Form 51-102F1

JACKPOT DIGITAL INC.

Management's Discussion & Analysis
Condensed Consolidated Interim Unaudited Financial Statements
for the nine months ended September 30, 2017

The following discussion and analysis of the financial condition and financial position and results of operations of Jackpot Digital Inc. (the "Company" or "Jackpot") for the nine months ended September 30, 2017 should be read in conjunction with the condensed consolidated interim unaudited financial statements and notes thereto for the nine months ended September 30, 2017 and 2016 and the annual audited consolidated financial statements and notes thereto for the years ended December 31, 2016 and 2015. The condensed consolidated interim unaudited financial statements and notes thereto for the nine months ended September 30, 2017 and 2016 have not been reviewed by the Company's Auditor.

These condensed consolidated interim unaudited financial statements are prepared in accordance with International Accounting Standard 34 Interim Financial Reporting using the accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The Company's condensed consolidated interim unaudited financial statements are expressed in Canadian (CDN) Dollars which is the Company's and its subsidiaries' functional currency. All amounts in this MD&A are in CDN dollars unless otherwise stated.

The following information is prepared as at November 29, 2017.

Forward-Looking Statements

Certain statements contained herein are "forward-looking" and are based on the opinions and estimates of management, or on opinions and estimates provided to and accepted by management. Forward-looking statements may include, among others, statements regarding future plans, costs, projections, objectives, economic performance, or the assumptions underlying any of the foregoing. In this MD&A, words such as "may", "would", "could", "will", "likely", "seek", "project", "predict", "potential", "should", "might", "hopeful", "objective", "believe", "expect", "anticipate", "intend", "plan", "estimate", "optimistic" and similar words are used to identify forward-looking statements. Forward-looking statements are subject to a variety of significant risks and uncertainties and other factors that could cause actual events or results to differ materially from those expressed or implied. Although management believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, projections and estimations, there can be no assurance that these assumptions, projections or estimations are accurate. Readers, shareholders and investors are therefore cautioned not to place reliance on any forward-looking statements in this MD&A as the plans, assumptions, intentions, estimations, projections, expectations or factors upon which they are based might vary or might not occur. The forward-looking statements contained in this MD&A are made as of the date of this MD&A, and are subject to change after such date. The Company undertakes no obligation to update or revise any forward-looking statements, except in accordance with applicable securities laws.

Overview

Effective June 18, 2015, the Company's name was changed to Jackpot Digital Inc. The Company is a developer and provider of electronic table games ("ETG"s), and is also a software developer and provider for online and mobile gaming platforms. The Company's common shares trade on the TSX Venture Exchange ("TSX-V" or the "Exchange") under the symbol "JP", and on the OTCQB under the trading symbol "JPOTF". Furthermore, the Company's common shares trade in Germany on both the Frankfurt and Berlin Exchanges under the trading symbol "LVH1". Effective on February 10, 2017, certain share purchase warrants of the Company which were issued pursuant to the Rights Offering commenced trading on TSX-V under the symbol "JP.WT". The Cusip number of the share purchase warrants is 466391125.

The Company's office is located at Suite 400 – 570 Granville Street, Vancouver, British Columbia, Canada, V6C 3P1 and the Company's warehouse is located at 4664 Lougheed Hwy, Unit W030, Burnaby, British Columbia, Canada, V5C 5T5. The Company's registered office is at Suite 1500, 1055 West Georgia Street, PO Box 11117 Royal Centre, Vancouver, British Columbia, Canada, V6E 4N7.

The Company's Registrar and Transfer Agent is Computershare Investor Services Inc. located at 510 Burrard Street, Vancouver, BC, Canada, V6C 3B9.

The Company is a reporting issuer in the Provinces of British Columbia and Alberta and files all public documents on *www.sedar.com*.

On October 14, 2015, the Company caused to incorporate a subsidiary in the State of Nevada, USA under the name of Jackpot Digital (NV), Inc.

Results of Operations

On October 23, 2017, 37 Capital Inc. ("37 Capital") entered into a debt settlement agreement with the Company whereby 37 Capital has issued 4,249,985 units of 37 Capital to the Company at the price of $0.09 per unit in settlement of 37 Capital's outstanding debt for the total amount of $382,498.65 for shared office rent, office support services and miscellaneous office expenses provided by the Company to 37 Capital from August 1, 2014 up to September 30, 2017. Each unit consists of one common share and one share purchase warrant. Each warrant will be exercisable at a price of $0.12 per share for a period of five years. The securities that have been issued are subject to a hold period which expires on March 3, 2018.

During November 2017, the Company signed an agreement to secure an exhibitor space at ICE Totally Gaming ("ICE"). The Company will be displaying its Jackpot Blitz™ ETG product at the ICE gaming convention in London, U.K. from February 6-8, 2018. ICE includes more than 30,000 attendees from the gaming industry worldwide.

During November 2017, the Company signed a Software License and Equipment Lease Agreement with a gaming operator to deploy numerous units of the Company's Jackpot Blitz™ ETG in its casinos.

Also, during November 2017 the Company signed a Letter of Intent ("LOI") with an entity that has developed a gaming platform powered by blockchain technology in the digital gaming industry which will enable the Company to accept the use of select cryptocurrencies on the Company's Jackpot Blitz™ Electronic Table Game ("ETG") platform in the future. The parties to the LOI intend to engage in detailed negotiations for the purpose of settling upon all relevant terms and conditions of a Definitive Agreement.

During October 2017, the Company signed a Letter of Intent ("LOI") with Grey Rock Casino in Edmundston, New Brunswick formalizing an order for the Company's Jackpot Blitz™ETG platform. This order is contingent on the Company receiving customary certification from Gaming Laboratories International ("GLI") for the Jackpot Blitz™ ETG.

During October 2017, the Company signed a Letter of Intent ("LOI") with a Latin American casino group outlining the terms of an agreement for an order of the Company's Jackpot Blitz™ ETG. A Software License and Equipment Lease Agreement will be negotiated and executed between the parties at a later date.

During October 2017, the Company displayed its Jackpot Blitz™ ETG product at the 2017 Global Gaming Expo ("G2E") in Las Vegas, Nevada. G2E is the world's largest international gaming trade show and conference, with nearly 26,000 gaming professionals from around the world in attendance. The Company conducted numerous product presentations and sales meetings during G2E.

During September 2017, the Company entered into a non-exclusive agreement with an arm's length party to license and distribute the Company's ETGs throughout Asia. The party is an established firm in the Asian gaming market, with connections to numerous casino operating groups in Vietnam, Cambodia, Macau, and other Asian countries.

During August 2017, the Company carried out the 10th Annual Carnival PokerPro Challenge on a Carnival Cruise ship. The poker tournament was played using the Company's PokerPro ETGs. The tournament included 548 poker players, and the Company received a percentage of the revenues generated from the tournament. The winner of the tournament was a resident of Georgia, USA.

During August 2017, the Company entered into an Engagement Agreement with Reinvest Business of California, USA ("Reinvest") to promote the Company and its products.

Also during August 2017, the Company renewed an Agreement (the "Agreement") with Hudes Communications International of Ontario, Canada (the "Hudes Communications"). Under the Agreement, Hudes Communications conducts public and media relations services on behalf of the Company. The Agreement had a term of two months and was renewed by mutual consent for a further period of two months which expires on December 1, 2017.

