

**eQube Gaming Limited**  
**Condensed Interim Consolidated Financial Statements**

*For the Three Months Ended May 31, 2017*  
*(Unaudited)*

## **Notice to Reader**

*The accompanying unaudited condensed interim financial statements of the Company have been prepared by management.*

*The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.*

# eQube Gaming Limited

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# eQube Gaming Limited

## Interim Consolidated Statements of Financial Position

(Expressed in Canadian dollars)  
(unaudited)

	May 31, 2017	February 28, 2017
<b>Assets</b>		
Current assets		
Cash	\$ 478,794	\$ 1,037,258
Accounts receivable	368,817	700,847
Accrued receivables	81,003	78,847
Supplies and components	369,022	2,678
Inventory	28,339	-
Prepaid expenses and deposits	102,297	881,369
	<b>1,428,272</b>	<b>2,700,999</b>
Property and equipment (Note 7)	1,563,901	1,440,735
Intangible assets (Note 8)	647,672	587,466
<b>Total assets</b>	<b>\$ 3,639,845</b>	<b>\$ 4,729,201</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities (Note 9)	672,597	667,539
Deferred revenue	391,064	565,676
Demand term loans (Note 10)	-	75,538
Current portion of shareholder loans (Note 11)	495,238	352,131
Current portion of other related loans (Note 11)	233,170	228,897
Current portion of other loans (Note 12)	1,855,496	1,817,391
Current portion of obligations under finance lease (Note 13)	18,766	11,334
Current income tax payable	32,145	29,675
Preferred shares (Note 14)	1,400,000	1,400,000
	<b>5,098,476</b>	<b>5,148,181</b>
Long term liabilities		
Shareholder loans (Note 11)	60,000	397,138
Other related loans (Note 11)	110,952	154,181
Other loans (Note 12)	967,933	1,365,855
Obligations under finance lease (Note 13)	52,496	29,124
Preferred shares (Note 14)	660,000	660,000
<b>Total liabilities</b>	<b>6,949,857</b>	<b>7,754,479</b>
<b>Deficiency</b>		
Share capital (Note 15)	8,135,041	8,135,041
Contributed surplus	435,437	435,437
Deficiency	(11,885,577)	(11,601,439)
Deficiency attributable to owners of the Company	(3,315,099)	(3,030,961)
Non-controlling interest (Note 16)	5,087	5,683
<b>Total deficiency</b>	<b>(3,310,012)</b>	<b>(3,025,278)</b>
<b>Total liabilities and equity</b>	<b>\$ 3,639,845</b>	<b>\$ 4,729,201</b>

On behalf of the Board

"Andrew Janko" Director

"Douglas Osrow" Director

See accompanying notes to the condensed interim consolidated financial statements.

**eQube Gaming Limited**  
**Interim Consolidated Statements of Loss and Comprehensive Loss**  
(Expressed in Canadian dollars)  
(Unaudited)

	2017	2016
	(Restated - Note 5)	
Sales, service and other revenue	\$ 1,562,782	\$ 1,425,498
Direct costs	631,476	457,493
Gross profit	931,306	968,005
Expenses		
General and administrative expenses (Note 19)	803,447	1,131,504
Impairment of supplies and components	-	1,605
Total expenses	803,447	1,133,109
Income (loss) before other expenses (income)	127,859	(165,104)
Other expenses (income)		
Finance income (Note 20)	-	(4,316)
Finance costs (Note 20)	165,586	153,843
Depreciation and amortization	236,953	355,290
Foreign exchange loss (gain)	10,054	(3,486)
Total other expenses (income)	412,593	501,331
Loss before income taxes	(284,734)	(666,435)
Income tax expense (recovery)	-	(4,307)
Net loss and comprehensive loss from continuing operations	\$ (284,734)	\$ (662,128)
Net Income from discontinued operations (Note 5)	\$ -	\$ 32,946
Total net (loss)/income and comprehensive (loss)/income attributable to:		
Owners of the Company - continuing operations	(284,138)	(646,411)
Owners of the Company - discontinued operations	-	32,946
Non-controlling interest (Note 16)	(596)	(15,717)
	\$ (284,734)	\$ (629,182)
Loss per share (Note 23)		
Basic		
From continuing operations	\$ (0.01)	\$ (0.02)
From discontinued operations	\$ -	\$ 0.00
Diluted		
From continuing operations	\$ (0.01)	\$ (0.02)
From discontinued operations	\$ -	\$ 0.00

See accompanying notes to the condensed interim consolidated financial statements.

**eQube Gaming Limited**  
**Interim Consolidated Statements of Changes in Equity**  
(Expressed in Canadian dollars)  
(Unaudited)

	Share capital amount	Warrants	Contributed surplus	Deficiency	Total	Non-controlling interest	Total (deficiency) equity
Balance at February 29, 2016	\$ 8,135,041	\$ 63,866	\$ 371,040	\$ (10,630,149)	\$ (2,060,202)	\$ 194,606	(1,865,596)
Net loss	-	-	-	(613,465)	(613,465)	(15,717)	(629,182)
Share-based compensation related to stock options granted and vested	-	-	282	-	282	-	282
Balance at May 31, 2016	\$ 8,135,041	\$ 63,866	\$ 371,322	\$ (11,243,614)	\$ (2,673,385)	\$ 178,889	(2,494,496)
Balance at February 28, 2017	\$ 8,135,041	\$ -	\$ 435,437	\$ (11,601,439)	\$ (3,030,961)	5,683	(3,025,278)
Net loss	-	-	-	(284,138)	(284,138)	(596)	(284,734)
<b>Balance at February 28, 2017</b>	<b>\$ 8,135,041</b>	<b>\$ -</b>	<b>\$ 435,437</b>	<b>\$ (11,885,577)</b>	<b>\$ (3,315,099)</b>	<b>\$ 5,087</b>	<b>\$ (3,310,012)</b>

See accompanying notes to the condensed interim consolidated financial statements.

