eQube Gaming Limited

Management Discussion and Analysis
For the Three Months Ended May 31, 2015

FORM 51-102F1

1. Introduction

The following management's discussion and analysis ("MD&A") for eQube Gaming Limited (the "Company") should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and notes thereto for the three month period ended May 31, 2015 and the audited consolidated financial statements and notes thereto for the year ended February 28, 2015. Our unaudited condensed interim consolidated financial statements and related notes for the three month period ended May 31, 2015 are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

We continue to use the same accounting policies and methods as those for the year ended February 28, 2015 unless otherwise indicated. All dollar amounts are expressed in Canadian currency unless otherwise indicated. Additional information about the Company can be found on SEDAR at www.sedar.com. Such additional information is not incorporated by reference herein, unless otherwise specified, and should not be deemed to be part of this MD&A.

This MD&A makes reference to certain measures not defined under IFRS that are provided to assist in assessing the Company's financial performance. Non-IFRS earnings measures do not have any standard meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. For more information on the use of non-IFRS financial measures in this MD&A, readers are referred to Item 4, Non-IFRS Financial Measures.

This MD&A was prepared by management of the Company, and was approved by the Board of Directors on July 27, 2015.

2. Forward-Looking Statements

The MD&A offers our assessment of the Company's future plans and operations as of July 22, 2015 and contains forward-looking statements. The words "may", "will", "should", "believe", "expect", "plan", "anticipate", "intend", "estimate", "predict", "potential", "target", "continue" or the negative of these terms, or other expressions which are predictions of or indicate future events and trends and which do not relate to historical matters, identify forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, including those discussed below. You are cautioned that the assumptions used in the preparation of forward-looking information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Certain statements in this MD&A constitute forward-looking statements based on management's expectations, estimates and projections. All statements that address expectations or projections about the future, including, but not limited to, statements about the Company's business or financial objectives, its strategies or future actions, its targets, expectations for financial condition or outlook on operations are forward-looking statements. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements were made.

Actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements based on a number of factors and risks. These include the risks set out herein (including under the heading "Risk and Uncertainties" in Item 13), failure to obtain necessary regulatory approvals, inability to fund or develop new research and development, and ability to access sufficient capital. No assurance can be given that any of the events anticipated will transpire or occur, or if

any of them do so, what benefits the Company will derive from them. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise unless required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

3. Overview

3.1 Background

eQube Technology and Software Inc. ("eQube") was incorporated under the *Business Corporations Act* (Alberta) on March 11, 1999 as SGC-Link Corp. The name was changed to eQube Technology and Software Inc. on August 23, 2005.

On July 2, 2014, eQube entered into an amalgamation agreement (the "Amalgamation Agreement") with the Company (formerly Triox Limited) and 1824721 Alberta Ltd., a wholly owned subsidiary of the Company, to combine their business operations. The Company was incorporated under the laws of Hong Kong on August 4, 2011, and was classified as a Capital Pool Company as defined pursuant to Policy 2.4 of the TSX Venture Exchange (the "TSXV"). In anticipation of the closing of the Amalgamation Agreement, the Company changed its name from Triox Limited to eQube Gaming Limited on September 26, 2014.

The transaction was completed on October 30, 2014 and constituted a "Qualifying Transaction" of the Company (as such term is defined within the meaning of Policy 2.4 of the TSXV). The ordinary shares of the Company resumed trading on the TSXV on November 4, 2014 under the new name "eQube Gaming Limited". The Company's registered office is located at #100, 10493 – 184 Street, Edmonton, Alberta.

While the Company was the legal acquirer of eQube and is the continuing legal entity whose ordinary shares are listed on the TSXV and for which this MD&A is being reported, the accounting acquirer was deemed to have been eQube, and this MD&A and the financial results herein are presented on the basis of reverse acquisition accounting principles. Unless the context requires, when the term "eQube" is used herein, it refers to the actions or operations of the acquired company prior to the closing of the Qualifying Transaction and when the term "Triox" is used herein it refers to the actions or operations of the company prior to the closing of the Qualifying Transaction.

Additional information regarding the Qualifying Transaction can be found in the audited consolidated financial statements as at and for the year ended February 28, 2015.

The year end of the Company is February 28.

3.2 General

Together with its subsidiaries, the Company 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 (the "U.S.") and Ireland.

The Company's customers consist primarily of licensed gaming operators in Canada, the U.S. and Ireland. In Canada, the Company's customers include provincial gaming regulators in British Columbia, Alberta and Ontario. In the U.S., the Company's customers are located in Nevada, Mississippi, Texas, Kentucky,

California and Georgia. The Company's U.S. customers include Tribal operators, the U.S. Army and other facility operators. In Ireland, the Company's customers are independent licensed gaming operators.

