Form 51-102F1

JACKPOT DIGITAL INC.

Management's Discussion & Analysis
Condensed Consolidated Interim Unaudited Financial Statements
for the nine months ended September 30, 2018

The following discussion and analysis of the financial condition and financial position and results of operations of Jackpot Digital Inc. (the "Company" or "Jackpot") for the nine months ended September 30, 2018 should be read in conjunction with the condensed consolidated interim unaudited financial statements and notes thereto for the nine months ended September 30, 2018 and 2017 and the annual audited consolidated financial statements and notes thereto for the years ended December 31, 2017 and 2016. The condensed consolidated interim unaudited financial statements and notes thereto for the nine months ended September 30, 2018 and 2017 have not been reviewed by the Company's Auditor.

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

The following information is prepared as at November 29, 2018.

Forward-Looking Statements

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

Overview

The principal business of Jackpot Digital Inc. (the "Company" or "Jackpot") is the developing and leasing of electronic table games to casino operators. The Company's common shares trade on the TSX Venture Exchange ("TSX-V") under the symbol "JP" and on the OTCQB under the trading symbol "JPOTF". A certain number of the Company's warrants trade on the TSX-V under the symbol "JP.WT".

Effective April 20, 2018, the Company consolidated its common shares on the basis of 10 pre-consolidation common shares to 1 post-consolidation common share. All the figures as to the number of common shares, stock options, warrants, prices of issued shares, exercise prices of stock options and warrants, as well as loss per share, in the consolidated financial statements are post-consolidation amounts and the prior year comparatives have been retroactively restated to present the post-consolidation amounts. The new CUSIP number of the Company's common shares is 466391208 and the new CUSIP number of the Company's listed for trading warrants is 466391133.

The financial statements of the Company's wholly-owned subsidiaries, Jackpot Digital (NV), Inc. (incorporated in the USA), and Touche Capital Inc. (incorporated in British Columbia), and the Company's partially-owned subsidiary 37 Capital Inc. ("37 Capital"), are included in the consolidated financial statements from the date that control commenced to the date of disposal or dissolution.

On November 2, 2017, the Company obtained control of 37 Capital and, on December 19, 2017, the Company caused to incorporate 10545856 Canada Inc. (Federally incorporated company) which subsequently changed its name to Electrium Mining Inc. ("Electrium"). Electrium is partially owned by the Company.

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

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

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

Results of Operations

During November 2018, the Company received a formal purchase order for one (1) Jackpot Blitz™ ETG from a major casino operator in France. The Jackpot Blitz™ table will be installed during or before Q1 2019.

During November 2018, the Company installed six (6) Jackpot Blitz™ ETG platforms on board cruise ships of the Carnival Corporation & plc ("Carnival") fleet. As of the date of this MD&A, the Company has thirty-two (32) Jackpot Blitz™ ETG platforms operating on Carnival's cruise ships.

During November 2018, the Company received the official notification and the Certification Document from Gaming Laboratories International ("GLI®") that the Jackpot Blitz™ Electronic Table Game ("ETG") platform is compliant with the requirements of GLI-24 and the National Indian Gaming Commission's Class 2 Gaming Systems standard. Jackpot Blitz is also compliant with the applicable requirements from GLI-12, GLI-13, GLI-16 and GLI-21. This GLI certification verifies that Jackpot Blitz™ complies with regulatory standards for numerous gaming jurisdictions in North America and worldwide. This GLI approval also allows Jackpot Digital to pursue second phase product approvals with regulatory licensing jurisdictions which require their own proprietary product certification standards or internal lab testing.

At the Global Gaming Expo which was held at Sands Expo in Las Vegas, Nevada during October 2018, Jackpot was shortlisted for a 2018 Global Gaming Award in Product Innovation of the year category. The award nomination recognized the Company's Electronic Table Game ("ETG") product Jackpot Blitz™ and its pioneering approach to electronic table gaming. Jackpot was one of ten companies shortlisted for a 2018 Global Gaming Award in this category. Unfortunately, Jackpot did not win the 2018 Global Gaming Award.

During October 2018, the Company received a formal notification from the French Ministry of the Interior informing Jackpot that the Company's Jackpot Blitz™ Electronic Table Game ("ETG") platform has been approved for sale to French gaming establishments. The Company is a Licensed Manufacturer of Electronic Gaming Equipment in France, therefore this product approval allows the Company to sell its Jackpot Blitz™ ETG platforms to French gaming establishments.

During September 2018, the Company installed two (2) Jackpot Blitz™ ETG platforms on board cruise ships in the Carnival Corporation & plc ("Carnival") fleet.

During September 2018, the Company signed Software License and Equipment Lease Agreements (the "Agreements") with three casinos operated by Wild Rose Casinos & Resorts ("Wild Rose") in Iowa. The Agreements outline the terms for placement of one Jackpot Blitz™ ETG at Wild Rose Casino & Resort Jefferson, Wild Rose Casino & Resort Clinton and Wild Rose Casino & Resort Emmetsburg. The Agreements are contingent on GLI approval (obtained) and Jackpot obtaining approval from the Iowa Racing and Gaming Commission as a Licensed Manufacturer and Distributor.

During August 2018, the Company entered into a Purchase & Sale Agreement with an arm's length party whereby the Company sold to the arm's length party the Company's 800,000 units in the capital of 37 Capital Inc. ("37 Capital") for a cash payment of $72,000. Each 37 Capital unit consists of one common share in the capital of 37 Capital and one share purchase warrant exercisable at Cdn $0.12 per common share until November 2, 2022.

During August 2018, the Company carried out the 11th Annual Carnival Challenge on the Carnival Breeze vessel. The poker tournament was played using the Company's PokerPro ETGs. The tournament included 594 poker players, and the Company received a certain percentage of the revenues generated from the tournament.