Also during August 2017, the Company was informed by the Global Gaming Awards that its Jackpot Blitz™ ETG product was shortlisted for a 2017 Global Gaming Award (the "Award") in the Land-Based Gaming Innovation category. The Company was one of ten companies shortlisted for the Award in this category. Unfortunately, the Company did not win the Award.

During July 2017, the Company entered into a Sales and Service Agreement (the "Agreement") with R2 Gaming, Inc. ("R2") of Burlington, Ontario, Canada, whereby R2 will provide the Company with exclusive sales and technical services across Canada for the Company's ETG products. The Agreement expanded a previously existing arrangement between R2 and the Company.

During June 2017, the Company received confirmation from the French Ministry of the Interior that the Company is now a licensed manufacturer of electronic gaming equipment in France. The Company also received confirmation that the Company's PokerPro ETG product is approved for operation in French gaming establishments. The Company will also be pursuing approval of the Jackpot Blitz™ ETG product in France in the future.

During June 19 to 21, 2017, the Company unveiled its Jackpot Blitz™ ETG product at the 2017 Canadian Gaming Summit where the Company demonstrated its Jackpot Blitz™ product to owners and operators of casinos, card rooms, and other gaming establishments from across Canada. The Company was a Gold Sponsor of the 2017 Canadian Gaming Summit which was held at the Vancouver Convention Centre in Vancouver, BC.

During May 2017, the Company entered into a Business Development and Consulting Agreement (the "Agreement") with BPR Management, LLC ("BPR") of Las Vegas, Nevada, USA whereby BPR will assist the Company to pursue certain business and financing opportunities. The Agreement is subject to certain terms and conditions.

During May 2017, the Company entered into a Consulting Agreement (the "Agreement") with Twilight Capital Inc. ("Twilight") of Montreal, Quebec whereby Twilight assisted the Company to pursue certain business and financing opportunities.

In respect to the debt owed by Green Arrow Resources Inc. ("Green Arrow") to the Company in the amount of $153,147 for shared office rent, office support services and miscellaneous office expenses up to November 30, 2016 ("Green Arrow's Debt"), during May 2017 Green Arrow issued an aggregate of 3,062,949 common shares at a deemed price of $0.05 per share in settlement of Green Arrow's Debt. Pursuant to Assignment of Debt Agreements between the Company, Green Arrow, Dumont Capital Corp. ("Dumont") and 0787129 BC Ltd. ("0787129"), the Company assigned $53,147 of Green Arrow's Debt to Dumont and 0787129, and 800,000 common shares of Green Arrow to Dumont and 262,949 common shares of Green Arrow to 0787129. As consideration, during May 2017 the Company received cash payments from Dumont and 0787129 totalling the amount of $53,147.

As of September 30, 2017, the Company's operations employed 20 people (September 30, 2016: 19 people) consisting of staff and management. As of the date of this MD&A, the Company's operations employ 21 people consisting of staff and management.

During March 2017, the Company terminated its software license agreement with a licensee. As a result of this termination, the Company will refund US $25,000 to the licensee. As of the date of this MD&A, US $5,000 has been refunded.

The Company's registration as a Manufacturer of Gambling Equipment was renewed by the California Gambling Control Commission, effective March 10, 2017.

On June 1, 2016, the Company entered into an agreement with Union Gaming Securities of Las Vegas, Nevada ("Union") for certain advisory services. The agreement with Union was terminated on April 30, 2017.

Effective as of January 31, 2017, Mr. Alan Artunian of Toluca Lake, California has been appointed to the Company's Board of Directors.

Effective as of July 24, 2017, Mr. Adam Fritz of Vancouver, BC has been appointed as the Chief Operating Officer of Jackpot.

On November 15, 2017 the Company announced a non-brokered private placement financing whereby Jackpot may raise gross proceeds of up to $500,000 by issuing up to 10,000,000 units of the Company at $0.05 per unit (the "Proposed Financing"). Each unit will consist of one common share of the Company and one non-transferable share purchase warrant to acquire an additional common share of the Company at the price of $0.06 per share for a period of five years from Closing. In respect to this Proposed Financing, there may be finder's fees payable to arm's length parties. The securities that may be issued in connection with this Proposed Financing will be subject to a hold period in accordance with applicable securities laws. This Proposed Financing has received the conditional acceptance of the TSX Venture Exchange on November 23, 2017.

On September 13, 2017, the Company closed the second and final tranche of the non-brokered private placement financing which was announced on August 10, 2017 with several parties whereby the Company raised gross proceeds of $173,000 and issued 3,460,000 units of the Company at $0.05 per unit. Each unit consists of one common share of the Company and one non-transferable share purchase warrant to acquire an additional common share of the Company at the price of $0.06 per share for a period of 5 years until September 13, 2022. In respect to the closing, the Company issued a total of 230,000 common shares at a deemed price of $0.05 per share and 37,500 broker warrants exercisable at $0.06 per share for two years as finder's fee to arm's length parties. All the securities issued in connection with this second and final tranche closing are subject to a hold period which expires on January 14, 2018.

On August 21, 2017, the Company closed the first tranche of the non-brokered private placement financing which was announced on August 10, 2017 with several parties whereby the Company raised gross proceeds of $350,000 and issued 7,000,000 units of the Company at $0.05 per unit. Each unit consists of one common share of the Company and one non-transferable share purchase warrant to acquire an additional common share of the Company at the price of $0.06 for a period of 5 years until

August 21, 2022. In respect to this first tranche closing, the Company issued a total of 700,000 common shares at a deemed price of $0.05 per share and 175,000 broker warrants exercisable at $0.06 for two years as finder's fee to arm's length parties. The issued securities are subject to a hold period which expires on December 22, 2017.

On July 27, 2017, the Company closed a non-brokered private placement financing which was announced in June 2017 with several parties for total gross proceeds of $780,000 and issued 15,600,000 units of the Company at $0.05 per unit. Each unit consists of one common share of the Company and one transferable share purchase warrant to acquire an additional common share of the Company at the price of $0.05 per share until January 20, 2022 (the "Private Placement Warrants"). The Private Placement Warrants have the same terms and conditions as the warrants that were issued by the Company pursuant to the rights offering which completed on January 20, 2017 (the "Rights Offering Warrants"). The Company has received conditional approval from the TSX-V to list the Private Placement Warrants on the TSX-V, which listing will be on the same terms and conditions as the Rights Offering Warrants and will not become effective until after November 28, 2017, the expiry of the statutory hold period in respect of the Private Placement Warrants. In respect to this financing, the Company issued a total of 1,000,000 common shares at a deemed price of $0.05 per share and 400,000 broker warrants exercisable at $0.05 per share for a period of two years as finder's fees to arm's length parties. The issued securities were subject to a hold period which expired on November 28, 2017.

On January 20, 2017, the Company completed its rights offering and issued 155,996,550 units of the Company comprised of 155,996,550 common shares and 155,996,550 share purchase warrants to purchase up to an additional 155,996,550 common shares, for total gross proceeds of $1,559,966. Each share purchase warrant entitles the holder to purchase one additional common share at a price of $0.05 per share until January 20, 2022. The share purchase warrants trade on the TSX-V under the trading symbol "JP.WT". In respect to this Rights Offering, the stand-by guarantors received bonus warrants entitling them to purchase a total of 32,375,000 common shares of the Company equal to 25% of the total number of Units the stand-by guarantors had agreed to purchase under the stand-by commitments, exercisable at a price of $0.05 per share until January 20, 2022.