3.3 Products and Services

The Company's electronic bingo solutions are server-based and include a multi-gaming software platform, tablet and fixed base hardware devices, and a central control system module that protects the financial integrity of a jurisdiction's gaming operations by tracking gaming revenue and other data to enable gaming centre operators to meet strict regulatory reporting requirements.

The Company earns revenues from the sale and lease of software and hardware, service and support, and installations. The equipment is typically owned directly by the Company or its subsidiaries.

	Three months ended May 31,	
	2015	2014
Hardware and software rentals	**62.9%**	31.0%
Customer support and other services	**34.1%**	24.8%
Hardware and software sales	**3.0%**	44.2%
Total sales, service and other revenue	**100.0%**	100.0%

3.4 Market - The Electronic Bingo Gaming Industry

The Company leases and sells its products to gaming operators and regulators across North America and overseas. As an information technology gaming supplier, the Company is subject to the rules and regulations of each separate operational jurisdiction.

Canada

Gaming in Canada is regulated by the Criminal Code of Canada. The code requires that where gaming is conducted, the appropriate provincial government is responsible to "conduct and manage" the gaming activity. These provincial commissions are the customers or potential customers of the Company in Canada.

The Company earns revenue from its customers in various ways:

- the sale of the financial control systems into a bingo location;
- recurring monthly rental of the Company's bingo and social gaming applications and hardware devices in use at each hall;
- ongoing customer support, service and maintenance; and
- professional services.

This model provides a stable revenue stream to support the Company's growth and expansion.

International

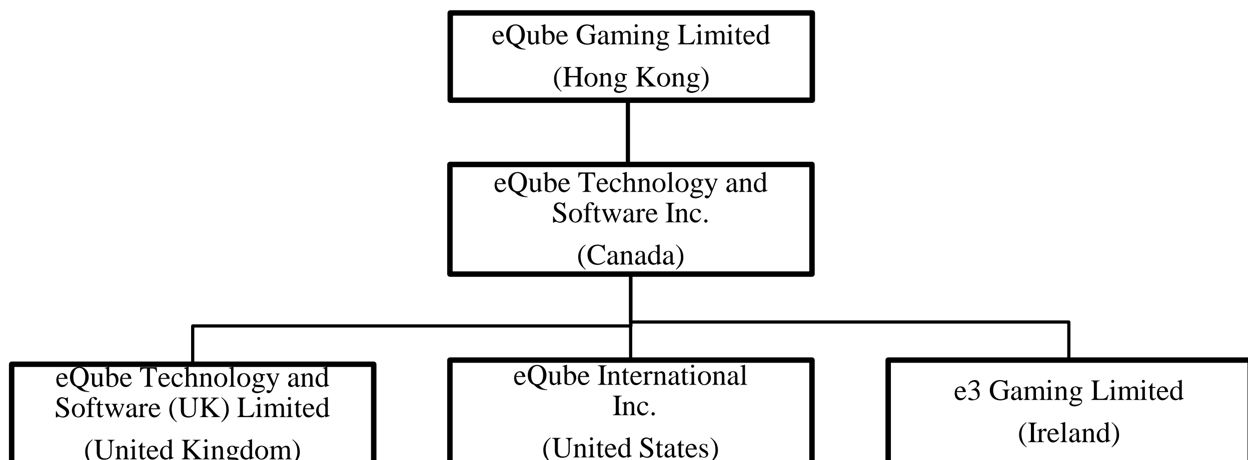
Each American state has its own rules and regulations which govern gaming in their jurisdictions. Each supplier is required to go through a licensing process, which is similar to that of the Canadian jurisdictions.

The U.S. and International markets have evolved to allow each bingo hall operator to independently negotiate and purchase or, more commonly lease, equipment that best suits their needs. This is different than Canadian jurisdictions where the applicable gaming regulator selects the software and hardware platform to be used in all halls within that regulator's jurisdiction.

The majority of bingo hall operators in North America and International markets lease or rent hardware and software on a monthly/weekly/daily rate basis. The most common rental terms in these markets are: (i) a fixed transaction fee per use; or (ii) a fixed weekly fee per unit. These revenue models offer higher returns over the life of a contract compared to software only models, but require the eBingo supplier to make significant capital equipment investments up front.