During August 2018, the Company entered into a Distribution Agreement with Yellowfin LLC ("Yellofin"). Under this Distribution Agreement, Yellofin will serve as a non-exclusive sales and distribution partner for Jackpot's products across the United States. Through this agreement, Yellofin will market and license Jackpot's electronic table games ("ETGs") to casinos, card rooms, and other gaming venues across the United States.

During August 2018, the Company installed three (3) Jackpot Blitz™ ETG platforms on cruise ships of the Carnival Corporation & plc ("Carnival") fleet.

On July 19, 2018 the National Indian Gaming Commission ("NIGC") issued a Game Classification Opinion stating that the Company's Jackpot Blitz™ ETG with Texas Hold'em satisfies the requirements as a Class II Game. This allows Jackpot to pursue placements of the Jackpot Blitz™ ETG with an additional 75 tribal game operations across the United States.

During Q2 2018, the Company installed fourteen (14) more Jackpot Blitz™ ETG platforms on cruise ships of the Carnival Corporation & plc ("Carnival") fleet.

From April 17 to 20, 2018, the Company displayed its Jackpot Blitz™ ETG product at the National Indian Gaming Association ("NIGA") Indian Gaming Tradeshow & Convention in Las Vegas, Nevada. The NIGA convention is the largest gathering of tribal leaders and casino executives in the USA. The Company conducted numerous product presentations and sales meetings during the NIGA convention.

On March 14, 2018, the Company signed a Letter of Intent ("LOI") with Ho-Chunk Gaming Wisconsin Dells ("Ho-Chunk") in Baraboo, Wisconsin formalizing an order for the Company's Jackpot Blitz™ ETG platform. The table order is contingent on the Company receiving customary certification for the Jackpot Blitz™ ETG and vendor licensing approval by the applicable regulatory body. A Software License and Equipment Lease Agreement is expected to be negotiated and executed between the parties at a later date.

From February 6 to 8, 2018, the Company displayed its Jackpot Blitz™ ETG product at ICE Totally Gaming ("ICE") in London, U.K. ICE attracts attendees from the gaming industry worldwide. The Company conducted numerous product presentations and sales meetings during ICE.

On February 1, 2018, the Company entered into an exclusive Sales Agency and Support Services Agreement with Mascot SFM ("Mascot"). Mascot will serve as Jackpot's sales and technical services partner across France for the Company's ETG products, Mascot will be providing regulatory approval facilitation, sales, marketing, installation, training, and technical services for future Jackpot Digital clients across France, focussing on the Company's new Jackpot Blitz™ ETG product.

During January 2018 the Company had its applications for renewal of its gaming licences and registration approved by the California Gambling Control Commission, the Arkansas Racing Commission, and the Alcohol and Gaming Commission of Ontario. These renewals enable Jackpot to continue engaging with gaming establishments in California, Arkansas and Ontario to lease the Company's electronic table game ("ETG") products.

On January 5, 2018 the Company signed a Software License and Equipment Lease Agreement (the "Agreement") with the Taormina Hotel & Casino ("Taormina") in San Jose, Costa Rica formalizing an order for the Company's Jackpot Blitz™ Electronic Table Game ("ETG") platform. The Agreement is not contingent on the Company receiving any further customary certification and as such Jackpot will be installing the Jackpot Blitz™ ETG for commercial use.

On December 19, 2017, as part of a contemplated transaction Jackpot caused to incorporate a federally incorporated company "10545856 Canada Inc.", which subsequently changed its name to "Electrium Mining Inc." ("Electrium"). On January 2, 2018, the Company entered into a letter of intent ("LOI") with International Interactive Ventures Inc. of Ramat Gan Israel, and associated companies ("Seller Group") which was subsequently terminated. As of the date of this MD&A, Electrium is partially owned by the Company.

During December 2017, the Company signed a Software License and Equipment Lease Agreement (the "Agreement") with Grey Rock Casino in Edmundston, New Brunswick formalizing an order for the Company's Jackpot Blitz™ ETG platform. The Agreement is contingent on the Company receiving customary certification for the Jackpot Blitz™ ETG and vendor licensing approval by the applicable regulatory body.

During November 2017, the Company signed a new Software License and Equipment Lease Agreement (the "Agreement") with Carnival Corporation & plc ("Carnival"). The Agreement outlines terms for the replacement, in phases, of the Company's existing PokerPro ETG platform with the Company's next-generation Jackpot Blitz™ ETG on Carnival's cruise ships, subject to certain terms and conditions. Thus far all Jackpot Blitz™ tables have gained positive feedback from their guests. In addition to the Company's Jackpot Blitz™ and ProCore ETG platforms, Jackpot currently has PokerPro tables in operation on Carnival ships.

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

During September 2017, the Company entered into a non-exclusive agreement with an arm's length party to license and distribute the Company's ETGs throughout Asia.

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

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

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

As of September 30, 2018, the Company's operations employed 22 people (September 30, 2017: 20 people) consisting of staff and management. As of the date of this MD&A, the Company's operations employ 23 people consisting of staff and management.

On December 15, 2017, at the Annual General Meeting of the Company's shareholders which was held in Vancouver, BC, the shareholders received the Audited Consolidated Financial Statements for the fiscal year ended December 31, 2016 and the Independent Auditor's report thereon; fixed the number of Directors for the ensuing year at five; elected Bedo H. Kalpakian, Jacob H. Kalpakian, Neil Spellman, Gregory T. McFarlane and Alan Artunian as Directors of the Company; re-appointed the Company's Independent Auditor, Smythe LLP, Chartered Professional Accountants, for the ensuing year and authorized the Directors to fix the remuneration to be paid to the Auditor and re-approved the Company's 10% Rolling Stock Option Plan.