**eQube Gaming Limited**  
**Interim Consolidated Statements of Cash Flows**

(Expressed in Canadian dollars)  
(Unaudited)

	<b>Three months ended May 31,</b>	
	<b>2017</b>	<b>2016</b>
<b>Operating</b>		
Net loss	\$ (284,734)	\$ (629,182)
Adjustments for:		
Finance income	-	(3,481)
Interest expense	107,691	100,634
Dividends on preferred shares	51,923	51,923
Depreciation of property and equipment	219,546	327,890
Amortization of intangible assets	24,161	30,415
Impairment of property and equipment	-	1,605
Amortization of finance fees	5,972	1,286
Share-based compensation	-	282
Change in non-cash operating working capital (Note 22)	547,142	(104,585)
<b>Net cash flows provided by operating activities</b>	<b>671,701</b>	<b>(223,213)</b>
<b>Financing</b>		
Repayment of demand term loans	(75,539)	(75,000)
Repayment of shareholder loans	(200,000)	-
Repayment of other related loans	(38,956)	(2,182,587)
Repayment of finance lease obligations	30,804	(3,868)
Repayment of other loans	(359,817)	-
Proceeds on shareholder loans	-	100,000
Proceeds on other loans	-	4,300,000
Interest paid	(107,654)	(100,634)
Dividends paid	(51,923)	(51,923)
<b>Net cash flows (used in) financing activities</b>	<b>(803,085)</b>	<b>1,985,988</b>
<b>Investing</b>		
Acquisition of subsidiary, net of cash acquired	-	(21,045)
Purchase of property and equipment	(342,712)	(25,035)
Purchase of and capitalization of intangible assets	(84,367)	-
<b>Net cash flows used in investing activities</b>	<b>(427,079)</b>	<b>(46,080)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(558,463)</b>	<b>1,716,695</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>1,037,258</b>	<b>18,435</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 478,795</b>	<b>\$ 1,735,130</b>

Supplemental cash flow information (Note 22)

See accompanying notes to the condensed interim consolidated financial statements.

# eQube Gaming Limited

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2017

(Expressed in Canadian dollars)

(Unaudited)

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### 1. Reporting entity

eQube Gaming Limited (the “Company”) is engaged in the design, development, distribution, licensing and sale of technology-based electronic bingo and social gaming solutions for the regulated gaming markets in Canada, the United States and Ireland. The ordinary shares are listed on the TSXV. The Company’s registered office is located at #100, 10493 – 184 Street, Edmonton, Alberta.

### 2. Basis of presentation

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, and do not include all of the information required for full annual financial statements. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto, as at and for the year ended February 28, 2017.

These consolidated financial statements are presented in Canadian dollars, except where otherwise indicated.

These condensed interim consolidated financial statements for the three months ended May 31, 2017, including comparatives, were authorized for issue by the Board of Directors on 27<sup>th</sup> July 2017.

### 3. Significant accounting policies

The interim consolidated financial statements have been prepared in accordance with the accounting policies adopted in the Company’s most recent annual consolidated financial statements for the year ended February 28, 2017.

#### a) Use of estimates and management judgment

When preparing the interim consolidated financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

The company has changed its method of estimating depreciation and amortization from a declining balance method to straight line method prospectively for the three months ended May 31, 2017

All other judgments, estimates and assumptions applied in the interim consolidated financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Company’s last annual consolidated financial statements for the year ended February 28, 2017.

#### b) Recent accounting pronouncements not yet effective

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the International Accounting Standards Board (“IASB”) or International Financial Reporting Interpretations Committee (“IFRIC”) that are not yet effective for the Company have been disclosed in the audited consolidated financial statements as at and for the year ended February 28, 2017. No

# eQube Gaming Limited

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2017

(Expressed in Canadian dollars)

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additional standards, interpretations, amendments and improvements applicable to the Company were issued prior to May 31, 2017.

#### 4. Capital disclosures

The Company's objectives and policies for managing capital are to safeguard the Company's ability to continue as a going concern, to provide an adequate return to shareholders and to meet external capital requirements on the Company's credit facilities. For the three months ended May 31, 2017, there were no changes in the Company's objectives and policies for capital management.

The Company includes the following in the definition of capital:

	May 31, 2017	February 28, 2017
Demand term loans	\$ -	\$ 75,538
Shareholder loans	555,238	749,269
Other related loans	344,122	383,078
Other loans	2,823,429	3,183,246
Obligations under finance lease	71,262	40,458
Preferred shares	2,060,000	2,060,000
Deficiency	(3,315,099)	(3,030,961)
	<b>\$ 2,538,952</b>	<b>\$ 3,460,628</b>

To manage the Company's capital requirements, the Company has in place a planning and budgeting process which helps determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company plans to continue to fund its short-term cash requirements through operations, debt financing and proceeds raised through brokered and non-brokered offerings.

#### 5. Disposal of subsidiary

The Company took over the operations of Rock Bingo on January 4, 2016 and operated it in the legal entity e3 Bingo Limited ("e3 Bingo") which was incorporated February 11, 2016. On October 31, 2016 the Company sold its 100% equity interest in e3 Bingo to a close family member of the CEO for a purchase price of €100. Under IAS 24, Related Party Disclosures this transaction meets the criteria of a related party transaction. The operations of e3 Bingo were previously disclosed in the Hall Operations reporting segment but are now disclosed as discontinued operations. The carrying amount of the net assets disposed of are as follows:

Net asset carrying amount	\$ 21,308
Proceeds from the sale	147
Loss of disposal of subsidiary	<b>\$ (21,161)</b>

## eQube Gaming Limited

### Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2017

(Expressed in Canadian dollars)

(Unaudited)

#### 5. Disposal of subsidiary (continued)

The operating results of e3 Bingo to the date of disposal are summarised below:

