers via new digital media as well as traditional television and other broadcast platforms. Hosting world renowned and branded events on a global basis, PokerVision will lead the paradigm shift in media engagement by producing interactive video with engaged viewership, creating new revenue streams and driving high traffic through a range of consumer platforms.

Subject to shareholder approval and target company board approval, the Company was to issue a total of 20,000,000 common shares and 30,000,000 performance warrants to the shareholders of the two target companies.

On November 21, 2016, the Company has acquired all of the issued and outstanding shares of PokerVision by issuing 15,000,000 common shares and 20,000,000 Performance Warrants exercisable at \$0.20 per share for a period of 5 years on the terms set out below. PokerVision is a Calgary based media, events and sports entertainment company focused on building a global multi-platform broadcasting network, the PokerVision Network, to deliver content to consumers via new digital media as well as traditional television and other broadcast platforms. 13,425,000 of the common shares issued are subject to an escrow arrangement whereby 10% were released on closing and the balance released on the basis of 15% every 6 months for the next 3 years. All securities issued are subject to trading restrictions until March 22, 2017.

Vesting terms of performance warrants:

Upon receiving a valuation report by a mutually agreeable party which state that the total asset value for the Company is \$100 Million or higher, the entire block of 30,000,000 performance warrants would become free for execution; or

Upon the Company's cumulative and recurring digital, event and television subscription revenues exceeding \$100,000 per month then 30% of the performance warrants are released;

Upon the Company's cumulative and recurring digital, event and television subscription revenues exceeding \$200,000 per month then an additional 30% of the performance warrants are released; and

The balance of the performance warrants would be released when the recurring revenues exceed \$300,000 per month; or

Upon a successful takeover of the Company, approved by the Board of Directors, all performance warrants are released.

On November 21, 2016, the Company announced that it will acquire Mobovivo. Closing of this second acquisition is scheduled for mid-December 2016. Shareholders of Mobovivo holding more than 66 2/3% have signed voting support agreements irrevocably agreeing to vote affirmatively in support of completion of the transaction at the upcoming Mobovivo shareholder meeting. All other closing conditions have been met. On closing the Company will issue 5,000,000 common shares and 10,000,000 performance warrants on the same terms as set out above.

**SELECTED QUARTERLY INFORMATION**

	<b>Sep. 30</b>	<b>Jun. 30</b>	<b>Mar. 31</b>	<b>Dec. 31</b>	<b>Sep. 30</b>	<b>Jun. 30</b>	<b>Mar. 31</b>	<b>Dec. 31</b>
	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2014</b>
	\$	\$	\$	\$	\$	\$	\$	
<b>Financial results:</b>								
Net loss	(170,402)	(268,197)	(28,901)	(2,023,116)	(278,035)	(161,032)	(955,463)	(45,529)
Basic loss per share	(0.01)	(0.03)	(0.00)	(0.35)	(0.05)	(0.05)	(0.24)	(910.6)

### **THREE MONTHS ENDED SEPTEMBER 30, 2016**

The Company incurred a net loss of \$170,402 for the three months ended September 30, 2016 compared to a net loss of \$278,035 in the previous comparable period. In 2015, the Company recorded stock-based compensation of \$221,914 related to stock options granted in August 2015. Removing the stock-based compensation, the net loss for 2015 was \$56,121. The increase in net loss in 2016 was primarily attributed to increase overhead costs and professional fees in connection with the acquisition of PokerVision and Mobovivo.

Most significant increases in operating expenses were consulting fees and professional fees.

The net loss for periods in 2016 were relatively higher than than comparable period losses incurred in 2015 as a result of the Company entering into the Letter of Intent to acquire PokerVision and Mobovivo as described elsewhere in this MD&A.

### **NINE MONTHS ENDED SEPTEMBER 30, 2016**

The Company incurred a net loss of \$467,500 for the nine months ended September 30, 2016 compared to a net loss of \$1,394,530 in the previous comparable period. The decrease is primarily attributed to decrease in development costs.