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

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

Wireless Gaming Software and iGaming Platform

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

Electronic Table Games

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

On November 16, 2015, the Company entered into a Lease Agreement with an arm's length party for approximately 7,936 square feet of premises in Burnaby, BC for an interim term of six (6) months commencing on December 1, 2015 (the "Company's warehouse"). The Lease Agreement has been extended to May 31, 2019. The Company's warehouse is used for the purpose of storing, cleaning, assembling, refurbishing, manufacturing, testing, configuring, packing and shipping the Company's ETGs. The Company has paid a security deposit of $8,930 in respect to this Lease Agreement. Effective January 2018, the Company pays basic rent of $3,968 plus the operational cost and the applicable tax totaling $10,058 per month. Effective September 1, 2018, the Company expanded its existing warehouse facility by approximately 1,521 sq. feet for a period of nine months (the "Expanded Premises"). The Company shall pay a rent of $8.00 per square foot per annum plus operating costs and property taxes estimated to be $8.52 per square foot per annum for the Expanded Premises.

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

Cruise Ships

- The cruise ship industry operates their casinos while they are in international waters, and therefore, they do not require their gaming equipment vendors to attain any form of gaming license or product approval.
- The Company typically leases ETGs on a monthly recurring basis to cruise ship companies.
- Carnival is the largest operator of the Company's ETGs.
- The Company is in discussions with other cruise line entities to place Jackpot Blitz™ ETGs on their cruise ships.

North American Casinos

- The North American casino industry is predominantly regulated at the state/provincial level as individual jurisdictions. Additionally, some states have native American tribal jurisdictions. Every jurisdiction approves the gaming equipment used in their casinos, usually in the form of a gaming license. Therefore, the Company must attain gaming licenses directly or through a distributor to expand its ETG business in North America.
- The Company currently holds approved gaming licenses and registrations in North America with the California Gambling Control Commission, the Arkansas Racing Commission, the Alcohol and Gaming Commission of Ontario, and the Seminole Tribe of Florida.
- The Company has signed Agreements and/or Letters of Intent with numerous entities in Canada and the United States which are contingent on the Company receiving customary certification of the Jackpot Blitz™ ETG and the approvals by the relevant regulatory bodies.
- The Company typically leases ETGs on a monthly recurring basis to North American casino customers.

Other Markets

- Markets outside cruise ships and North American casinos are considered on a case-by-case basis, depending on the revenue potential, practicality of deploying and supporting the Company's ETGs in other continents, and other considerations.
- The Company may opt to lease or sell ETGs in other markets.
- The Company has signed Sales/Service and/or Distribution agreements with numerous entities, covering sales territories including France (exclusive), Europe (non-exclusive), and Asia (non-exclusive).

Research and Development

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

The Company has filed a Patent Cooperation Treaty ("PCT") Patent application for the Jackpot Blitz™ ETG platform. The Company also owns a number of United States Patents and Trademarks, acquired in the Transaction with Everi Holdings Inc., certain elements of which apply to the Company's PokerPro, ProCore, and Jackpot Blitz™ ETG products. The Company expects this will further protect the Company's investment in its ETG technology.

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

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

Pursuant to the Agreement, the consideration payable to Everi included 750,000 share purchase warrants exercisable at the price of $0.50 per share in the capital of the Company, and cash payments of up to US $7,500,000 contingent on when the cash payments are made by the Company. As at September 30, 2018, the Company has a payable to Everi of $4,926,032, or US$3,805,355 (December 31, 2017 - $4,818,980, or US$3,841,355).

On December 22, 2017, the Company entered into a debt settlement agreement with Everi whereby the Company and Everi agreed to settle the Company's outstanding debt of US $3,862,105 by making a payment to Everi of US$1,762,105 on or before March 15, 2018, and by reducing the exercise price of the 750,000 warrants from $2.00 per share purchase warrant to $0.50 per share purchase warrant on or before January 22, 2018. The Company obtained the approval of the TSX-V for the reduction of the price of the share purchase warrants to $0.50 per share purchase warrant on January 19, 2018, however, the Company did not make the required payment to settle the outstanding debt by March 15, 2018 and as such, the full balance remained outstanding as of September 30, 2018.

On October 18, 2018, the Company entered into an amendment to the previously executed debt settlement agreement (the "New Debt Settlement Agreement") with Everi. The New Debt Settlement Agreement has been accepted by the TSX-V. Pursuant to the New Debt Settlement Agreement, the Company's former outstanding debt to Everi in the amount of US $3,805,355.29 has been reduced to U$1,355,355.29 which shall bear simple interest at the rate of 8% per annum and which shall be payable eighteen months after the effective date of the New Debt Settlement Agreement. In consideration for the elimination and reduction of the debt by a total amount of US$2,450,000 the Company has granted to Everi 1,000,000 common share warrants in the capital of the Company which are exercisable at the price of $0.35 per common share for a period of two years, and the Company has issued to Everi 2,276,225 common shares in the capital of the Company at a deemed price of $0.20 per share. The securities that have been issued to Everi are subject to a hold period in accordance with the applicable securities laws.

Revenues

For the nine months ended September 30, 2018, the Company has recorded sales revenues of $nil (September 30, 2017: $19), licensing revenues of $nil (September 30, 2017: $(14,097)) and Electronic gaming tables revenue of $1,602,006 (September 30, 2017: $2,939,048). The decrease in the Company's revenues is mainly due to the recognition of deferred revenues of $1,071,782 during the three months ended March 31, 2017 as a result of receiving a gaming licence for the Company's ETGs in the Province of Ontario, Canada.

Royalty expense

For the nine months ended September 30, 2018, the Company had royalty expense of $30,484 as compared to royalty expense of $38,635 during the nine months ended September 30, 2017. The decrease in the Company's royalty expense is due to the 2016 Amending Agreements of the 2015 non-convertible secured debentures.

Licensing fee

For the nine months ended September 30, 2018, the Company had licensing fee of $17,145 as compared to $51,159 during the nine months ended September 30, 2017.

Cost of Sales

For the nine months ended September 30, 2018, the cost of sales was $632,154 as compared to $448,274 during the corresponding period in 2017.