	<b>Twelve months ended February 28,</b>	
	<b>2017</b>	<b>2016</b>
Sales, service and other revenue	\$ -	\$ 240,968
Direct costs	\$ -	70,615
Gross profit	-	170,353
Expenses		
General and administrative expenses	-	140,862
Total expenses	-	140,862
Loss before other expenses (income)	-	29,491
Other expenses (income)		
Depreciation and amortization	928	-
Loss on disposal of subsidiary	36,708	-
Foreign exchange gain	-	(3,455)
Total other expenses	37,636	(3,455)
Loss before income taxes	(37,636)	32,946
Income tax expense	-	-
Net loss and comprehensive loss from discontinued operations	\$ (37,636)	\$ 32,946

The operations of e3 Bingo had the following impact on the consolidated statements of cash flows:

	<b>Twelve months ended February 28,</b>	
	<b>2017</b>	<b>2016</b>
Net cash flows provided by operating activities	\$ 59,920	\$ (18,442)

# eQube Gaming Limited

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2017

(Expressed in Canadian dollars)

(Unaudited)

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### 6. Financial instruments and risk exposures

#### Fair value measurement

The Company's financial assets include cash, accounts receivable and accrued receivables. The Company's financial liabilities include bank indebtedness, accounts payable and accrued liabilities, current income tax payable, demand term loans, shareholders loans, other related loans, other loans, obligations under finance lease and preferred shares.

The Company has classified its cash, accounts receivable and accrued receivables as loans and receivables, measured at amortized cost using the effective interest method. Bank indebtedness, accounts payable and accrued liabilities, current income tax payable, demand term loans, shareholders loans, other related loans, other loans, obligations under finance lease and preferred shares are classified as other financial liabilities, measured at amortized cost using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

The carrying value of cash, accounts receivable, bank indebtedness, accounts payable and current accrued liabilities and current income tax payable reasonably approximate their fair value due to their immediate or short term maturity. The carrying value of accrued receivables (measured at amortized cost) reasonably approximates fair value as the effect of any difference between the effective interest rate applied and the estimated current market rate is not significant.

The carrying value of the non-current accrued liabilities, the demand term loans, shareholders loans, other related loans, other loans, obligations under finance lease and preferred shares reasonably approximate their fair value. The fair value is a Level 2 measurement and is based on discounted future cash flows using rates that reflect observable current market rates for similar instruments with similar terms and conditions. These estimates are subjective in nature as current interest rates are selected from a range of potentially acceptable rates and, accordingly, other fair value estimates are possible.

#### Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its obligations under a contract. This risk primarily arises from the Company's receivables from customers.

The Company's exposure to credit risk is dependent upon the characteristics of each customer. Credit exposure in Canada is minimized as the Company's primary revenue sources are the respective gaming commissions of provincial governments. In its operations, the Company does not obtain collateral or other security to support financial instruments subject to credit risk but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate loss for non-performance. Each customer is assessed for credit worthiness and their financial well-being monitored on a continual basis.

The Company does not have credit insurance or other financial instruments to mitigate its credit risk as management has determined that the exposure is minimal due to the composition of its customer base.

## eQube Gaming Limited

### Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2017

(Expressed in Canadian dollars)

(Unaudited)

The Company regularly reviews the collectability of its accounts receivable and accrued receivables and establishes an allowance account for credit losses based on its best estimate of any potentially uncollectible accounts receivables and accrued receivables. As at May 31, 2017, the balance of the allowance account for credit losses was \$nil (February 28, 2017 - \$nil).

Generally, payment terms for accounts receivable are 30 days. The Company has certain accounts receivable that have not been settled by the contractual date but are not considered to be impaired. The amounts at May 31, 2017 and February 28, 2017, by length of time past due, are:

	<b>May 31,</b>	February 28,
	<b>2017</b>	2017
1 to 30 days past due	\$ 64,635	\$ 91,014
31 to 60 days past due	14,902	15,736
Greater than 60 days past due	7,215	14,509
Total	\$ 86,752	\$ 121,259

As at May 31, 2017, the Company had one customer owing more than \$50,000 that accounted for approximately 42% of all the trade accounts receivable owing (February 28, 2017 – two customers owing more than \$50,000; approximately 58% of all the trade accounts receivable). As at May 31, 2017, trade accounts receivable associated with customers that each individually exceeded 10% of the Company's sales, service and other revenue totalled 42% of trade accounts receivable (February 28, 2017 – 20%).

The Company may also have credit risk relating to cash, which it manages by dealing with large banks. The Company's objective is to minimize its exposure to credit risk in order to prevent losses on financial assets by placing its investments in highly liquid investments such as guaranteed investment funds. The Company's cash carrying value as at May 31, 2017, totalled \$478,794 (February 28, 2017 - \$1,037,258), accounts receivable totalled \$368,817 (February 28, 2017 - \$700,847), representing the maximum exposure to credit risk of these financial assets.

#### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

# eQube Gaming Limited

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2017

(Expressed in Canadian dollars)

(Unaudited)

### 6. Financial instruments and risk exposures (continued)

The Company has in place a planning and budgeting process which helps determine funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives.

As at May 31, 2017, the Company had cash of \$478,794 (February 28, 2017 - \$1,037,258), accounts receivable of \$368,817 (February 28, 2017 - \$700,847), for a total of \$847,611 (February 28, 2017 - \$1,816,952). Current and on demand obligations from accounts payable and accrued liabilities, current income tax payable, interest bearing loans, and dividend paying preferred shares total \$4,688,645 (February 28, 2017 - \$4,960,106). The deficiency of current assets to cover the Company's short-term obligations will be funded through operations, by new debt financing and by managing accounts payable terms.