On December 22, 2016, the Company's application was approved by the Alcohol and Gaming Commission of Ontario ("AGCO"), as a result the Company is now recognized as an officially registered Gaming Supplier under the Gaming Control Act of the Province of Ontario. This development enabled Jackpot to directly engage with OLG Slots at Woodbine Racetrack ("Woodbine") (http://www.olgslotsandcasinos.ca/woodbine-racetrack).

On December 21, 2016, at the Annual General Meeting of the Company's shareholders which was held in Vancouver, BC, the shareholders received the Audited Consolidated Financial Statements for the fiscal year ended December 31, 2015 and the Auditor's report thereon; fixed the number of Directors for the ensuing year at four; elected Bedo H. Kalpakian, Jacob H. Kalpakian, Neil Spellman and Gregory T. McFarlane as Directors of the Company; re-appointed the Company's Auditor, Smythe LLP, Chartered Professional Accountants, for the ensuing year and authorized the Directors to fix the remuneration to be paid to the Auditor and re-approved the Company's 10% Rolling Stock Option Plan.

The Company's audit committee consists of Messrs. Bedo H. Kalpakian (Chairman), Gregory McFarlane and Neil Spellman.

During Q3 2016, the Company received an Arkansas Gaming License from the Arkansas Racing Commission for the manufacturing and distribution of Electronic Games of Skill.

On June 7, 2016, Jackpot entered into a distributor agreement with Integrity Gaming in Oklahoma ("Integrity"). The agreement allows Jackpot to lease ETGs to casino operators in Oklahoma through Integrity Gaming's Oklahoma gaming license. Both Jackpot and Integrity continue to pursue business opportunities to lease Jackpot's ETGs.

The Company is presently not a party to any legal proceedings whatsoever.

Wireless Gaming Software and iGaming Platform

Jackpot continues to maintain its wireless gaming software which consists of Texas Hold'em and tournaments, various casino table games and 16 slot games, that can be played on smart phones, tablets and personal computers through any modern web browser.

Carnival Corporation is the largest operator of the Company's wireless gaming software. As of the date of this MD&A, the wireless gaming software is available on a number of of Carnival's cruise ships. As part of the agreement, Jackpot will share revenues earned from the software.

Electronic Table Games

The Company is focused on developing and expanding its electronic table games ("ETG"s) business which it acquired from Everi Holdings Inc. ("Everi") in August 2015.

On November 16, 2015, the Company entered into a Lease Agreement with an arm's length party for approximately 7,936 square feet of premises in Burnaby, BC for an interim term of six (6) months commencing on December 1, 2015 (the "Company's warehouse"). The Lease Agreement has been extended to May 31, 2019. The Company's warehouse is used for the purpose of storing, cleaning, assembling, refurbishing, manufacturing, testing, configuring, packing and shipping the Company's ETGs. The Company has paid a security deposit of $8,930 in respect to this Lease Agreement. Effective January 2017, the Company pays basic rent of $3,968 plus the operational cost and the applicable tax totaling $9,825 per month.

The Company categorizes its ETG customers in three markets: cruise ships, North American casinos and other markets.

Cruise Ships

- The cruise ship industry operates their casinos while they are in international waters, and therefore, they do not require their gaming equipment vendors to attain any form of gaming license.
- The Company typically leases ETGs on a monthly recurring basis to cruise ship companies.
- Carnival Corporation ("Carnival") is the largest operator of the Company's ETGs.

North American Casinos

- The North American casino industry is predominantly regulated at the state/provincial level as individual jurisdictions. Additionally, some states have native American tribal jurisdictions. Every jurisdiction approves the gaming equipment used in their casinos, usually in the form of a gaming license. Therefore, the Company must attain gaming licenses directly or through a distributor to expand its ETG business in North America.
- The Company typically leases ETGs on a monthly recurring basis to North American casino customers.
- As of the date of this MD&A, the Company's ETGs are available in three casinos in North America, namely OLG Slots at Woodbine Racetrack, Southland Park Racing and Gaming, and Indiana Grand Racing & Casino. The Company is in discussions with numerous other casinos and operators to place Jackpot Blitz™ ETGs at their facilities.

Other Markets

- Markets outside cruise ships and North American casinos are considered on a case-by-case basis, depending on the practicality of deploying and supporting the Company's ETGs in other continents.
- The Company may lease or opt to sell ETGs in other markets.
- On March 1, 2016, Jackpot signed a distribution agreement with CasinoFlex Systems International Ltd. ("CasinoFlex") in Bulgaria. Pursuant to this agreement, CasinoFlex may sell and support the Company's ETGs in Europe. The Company is currently working with CasinoFlex to sell one of the Company's PokerPro ETGs to a client in Scandinavia. The Company anticipates this sale to be completed by Q1 of 2018.

Research and Development

The Company's new ETG platform, Jackpot Blitz™, has cleared the User Acceptance Testing ("UAT") process with Carnival Cruise Lines during Q3 2017. The Company has commenced production of Jackpot Blitz™ ETGs during Q4 2017 to meet demand from current and prospective customers. The Company expects to commence production of a certified Jackpot Blitz™ ETG for the regulated casino industry during the first half of 2018.

The Company has filed United States Provisional Patents. The Company expects this to lead to several non-provisional patents that will further protect the Company's investment in its ETG technology.

Transaction with Everi Holdings Inc. (formerly MultiMedia Games, Inc.) ("Everi")

On June 30, 2015, the Company entered into an asset purchase agreement, as amended on July 31, 2015 and August 6, 2015 (the "Agreement"), with Everi whereby the Company purchased the assets of the PokerTek business unit of Everi, including gaming systems (parts and tables), software, patents and all the licensing contracts with third parties related to the PokerTek business unit (the "Transaction").

Pursuant to the Agreement, the consideration includes 7,500,000 warrants. Each warrant entitles the holder to purchase 1 common share of the Company for $0.20 over a period of five years starting on August 10, 2015 being the "Closing Date" of the Transaction. The consideration includes "Cash Consideration" of which the amount is contingent on when it is paid:

- US$5,400,000 if paid by September 30, 2015;
- US$6,000,000 if paid by December 31, 2015;
- US$7,500,000 if paid after December 31, 2015.

The Company is required to pay monthly "Adjusted Installment Payments" which is applied against the total Cash Consideration payable to Everi. The Adjusted Installment Payments comprise 60% of monthly PokerTek net revenue less the amount of the "Regulated Credit" for the electronic gaming table regulated licenses. No Adjusted Installment Payment is required when the "Regulated Credit" exceeds 60% of monthly PokerTek net revenue.

The Transaction was recorded in the accounts of the Company at its fair value determined as follows:

Consideration	
Cash	$ 9,568,365
Warrants	2,147
	$ 9,570,512

Purchase Price Allocation

Gaming systems – Gaming tables	$	1,526,703
Gaming systems – Parts		956,874
Acquired intangible assets		4,096,915
Fair value of identifiable net assets acquired		6,580,492
Goodwill		2,990,020
Total net assets acquired	$	9,570,512

The balance of goodwill is the difference between the Transaction date fair value of the consideration transferred and the fair values assigned to the identifiable assets acquired. The goodwill balance is expected to be deductible for tax purposes. The goodwill recorded represents intangible assets that do not qualify for separate recognition.