Gross Profits

For the nine months ended September 30, 2018, the Company has recorded gross profits of $922,223 as compared to gross profits of $2,386,902 during the corresponding period in 2017. The decrease in the Company's gross profits is mainly due to the recognition of deferred revenues of $1,071,782 during the three months ended March 31, 2017 as a result of receiving a gaming licence for the Company's ETGs in the Province of Ontario, Canada.

Expenses

For the nine months ended September 30, 2018, operating expenses were $4,705,104 as compared to $3,572,766 for the nine months ended September 30, 2017. The increase in operating expenses is mainly due to foreign exchange loss/gain.

Net Income (Loss) and Comprehensive Income (Loss)

During the nine months ended September 30, 2018, the Company had a net loss and comprehensive loss of $ 3,782,881 or $0.09 per share (weighted average) as compared to $1,185,864 or $0.04 per share (weighted average) in the same period of 2017. During the nine months ended September 30, 2018, the Company's weighted average number of common shares was 41,429,454 as compared to 31,220,303 for the same nine months period in 2017.

Liquidity and Capital Resources

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

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

As at September 30, 2018, the Company's total assets were $5,587,098 as compared to $5,932,613 for the corresponding period in 2017. The Company's total liabilities were $14,949,659 as compared to $11,597,253 for the corresponding period in 2017. The Company has not paid any dividends in the past and does not plan to pay any dividends in the future.

As at September 30, 2018, the Company had:

- Cash and cash equivalents of $87,432 as compared to $171,497 at September 30, 2017 (December 31, 2017: $162,239).
- Accounts receivable of $241,910 as compared to $218,353 at September 30, 2017 (December 31, 2017: $269,537).
- Due from related parties of $nil as compared to $158,974 at September 30, 2017 (December 31, 2017: $nil).
- Prepaid expenses and deposits of $46,904 as compared to $50,647 at September 30, 2017 (December 31, 2017: $46,904).
- Gaming systems of $3,737,707 as compared to $1,387,826 at September 30, 2017 (December 31, 2017: $1,908,154).
- Equipment of $46,421 as compared to $354,071 at September 30, 2017 (December 31, 2017: $1,908,154).
- Intangible assets of $1,407,493 as compared to $2,321,545 at September 30, 2017 (December 31, 2017: $1,769,447).
- Goodwill of $nil as compared to $1,269,700 at September 30, 2017 (December 31, 2017: $nil).
- Investment of $1 as compared to $nil at September 30, 2017 (December 31, 2017: $1).
- Mineral Property Interest of $1 as compared to $nil at September 30, 2017 (December 31, 2017: $1)

Operating Activities

During the nine months ended September 30, 2018, the Company used $1,235,648 of cash for operating activities as compared to $1,121,623 of cash used in operating activities in the corresponding period of 2017.

Financing Activities

During the nine months ended September 30, 2018, the Company received $2,852,165 of cash from financing activities as compared to $1,981,326 of cash received from financing activities in the corresponding period of 2017.

Investing Activities

During the nine months ended September 30, 2018, the Company used cash in investing activities of $1,690,090 as compared to $697,557 of cash used in investing activities during the corresponding period of 2017.

Capitalization

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

During the year ended December 31, 2017, the Company has incurred a net loss and comprehensive loss of $4,289,315 (December 31, 2016: $6,158,137), has limited revenues, and has no assurances that sufficient funding will be available to continue its operations for an extended period of time.

During the nine months ended September 30, 2018, the following transactions have occurred:

(i) On June 18, 2018, the Company completed its rights offering and issued 12,266,108 units of the Company's securities for gross proceeds of $1,839,916.20. Each unit consists of one common share and one Rights Offering Warrant. Each Rights Offering Warrant entitles the holder to purchase one additional common share at a price of $0.50 until January 20, 2022. The Rights Offering Warrants trade on the TSX-V. Additionally, in respect to the rights offering, the stand-by guarantors received bonus warrants entitling them to purchase a total of 1,478,601 common shares of the Company exercisable at a price of $0.50 per share until June 22, 2023.

(ii) On January 3, 2018, the Company closed the non-brokered private placement financing which was announced on December 21, 2017 whereby Jackpot raised gross proceeds of $526,775 and has issued 1,053,550 units of the Company at $0.50 per unit. Each unit consists of one common share of the Company and one non-transferable share purchase warrant to acquire an additional common share of the Company at the price of $0.60 for a period of 5 years. The Company incurred share issuances costs of $15,600 and issued 45,084 finder's units, 45,084 broker warrants and 31,200 broker options. The broker warrants are exercisable at $0.60 per share for a period of two years. The broker options are exercisable at $0.50 per broker option for two years. Each broker option consists of one common share and one share purchase warrant. Each share purchase warrant is exercisable at $0.60 per share for two years.

(iii) On January 24, 2018, the Company closed the non-brokered private placement and issued 389,000 units of the Company at a price of $0.50 per unit for total gross proceeds to the Company of $194,500. Each unit consists of one common share of the Company and one non-transferable share purchase warrant to acquire an additional common share of the Company at the price of $0.60 for a period of 5 years. The Company incurred share issuance costs of $12,000 and issued 24,000 broker options. The broker options are exercisable at $0.50 per broker option for two years. Each broker option consists of one common share and one share purchase warrant. Each share purchase warrant is exercisable at $0.60 per share for two years.

Subsequent to the nine months ended September 30, 2018, the following transactions have occurred:

(i) On October 29, 2018, the Company closed the first tranche of the non-brokered private placement which was announced on September 28, 2018 and which consists of 3,185,800 units of the Company at a price of $0.20 per unit for total gross proceeds to the Company of $637,160. Each unit consists of one common share of the Company and one non-transferable share purchase warrant to acquire an additional common share of the Company at the price of $0.25 for a period of 3 years. The Company issued in aggregate 384,475 common shares at a deemed price of $0.20 per share as finder's fees to arm's length parties. A director and officer of the Company subscribed for 110,000 units in the private placement. All the securities that have been issued in connection with this private placement are subject to a hold period which expires on March 1, 2019.