The Company's contractual obligations at May 31, 2017 summarized by fiscal year are as follows:

	On demand	2018	2019	2020	2021	Total
Current income tax payable	-	32,145	-	-	-	32,145
Accounts payable and accrued liabilities	-	672,596	-	-	-	672,596
Demand term loans	-	-	-	-	-	-
Shareholder loans	-	187,886	397,137	-	-	585,023
Other related loans	-	207,506	161,336	-	-	368,842
Other loans	-	1,610,830	1,429,236	-	-	3,040,065
Obligations under finance lease	-	17,244	30,304	16,912	14,356	78,816
Preferred shares	-	1,387,425	771,030	-	-	2,158,455
<b>Total</b>	<b>\$ -</b>	<b>\$ 4,115,632</b>	<b>\$ 2,789,043</b>	<b>\$ 16,912</b>	<b>\$ 14,356</b>	<b>\$ 6,935,943</b>

The Company's contractual obligations at February 28, 2017 summarized by fiscal year were as follows:

	On demand	2018	2019	2020	2021	Total
Current income tax payable	-	29,675	-	-	-	29,675
Accounts payable and accrued liabilities	-	667,539	-	-	-	667,539
Demand term loans	75,538	-	-	-	-	75,538
Shareholder loans	-	395,070	397,137	-	-	792,207
Other related loans	-	2,283,119	1,590,572	-	-	3,873,691
Obligations under finance lease	-	13,411	20,626	7,413	2,559	44,009
Preferred shares	-	1,495,754	672,701	-	-	2,168,455
<b>Total</b>	<b>\$ 75,538</b>	<b>\$ 4,884,568</b>	<b>\$ 2,681,036</b>	<b>\$ 7,413</b>	<b>\$ 2,559</b>	<b>\$ 7,651,114</b>

The contractual obligations included in the tables above include interest and dividend payments where applicable.

## eQube Gaming Limited

### Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2017

(Expressed in Canadian dollars)

(Unaudited)

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#### 6. Financial instruments and risk exposures (continued)

On April 30, 2017, the Company repaid the remainder of the demand loan and closed the operating line of credit.

##### Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company is exposed to currency risk as a result of certain costs being denominated in the United States dollars and Euros. The Company holds cash and accounts receivable and has liabilities in currencies other than the Canadian dollar. As a result, the Company is subject to gains and losses due to fluctuations in foreign currency exchange rates. The Company does not use derivative financial instruments to alter the risks associated with the foreign exchange fluctuations.

A 1% appreciation (depreciation) in the Canadian dollar price of United States dollars would result in gain (loss) of approximately \$3,000 for the three months ended May 31, 2017 (2016 - \$1,000). A 1% appreciation (depreciation) in the Canadian dollar price of Euros would result in gain (loss) of approximately \$3,000 (2016 - \$1,000).

##### 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. As of May 31, 2017, The Company does not have exposure to any financial instruments that are subject to floating interest rates.

The Company does not enter into any interest rate swaps to mitigate interest rate risk.

A 1% decrease (increase) in the bank's prime rate would result in a gain (loss) of approximately \$nil for the three months ended May 31, 2017 (2016 - \$8,000).

# eQube Gaming Limited

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2017

(Expressed in Canadian dollars)

(Unaudited)

### 7. Property and equipment

	Gaming systems	Computer equipment	Office furniture and equipment	Test equipment	Automotive equipment	Leasehold improvements	Total
<b>Cost or deemed cost</b>							
Balance at February 28, 2016	\$ 10,643,261	\$ 290,514	\$ 141,311	\$ 455,656	\$ 61,306	\$ 50,999	\$ 11,643,047
Additions	154,516	14,258	5,397	1,742	-	2,235	178,148
Acquisitions through business combinations	-	-	2,206	-	-	-	2,206
Transfers	-	4,552	(4,552)	-	-	-	-
(Disposals)	(1,369,078)	(231,885)	-	330,267	-	1,207	(1,957,736)
Balance at February 28, 2017	9,428,699	77,439	144,362	127,131	36,007	52,027	9,865,665
Additions	335,445	1,924	-	5,341	-	-	342,710
<b>Balance at May 31, 2017</b>	<b>\$ 9,764,144</b>	<b>\$ 79,363</b>	<b>\$ 144,362</b>	<b>\$ 132,472</b>	<b>\$ 36,007</b>	<b>\$ 52,027</b>	<b>\$ 10,208,375</b>
<b>Depreciation and impairment losses</b>							
Balance at February 28, 2016	\$ 7,644,892	\$ 265,452	\$ 106,334	\$ 386,362	\$ 29,360	\$ 43,107	8,475,507
Depreciation	1,041,250	12,743	11,278	28,701	7,031	9,539	1,110,542
Impairment	56,988	286	82	-	-	-	57,356
(Disposals)	(644,997)	(230,682)	-	(316,290)	(25,299)	(1,207)	(1,218,475)
Balance at February 28, 2017	8,098,133	47,799	117,694	98,773	11,092	51,439	8,424,930
Depreciation	203,005	2,001	12,178	426	1,748	186	219,544
<b>Balance at May 31, 2017</b>	<b>\$ 8,301,138</b>	<b>\$ 49,800</b>	<b>\$ 129,872</b>	<b>\$ 99,199</b>	<b>\$ 12,840</b>	<b>\$ 51,625</b>	<b>\$ 8,644,474</b>
<b>Carrying amounts</b>							
At February 28, 2017	\$ 1,330,566	\$ 29,640	\$ 26,668	\$ 28,358	\$ 24,915	\$ 588	\$ 1,440,735
<b>At May 31, 2017</b>	<b>\$ 1,463,006</b>	<b>\$ 29,563</b>	<b>\$ 14,490</b>	<b>\$ 33,273</b>	<b>\$ 23,167</b>	<b>\$ 402</b>	<b>\$ 1,563,901</b>

As at May 31, 2017 the net carrying amount for gaming systems and automotive equipment under finance lease was \$70,806, (February 28, 2017: \$97,487).