Most significant decreases in operating expenses related to development costs, a reduction of \$877,087. Other operating expenses were relatively higher in 2016 as a result of increased management, and consulting and professional fees in connection with the acquisitions of PokerVision and Mobovivo as discussed above. Also in 2016, the Company recognized a loss on settlement of debt of \$53,182.

### **Liquidity and Capital Resources**

At September 30, 2016, the Company had working capital of \$36,094 (December 31, 2015 – deficiency of \$1,016,457) including cash and cash equivalents of \$117,680 (December 31, 2015 - \$737).

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuation of the Company as a going concern is dependent on its ability to obtain necessary equity financing for its commitments. The Company's cash resources are insufficient to meet its working capital requirements.

On January 8, 2015 the Company issued 240,612 common shares under the plan of arrangement between the Company and Web Watcher Systems Ltd. which was approved by the shareholders of Web Watcher Systems Ltd. on December 19, 2013 and the Supreme Court of British Columbia on January 7, 2014.

On January 8, 2015 the Company completed its private placement and issued 833,333 units at \$0.30 per unit for proceeds of \$250,000, which had been received in 2014. Each unit was comprised of one common share and one common share purchase warrant exercisable at \$0.75 per share until January 8, 2016. No value has been allocated to the warrants under the residual method.

On January 8, 2015, the Company issued 1,133,333 common shares in accordance with the Acquisition Agreement with ROL for a value of \$340,000 (see also Note 4). Of the 1,133,333 common shares, 166,667 common shares were issued to officers and directors of the Company. The fair value of the common shares was determined at \$0.30 per share based on the concurrent private placement mentioned above.

On June 6, 2015, the Company issued 1,000,000 common shares in accordance with the license agreement with bioLytical (Note 4). The fair value of the common shares was determined at \$1.60 per share based on the closing trading price of the shares at the time of the issuance a total of \$1,600,000.

On October 8, 2015, 100,000 warrants were exercised for proceeds of \$75,000.

On July 17, 2015, the Company granted incentive stock options, exercisable to purchase up to an aggregate of 420,000 common shares of the Company to certain directors, officers, and consultants of the Company. The options are exercisable at a price of \$1.25 per common share for a two year term.

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On June 25, 2015, the Company consolidated its outstanding shares on the basis of one (new) post consolidation share for each three (old) pre-consolidation shares. On May 20, 2016, the Company consolidated its outstanding shares on the basis of one (new) post consolidation share for each five (old) pre-consolidation shares; total shares issued and outstanding post-consolidation was 5,467,278. The outstanding shares, weighted average outstanding shares and loss per share information have been retrospectively adjusted to reflect consolidation. In addition, all share issuances, options and warrant transactions have been retrospectively adjusted to reflect consolidation.

On June 1, 2016, the Company completed its private placement and issued 8,000,000 units at \$0.05 per unit for proceeds of \$400,000. Each unit comprised of one common share and one common share purchase warrant exercisable at \$0.06 per share until June 1, 2017. No value has been allocated to the warrants under the residual method.

On June 1, 2016, the Company issued a total of 5,687,977 common shares of the Company valued at \$284,399 to settle short terms of \$110,633 and trades payable of \$119,211 resulting in a loss on settlement of debt of \$54,555.

On August 26, 2016 through September 30, 2016, the Company issued 2,007,570 units of a non-brokered private placement at \$0.20 per unit for gross proceeds of \$401,514. Each unit issued consists of one common share of the Company and one transferable common share purchase warrant. Each warrant is exercisable to acquire one additional common share for a period of twelve (12) months at an exercise price of \$0.40, provided that if the closing price of the Company's shares on any stock exchange or quotation system on which the shares are then listed or quoted is equal to or greater than \$0.60 for a period of 10 consecutive trading days, the Company will have the right to accelerate the expiry of the warrants by giving notice to the holders of the warrants that the warrants will expire on a date that is not less than 10 business days from the date notice is given. The Company paid finders fees of \$26,390 and issued 131,950 finders' warrants on the same terms and conditions as the private placement warrants.