The Company paid $2,669,000 or US$2,000,000 cash consideration and issued 7,500,000 warrants on the Closing Date. In 2016, the Company increased the payable to Everi by $437,085 with a charge against profit or loss to recognize the change in total Cash Consideration payable to US$7,500,000. In addition, during 2016, the Company paid Everi $738,485 or US$550,000. During the nine months ended September 30, 2017, the Company paid Everi $325,300 or US $250,000. As at September 30, 2017, the Company has a payable to Everi of $4,819,907 or US$3,862,105 (December 31, 2016 - $5,575,482 or US$4,152,440).

Non-Convertible Secured Debentures 2015

On August 4, 2015, the Company issued two non-convertible secured debentures ("Debentures") for an aggregate principal amount of US$2,500,000, of which the principal amount of US $2,250,000 was advanced to the Company by 87 Capital Corporation ("87 Capital"), an arm's length party, and the principal amount of US$250,000 was advanced to the Company by 30 Rock Management Inc. ("30 Rock"), a corporation owned by the Company's President & CEO (collectively referred to as the "Debentureholders"). The Company has issued to the Debentureholders an aggregate of 7,500,000 bonus warrants, each bonus warrant entitling the Debentureholders to purchase one common share at a price of $0.20 per share for a period of five years. As at September 30, 2017, the amount of $2,796,228 (December 31, 2016 - $2,711,549) has been recorded as the non-convertible secured debentures.

On April 28, 2016 the Company entered into Secured Debenture Amending Agreements with the Debentureholders (the "Amending Agreements") the principal terms of which are as follows:

<u>87 Capital</u>

- In consideration for the payment by the Company to 87 Capital the sum of US$482,500 (paid), the Royalty payable to 87 Capital shall equal 1.8% of the Gross Revenues received from the Company's Electronic Table Business Unit for a period commencing on May 1, 2016 and ending on April 30, 2021;

  AND,

- Until the Company either:
  a) achieves an annualized sales run rate for any fiscal year of at least Cdn $7,000,000 in any quarter of a fiscal year; or
  b) makes a one-time bulk sale of electronic tables in excess of Cdn $5,000,000;

  the Company will pay to 87 Capital as a prepayment of the aggregate amount of principal and/or accrued interest owing 27% of the net proceeds received by the Company from the issuance of any equity securities of the Company from time to time.

30 Rock

- In consideration for the payment by the Company to 30 Rock the sum of US$51,000 (paid), the Royalty payable to 30 Rock shall equal 0.2% of the Gross Revenues received from the Company's Electronic Table Business Unit for a period commencing on May 1, 2016 and ending on April 30, 2021;

  AND,

- Until the Company either:
  a) achieves an annualized sales run rate for any fiscal year of at least Cdn $7,000,000 in any quarter of a fiscal year; or
  b) makes a one-time bulk sale of electronic tables in excess of Cdn $5,000,000;

  the Company will pay to 30 Rock as a prepayment of the aggregate amount of principal and/or accrued interest owing 3% of the net proceeds received by the Company from the issuance of any equity securities of the Company from time to time.

Revenues

For the nine months ended September 30, 2017, the Company has recorded sales revenues of $19 (September 30, 2016: $2,621), licensing revenues of $(14,097) (September 30, 2016: $140,361) and Electronic gaming tables of $2,939,048 (September 30, 2016: $1,696,261). The increase in the Company's revenues is mainly due to the recognition of $1,071,782 as a result of receiving a gaming licence for the Company's ETGs in the Province of Ontario, Canada.

Royalty expense

For the nine months ended September 30, 2017, the Company had royalty expense of $38,635 as compared to royalty expense of $232,073 during the nine months ended September 30, 2016. The decrease in the Company's royalty expense is due to the 2016 Amending Agreements of the 2015 non-convertible secured debentuers.

Licensing fee

For the nine months ended September 30, 2017, the Company had licensing fee of $51,159 in respect to the electronic table games business as compared to $165,883 during the nine months ended September 30, 2016. The decrease in the Company's licensing fee is due to the Company not receiving any revenues from some land-based establishments that terminated their agreements with Everi after the acquistion of the assets as the Company did not have the applicable licenses.

Cost of Sales

For the nine months ended September 30, 2017, the cost of sales was $448,274 as compared to $81,188 during the corresponding period in 2016. The increase in the Company's cost of sales is mainly due to certain amounts of salaries and benefits which have been applied to cost of sales in respect to the electronic gaming tables.

Gross Profits

For the nine months ended September 30, 2017, the Company has recorded gross profits of $2,386,902 as compared to gross profits of $1,360,099 during the corresponding period in 2016. The increase in the Company's gross profits is mainly due to the recognition of $1,071,782 as a result of receiving a gaming licence for the Company's ETGs in the Province of Ontario, Canada.

Expenses

For the nine months ended September 30, 2017, operating expenses were $3,572,766 as compared to $3,391,562 for the nine months ended September 30, 2016. The increase in operating expenses is mainly due to consulting fees, interest and finance expenses and advertising and promotion.

Net Income (Loss) and Comprehensive Income (Loss)

During the nine months ended September 30, 2017, the Company had a net loss and comprehensive loss of $1,185,864 or $0.00 per share (weighted average) as compared to 2,031,463 or $0.01 per share (weighted average) in the same period of 2016. During the nine months ended September 30, 2017, the Company's weighted average number of common shares was 309,685,262 as compared to 207,995,400 for the same nine months period in 2016.

Liquidity and Capital Resources

Presently, the Company does not have sufficient funds to continue its operations uninterruptedly. In order for the Company to be efficient, the Company requires new funding so as to be able to meet the Company's operational expenses, pay its liabilities promptly, and expand its operations to increase its revenues. New funding for the Company may or may not be available to the Company. Should the Company's revenues decline or should the Company lose its major customer, then it will be difficult for the Company to raise additional funds.

The Company intends to seek equity and/or debt financing through private placements and/or public offerings and/or loans. In the past, the Company has been successful in securing equity and debt financings in order to conduct its operations uninterruptedly. While the Company does not give any assurances whatsoever that in the future it will continue being successful in securing equity and/or debt financings in order to conduct its operations uninterruptedly, it is the Company's intention to pursue these methods for future funding of the Company.

As at September 30, 2017, the Company's total assets were $5,932,613 as compared to $9,029,054 for the corresponding period in 2016. The Company's total liabilities were $11,597,253 as compared to $12,118,569 for the corresponding period in 2016. The Company has not paid any dividends and does not plan to pay any dividends in the future.

As at September 30, 2017, the Company had:

- Cash and cash equivalents of $171,497 as compared to $33,063 at September 30, 2016 (December 31, 2016: $15,173).
- Accounts receivable of $218,353 as compared to $264,875 at September 30, 2016 (December 31, 2016: $364,056).
- Due from related parties of $158,974 as compared to $400,151 at September 30, 2016 (December 31, 2016: $122,518).
- Prepaid expenses and deposits of $50,647 as compared to $61,478 at September 30, 2016 (December 31, 2016: $56,177).
- Gaming systems of $1,387,826 as compared to $1,918,936 at September 30, 2016 (December 31, 2016: $1,655,972).
- Equipment of $354,071 as compared to $61,977 at September 30, 2016 (December 31, 2016: $62,359).
- Intangible assets of $2,321,545 as compared to $3,298,554 at September 30, 2016 (December 31, 2016: $2,815,855)
- Goodwill of $1,269,700 as compared to $2,990,020 at September 30, 2016 (December 31, 2016: $1,269,700).