## eQube Gaming Limited

### Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2017

(Expressed in Canadian dollars)

(Unaudited)

#### 8. Intangible assets

	Computer software	Deferred development costs	Gaming intellectual property	Total
<b>Cost</b>				
Balance at February 29, 2016	\$ 30,961	\$ 764,488	\$ 137,403	\$ 932,852
Additions	94,556	214,342	-	308,898
Balance at February 28, 2017	125,517	978,830	137,403	1,241,750
Additions	38,437	45,930	-	84,367
<b>Balance at May 31, 2017</b>	<b>\$ 163,954</b>	<b>\$ 1,024,760</b>	<b>\$ 137,403</b>	<b>\$ 1,326,117</b>
<b>Amortization</b>				
Balance at February 29, 2016	\$ 21,663	\$ 419,208	\$ 29,275	\$ 470,146
Amortization	7,163	93,268	36,079	136,510
Acquisitions	-	-	-	-
Impairment	-	-	47,628	47,628
Balance at February 28, 2017	28,826	512,476	112,982	654,284
Amortization and impairments (note 7)	11,356	6,733	6,072	24,161
<b>Balance at May 31, 2017</b>	<b>\$ 40,182</b>	<b>\$ 519,209</b>	<b>\$ 119,054</b>	<b>\$ 678,445</b>
<b>Carrying amounts</b>				
At February 28, 2017	\$ 96,691	\$ 466,354	\$ 24,421	\$ 587,466
<b>At May 31, 2017</b>	<b>\$ 123,772</b>	<b>\$ 505,551</b>	<b>\$ 18,349</b>	<b>\$ 647,672</b>

## eQube Gaming Limited

### Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2017

(Expressed in Canadian dollars)

(Unaudited)

#### 9. Accounts payable and accrued liabilities

	<b>May 31,</b>		February 28,
	<b>2017</b>		2017
Trade payables	\$ 199,748	\$	121,687
Accrued liabilities	<b>472,848</b>		545,852
	<b>\$ 672,596</b>	\$	667,539
Less current portion:			
Trade payables	\$ 199,748	\$	121,687
Accrued liabilities	<b>472,848</b>		545,852
	<b>\$ 672,596</b>	\$	667,539

#### 10. Demand term loans

The Company has the following demand term loan:

Demand term loan in the amount of \$900,000 (February 28, 2017 - \$900,000). The amount drawn on the loan at May 31, 2017 was \$nil (February 28, 2017 - \$75,538). The demand term loan bears interest at the bank's prime rate plus 5.0% which totalled 7.70% at May 31, 2017 (February 29, 2017 – prime plus 5.0% which totalled 7.70%). The loan was fully repaid April 30, 2017.

	<b>May 31,</b>		February 28,
	<b>2017</b>		2017
Demand term loans	\$ -	\$	75,538
	<b>\$ -</b>	\$	75,538

During the three months ended May 31, 2017 interest expense of \$429 (May 31, 2016 - \$15,950) was recorded and is included in finance costs (Note 20).

# eQube Gaming Limited

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2017

(Expressed in Canadian dollars)

(Unaudited)

### 11. Related party transactions

#### a) Shareholder loans and other related loans

	<b>May 31, 2017</b>	February 28, 2017
Shareholder loans		
Loan, bearing interest at 18% to April 30, 2013 then 10% thereafter, monthly interest only payments of \$1,318 until March 1, 2017, at which time the loan can be called by the lender	\$ 158,101	\$ 158,101
Loans, bearing interest at 10%, monthly interest only payments of \$1,411 until March 1, 2018, at which time the loan can be called by the lender, convertible at lender's option into ordinary shares at \$0.75/share. The conversion option has been valued at \$nil (February 29, 2016- \$nil)	169,371	169,371
Loan, bearing interest at 10%, monthly interest only payments of \$565 until March 1, 2018, at which time the loan can be called by the lender	67,767	67,767
Loan, bearing interest at 10%, monthly interest only payments of \$500 due at the option of the borrower	60,000	60,000
Loan, bearing interest at 10% due March 1, 2018, monthly interest only payments of \$833, due at the option of the borrower	100,000	100,000
Loan, bearing interest at 10%, monthly interest only payments of \$1,534 repaid on April 24, 2017	-	200,000
Less debt issuance costs (net of accumulated amortization of \$10,000)	-	(5,970)
	<b>\$ 555,239</b>	<b>\$ 749,269</b>

# eQube Gaming Limited

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2017

(Expressed in Canadian dollars)

(Unaudited)

### 11. Related party transactions (continued)

#### b) Shareholder loans and other related loans

	May 31, 2017	February 28, 2017
Other related loans		
Loan, bearing interest at 10%, monthly payments of \$16,134 beginning December 31, 2015, maturing on January 1, 2019.	284,121	323,078
Loan, bearing interest at 12%, monthly interest only payments of \$600 beginning December 7, 2015, maturing on June 6, 2017.	60,000	60,000
	<b>\$ 344,121</b>	<b>\$ 383,078</b>
Less current portion:		
Shareholder loans	\$ 495,238	\$ 352,131
Other related loans	\$ 233,170	\$ 228,897
Long-term portion:		
Shareholder loans	\$ 60,000	\$ 397,138
Other related loans	\$ 110,952	\$ 154,181

All loans are secured by a second fixed charge over all present and after-acquired property of the Company.

The shareholder and other related loans contain demand features. Certain lenders have waived the demand provisions until March 1, 2018.

#### *Shareholder loans:*

On November 27, 2015, the Company entered into a financing arrangement for a demand term loan in the amount of \$60,000 from an entity owned and controlled by the Chief Operating Officer (“COO”) of the Company. The loan bears interest at 10% per annum with the principal amount due at the option of the borrower.

On March 1, 2016, the Company entered into a financing arrangement for a demand term loan in the amount of \$100,000 from an entity controlled by the COO of the Company. The loan bears interest at 10% per annum with the principal amount due at the option of the borrower.

# eQube Gaming Limited

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2017

(Expressed in Canadian dollars)

(Unaudited)

### 11. Related party transactions (continued)

#### *Shareholder loans (continued)*

On January 23, 2017, the Company entered into a financing arrangement for a three month demand term loan in the amount of \$200,000 from the COO of the Company. The loan bears interest at 10% per annum with monthly interest only payments and the principal due at the end of the term. The loan was repaid in full on April 18, 2017.