(ii) On November 8, 2018, the Company closed the second tranche of the non-brokered private placement which was announced on September 28, 2018 and which consists of 1,712,500 units of the Company at a price of $0.20 per unit for total gross proceeds to the Company of $342,500. Each unit consists of one common share of the Company and one non-transferable share purchase warrant to acquire an additional common share of the Company at the price of $0.25 for a period of 3 years. The Company issued in aggregate 195,312 common shares at a deemed price of $0.20 per share as finder's fees to arm's length parties. An insider of the Company subscribed for 150,000 units in the private placement. All the securities that have been issued in connection with this private placement are subject to a hold period which expires on March 9, 2019.

During the year ended December 31, 2017, the following transactions have occurred:

(i) In December 2017, the Company received $245,000 in subscription funds in advance of a private placement financing. Share issuance costs of $15,600 were incurred on this placement.

(ii) On November 28, 2017 and December 1, 2017, the Company closed a non-brokered private placement financing in two tranches which consists of 1,150,000 units of the Company at a price of $0.50 per unit for gross proceeds of $575,000. Of the gross proceeds, $517,500 has been allocated to capital stock and $57,500 has been allocated to warrant reserve. Each unit consists of one common share of the Company and one non-transferable share purchase warrant to acquire an additional common share of the Company at the price of $0.60 for a period of five years. The Company issued 98,000 finder's shares fair valued at $49,000 and 22,000 broker warrants fair valued at $4,764. The broker warrants are exercisable at $0.60 per share for a period of two years.

(iii) On September 13, 2017, the Company closed the second and final tranche of the non-brokered private placement financing which was announced on August 10, 2017 which consists of 346,000 units of the Company at $0.50 per unit for gross proceeds of $173,000. Of the gross proceeds, $173,000 has been allocated to capital stock and $nil has been allocated to warrant reserve. Each unit consists of one common share of the Company and one non-transferable share purchase warrant to acquire an additional common share of the Company at the price of $0.60 per share for a period of five years. The Company issued 23,000 finder's shares fair valued at $11,500 and 3,750 broker warrants fair valued at $1,152. The broker warrants are exercisable at $0.60 per share for two years. Additional share issuance costs of $876 were incurred on this placement.

(iv) On August 21, 2017, the Company closed the first tranche of the non-brokered private placement financing, which was announced on August 10, 2017 and consists of 700,000 units of the Company at a price of $0.50 per unit for gross proceeds of $350,000. Of the gross proceeds, $350,000 has been allocated to capital stock and $nil has been allocated to warrant reserve. Each unit consists of one common share of the Company and one non-transferable share purchase warrant to acquire an additional common share of the Company at the price of $0.60 per share for a period of five years. The Company issued 70,000 finder's shares fair valued at $35,000 and 17,500 brokers warrants fair valued at $6,713. The broker warrants are exercisable at $0.60 per share for two years. Additional share issuance costs of $9,009 were incurred on this placement.

(v) On July 27, 2017, the Company closed a non-brokered private placement financing, which was announced in June 2017 and consists of 1,560,000 units of the Company at a price of $0.50 per unit for gross proceeds of $780,000. Of the gross proceeds, $702,000 has been allocated to capital stock and $78,000 has been allocated to warrant reserve. Each unit consists of one common share of the Company and one transferable share purchase warrant to acquire an additional common share of the Company at the price of $0.50 ("Warrants"). The Warrants have the same terms and conditions as the warrants that were issued by the Company pursuant to the rights offering, which completed on January 20, 2017. The Warrants trade on the TSX-V under the trading symbol "JP.WT". The Company issued 100,000 finder's shares fair valued at $50,000 and 40,000 brokers warrants fair valued at $12,867. The broker warrants are exercisable at $0.50 per share for two years.

(vi) On January 20, 2017, the Company completed its rights offering and issued 15,599,655 units of the Company's securities for gross proceeds of $1,559,966. Each unit consists of one common share and one Rights Offering Warrant. Each Rights Offering Warrant entitles the holder to purchase one additional common share at a price of $0.50 for a period of five years. The Rights Offering Warrants trade on the TSX-V. Additionally, in respect to the rights offering, the stand-by guarantors received bonus warrants entitling them to purchase a total of

3,237,500 common shares of the Company equal to 25% of the total number of units the stand-by guarantors had agreed to purchase under the stand-by commitments, exercisable at a price of $0.50 per share for a period of five years. Share issuance costs of $130,787 were incurred on the rights offering.

Warrants

During the nine months ended September 30, 2018, a total of 15,277,427 warrants with a weighted exercise price $0.60 per share were issued in connection with the rights offering and private placement financings and a total of 3,537,500 warrants expired unexercised and 3,810 warrants were exercised at $0.50 per share for total proceeds to the Company of $1,905. As at September 30, 2018, there were 42,173,447 warrants outstanding with weighted average price of $0.59 per warrant (September 30, 2017: 31,993,568 with weighted average price of $0.72 per warrant). Subsequent to the nine months ended September 30, 2018, a total of 5,898,300 warrants exercisable at prices ranging from $0.25 to $0.35 per share have been issued in connection with a private placement and a debt settlement agreement.

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

Stock Options

On April 14, 2015, the TSX.V accepted the Company's new rolling stock option plan whereby a maximum of 10% of the issued shares of the Company will be reserved for issuance under the plan ("New 10% Rolling Stock Option Plan"). The New 10% Rolling Stock Option Plan received shareholder approval at the Company's 2017 Annual General Meeting of its Shareholders which was held on December 15, 2017. Pursuant to the Company's New 10% Rolling Stock Option Plan the Company grants stock options to employees, directors, officers and consultants. As at September 30, 2018, there were 3,428 stock options available for granting under the New 10% Rolling Stock Option Plan (September 30, 2017: 2,136,873). As at September 30, 2018, there were 4,903,000 stock options outstanding with a weighted average exercise price of $0.19 per share (September 30, 2017: there were 1,263,000 stock options outstanding with a weighted average exercise price of $0.60 per share).