Operating Activities

During the nine months ended September 30, 2017, the Company used $1,121,623 of cash for operating activities as compared to $1,018,817 cash used for operating activities in the corresponding period of 2016.

Financing Activities

During the nine months ended September 30, 2017, the Company received $1,981,326 cash from financing activities as compared to $1,564,826 cash from financing activities in the corresponding period of 2016.

Investing Activities

During the nine months ended September 30, 2017, the Company used cash in investing activities of $697,557 as compared to $738,889 of cash used in investing activities during the corresponding period of 2016.

Capitalization

In order for the Company to increase its revenues, the Company must reduce or preferably eliminate its outstanding debts as soon as possible, must increase its workforce and the production of its ETGs, and must dedicate more resources to marketing and promotion of the Company's products and services.

During the nine months ended September 30, 2017, the Company has incurred a net loss and comprehensive loss of $1,185,864 (September 30, 2016: $2,031,463), has limited revenues, and has no assurances that sufficient funding will be available to continue operations for an extended period of time.

During the nine months ended September 30, 2017 and up to the date of this report, the following transactions have occurred:

On January 20, 2017 the Company completed its rights offering (the "Rights Offering"), and the Company has issued 155,996,550 units ("Units") comprised of 155,996,550 common shares and 155,996,550 transferable share purchase warrants (the "Warrants") to purchase up to an additional 155,996,550 common shares, for total gross proceeds of $1,559,965.50. Each Warrant entitles the holder to purchase one additional common share at a price of $0.05 for five years until January 20, 2022. Additionally, the stand-by guarantors received bonus warrants entitling them to purchase a total of 32,375,000 common shares of the Company equal to 25% of the total number of Units the stand-by guarantors had agreed to purchase under the stand-by commitments, exercisable at a price of $0.05 per share for a period of five years until January 20, 2022.

On July 27, 2017 the Company closed a non-brokered private placement financing which was announced in June 2017 with several parties for total gross proceeds of $780,000 and issued 15,600,000 units of the Company at $0.05 per unit. Each unit consists of one common share of the Company and one transferable share purchase warrant to acquire an additional common share of the Company at the price of $0.05 until January 20, 2022 (the "Private Placement Warrants"). The Private Placement Warrants have the same terms and conditions as the warrants that were issued by the Company pursuant to the rights offering which completed on January 20, 2017 (the "Rights Offering Warrants"). The Company has received conditional approval from the TSX-V to list the Private Placement Warrants on the TSX-V, which listing will be on the same terms and conditions as the Rights Offering Warrants and will not become effective until after November 28, 2017, the expiry of the statutory hold period in respect of the Private Placement Warrants. In connection with this financing, the Company issued a total of 1,000,000 common shares at a deemed price of $0.05 per share and 400,000 broker warrants exercisable at $0.05 per share for a period of two years as finder's fees to arm's length parties. The issued securities are subject to a hold period in accordance with applicable securities laws.

On August 21, 2017, the Company closed the first tranche of the non-brokered private placement financing which was announced on August 10, 2017 with several parties whereby the Company raised gross proceeds of $350,000 and issued 7,000,000 units of the Company at $0.05 per unit. Each unit consists of one common share of the Company and one non-transferable share purchase warrant to acquire an additional common share of the Company at the price of $0.06 per share for a period of 5 years until August 21, 2022. In respect to this first tranche closing, the Company issued a total of 700,000 common shares at a deemed price of $0.05 per share and 175,000 broker warrants exercisable at $0.06 per share for two years as finder's fee to arm's length parties. The issued securities are subject to a hold period in accordance with applicable securities laws.

On September 13, 2017 the Company closed the second and final tranche of the non-brokered private placement financing which was announced on August 10, 2017 with several parties whereby the Company raised gross proceeds of $173,000 and issued 3,460,000 units of the Company at $0.05 per unit. Each unit consists of one common share of the Company and one non-transferable share purchase warrant to acquire an additional common share of the Company at the price of $0.06 per share for a period of 5 years until September 13, 2022. In respect to the closing, the Company issued a total of 230,000 common shares at a deemed price of $0.05 per share and 37,500 broker warrants exercisable at $0.06 per share for two years as finder's fee to arm's length parties. All the securities issued in connection with this second and final tranche closing are subject to a hold period which expires on January 14, 2018.

During the year ended December 31, 2016, the following transactions occurred:

The Company announced on April 22, 2016 that it had entered into an engagement letter (the "Engagement") with Kingsdale Capital Markets Inc. ("Kingsdale" or the "Agent") to act as the Agent of the Company to raise gross proceeds of $2,000,000 (the "Financing") for the Company through the sale of secured convertible debentures ("Secured Debentures") of the Company. The Company closed the Financing on April 28, 2016 and received net proceeds of $1,753,111. The Secured Debentures have a term of 12 months, bear simple interest at the rate of 12% per annum and are payable on a quarterly basis. The principal amount of the Secured Debentures may be convertible into common shares of the Company at a price of $0.05 per share. In connection with the Financing, the Company has paid a cash commission of $200,000, corporate finance fee of $30,000 plus HST, other expenses of $11,495 plus HST and has issued 6,000,000 broker warrants to Kingsdale. The broker warrants are exercisable into common shares of the Company at the price of $0.05 per share during the first year and at the price of $0.10 per share during the second year.

Warrants

A total of 4,187 warrants totaling $209 were exercised during the nine months ended September 30, 2017. During the nine months ended September 30, 2017, a total of 188,371,550 warrants at an exercise price of $0.05 per share were issued in connection with the rights offering and a total of 26,672,500 warrants at an exercise price of $0.06 per share were issued in connection with private placement financings. As at September 30, 2017, there were 319,935,677 warrants outstanding with weighted average price of $0.07 per warrant (September 30, 2016: 136,871,314_with weighted average price of $0.11 per warrant). Subsequent to the nine months ended September 30, 2017, a total of 27,834,385 warrants exercisable at $0.10 per share expired unexercised.

Should any warrants be exercised by any party, then any funds received by the Company shall be used for general working capital purposes. However, there are no assurances whatsoever that any warrants will be exercised.

Stock Options

On April 14, 2015, the TSX.V accepted the Company's new rolling stock option plan whereby a maximum of 10% of the issued shares of the Company will be reserved for issuance under the plan ("New 10% Rolling Stock Option Plan"). The New 10% Rolling Stock Option Plan received shareholder approval at the Company's 2016 Annual General Meeting of its Shareholders which was held on December 21, 2016. Pursuant to the Company's New 10% Rolling Stock Option Plan the Company grants stock options to employees, directors, officers and consultants. As at September 30, 2017, there were 21,368,729 stock options available for granting under the New 10% Rolling Stock Option Plan (December 31, 2016: 1,129,655). Subsequent to the nine months ended September 30, 2017, a total of 1,000,000 stock options exercisable at $0.05 per share have been granted.

There were no stock options exercised during the nine months ended September 30, 2017.

As at September 30, 2017, there were 12,630,000 stock options outstanding with a weighted average exercise price of $0.06 per share (September 30, 2016: there were 14,470,000 stock options outstanding with a weighted average exercise price of $0.06 per share).

Should any outstanding stock options be exercised by any party, then any funds received by the Company shall be used for general working capital purposes. However, there are no assurances whatsoever that any stock options will be exercised.