#### *Other related loans:*

On December 7, 2015, the Company entered into a financing arrangement for a demand term loan in the amount of \$60,000 from an entity controlled by the COO of the Company. The loan has an eighteen-month term. The loan bears interest at 12% per annum with the principal amount due upon demand at the end of the loan term.

On December 10, 2015, the Company entered into a financing arrangement for a demand term loan in the amount of \$500,000 from an entity controlled by a director of the Company. Each draw under the agreement has a three year term. The loan bears interest at 10% per annum with monthly payments of \$16,134. The amount drawn on the loan at May 31, 2017 was \$284,121 (February 28, 2017 - \$323,078) and is included in “other related loans”. The proceeds of this loan were used to purchase equipment for customer deployment. The loan is secured by a first charge over the purchased equipment.

During the three months ended May 31, 2017, interest expense on shareholder and other related loans of \$28,357 (2016 - \$43,664) was recorded as expense and is included in finance costs (Note 20).

#### c) Key management compensation

Compensation of key management personnel including the Company’s executive management, Board of Directors, and board advisors are as follows:

	<b>Three months ended May 31,</b>	
	<b>2017</b>	<b>2016</b>
Compensation and short-term employee benefits	\$ 135,255	\$ 154,741
Share-based payments	-	282
	<b>\$ 135,255</b>	<b>\$ 155,023</b>

The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel and are included in compensation and benefits expense. Compensation and short-term employee benefits consist of wages and salaries paid or payable to employees, accrued vacation, and other benefits paid or payable within 12 months.

## eQube Gaming Limited

### Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2017

(Expressed in Canadian dollars)

(Unaudited)

#### 11. Related party transactions (continued)

##### d) Other related party transactions

As at May 31, 2017 accrued receivables includes \$61,070 (February 28, 2017 - \$46,753) due from an entity controlled by the Chief Executive Officer (“CEO”) of the Company.

Included In hardware and software rentals revenue is \$43,851 (February 28, 2017 - \$54,353) from a company controlled by a close family member of the CEO.

#### 12. Other loans

	May 31, 2017	February 28, 2017
Loan, bearing interest at 10%, monthly payments of \$142,924 beginning May 1, 2016 and maturing December 1, 2018	\$ 2,523,429	\$ 2,883,246
Loan, bearing interest at 12%, monthly interest only payments of \$2,959 beginning March 31, 2016 and maturing June 30, 2017	300,000	300,000
	\$ 2,823,429	\$ 3,183,246
Less current portion	(1,855,496)	(1,817,391)
	\$ 967,933	\$ 1,365,855

On March 21, 2016, the Company entered into a financing arrangement for a demand term loan in the amount of \$300,000. The loan has a fifteen month term. The loan bears interest at 12% per annum starting June 30, 2016, with the principal amount due in full at the end of the loan term. The loan is secured by an assignment of proceeds under a specific customer contract.

On May 1, 2016, the Company entered into a financing agreement for a secured loan in the amount of \$4,000,000. The loan has a thirty-two month term and bears interest at 10% per annum with monthly payments of \$142,924. \$1,947,000 of these funds were used to payout demand loans owing to a company controlled by a director of the Company. The loan is secured by an assignment of proceeds under a specific customer contract. Included in cash as at May 28, 2017 is \$148,702 of restricted funds held by the Company and controlled by the lender in order to satisfy the June 2017 payment of \$142,924.

During the three months ended May 31, 2017, interest expense on other loans of \$78,028 (May 31, 2016 - \$40,336) was recorded as expense and is included in finance costs (Note 20).

## eQube Gaming Limited

### Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2017

(Expressed in Canadian dollars)

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#### 13. Finance lease obligations

The Company has finance leasing arrangements related to gaming systems and automotive equipment. As at May 31, 2017 the net carrying amount for the gaming systems and automotive equipment under a finance lease was \$70,806 (February 28, 2017: \$43,311).

The finance lease repayments are due as follows:

	<b>Future minimum lease payments</b>	<b>Future finance costs</b>	<b>Present value of minimum lease payments</b>
<b>May 31, 2017</b>			
Less than one year	\$ 22,850	\$ 4,084	\$ 18,766
Between one and five years	55,966	3,470	52,496
	<b>\$ 78,816</b>	<b>\$ 7,554</b>	<b>\$ 71,262</b>

#### 14. Preferred shares

	<b>May 31, 2017</b>	February 28, 2017
Current portion	\$ 1,400,000	\$ 1,400,000
Long-term portion	660,000	660,000
	<b>\$ 2,060,000</b>	<b>\$ 2,060,000</b>

The Company declared dividends of \$51,923 for the three months ended May 31, 2017 (2015 - \$51,923), which are included in finance costs (Note 20).

As at May 31, 2017 \$1,400,000 (February 28, 2017 - \$1,400,000) were retractable within the next twelve months. During the three months ended May 31, 2017, holders of \$660,000 of preferred shares agreed to not redeem their preferred shares prior to April 30, 2018.

# eQube Gaming Limited

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2017

(Expressed in Canadian dollars)

(Unaudited)

### 15. Share capital

#### *Ordinary Shares*

The Company has authorized unlimited ordinary voting shares without par value.

<b>Ordinary Shares of the Company</b>	<b>Number</b>	<b>Share capital</b>
Balance at February 28, 2017	30,220,727	\$ 8,135,041
<b>Balance at May 31, 2017 and February 28, 2017</b>	<b>30,220,727</b>	<b>\$ 8,135,041</b>

As at May 31, 2017, 2,220,509 (February 28, 2017 – 4,107,689) of the issued shares were held in escrow. These shares will be released from escrow on November 4, 2017.

### 16. Non-controlling interest

Alberta Satellite Bingo Limited Partners (“Alberta Satellite Bingo”) is 0.25% owned by the Company and the remaining 99.75% is owned by various charitable organizations. The Company has control over Alberta Satellite Bingo due to significant decision making powers and exposure to variable returns that differ from other investors. The non-controlling interests for the other investors’ share of Alberta Satellite Bingo’s net operations for the period has been recorded in the non-controlling interest (“NCI”).