3.5 Corporate Structure

The Company's corporate structure is as follows:



eQube Technology and Software Inc.

eQube Technology and Software Inc. services all of the Company's clients in Canada. These clients include provincial gaming regulators in British Columbia, Alberta and Ontario. eQube Technology and Software Inc. is headquartered in Edmonton, Alberta and is engaged in the design, development, distribution, licensing and sale of technology-based electronic bingo gaming solutions for regulated gaming markets. eQube Technology and Software Inc. produces server-based, electronic bingo solutions, which include multi-gaming software platform, tablet and fixed based hardware devices, and a central control system module that protects the financial integrity of a jurisdiction's gaming operations by tracking gaming revenue and other data to enable gaming centre operators to meet strict regulatory reporting requirements.

eQube International Inc.

With its headquarters located in Las Vegas, Nevada, eQube International Inc. services all of the Company's clients in the U.S. These clients consist of the U.S. Army, Tribal organizations, state-run bingo facilities and private bingo operators. eQube International Inc. drives the marketing efforts of the Company as it expands further into the U.S.

eQube Technology and Software (UK) Limited

eQube Technology and Software (UK) Limited, incorporated in the United Kingdom on October 14, 2013, was established to service the Company's new Ireland markets and is the legal entity which contracts with the Company's electronic bingo clients in Ireland. The headquarters of eQube Technology and Software (UK) Limited are located in Edmonton, Alberta.

e3 Gaming Limited

e3 Gaming Limited, incorporated in Ireland on December 15, 2014, was established to service new charitable and community gaming initiatives of the Company in Ireland. The headquarters of e3 Gaming Limited are located in Cork, Ireland.

4. Non-IFRS Financial Measures

The following non-IFRS definitions are used in the MD&A because management believes that they provide useful information regarding the Company's ongoing operations. Readers are cautioned that the definitions are not recognized measures under IFRS, do not have standardized meanings prescribed by IFRS, and should not be construed to be alternatives to revenues and net and comprehensive loss for the period determined in accordance with IFRS or as indicators or performance, liquidity, or cash flows.

The Company's method of calculating these measures may differ from methods used by other entities and, accordingly, the measures may not be comparable to similarly titled measured used by other entities.

EBITDA

References to EBITDA are to net income, or net loss, adjusted to exclude finance costs, income taxes, depreciation and amortization.

Adjusted EBITDA

References to Adjusted EBITDA are to net income, or net loss, adjusted to exclude finance costs, income taxes, depreciation and amortization, as well as non-recurring costs directly associated with the Company's Qualifying Transaction.

Management believes EBITDA and Adjusted EBITDA are useful measures because they provide information to management about the operating and financial performance of the Company and its ability to generate operating cash flow to fund working capital requirements, service debt and fund growth.

5. Results of Operations

The following selected financial data is derived from the audited consolidated financial statements or unaudited condensed interim consolidated financial statements of the Company, as applicable, prepared within acceptable limits of materiality and is in accordance with IFRS applicable to the preparation of financial statements.

5.1. Comparison of Results

	Three months ended May 31,	
	2015	2014
Sales, service and other revenue	**$ 1,109,185**	$ 1,607,782
Direct costs	**(385,397)**	(1,082,381)
Gross profit	**723,788**	525,401
Operating and other expenses [(1)]	**(1,076,362)**	(685,920)
Finance income	**4,612**	3,481
EBITDA [(2)]	**(347,962)**	(157,038)
Finance costs	**(163,904)**	(110,189)
Depreciation and amortization	**(413,112)**	(382,236)
Loss before income taxes	**(924,978)**	(649,463)
Current income tax expense	**-**	(1,583)
Net loss and comprehensive loss	**$ (924,978)**	$ (651,046)
Loss per share		
Basic	**$ (0.03)**	$ (0.04)
Diluted	**$ (0.03)**	$ (0.04)

[(1)] Operating and other expenses are comprised of general and administrative expenses, impairment of supplies and components, impairment of property and equipment, impairment of intangible assets, gain/loss on disposal of property and equipment, and foreign exchange gain/loss.
[(2)] References to EBITDA are to net income, or net loss, adjusted to exclude finance costs, income taxes, depreciation and amortization. For a further discussion of the Company's calculation of EBITDA, readers are referred to Item 4 in this MD&A under the heading Non-IFRS Financial Measures.

Sales, Service and Other Revenue

Revenue for the three months ended May 31, 2015 decreased $498,597 or 31.0% to $1,109,185 from $1,607,782 for the three months ended May 31, 2014. During the three months ended May 31, 2014, the Company recognized $710,720 in one-time hardware sales. Excluding hardware sales from the comparison, recurring revenue for the three months ended May 31, 2015 was $212,123 higher than the three months ended May 31, 2014. The recurring revenue increase is the result of new customer contracts in the U.S. and Ireland.