Non-Convertible Secured Debentures 2015

On August 4, 2015, the Company issued two non-convertible secured debentures ("Debentures") for an aggregate principal amount of US$2,500,000, of which the principal amount of US $2,250,000 was advanced to the Company by 87 Capital Corporation ("87 Capital"), an arm's length party, and the principal amount of US$250,000 was advanced to the Company by 30 Rock Management Inc. ("30 Rock"), a corporation owned by the Company's President & CEO (collectively referred to as the "Debentureholders"). The Company issued to the Debentureholders an aggregate of 7,500,000 bonus warrants, each bonus warrant entitling the Debentureholders to purchase one common share at a price of $0.20 per share for a period of five years. These Debentures were amended on April 28, 2016. As at September 30, 2017, the amount of $2,796,228 has been recorded under Non-Convertible Secured Debentures (December 31, 2016 - $2,711,549). For details of the principal terms of these Debentures, please refer to the Non-Convertible Secured Debentures 2015 under Results of Operations in this MD&A.

Convertible Secured Debentures 2016

During the year ended December 31, 2016, the Company closed the convertible secured debentures financing which was announced on April 22, 2016 for net proceeds of $1,753,111. The convertible secured debentures have a term of 12 months, bear simple interest at the rate of 12% per annum and are payable on a quarterly basis. The principal amount of the convertible secured debentures may be convertible into common shares of the Company at a price of $0.05 per share. In connection with the convertible secured debentures, the Company has paid a cash commission of $200,000 and a corporate finance fee of $30,000 plus HST and other expenses of $11,495 plus HST and has issued 6,000,000 broker warrants to Kingsdale Capital Markets Inc. The broker warrants are exercisable into common shares of the Company at the price of $0.05 per share during the first year and at the price of $0.10 per share during the second year.

As at September 30, 2017, the amount of $2,042,999 (December 31, 2016: $1,916,224) has been recorded as the liability portion of convertible secured debentures and the amount of $101,601 (December 31, 2016: $101,601) has been recorded as the equity portion of convertible secured debentures reserve. As at September 30, 2017, the amount of $17,000 has been repaid towards the principal amount. During the nine months ended September 30, 2017, the Company paid $222,098 of accrued interest in respect to the convertible secured debentures.

Summary of Quarterly Results

The following are the results for the eight most recent quarterly periods, starting with the three-month quarterly period ended September 30, 2017:

For the Quarterly Periods ended		**September 30, 2017**	**June 30, 2017**	**March 31, 2017**	**December 31, 2016**
Total Revenues	$	542,566	599,730	1,782,674	954,240
Net income (loss) and comprehensive income (loss) for the period	$	(659,467)	(803,568)	277,171	(4,126,674)
Basic and diluted income (loss) per common share	$	(0.00)	(0.00)	0.00	(0.02)

For the Quarterly Periods ended		**September 30, 2016**	**June 30, 2016**	**March 31, 2016**	**December 31, 2015**
Total Revenues	$	556,617	585,438	697,188	688,155
Net income (loss) and comprehensive income (loss) for the period	$	(976,454)	(897,732)	(157,277)	(1,864,629)
Basic and diluted income (loss) per common share	$	(0.00)	(0.00)	(0.00)	(0.01)

Third Quarterly Results (September 30, 2017)

During the three months [third quarter] period ended September 30, 2017:

- The Company had a net loss and comprehensive loss of $659,467 or $0.00 per share as compared to a net loss and comprehensive loss of $976,454 or $0.00 per share in the same three months [third quarter] period of 2016.
- The Company's total revenues were $542,566 as compared to $556,617 in the same three months [third quarter] period of 2016.
- The Company's total operating expenses were $1,040,463 as compared to $1,455,119 in the same three months [third quarter] period of 2016.

Risks related to our Business

The Company, and the Securities of the Company, should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Company's Securities:-

- ***General legislative risk***

  The Company's business is heavily regulated.

  Although management believes that the revenues generated from the Company's gaming products represent lawful business, there is the risk that the legality may be challenged by Canadian or other legal authorities. If the legality is challenged by any legal authority and the challenge is sustained, it may have a material adverse impact on the financial affairs of the Company.

  Changes in gaming legislations in any jurisdiction, or the Company's inability to obtain, maintain and comply with all applicable and required licenses, permits, and certifications can adversely affect the financial affairs of the Company.

- ***Competition***

  The marketplace for the Company's gaming products are constantly undergoing changes, is intensely competitive and is subject to changes in customer preferences. The Company's products and services compete against those of other companies that have greater financial, marketing, technical and other resources than those of the Company.

- ***Internet and system infrastructure viability***

  Any changes in the internet's role as the premier computer network information service or any shutdown of internet services by significant internet service providers will have an adverse material impact on the Company's ability to generate revenues. Furthermore, the Company can be severely and adversely affected from power failures, internet slowdowns or failures, software slowdowns or failures or hackings.

- ***Reliance on key personnel***

  The Company relies heavily on its employees, the loss of any of whom could have an adverse effect on the Company.

- ***Customer loyalty***

  The Company also relies on its licensees for the operation of the Company's gaming products, the loss of any of which could have an adverse effect on the affairs of the Company.

- ***Payment processing***

  Changes in policies of companies, financial institutions or banks, that handle credit card transactions and/or other types of financial transactions for online gaming, can have an adverse impact on the business and financial affairs of the Company.

- ***Foreign exchange rates***

  The profitability of the Company can be affected by fluctuations in the exchange rate of the US Dollar in relation to the Canadian Dollar.

- ***Reliance on Major Customer***

  The Company relies heavily on its major customer. In the event that the Company loses its major customer, then it will have an adverse effect on the Company.

- ***Price volatility and liquidity of the Company's securities***

The market price of the Company's common shares and warrants have experienced considerable volatility and may continue to fluctuate in the future. Factors such as the Company's quarterly and annual results, changes in existing legislation, new legislation, technological changes and general market conditions may adversely affect the market price of the Company's common shares and warrants. There is a limited trading market for the Company's common shares and warrants, and the ability of investors to sell their shares and/or warrants or the price at which those shares and/or warrants may be sold cannot be assured.

- ***Growth management***

If the Company's gaming products gain traction in the market, rapid growth may occur which can result in certain strains on the Company.

- ***Dilution***

There are a number of outstanding securities and agreements pursuant to which common shares of the Company may be issued in the future. This would result in further dilution to the Company's shareholders.

- ***Revenues and Dividends***

While the Company has currently started generating some nominal revenues, the Company has not yet established a long-term pattern of consistently generating meaningful revenues. The Company intends to retain its earnings in order to finance growth. Furthermore, the Company has not paid any dividends in the past and does not expect to pay any dividends in the future.

- ***Under Capitalized***

The Company has outstanding debts, has working capital deficiency, has limited revenues, and has no assurances that sufficient funding will be available to the Company to continue its operations for an extended period of time.

- ***Disruption in Trading***

Trading in the common shares and warrants of the Company may be halted or suspended or may be subject to cease trade orders at any time and for any reason, including, but not limited to, the failure by the Company to submit documents to the Regulatory Authorities within the required time periods.

- ***Research and development risk***

Research and development carries an element of risk because it involves trying new and untested ideas. New or modified products or services may prove to be more difficult or costly to develop than anticipated due to engineering challenges encountered internally or with external vendors. Additionally, delays in commercializing new products and services may lead to a decrease in projected revenue.