On October 28, 2016 through November 21, 2016, the Company issued 2,472,500 units of the non-brokered private placement at \$0.20 per unit for gross proceeds of \$494,500 on the same terms as above. The Company paid finders fees of \$39,550 and issued 197,750 finders' warrants on the same terms and conditions as the private placement warrants.

On November 21, 2016, the Company issued 500,000 common shares in settlement of debts in the amount of \$100,000 at \$0.20 per share for consulting services rendered.

On November 24, 2016, the Company issued 800,000 common shares from the exercise of 800,000 warrants at \$0.06 per warrant for gross proceeds of \$48,000.

During the nine months ended September 30, 2016, the Company received \$1,121 in short term unsecured loans bearing interest of 8% compared to \$104,660 during the comparable period in 2015.

There is no guarantee that management will be successful in securing future equity financings due to current market conditions.

## **FINANCIAL INSTRUMENTS**

### **Classification of financial instruments**

	September 30, 2016	December 31, 2015
	\$	\$
FVTPL financial asset	117,680	737
Loans and receivables	165,000	-
Other financial liabilities	713,743	1,017,194

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

### **Management of Industry and Financial Risk**

The Company may be at risk for regulatory issues and fluctuations in exchange rates.

The Company's financial instruments are exposed to certain financial risks, which include the following:

#### ***Credit risk***

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash and other receivables. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies.

#### ***Liquidity risk***

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company attempts to obtain sufficient capital in order to meet short-term operating requirements, after taking into account the Company's holdings of cash.

#### ***Foreign exchange risk***

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

At September 30, 2016, the Company had accounts payable of \$210,406 denominated in Euro. A significant change in the currency exchange rates between the Canadian dollars relative to the Euro could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations.

#### ***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. The Company is not exposed to significant interest rate risk.

#### ***Capital management***

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, net of cash and cash equivalents. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

### **Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

### **Transactions between Related Parties**

During the nine months ended September 30, 2016, the Company incurred \$26,250 (2015 – \$Nil) of management fees from the Chief Financial Officer (“CFO”) and Director of the Company. The Company issued 1,575,000 common shares at \$0.05 per share to settle \$89,250 payable to the CFO and Director of the Company.

During the nine months ended September 30, 2016, the Company incurred \$Nil (2015 – \$47,250) in consulting fees from the former CFO and Director of the Company.

During the nine months ended September 30, 2016, the Company issued 1,050,572 common shares at \$0.05 per share to settle \$40,529 due to a director of a greater than 10% shareholder of the Company.

### **OUTSTANDING SHARE DATA**

The following share capital data is current as of the date of this MD&A:

	<b>Balance</b>
Shares issued and outstanding	39,935,306
Stock options	420,000
Warrants	12,009,770
Performance Warrants	20,000,000
Fully Diluted	72,365,076

### **Future Cash Requirements**

The Company's future capital requirements will depend on many factors, including, among others, its ability to earn cash flow from operations. Should the Company wish to pursue current and future business opportunities, additional funding will be required. If additional funds are raised through the issuance of equity securities, the percentage ownership of current shareholders will be reduced and such equity securities may have rights, preferences, or privileges senior to those of the holders of the Company's common stock. No assurance can be given that additional financing will be available, or that it can be obtained on terms acceptable to the Company and its shareholders. If adequate funds are not available, the Company may not be able to meet its contractual requirements.

### **Critical Accounting Estimates**

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The financial statements include judgments and estimates that, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the statement of financial position date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

### Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

### Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments, where active market quotes are not available. Details of the assumptions used are provided in the notes regarding financial assets and liabilities.

In applying the valuation techniques, management makes maximum use of market inputs wherever possible, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. Such estimates include liquidity risk, credit risk, and volatility may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

### Going concern

The assessment of the Company's ability to execute its strategy effectively operating the Company involves judgement.

### Acquisition of assets

The assessment of the acquisition of assets or business relating to the Acquisition Agreement involves significant judgement on the future operation of the Company.

## **ADDITIONAL INFORMATION**

Additional information pertaining to the Company is available on the SEDAR website and at [www.eplaydigital.com](http://www.eplaydigital.com)