	Alberta Satellite Bingo LP	Intra-Group Eliminations	Total
NCI Percentage	99.75%		
Current assets	\$ 33,291	\$ -	\$ 33,291
Non-current assets	17,339	-	17,339
Current liabilities	(45,529)	-	(45,529)
Net assets	\$ 5,101	\$ -	\$ 5,101
<b>Carrying amount of NCI</b>	<b>\$ 5,088</b>	<b>\$ -</b>	<b>\$ 5,088</b>
Revenue	\$ 156,113	\$ -	\$ 156,113
Net loss and comprehensive loss	(597)	-	(597)
<b>Net loss allocated to NCI</b>	<b>\$ (596)</b>	<b>\$ -</b>	<b>\$ (596)</b>
Net cash flows used in operating activities	\$ 23,170	\$ -	\$ 23,170
Net cash flows from financing activities	(20,500)	-	(20,500)
Net cash flows used in investing activities	(15,609)	-	(15,609)
Net increase in cash and cash equivalents	\$ (12,939)	\$ -	\$ (12,939)

**eQube Gaming Limited**  
**Notes to the Condensed Interim Consolidated Financial Statements**

For the three months ended May 31, 2017  
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**17. Share-based compensation**

Stock options outstanding are as follows:

Stock options outstanding	Number of options	Weighted average exercise price	Weighted average measurement date fair value
Balance at February 28, 2017	1,100,000	\$ 0.50	\$ 0.118
Granted	-	0.50	0.005
Exercised	-	0.50	0.052
Expired	-	0.50	0.052
Forfeited	-	0.50	0.133
<b>Balance at May 31, 2017</b>	<b>1,100,000</b>	<b>\$ 0.50</b>	<b>\$ 0.118</b>
Options exercisable at February 28, 2017	825,000	\$ 0.50	\$ 0.155
<b>Options exercisable at May 31, 2017</b>	<b>825,000</b>	<b>\$ 0.50</b>	<b>\$ 0.155</b>

The Options outstanding as at May 31, 2017 have an exercise price of \$0.50 and a weighted average remaining contractual life of 6.18 years (February 28, 2017 – exercise price of \$0.50 and a weighted average remaining contractual life of 6.43 years).

**18. Segment information**

For the three months ended May 31, 2017, the Company has identified two operating segments: eBingo and Linked Games. In the prior year, a third segment (Hall Operations) was identified. This segment was disposed on October 31, 2016 (Note 5). In identifying these operating segments, management generally assesses results of these two service lines. Each of these operating segments are managed separately as each requires different resource allocations and performance assessment.

All inter – segment transactions are carried out at arm’s length prices based on prices charged to unrelated customers in standalone sales of identical goods or services. For management purposes, the Company uses the same measurement policies as those used in its consolidated financial statements.

# eQube Gaming Limited

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2017

(Expressed in Canadian dollars)

(Unaudited)

### 18. Segment information (continued)

Segmented results for the three months ended May 31, 2017 were as follows:

	<b>eBingo</b>	<b>Linked Games</b>	<b>Total</b>
Sales, service and other revenue	\$ 1,373,838	\$ 188,944	\$ 1,562,782
Expenses			
Direct costs	546,461	85,015	631,476
General and administrative expenses	742,731	60,716	803,447
Impairment of supplies and components	-	-	-
(Loss) Gain before other expenses (income)	<b>84,646</b>	<b>43,213</b>	<b>127,859</b>
Finance income	-	-	-
Finance costs	165,586	-	165,586
Depreciation and amortization	229,076	7,877	236,953
Foreign exchange (gain) loss	10,177	(123)	10,054
(Loss) gain before income taxes	<b>(320,193)</b>	<b>35,459</b>	<b>(284,734)</b>
Income tax recovery	-	-	-
Net (loss) earnings and comprehensive (loss) earnings	<b>\$ (320,193)</b>	<b>\$ 35,459</b>	<b>\$ (284,734)</b>
Non-current assets	<b>\$ 2,181,558</b>	<b>\$ 30,015</b>	<b>\$ 2,211,573</b>

**eQube Gaming Limited**  
**Notes to the Condensed Interim Consolidated Financial Statements**

For the three months ended May 31, 2017

(Expressed in Canadian dollars)

(Unaudited)

**18. Segment information (continued)**

Segmented results for the three months ended May 31, 2016 were as follows:

	<b>eBingo</b>	<b>Linked Games</b>	<b>Total</b>
Sales, service and other revenue	\$ 1,201,442	\$ 224,056	\$ 1,425,498
Expenses			
Direct costs	339,462	118,031	457,493
General and administrative expenses	1,054,692	76,812	1,131,504
Impairment of supplies and components	1,605	-	1,605
<b>(Loss) Gain before other expenses (income)</b>	<b>(194,317)</b>	<b>29,213</b>	<b>(165,104)</b>
Finance income	(4,149)	(167)	(4,316)
Finance costs	153,957	(114)	153,843
Depreciation and amortization	342,079	13,211	355,290
Foreign exchange (gain) loss	(3,477)	(9)	(3,486)
<b>(Loss) gain before income taxes</b>	<b>(682,727)</b>	<b>16,292</b>	<b>(666,435)</b>
Income tax recovery	(1,768)	(2,539)	(4,307)
<b>Net (loss) earnings and comprehensive (loss) earnings</b>	<b>\$ (680,959)</b>	<b>\$ 18,831</b>	<b>\$ (662,128)</b>
<b>Non-current assets</b>	<b>\$ 3,161,877</b>	<b>\$ 156,037</b>	<b>\$ 3,317,914</b>

## eQube Gaming Limited

### Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2017

(Expressed in Canadian dollars)

(Unaudited)