The primary research and development risks for the Company include the following:

a. **Custom large high-performance touchscreen.** The custom touchscreen used in the new product uses a combination of cutting edge hardware and proprietary software techniques that are geared specifically for gesture-based game play. Due to the unique and new nature of this technology, the Company cannot realistically estimate the longevity and reliability of the touchscreen in a 24/7 casino environment. The Company expects to mitigate this risk as it gains more operational experience with the touchscreen and newer technologies become available in the global touchscreen industry.

b. **Product safety testing and certification.** New products must meet Canadian Standards Association (CSA) and/or Underwriters Laboratories (UL) standards to be used in the USA and Canada. Any scheduling issues or abnormal delays experienced by the 3rd party testing company will result in delays for launching the regulated version of the product.

c. **Electromagnetic compatibility (EMC) testing and certification.** New products must have a Federal Communications Commission (FCC) "Declaration of Conformity" label for it to be used in the USA and Canada. Any scheduling issues or abnormal delays experienced by the 3rd party testing company will result in delays for launching the regulated version of the product.

d. **Gaming device testing and certification.** New products must undergo both hardware and software testing to be permitted for use in a regulated casino environment. Gaming products must comply with Gaming Labs International (GLI) standards in most gaming jurisdictions in the USA and Canada. Some jurisdictions, such as Ontario, have their own testing standards. Any scheduling issues or abnormal delays experienced by the 3rd party testing company will result in delays for launching the regulated version of the product.

Related Party Transactions

The Company shares office space and certain expenses with 37 Capital, a company related by certain common officers and directors. The Company previously shared certain office space and certain expenses with Green Arrow.

As of December 1, 2016, Green Arrow is no longer required or obligated to pay its proportionate share of the office rent. Please see the details of the settlement agreement of the debt owed by Green Arrow under Results of Operations in this MD&A.

37 Capital is related to the Company by virtue of the fact that 37 Capital's CEO, namely Jacob H. Kalpakian, is the President and CEO of the Company, and a former director of 37 Capital namely Bedo H. Kalpakian, is the Chairman and CFO of the Company. Furthermore, Gregory T. McFarlane and Neil Spellman are directors of both the Company and 37 Capital, and Neil Spellman is the CFO of 37 Capital.

Green Arrow is related to the Company by virtue of the fact that Green Arrow's President and CEO namely Jacob H. Kalpakian, is the President and CEO of the Company. Furthermore, Neil Spellman is a director of both the Company and Green Arrow.

Amounts payable to directors are for expenses incurred on behalf of the Company and/or for funds that have been lent to the Company and are payable on demand.

On July 1, 2010 the Company entered into an agreement for management services, as amended (the "Agreement") with Kalpakian Bros. of B.C. Ltd. ("Kalpakian Bros."), a private company owned by two directors of the Company. The Company is entitled to receive management services from Kalpakian Bros. at a monthly rate of $33,000 plus applicable taxes. On July 1, 2015, the Agreement has been renewed for a term of five years. Kalpakian Bros. is also entitled to reimbursement for all traveling and other expenses incurred by it in connection with performing its services. If the Agreement is terminated by the Company other than for just cause, or is terminated by Kalpakian Bros. for good reason, then Kalpakian Bros. is entitled to be paid the annual remuneration for the unexpired term of the Agreement and is also entitled to immediate vesting of all unvested stock options. Kalpakian Bros. may terminate the Agreement on giving four months' notice.

As at September 30, 2017, the Company has a balance of $158,974 (December 31, 2016 - $122,518) due from entities with common directors, net of allowance for doubtful accounts of $323,524 (December 31, 2016 - $323,524). The amounts due from related parties are unsecured, due on demand without interest.

During the nine months ended September 30, 2017 and 2016, the following related party transactions took place:

		2017		**2016**
Rent recovered from entities with common directors	$	21,427	$	42,456
Office and other expenses recovered from entities with common directors	$	63,486	$	110,262
Interest charged on amounts due to related parties	$	7,487	$	2

During the nine months ended September 30, 2017, the Company has paid management fees totalling $297,000 to a company owned by two directors of Jackpot (September 30, 2016: $297,000).

During the nine months ended September 30, 2017, the Company:

(a) Entered into a loan with a director for the amount $500, bearing interest rate of prime plus 1% per annum, which is unsecured and due on demand. As at September 30, 2017, the total balance of this outstanding loan together with the accrued interest is $511.

(b) Entered into 7 promissory notes with a company owned by a director of the Company for the total amount of $255,500, bearing interest rates of 10% per annum which are unsecured and due on demand. During the nine months period ended September 30, 2017, the Company repaid the promissory notes together with the accrued interest totaling $199,555. As at September 30, 2017, the total balance of these outstanding promissory notes together with the accrued interest is $60,822.

(c) Entered into a promissory note with a company owned by two directors of the Company for the amount of $9,500, bearing interest rate of 10% per annum which is unsecured and due on demand. During the nine months period ended September 30, 2017, the Company repaid the promissory note together with the accrued interest totaling $9,575. As at September 30, 2017, the balance is $nil.

(d) Entered into a promissory note with a family member of two directors of the Company for the amount of $80,000, bearing interest rate of 10% per annum which is unsecured and due on demand. During the nine months ended September 30, 2017, the Company repaid the promissory note together with the accrued interest totaling $80,022. As at September 30, 2017, the balance is $nil.

During the year ended December 31, 2016, the Company:

(a) Entered into two loans with a company owned by a director of the Company for the amounts of $300,000 and $20,000, bearing interest rates of 10% and prime plus 1% per annum, respectively, which are unsecured and due on demand. As at December 31, 2016, the total balance of these loans including accrued interest was $322,550. During the nine months ended

September 30, 2017, the Company repaid these loans together with the accrued interest totaling $324,066.

(b) Entered into promissory notes with a family member of two directors of the Company for the total amount of $231,500, bearing interest rate of 10% per annum, unsecured and due on demand. The Company repaid the amount of $31,500 prior to year-end. As at December 31, 2016, the total balance of the promissory notes including accrued interest was $207,176. During the nine months ended September 30, 2017, the Company repaid these promissory notes together with the accrued interest totalling $208,162.

Office Support Services

As of December 1, 2016, Green Arrow is no longer obligated or required to pay the monthly support services to Jackpot. Please see the details of the settlement agreement of the debt owed by Green Arrow under Results of Operations in this MD&A.

Effective as of May 1, 2013, the Company has entered into an Agreement for Office Support Services with 37 Capital whereby 37 Capital is obligated to pay to the Company a monthly sum of $7,000 plus applicable taxes for certain office support services that shall be provided by the Company. The Agreement expires on April 30, 2018. The Agreement can be terminated by either party upon giving three months' written notice.

Effective as of December 1, 2016, Green Arrow is no longer required or obligated to pay its proportionate share of the office rent. Please see the details of the settlement agreement of the debt owed by Green Arrow under Results of Operations in this MD&A.

During April 2017, the Company together with 37 Capital have entered into an office lease agreement with an arm's length party (the "Lease"). The Lease has a three-year term with a commencement date of August 1, 2017. The annual basic rent shall be $121,396 plus estimated annual operating costs of approximately $88,000. 37 Capital's share of the office basic rent and operating costs shall be $28,800 plus applicable taxes per annum. In respect to the Lease, the Company has paid a deposit in the amount of $15,000.