Direct Costs

Direct costs, comprised mainly of cost of goods sold and direct labour expense, decreased $696,984 or 64.4% for the three months ended May 31, 2015 compared with the same period in the prior year. As a percentage of revenue, direct costs were 34.7% for the three months ended May 31, 2015 compared with 67.3% for the three months ended May 31, 2014. The decrease in direct costs is almost entirely due to the cost of hardware for the hardware sales described above. Excluding the cost of hardware for that period, direct costs are consistent with the prior year.

Gross Profit

Gross profit increased $198,387 or 37.8% to $723,788 for the three months ended May 31, 2015 from $525,401 for the three months ended May 31, 2014. As a percentage of revenue, gross profit is 65.3% for the three months ended May 31, 2015 compared with 32.7% for the same period in the prior year. Gross profit on rental revenue and customer service and support is higher than on hardware sales. First quarter gross profit in the prior year was less as a percentage of sales because the quarter had $710,720 in hardware sales compared with the first quarter of the current year which had approximately $33,137 in hardware sales. Excluding the impact of hardware sales, gross profit increased $224,107 for the three months ended May 31, 2015 as the result of new contracts entered into during the past twelve months.

Operating and Other Expenses

Operating and other expenses increased $390,442 or 56.9% to $1,076,362 for the three months ended May 31, 2015 from $685,920 for the same period in the prior year. The increase is due to increases in compensation and benefits of $91,103, professional fees of $55,206, advertising and promotion of $47,310 and $116,118 in non-cash expense relating to warrants issued in connection with the Catalyst Agreement, a decrease in foreign exchange gain of $65,469, and an increase in other general and administrative expenses of $15,236. The increases in compensation and benefits, professional fees and advertising and promotion directly relate to future growth activities of the Company. In order to support growth into the European market, an office was opened in Ireland and additional sales and operations employees were hired. At the head office, additional staff was brought on to facilitate growth into new markets and support the Company's ability to provide timely reporting information. The Company also attended several trade shows to expand eQube's exposure in the marketplace. The Catalyst Agreement provides for Catalyst Gaming Corporation to identify and bring forward to the Company strategic growth opportunities in exchange for the issuance of warrants. Additional information regarding the Catalyst Agreement can be found in the Company's audited consolidated financial statements for the year ended February 28, 2015.

EBITDA and Adjusted EBITDA

	Three months ended May 31,	
	2015	2014
EBITDA	**$ (347,962)**	$ (157,038)
Adjusted for:		
Professional fees related to Qualifying Transaction	**-**	57,387
Adjusted EBITDA [1]	**$ (347,962)**	$ (99,651)

[1] References to Adjusted EBITDA are to net income, or net loss, adjusted to exclude finance costs, income taxes, depreciation and amortization, as well as non-recurring costs directly associated with the Company's Qualifying Transaction. For a further discussion of the Company's calculation of Adjusted EBITDA, readers are referred to Item 4 in this MD&A under the heading Non-IFRS Financial Measures and to Item 5.1 Comparison of Results.
(2) EBITDA and Adjusted EBITDA include a non-cash expense for warrants issued in connection with the Catalyst Agreement. For the three months ended May 31, 2015, this expense is $116,118 (2014 - $nil).

For the three months ended May 31, 2015, Adjusted EBITDA was negative $347,962 compared with Adjusted EBITDA of negative $99,651 for the three months ended May 31, 2014. Adjusted EBITDA for the comparative period includes an adjustment for fees incurred related to the Company's Qualifying Transaction. The decrease in adjusted EBITDA is due to increases in compensation and benefits, professional fees, advertising and promotion and the non-cash warrant expense discussed above.

Finance Income

Finance income increased $1,131 or 32.5% for the three months ended May 31, 2015 which is comparable with the prior year.

Finance Costs

Finance costs, consisting of interest on loans and dividends on preferred shares, increased $53,715 or 48.7% for the three months ended May 31, 2015 compared with the same period in the prior year. During the three months ended May 31, 2015, there was $2,060,000 in dividend bearing preferred shares outstanding for the entire period compared with $1,810,000 for part of the three months ended May 31, 2014. In addition, the Company entered into a loan agreement with a related party for approximately $3 million during the prior year. Funds were advanced under this loan in May and October 2014 with principal and interest payments payable monthly.

Depreciation and Amortization

For the three months ended May 31, 2015, depreciation and amortization expense increased $30,876 or 8.1% to $413,112 from $382,236. The Company purchased and deployed $240,823 of new gaming equipment during the period and $918,038 for the year ended February 28, 2015 to service new and existing customers. The increase in depreciation and amortization in the current period is directly related to the volume of gaming equipment purchased and deployed in the current quarter and the last year.