There were no stock options exercised during the nine months ended September 30, 2018.

During the nine months ended September 30, 2018, a total of 1,263,000 options exercisable at prices ranging from $0.55 - $0.60 per share expired unexercised.

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

LOANS PAYABLE AND DEBENTURES

Loans payable

During the nine months period ended September 30, 2018, the Company:

(a) Entered into a loan agreement with an arm's length party totaling $100,000, with a term of 12 months, bears interest at the rate of 10% per annum payable on a quarterly basis. As at September 30, 2018, the Company full repaid the outstanding loan and accrued interest totaling $103,479.

(b) Entered into three promissory notes with an arm's length party for the amount of $225,000, bearing interest rate of 10% per annum and due on demand. As at September 30, 2018, the Company fully repaid the promissory notes and accrued interest totaling $227,377.

(c) On April 20, 2018, the Company entered into a loan agreement with a third party, as amended on June 28, 2018, for a loan in the principal amount of $500,000, which has a term of twelve months and bears interest at the rate of 15% per annum payable on a quarterly basis. As of September 30, 2018, the Company fully repaid the outstanding loan and accrued interest totaling $518,288.

(d) Entered into a promissory note with an arm's length party for the amount of $75,000, bearing interest rate of 10% per annum and due on demand. As at September 30, 2018, the Company fully repaid the promissory notes and accrued interest totaling $75,288.

(e) Entered into a promissory note with an arm's length party for the amount of $200,000, bearing interest rate of 10% per annum and due on demand. As at September 30, 2018, the total balance of the outstanding loan and accrued interest is $203,178.

(f) An arm's length party has advanced to the Company the amount of $150,000, which bears interest at the rate of 10% per annum and which is due on demand. As at September 30, 2018, the total balance owing to the arm's length party including the accrued interest is $150,740.

During the year ended December 31, 2017, the Company:

(a) Entered into short-term one-month loan agreements with two arm's length parties totaling $175,000. As at September 30, 2018, the Company fully repaid the outstanding loans and accrued interest totaling $175,925.

(b) Entered into a loan agreement with an arm's length party totaling $150,000, with a term of 12 months, bears interest at the rate of 10% per annum payable on a quarterly basis. The amount of $137,500 was recorded as the liability portion of the compound instrument. Pursuant to the agreement, the Company issued 60,000 bonus shares and the amount of $12,500 has been recorded for the shares issued. As at September 30, 2018, $158,686 has been recorded as the liability portion of the compound instrument.

During the year ended December 31, 2016, the Company entered into short-term loan agreements with several arm's length parties totaling $311,000. During the year ended December 31, 2016, the Company repaid $293,892 of the loans together with accrued interest ($7,892) and as at December 31, 2016, $25,726 remained outstanding. During the year ended December 31, 2017, the Company fully repaid the outstanding loan and accrued interest totaling $25,849.

Non-convertible secured debentures

During the year ended December 31, 2015, the Company entered into two non-convertible secured debenture agreements for an aggregate US$2,500,000 with one arm's length party (87 Capital Corporation) and one related party (30 Rock Management Inc. ("30 Rock"). The non-convertible secured debentures are secured against the Company's assets. The non-convertible secured debenture agreements provide for a term of three years and bear interest at 10% per annum, with interest payable quarterly. As additional consideration of the risk associated with the debentures, the Company issued 750,000 warrants to the lenders. Each warrant has a five-year expiry term and is exercisable into one common share at $2.00.

In addition, the Company is required to pay the lenders certain royalty percentages of net revenues during the three-year period. The terms of the royalty percentages were amended on April 28, 2016.

The liability component of the non-convertible secured debentures was recognized initially at the fair value of a similar liability that does not have attached warrants, which was calculated based on the application of a market interest rate of 25%. The difference between the face value of US$2,500,000 and the fair value of the non-convertible debentures of $2,386,286 represent the value of the warrants, which has been recognized as a component of equity.

As at September 30, 2018, the amount of $3,206,362 (December 31, 2017 - $2,854,790) has been recorded as the non-convertible secured debentures.

Convertible secured debentures

During the year ended December 31, 2016, the Company issued convertible secured debentures financing that was announced on April 22, 2016 for net proceeds of $1,753,111. The convertible secured debentures have a term of 12 months, bear simple interest at the rate of 12% per annum and payable on a quarterly basis. The principal amount of the convertible secured debentures may be convertible into common shares of the Company at a price of $0.50 per share. In connection with the convertible secured debentures, the Company has paid a cash commission of $200,000 and a corporate finance fee of $30,000 plus HST and other expenses of $11,495 plus HST and has issued 600,000 broker warrants to Kingsdale Capital Markets Inc. (fair valued at $31,128). The broker warrants are exercisable into common shares of the Company at the price of $0.50 per share during the first year and at the price of $1.00 per share during the second year. The convertible secured debentures are secured against the Company's assets.

During the year ended December 31, 2017, the Company paid $222,098 of accrued interest and repaid the principal amounts totaling $17,000 to two debenture holders.

As at September 30, 2018, the amount of $1,983,000 (December 31, 2017 - $1,983,000) has been recorded as the liability portion of convertible secured debentures and the amount of $101,601 (December 31, 2017 - $101,601) has been recorded as the equity portion of convertible secured debentures reserve. The effective interest rate was 20%.