On October 23, 2017, 37 Capital entered into a debt settlement agreement with the Company whereby 37 Capital has issued 4,249,985 units of 37 Capital to the Company at the price of $0.09 per unit in settlement of 37 Capital's outstanding debt for the total amount of $382,498.65 for shared office rent, office support services and miscellaneous office expenses provided by the Company to 37 Capital from August 1, 2014 up to September 30, 2017. Each unit consists of one common share and one share purchase warrant. Each warrant will be exercisable at a price of $0.12 per share for a period of five years. The securities that have been issued are subject to a hold period which expires on March 3, 2018.

Insider Participation

In respect to the Non-Convertible Secured Debentures issued to 30 Rock Management Inc. ("30 Rock"), for further particulars, please see Non-Convertible Secured Debentures 2015 under Results of Operations in this MD&A. The Company is related to 30 Rock by virtue of the fact that 30 Rock is owned by the President and CEO of the Company.

In respect to the non-brokered private placement financing which closed on July 27, 2017, 30 Rock subscribed for 1,000,000 units of the Company at $0.05 per unit.

Financial Instruments and Risk Management

(a) Risk management overview

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk and market risk. This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The Company employs risk management strategies and policies to ensure that any exposure to risk is in compliance with the Company's business objectives and risk tolerance levels. While the Board of Directors has the overall responsibility for the Company's risk management framework, the Company's management has the responsibility to administer and monitor these risks.

(b) Fair value of financial instruments

The fair values of cash and cash equivalents, accounts payable and accrued liabilities, trade accounts receivable, payable to Everi, loan payable, due to related parties and due from related parties approximate their carrying values due to the short-term maturity of these instruments. The non-convertible secured debentures and the convertible secured debentures are classified as Level 2 financial instruments.

The significance of inputs used in making fair value measurements are examined and classified according to a fair value hierarchy. The levels of the fair value hierarchy are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
Level 3: Inputs for assets or liabilities that are not based on observable market data.

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The financial instruments that potentially subject the Company to a significant concentration of credit risk consist of cash and cash equivalents, due from related parties and accounts receivable. The Company mitigates its exposure to credit loss associated with cash by placing its cash and cash equivalents in a major financial institution.

To reduce the credit risk of due from related parties, the Company regularly reviews the collectability of due from related parties to ensure there is no indication that these amounts will not be fully recoverable. As at September 30, 2017, allowances for doubtful accounts for due from related parties is $323,524 (December 31, 2016 - $323,524).

To mitigate credit risk on the Company's trade receivables, the Company regularly reviews the collectability of the accounts receivable to ensure there is no indication that these amounts will not be fully recoverable. As at September 30, 2017, allowance for doubtful accounts is $40,281 (December 31, 2016 - $40,281) and the Company's accounts receivable are due within 60 days.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due.

At September 30, 2017, the Company has cash and cash equivalents of $171,497 (December 31, 2016 - $15,173) available to apply against short-term business requirements and current liabilities of $11,283,232 (December 31, 2016 - $10,587,380). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of September 30, 2017.

(e) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, 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 return on capital.

(i) Currency risk

The Company is exposed to foreign currency risk and has significant financial assets and liabilities denominated in US dollars. The Company has not entered into any foreign currency contracts to mitigate this risk. At September 30, 2017, the Company is exposed to currency risk for its US dollar equivalent of financial assets and liabilities denominated in currencies other than Canadian dollars as follows:

	Held in US dollars (stated in Canadian dollars)	
	September 30, 2017	**December 31, 2016**
Cash (cheques issued in excess of funds on deposit)	$ 123,958	$ (2,969)
Accounts receivable	200,615	316,333
Accounts payable and accrued liabilities and interest payable	(585,982)	(411,486)
Payable to Everi	(4,819,907)	(5,575,482)
Non-convertible debenture	(2,796,228)	(2,711,549)
Net financial assets (liability)	$ (7,877,544)	$ (8,385,153)

Based upon the above net exposure as at September 30, 2017 and assuming all other variables remain constant, a 4% depreciation or appreciation of the US dollar relative to the Canadian dollar would result in a change of approximately $315,102 (December 31, 2016 - $335,406) in the Company's condensed consolidated net loss and comprehensive loss.

(ii) Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash and cash equivalents is at nominal interest rates, and therefore the Company does not consider interest rate risk to be significant.

There are variable interest rates on loans payable. As at September 30, 2017, the interest rate on the non-convertible secured debenture balances is fixed at 10% and the interest rate on the convertible secured debenture balances is fixed at 12%. As such, the Company is exposed to interest rate price risk to the extent of these financial liabilities.

(iii) Other price risk

Other price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is not exposed to significant other price risk.

Off-balance sheet arrangements

The Company does not have any off-balance sheet arrangements.

Significant Accounting Policies

All of the Company's significant accounting policies and estimates are included in Note 4 of the Company's condensed consolidated interim unaudited financial statements for the nine months ended September 30, 2017 and 2016.

Capital Stock

Authorized share capital: Unlimited number of common shares without par value
Unlimited number of preferred shares without par value

Outstanding Share Data	Number of Common Shares	Number of Preferred Shares	Exercise($) Price per common share	Expiry Dates
Issued and Outstanding as at November 29, 2017	339,987,287	Nil	N/A	N/A
Warrants as at November 29, 2017	14,375,000 15,000,000 6,000,000 8,500,000 3,971,429 2,715,000 11,500,000 400,000 175,000 37,500 6,750,000 750,000 7,500,000 155,992,363 32,375,000 15,600,000 7,000,000 3,460,000 292,101,292	Nil	$0.10 $0.10 $0.10 $0.10 $0.10 $0.10 $0.10 $0.05 $0.06 $0.06 $0.20 $0.20 $0.20 $0.05 $0.05 $0.05 $0.06 $0.06	January 30, 2018 March 25, 2018 April 28, 2018 February 27, 2019 March 3, 2019 March 9, 2019 April 17, 2019 July 27, 2019 August 21, 2019 Sept 13, 2019 August 4, 2020 August 4, 2020 August 10, 2020 January 20, 2022 January 20, 2022 January 20, 2022 August 21, 2022 Sept 13, 2022
Stock Options as at November 29, 2017	12,370,000 1,260,000 13,630,000	Nil	$0.06 $0.05-$0.06	May 14, 2018 Feb 2020 – Nov 2020
Fully Diluted as at November 29, 2017	645,718,579	Nil		

Director Approval

The contents of this MD&A and the sending thereof to the Shareholders of the Company have been approved by the Company's Board of Directors.

Outlook

The Company's new ETG platform, Jackpot Blitz™, is generating considerable interest from numerous casinos, card rooms, cruise lines, and other gaming establishments from Canada, the United States, and overseas. The Company has commenced production of Jackpot Blitz™ units for the non-regulated casino market, to replace existing PokerPro tables with current clients and to fulfill table commitments with new and prospective customers. Furthermore, the Company expects to commence production of a certified Jackpot Blitz™ ETG for the regulated casino industry during the first half of 2018.

The Company continues to optimize its electronic table games business by enhancing processes, training staff, finding cost-effective local and international vendors, and implementing business management software and practices. New business is being generated in key locations with both casino customers and distributors.

With the continued development of the Company's electronic table games business and the positive early financial results from Jackpot Blitz™ deployments, Management of the Company is hopeful that the Company's revenues shall increase in due course.