Net Loss and Comprehensive Loss

Net loss and comprehensive loss for the three months ended May 31, 2015 was $924,978 compared with a net and comprehensive loss of $651,046 for the same period in 2014. The $273,932 or 42.1% increase in loss is the result of many factors discussed previously including: an increase in gross profit of $198,387 offset by increases in compensation benefits, professional fees, advertising and promotion and other general costs totalling $208,855 and $116,118 in non-cash expense relating to warrants issued in connection with the Catalyst Agreement. The Company also had a reduction in foreign exchange gain of $65,469, increase in finance costs of $53,715, and an increase in non-cash depreciation expense of $30,876.

5.2. Summary of Quarterly Results

	For the three months ended							
		May 31, 2015		February 28, 2015		November 30, 2014		August 31, 2014
Total revenue	$	1,109,185	$	1,031,340	$	996,134	$	999,565
Net loss and comprehensive loss	$	(924,978)	$	(1,012,940)	$	(3,172,948)	$	(934,805)
Loss per share, basic	$	(0.03)	$	(0.03)	$	(0.14)	$	(0.05)
Loss per share, diluted	$	(0.03)	$	(0.03)	$	(0.14)	$	(0.05)

	For the three months ended							
		May 31, 2014		February 28, 2014		November 30, 2013		August 31, 2013
Total revenue	$	1,607,782	$	1,449,847	$	833,170	$	791,557
Net loss and comprehensive loss	$	(651,046)	$	(43,490)	$	(705,276)	$	(562,055)
Loss per share, basic	$	(0.04)	$	(0.00)	$	(0.04)	$	(0.03)
Loss per share, diluted	$	(0.04)	$	(0.00)	$	(0.04)	$	(0.03)

Total Revenue

Total revenue for the three months ended May 31, 2015 is up over the prior three quarters due to the addition of new recurring revenue contracts deployed during the quarter. Revenues for the three months ended February 28, 2015 were up from the prior quarter also reflecting incremental new revenues. Revenues for the quarters ended November 30, 2014 and August 31, 2014 were consistent. Revenues for the three months ended May 31, 2014 were higher due to the recognition of one-time hardware sales to new customers of $710,720. For the quarter ended February 28, 2014, the Company recognized $487,500 relating to a software sales contract entered into in May 2013. The sales agreement was a multi-element sales arrangement which resulted in recognition of the majority of the revenue in fiscal 2013 with certain items and amounts recognized in the following year of the contract. Excluding this item, revenue for the quarter was $959,847.

There were steady increases in sales for the three month periods ended November 30, 2013 and August 31, 2013. This reflects new customers being added and the rollout of new software and hardware rental contracts.

6. Financial Position

	May 31, 2015	February 28, 2015	February 28, 2014
Total assets	$ 6,702,569	$ 7,495,556	$ 7,083,432
Total non-current financial liabilities	$ 3,811,112	$ 3,778,618	$ 2,301,823

Total assets decreased $792,989 or 10.6% from February 28, 2015 to May 31, 2015. The decrease is the result of a net increase in accounts and accrued receivables of approximately $97,000 relating to new customer contracts offset by reductions of approximately $590,000 in cash, $200,000 in prepaid expenses and deposits relating to deposits on equipment that were transferred to property and equipment, and $140,000 in property and equipment which is the result of depreciation, and a net increase in other balances of approximately $40,000. Total assets increased $412,124 or 5.8% from February 28, 2014 to February 28, 2015. The increase in total assets reflects the addition of approximately $3,000,000 in net proceeds from the Offerings offset by use of such proceeds of approximately $1,300,000, reductions in accrued receivables of approximately $470,000, property and equipment of approximately $600,000 and deferred tax assets of approximately $191,000, as well as changes in other accounts with a collective effect of decreasing total assets by approximately $27,000.

The increase in non-current financial liabilities between February 28, 2014 to February 28, 2015 and May 31, 2015 is the result of the Company taking on increased debt and the issuance of dividend bearing preferred shares, which are considered a financial liability according to IFRS. The increased debt was to finance growth including software development and the purchase of hardware to be deployed at new customer sites.

7. Liquidity and Capital Resources

7.1. Cash Flows by Activity

	Three months ended May 31,	
Cash (used in) provided by:	**2015**	2014
Cash flows (used in) from operations	**$ (213,714)**	$ 350,202
Changes in non-cash working capital	**313,610**	(722,644)
Operating activities	**99,896**	(372,442)
Financing activities	**(437,425)**	340,851
Investing activities	**(324,416)**	(450,762)
Decrease in cash and cash equivalents	**$ (661,945)**	$ (482,353)

Operating Activities

Cash flows provided by operating activities are $99,896 for the three months ended May 31, 2015 compared to a use of cash of $372,442 for the same period in the prior year. This change is the result of $564,000 increase in cash used in operations which was offset by $1,038,000 changes in non-cash working capital. The non-cash working capital changes include the recognition of amounts previously included in deferred revenue of $748,000, $520,000 increase in accounts receivable and $10,000 increase in supplies and components offset by decreases in accrued receivables of $15,000 relating to the timing of billing under a specific customer contract, prepaid expenses of $100,000 and decreases in accounts payable of $125,000.