Convertible debenture

During August 2018, the Company has entered into a convertible debenture with an arm's length party for the principal amount Cdn $328,000 which bears interest at the rate of 8% per annum and which was due and payable on October 30, 2018 (the "Term"). At any time prior to the expiry of the Term, at the sole discretion of the Company, all or part of the Principal Amount together with all accrued interest may be converted into common shares of the Company at the price of Cdn $0.18 per share. The securities that may be issued pursuant to the convertible debenture shall be subject to four months and a day hold period in accordance with applicable Canadian securities laws. As at September 30, 2018, the amount of $322,342 has been recorded as the liability portion of convertible secured debentures and the amount of $5,658 has been recorded as the equity portion of convertible secured debentures reserve. The effective interest rate was 20%. As of the date of this MD&A, the Company is in default of this Convertible debenture, and as such the Company is presently in discussions with the arm's length party for a mutually acceptable resolution of this matter.

37 Capital Loan Payable and Debentures

Loan payable

During the year ended December 31, 2016, 37 Capital entered into an agreement with an arm's length party whereby the party would pay certain debts owed by 37 Capital. The loan is non-interest-bearing, unsecured and due on demand. As at September 30, 2018, the balance payable is $103,924.

Convertible debentures

On January 6, 2015, 37 Capital closed a convertible debenture financing with a director and a former director and officer of 37 Capital for the amount of $250,000. The convertible debentures matured on January 6, 2016, and bear interest at the rate of 12% per annum payable on a quarterly basis. The convertible debentures are convertible into common shares of 37 Capital at a conversion price of $0.30 per share. As at September 30, 2018, the convertible debentures are in default; however, 37 Capital has not been served with a default notice.

During the year ended December 31, 2013, 37 Capital issued several convertible debentures for a total amount of $975,000. The convertible debentures have a maturity date of 18 months from the date of closing, and bear interest at the rate of 15% per annum payable on a quarterly basis. The convertible debentures are convertible into common shares of 37 Capital at a conversion price of $1.50 per share. As at September 30, 2018, $100,000 of the $975,000 remains outstanding and two convertible debentures are in default; however, 37 Capital has not been served with a default notice.

As at September 30, 2018, 37 Capital has recorded $187,941 in accrued interest related to the convertible debentures.

Summary of Quarterly Results

The following are the results for the eight most recent quarterly periods, starting with the three-month quarterly period ended September 30, 2018:

For the Quarterly Periods ended		**September 30, 2018**	**June 30, 2018**	**March 31, 2018**	**December 31, 2017**
Total Revenues	$	507,311	535,320	559,375	625,750
Net income (loss) and comprehensive income (loss) for the period	$	(1,227,303)	(1,266,273)	(1,289,305)	(3,103,451)
Basic and diluted income (loss) per common share	$	(0.03)	(0.03)	(0.04)	(0.09)

For the Quarterly Periods ended		**September 30, 2017**	**June 30, 2017**	**March 31, 2017**	**December 31, 2016**
Total Revenues	$	542,566	599,730	1,782,674	954,240
Net income (loss) and comprehensive income (loss) for the period	$	(659,467)	(803,568)	277,171	(4,126,674)
Basic and diluted income (loss) per common share	$	(0.02)	(0.03)	0.01	(0.26)

Third Quarterly Results (September 30, 2018)

During the three months [third quarter] period ended September 30, 2018:

- The Company had a net loss and comprehensive loss of $1,227,303 or $0.03 per share as compared to a net loss and comprehensive loss of $659,467 or $0.02per share in the same three months [third quarter] period of 2017.

- The Company's total revenues were $507,311 as compared to $542,566 in the same three months [third quarter] period of 2018.

- The Company's total operating expenses were $1,484,771 as compared to $1,040,463 in the same three months [third quarter] period of 2018.

Risks related to our Business

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

- ***General legislative risk***

  The Company's business is heavily regulated.

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

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

- ***Competition***

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

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

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

- ***Reliance on key personnel***

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

- ***Customer loyalty***

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

- ***Payment processing***

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

- ***Foreign exchange rates***

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

- ***Reliance on Major Customer***

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

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

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

- ***Growth management***

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

- ***Dilution***

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

- ***Revenues and Dividends***

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

- ***Under Capitalized***

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

- ***Disruption in Trading***

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

- ***Research and development risk***

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

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

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

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

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

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

Related Party Transactions

The Company shares office space and certain expenses with 37 Capital, a company related by certain common officers and directors. The Company previously shared certain office space and certain expenses with Green Arrow Resources Inc. ("Green Arrow"). Green Arrow was formerly related to Jackpot by certain common directors. Green Arrow and Jackpot ceased to be related parties in November 2017. As of December 1, 2016, Green Arrow is no longer required or obligated to pay its proportionate share of the office rent.

In respect to the debt owed by Green Arrow to the Company in the amount of $153,147 for shared office rent, office support services and miscellaneous office expenses up to November 30, 2016 ("Green Arrow's Debt"), during May 2017 Green Arrow issued to Jackpot 2,000,000 common shares at a price of $0.05 per share in settlement of Green Arrow's Debt. Pursuant to Assignment of Debt Agreements between the Company, Green Arrow, Dumont Capital Corp. ("Dumont") and 0787129 BC Ltd. ("0787129"), the Company assigned $53,147 of Green Arrow's Debt to Dumont and 0787129, and 800,000 common shares of Green Arrow to Dumont and 262,949 common shares of Green Arrow to 0787129. As consideration, during May 2017 the Company received cash payments from Dumont and 0787129 totalling the amount of $53,147. Furthermore, during November 2017 the Company disposed the Green Arrow shares for proceeds of $100,000.

37 Capital is related to the Company by virtue of the fact that 37 Capital's CEO, namely Jacob H. Kalpakian, is the President and CEO of the Company, and a former director and officer of 37 Capital namely Bedo H. Kalpakian, is the Chairman and CFO of the Company.

Furthermore, Gregory T. McFarlane and Neil Spellman are directors of both the Company and 37 Capital, and Neil Spellman is the CFO of 37 Capital.

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

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

As at September 30, 2018 the Company has a balance of $nil (December 31, 2017 - $nil) due from entities with common directors, net of allowance for doubtful accounts of $nil (December 31, 2017 - $nil). The amounts due from related parties are unsecured, due on demand and are without interest.