#### 18. Segment information (continued)

The Company, together with its subsidiaries, is engaged in the design, development, distribution, licensing and sale of technology-based electronic bingo and social gaming solutions for regulated gaming markets in Canada, the United States and Ireland. Similar products and services are generally provided to external customers across all jurisdictions. The Company entered into the bingo hall operations in Ireland during the year ended February 29, 2016 which were subsequently sold on October 31, 2016 (Note 5). These results are included in discontinued operations. The Company's revenues from external customers and its non-current assets (other than financial instruments and deferred tax assets) are divided into the following geographical areas:

	Sales, service and other revenue		Non-current assets	
	Three months ended May 31,		May 31,	February 28,
	2017	2016	2017	2017
Canada	\$ 669,446	\$ 735,855	\$ 1,047,798	\$ 2,112,952
United States	459,501	496,117	522,539	730,263
Ireland and other	433,835	193,526	641,236	375,055
	\$ 1,562,782	\$ 1,425,498	\$ 2,211,573	\$ 3,218,270

Revenues from external customers in the Company's major markets (Canada, the United States and Ireland) have been identified on the basis of the customer's geographical location. Non-current assets are allocated based on their physical location.

For the three months ended May 31, 2017, \$623,457 or 39.89% (2016 - \$460,463 or 27.63%) of the Company's revenues depended on one customer that individually exceeded 10% of the Company's sales, service and other revenue.

An analysis of the Company's sales, service and other revenue for each major category is as follows:

	Three months ended May 31,	
	2017	2016
Hardware and software rentals	\$ 735,468	\$ 772,983
Customer support and other services	386,764	186,343
Hardware and software sales	220,818	1,148
Gaming revenue	188,944	465,024
Bingo Supplies	30,788	-
	\$ 1,562,782	\$ 1,425,498

## eQube Gaming Limited

### Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2017

(Expressed in Canadian dollars)

(Unaudited)

#### 19. General and administrative expenses

	Three months ended May 31,	
	2017	2016
Compensation and benefits	\$ 439,518	\$ 556,580
Professional fees	109,610	237,468
Advertising and promotion	102,062	50,962
Rent	55,266	102,733
Office and other	52,246	63,589
Business taxes, insurance and licenses	44,745	120,172
	\$ 803,447	\$ 1,131,504

#### 20. Finance income and costs

	Three months ended May 31,	
	2017	2016
Finance income		
Interest income	\$ -	\$ (4,316)
Finance costs		
Interest on short-term debt and accounts payable	37	-
Interest on finance leases	840	684
Interest on demand term loans	429	15,950
Interest on shareholder and other related loans	28,357	43,664
Interest on other loans	78,028	40,336
Dividends on preferred shares	51,923	51,923
Amortization of finance fees	5,972	1,286
	\$ 165,586	\$ 153,843

#### 21. Contingencies

A breach of contract lawsuit was filed against the Company in December 2012. The matter is currently in the legal examination phase. Management believes it is possible, but not probable that the claim will be successful and no provision relating to the claim has been recorded in these financial statements.

**eQube Gaming Limited**  
**Notes to the Condensed Interim Consolidated Financial Statements**

For the three months ended May 31, 2017  
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**21. Contingencies (continued)**

A wrongful dismissal lawsuit was filed against the Company during the year ended February 29, 2012. The matter is currently in the legal examination phase. Management believes the matter was appropriately settled upon the employee's termination, but will defend against the claim should it continue. Management believes it is possible, but not probable that the claim will be successful and no provision relating to the claim has been recorded in these financial statements.

A wrongful dismissal lawsuit was filed against the Company in October 2016. The matter has not yet entered the legal examination phase. Management believes the matter was appropriately settled upon the employee's termination, but will defend against the claim should it continue. Management believes it is possible, but not probable that the claim will be successful and no provision relating to the claim has been recorded in these financial statements.

**22. Supplemental cash flow information**

	<b>Three months ended May 31,</b>	
	<b>2017</b>	<b>2016</b>
Change in non-cash operating working capital:		
Accounts receivable	\$ 332,030	\$ (102,667)
Accrued receivables	(2,156)	4,340
Supplies and components	(366,344)	31,525
Inventory	(28,339)	-
Current income taxes	2,470	-
Prepaid expenses and deposits	779,072	(11,246)
Accounts payable and accrued liabilities	5,021	(64,862)
Deferred revenue	(174,612)	38,325
	<b>\$ 547,142</b>	<b>\$ (104,585)</b>

For the purpose of the statement of cash flows, cash and cash equivalents is comprised of the following:

	<b>May 31,</b>	<b>February 28,</b>	<b>May 31</b>
	<b>2017</b>	<b>2017</b>	<b>2016</b>
Cash	\$ 478,794	\$ 1,037,258	\$ 1,755,648
Bank indebtedness	-	-	(20,518)
	<b>\$ 478,794</b>	<b>\$ 1,037,258</b>	<b>\$ 1,735,130</b>

## eQube Gaming Limited

### Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2017

(Expressed in Canadian dollars)

(Unaudited)

#### 23. Loss per share

	Three months ended May 31,	
	2017	2016
Net loss attributable to owners of the Company		
from continuing operations	\$ (284,138)	\$ (646,411)
Net loss attributable to owners of the Company		
from discontinued operations	\$ -	\$ 32,946
Basic weighted average		
number of ordinary shares	30,220,727	30,174,227
Diluted weighted average		
number of ordinary shares	30,220,727	30,174,227
Basic loss per share		
From continuing operations	\$ (0.01)	\$ (0.02)
From discontinued operations	\$ -	\$ 0.00
Diluted loss per share		
From continuing operations	\$ (0.01)	\$ (0.02)
From discontinued operations	\$ -	\$ 0.00

For the three months ended May 31, 2017 and May 31, 2016, the diluted loss per share was the same as the basic loss per share as the inclusion of stock options and warrants would have been anti-dilutive. Accordingly, the diluted loss per share for the period was calculated using the basic weighted average number of common shares outstanding.

#### 24. Post reporting events

The following events occurred subsequent to May 31, 2017:

##### *Note receivable*

On June 26, 2017, a note receivable to the company was issued in the amount of \$30,000 Alberta Satellite Bingo from the Company to fund ongoing operations.