Financing Activities

Cash used in financing activities is $437,425 for the three months ended May 31, 2015 compared with cash provided by financing activities of $340,851 for the three months ended May 31, 2014. During the three months ended May 31, 2015, the Company repaid or retired existing loans in the amount of $325,027, paid interest and dividends of $162,618 and received proceeds from the exercise of stock options of $50,220. This compares to receipt of proceeds from the issuance of preferred shares of $250,000, repayment of loans and lease obligations of $1,024,168, proceeds from new loans received of $1,223,293 and payment of interest and dividends of $108,274 for the three months ended May 3,1 2014.

There has been no change to the Company's plans for the use of proceeds associated with the Offerings as disclosed in its Filing Statement dated September 25, 2014 which can be found on SEDAR at www.sedar.com.

Investing Activities

Cash flows used in investing activities were $324,416 for the three months ended May 31, 2015 compared with $450,762 for the same period in the prior year. The Company purchased $447,543 in equipment during the quarter ended May 31, 2014 compared with $240,823 in the quarter ended May 31, 2015. Timing of purchase of equipment is dependent upon when new customer contracts are entered into and when equipment installations are scheduled. This was offset by an increase in the amount of intangible assets purchased and capitalized in the current year compared to the comparative period. The Company purchased

and capitalized $3,219 in intangible assets during the prior year quarter compared with $83,593 in the quarter ended May 31, 2015.

7.2. Capital Resources

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, 2015, 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, 2015	February 28, 2015
Demand term loans	**$ 1,495,395**	$ 1,569,109
Shareholders loans	**395,239**	421,756
Other related loans	**2,304,716**	2,528,226
Preferred shares	**2,060,000**	2,060,000
(Deficiency) equity	**(451,044)**	306,179
	$ 5,804,306	$ 6,885,270

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 the Offerings. The Company has an operating line of credit in place that can be drawn upon, if required.

Under the Company's credit facilities for the operating line of credit and demand term loans, the annual debt service coverage ratio measured at February 28 must not be less than 1.25 to 1. At February 28, 2015 the Company was in violation of this covenant. Subsequent to May 31, 2015, a waiver of this covenant breach was granted by the lender which is in effect until the next measurement date of February 29, 2016.

7.3. Outlook

Business Objectives

The Company's primary business objectives are as follows:

- to attract equity investment to finance further geographic and market expansion through acquisition and organic growth; and
- to fund working capital requirements in relation to expansion activities.

The amount and timing of actual requirements for working capital or funds for general corporate purposes will depend on numerous factors related to the implementation of the Company's business strategy.

Business Strategy

The Company's business strategy is to grow its operations in the charitable and community gaming markets through geographic expansion, pursuing strategic acquisitions, leveraging best business practices amongst its operating divisions, increasing sales from existing customers, attracting new clients and expanding in key verticals. Proceeds from the Offerings will be used to obtain regulatory approval in additional jurisdictions, expand distributor networks in new markets, and increase product placement and create recurring revenue opportunities through the Company's product participation model. Additional capital will also provide the Company with flexibility with respect to future acquisitions.

On June 19, 2015, the Company acquired the operations of Alberta Satellite Bingo, which is comprised of Alberta Satellite Bingo Limited Partnership, 657255 Alberta Ltd. and The Satellite Bingo Network (TSBN) Inc. The acquisition includes assets, intellectual property and existing personnel to operate a linked bingo game in the Province of Alberta. The business is expected to contribute to revenue, but will have minimal impact on net earnings in the first year following acquisition. The acquisition will have significant strategic benefit to the Company in the future as the Company digitizes the game and rolls it out on the Company's gaming systems already in use in Alberta. The purchase price for the acquisition was $75,000. The Company is currently in the process of determining the purchase price allocation.

7.4. Liquidity Risk

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

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.

To manage this risk the Company maintains an operating line of credit which provides access to funds to meet short-term financing obligations.

As at May 31, 2015, the Company had cash of $1,545,659 (February 28, 2015 - $2,132,829), accounts receivable of $938,034 (February 28, 2015 - $381,697), and current portion of accrued receivables of $460,000 (February 28, 2015 - $460,000) for a total of $2,943,693 (February 28, 2015 - $2,974,526). Current and on demand obligations from bank indebtedness, accounts payable and accrued liabilities, interest bearing loans, and dividend paying preferred shares total $3,427,908 (February 28, 2015 - $3,853,015). The deficiency of current assets to cover the Company's short-term obligations will be funded through operations, by refinancing existing loans and by managing accounts payable terms.

The Company's contractual obligations at May 31, 2015 are as follows:

	On demand	2016	2017	2018	Total
Bank indebtedness	$ 192,215	$ -	$ -	$ -	$ 192,215
Accounts payable and accrued liabilities	-	706,048	-	-	706,048
Demand term loans	1,500,538	-	-	-	1,500,538
Shareholders loans	-	29,643	39,524	395,238	464,405
Other related loans	-	845,387	1,127,182	602,125	2,574,694
Preferred shares	-	154,077	1,956,907	250,671	2,361,655
Total	$ 1,692,753	$ 1,735,155	$ 3,123,613	$ 1,248,034	$ 7,799,555

The Company's contractual obligations at February 28, 2015 were as follows:

	On demand	2016	2017	2018	Total
Bank indebtedness	$ 117,440	$ -	$ -	$ -	$ 117,440
Accounts payable and accrued liabilities	-	492,846	-	-	492,846
Demand term loans	1,575,538	-	-	-	1,575,538
Shareholders loans	-	334,009	119,095	-	453,104
Other related loans	-	1,127,182	1,127,182	602,125	2,856,489
Preferred shares	-	206,000	1,956,907	250,671	2,413,578
Total	$ 1,692,978	$ 2,160,037	$ 3,203,184	$ 852,796	$ 7,908,995

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

Demand loans are classified as current due to the demand feature associated with each of the loans. Each demand loan has scheduled repayment terms as described in Note 10 of the Company's May 31, 2015 condensed interim consolidated financial statements.

At February 28, 2015 the Company was in violation of a lending covenant related to the Company's operating line of credit and demand term loans. Subsequent to May 31, 2015, a waiver of this covenant breach was granted by the lender which is in effect until the next measurement date of February 29, 2016.

The shareholders and other related loans contain demand features. The lenders have waived the demand provisions for not less than 365 days after May 31, 2015.

8. Off-Balance Sheet Arrangements and Derivative Instruments

The Company's off-balance sheet arrangements comprise operating leases entered into in the normal course of business. The Company has no other off-balance sheet arrangements and does not anticipate entering into any such arrangements other than in the normal course of business.

The minimum payments at May 31, 2015 under operating lease obligations for the Company's office and warehouse facilities are as follows:

	Edmonton	Las Vegas	Total
Less than one year	$ 85,325	$ 46,277	$ 131,602
Between one and five years	7,123	-	7,123
	$ 92,448	$ 46,277	$ 138,725

The Company does not enter into the speculative use of derivatives.

9. Related Party Transactions

a) Shareholders Loans and Other Related Loans

As at May 31, 2015, the Company had $2,699,955 outstanding in shareholders and other related loans (February 28, 2015 - $2,949,982) Additional information regarding these loans can be found in the Company's unaudited condensed interim consolidated financial statements for the three months ended May 31, 2015.

On March 31, 2014, the Company entered into a new financing arrangement for a demand term loan in the amount of $3,000,000 from an entity controlled by a director of the Company. Each draw under the agreement has a three-year term. The amount drawn on the loan at May 31, 2015 was $2,304,716 (February 28, 2015 - $2,528,226). The proceeds of this loan were used in the year ended February 28, 2015 to repay the remaining balance of a $1,000,000 demand term loan, repay certain existing shareholders and other related loans, and to purchase equipment for customer deployment. The loan bears interest at 9.5%. Interest and principal were payable monthly beginning June 21, 2014.

During the three months ended May 31, 2015, the Company entered into new shareholders loans in the amount of $nil (2014 - $300,000). Proceeds received during the year ended February 28, 2015 were used to pay transaction costs associated with the Qualifying Transaction.

During the three months ended May 31, 2015, interest expense on shareholders and other related loans of $68,385 (2014 - $25,656) was recorded as expense and is included in finance costs.

b) Key Management Compensation

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

	Three months ended May 31,	
	2015	2014
Short-term employee benefits	**$ 96,114**	$ 82,500
Share-based payments	**904**	6,069
	$ 97,018	$ 88,569

The board advisors will become directors subsequent to May 31, 2015, pending regulatory approval. Stock options granted to board advisors do not vest until they receive regulatory approval to become directors.

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. Short-term benefits consist of wages and salaries paid or payable to employees, accrued vacation, and other benefits paid or payable within 12 months.

10. Changes in Accounting Policies Including Initial Adoption

Changes in Accounting Policies

There were no significant amendments or new standards adopted by the Company for the first time for the financial year beginning on March 1, 2015.

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, 2015. No additional standards, interpretations, amendments and improvements applicable to the Company were issued prior to May 31, 2015.

11. Financial Instruments and Other Instruments

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, demand term loans, shareholders loans, other related loans 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, demand term loans, shareholders loans, other related loans 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 and accounts payable and accrued liabilities 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 demand term loans, shareholders loans, other related loans and preferred shares reasonably approximate their fair value. The fair value 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 foreign 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.

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. As at May 31, 2015, the balance of the allowance account for credit losses was $nil (February 28, 2015 - $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, 2015 and February 28, 2015, by length of time past due, are:

	May 31, 2015	February 28, 2015
1 to 30 days past due	**$ 127,342**	$ 132,108
31 to 60 days past due	**54,666**	41,273
Greater than 60 days past due	**1,092**	-
Total	**$ 183,100**	$ 173,381

As at May 31, 2015, the Company had three customers owing more than $50,000 each that accounted for approximately 79% of all the trade accounts receivable owing (February 28, 2015 – three customers owing more than $50,000; approximately 62% of trade accounts receivable). Trade accounts receivable associated with customers that each individually exceeded 10% of the Company's sales, service and other revenue for the year totaled 17% of trade accounts receivable (February 28, 2015 – 45%). In addition, the balance in accrued receivables relates primarily to one customer.

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, 2015 totalled $1,545,659 (February 28, 2015 - $2,132,829), accounts receivable totalled $938,034 (February 28, 2015 - $381,697), and accrued receivables totalled

$890,991 (February 28, 2015 - $1,348,670), representing the maximum exposure to credit risk of these financial assets.

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 $2,000 for the three months ended May 31, 2015 (2014 - $nil). A 1% appreciation (depreciation) in the Canadian dollar price of Euros would result in gain (loss) of approximately $nil for the three months ended May 31, 2015 (2014 - $nil).

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's operating line of credit (bank indebtedness) and demand term loans which 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 $15,000 for the three months ended May 31, 2015 (2014 - $22,000).

12. Disclosure of Outstanding Share Data

As at the date of this MD&A, the Company had a total of 30,220,727 Ordinary Shares issued and outstanding, 2,373,291 stock options outstanding under the Company's stock option plan and 6,484,545 warrants outstanding. The number of warrants outstanding includes an estimate of the amount of Consideration Warrants expected to ultimately vest, which as at the date of this MD&A is estimated to be 6,044,145 based on the issued and outstanding Ordinary Shares of the Company. The number of Consideration Warrants to be issued shall not exceed 20% of the issued and outstanding capital of the Company, up to a maximum of 54,000,000 Ordinary Shares. Additional information regarding the Consideration Warrants can be found in the Company's audited consolidated financial statements for the year ended February 28, 2015.

As at the date of this MD&A, 9,685,897 (February 28, 2015 – 11,623,076) of the issued ordinary shares were held in escrow. 1,937,179 of these shares will be released from escrow on November 4, 2015 and every six months thereafter.

13. Risks and Uncertainties

For the three month period ended May 31, 2015, there has been no significant change in our risks and uncertainties from those described in our MD&A for the three months and year ended February 28, 2015. Those risks and uncertainties are herein incorporated by reference.

14. Subsequent Events

The following events occurred subsequent to May 31, 2015:

Acquisition of the Alberta Satellite Bingo business

On June 19, 2015, the Company acquired the operations of Alberta Satellite Bingo, which is comprised of Alberta Satellite Bingo Limited Partnership, 657255 Alberta Ltd. and The Satellite Bingo Network (TSBN) Inc. The acquisition includes assets, intellectual property and existing personnel to operate a linked bingo game in the Province of Alberta. The business is expected to contribute to revenue, but will have minimal impact on net earnings in the first year following acquisition. The acquisition will have significant strategic benefit to the Company in the future as the Company digitizes the game and rolls it out on the Company's gaming systems already in use in Alberta. The purchase price for the acquisition was $75,000. The Company is currently in the process of determining the purchase price allocation.

Issuance of stock options

Subsequent to May 31, 2015 the Company granted 75,000 stock options to employees in accordance with the Company's Stock Option Plan. The options have an exercise price of $0.50 and vest one third July 1, 2015, one third on July 1, 2016 and one third on July 1, 2017.

15. Other Information

Additional information about the Company is available on SEDAR at www.sedar.com.