During the nine months ended September 30, 2018 and 2017, the Company incurred the following related party transactions:

		2018		**2017**
Rent recovered from entities with common directors	$	(14,600)	$	21,427
Office and other expenses recovered from entities with common directors	$	(33,726)	$	63,486

Interest charged on amounts due to related parties	$	4,277	$	7,487

During the nine months ended September 30, 2018, the Company has paid management fees totalling $297,000 to a company owned by two directors (September 30, 2017: $297,000).

During the nine months ended September 30, 2018, the Company:

(a) Entered into three unsecured promissory notes with a director of the Company for an aggregate amount of $43,000, bearing interest rate of 10% per annum and due on demand. As at September 30, 2018, the Company fully repaid the promissory notes and accrued interest totaling $43,086.

(b) Entered into an unsecured promissory note with a family member of two directors of the Company for the amount of $75,000, bearing interest rate of 10% per annum and due on demand. As at September 30, 2018, the Company fully repaid the promissory note and accrued interest totaling $76,397.

During the year ended December 31, 2017, the Company:

(a) Entered into two unsecured loans with a director for the amount $2,500, bearing interest rate of prime plus 1% per annum and due on demand. During the year ended December 31, 2017, the Company fully repaid the loan and accrued interest totaling $2,513.

(b) Entered into seven unsecured promissory notes with a company owned by a director of the Company for an aggregate amount of $255,500, bearing interest rate of 10% per annum and due on demand. During the year ended December 31, 2017, the Company repaid certain promissory notes and accrued interest totaling $199,555. As at September 30, 2018, the Company fully repaid the promissory notes and accrued interest totaling $65,129.

(c) Entered into an unsecured promissory note with a company owned by two directors of the Company for the amount of $9,500, bearing interest rate of 10% per annum and due on demand. During the year ended December 31, 2017, the Company fully repaid the promissory note and accrued interest totaling $9,575.

(d) Entered into two unsecured promissory notes with a family member of two directors of the Company for the amount of $170,000, bearing interest rate of 10% per annum and due on demand. During the year ended December 31, 2017, the Company fully repaid the promissory notes and accrued interest totaling $170,441.

Office Support Services

On May 1, 2013, the Company had entered into an Agreement for Office Support Services with 37 Capital whereby 37 Capital was obligated to pay to the Company a monthly sum of $7,000 plus applicable taxes for certain office support services that was provided by the Company. The Agreement expired on April 30, 2018. On October 23, 2017, 37 Capital entered into a debt settlement agreement with the Company whereby on November 2, 2017 37 Capital issued 4,249,985 units of 37 Capital to the Company at the price of $0.09 per unit in settlement of 37 Capital's outstanding debt for the total amount of $382,498.65 for shared office rent, office support services and miscellaneous office expenses provided by the Company to 37 Capital from August 1, 2014 up to September 30, 2017. Each unit consists of one common share and one share purchase warrant. Each warrant will be exercisable at a price of $0.12 per share for a period of five years. Effective as of May 1, 2018, 37 Capital entered into an agreement for office support services with the Company, Under the office support services agreement, 37 Capital is entitled to receive office support services from the Company at a monthly rate of $1,000 plus applicable taxes. The agreement expires on April 30, 2019, and either Jackpot or 37 Capital may terminate this agreement by giving each other a three months' notice in writing.

During April 2017, the Company together with 37 Capital have entered into an office lease agreement with an arm's length party (the "Office Lease"). The Office Lease has a three-year term with a commencement date of August 1, 2017. Effective January 2018, the basic rent is $10,116 plus the operational costs and the applicable tax totaling $18,830 per month. In respect to the Office Lease, the Company has paid a deposit in the amount of $15,000. Effective as of May 1, 2018, the Company and 37 Capital have agreed that 37 Capital shall have no further responsibilities, obligations or commitments to any party in respect to the Office Lease Agreement and that 37 Capital shall pay a monthly rent of $1,000 plus applicable taxes to Jackpot. Either Jackpot or the Company may terminate this agreement by giving each other a three months' notice in writing.

Insider Participation

In respect to the Non-Convertible Secured Debentures issued to 30 Rock, for further particulars, please see Loans Payable and Debentures in this MD&A. The Company is related to 30 Rock by virtue of the fact that 30 Rock is owned by the President and CEO of the Company.

In respect to the non-brokered private placement financing which closed on July 27, 2017, 30 Rock subscribed for 100,000 units of the Company at $0.50 per unit**.**

In respect to the non-brokered private placement financing which closed on October 29 and November 8, 2018, Jake Kalpakian and Kalpakian Bros. of BC Ltd. subscribed for 110,000 units and 150,000 units of the Company, respectively, at $0.20 per unit.

<u>Financial Instruments and Risk Management</u>

(a) Risk management overview

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

(b) Fair value of financial instruments

The fair values of cash and cash equivalents, accounts payable and accrued liabilities, trade accounts receivable, payable to Everi, loans payable, due to related parties, due from related parties, interest payable and refundable subscription approximate their carrying values due to the short-term maturity of these instruments. The non-convertible secured debentures and convertible debentures are classified as Level 3 financial instruments.

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

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

(c) Credit risk

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

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

To reduce the credit risk of due from related parties, the Company regularly reviews the collectability of due from related parties to ensure there is no indication that these amounts will not be fully recoverable. As at September 30, 2018, allowances for doubtful accounts for due from related parties is $nil (December 31, 2017 - $nil).

To mitigate credit risk on the Company's trade receivables, the Company regularly reviews the collectability of the accounts receivable to ensure there is no indication that these amounts will not be fully recoverable. As at September 30, 2018, the Company had receivables from one customer representing 76% (December 31, 2017 - 67%) of total trade receivables. In addition, as at September 30, 2018, allowance for doubtful accounts is $nil (December 31, 2017 - $nil) and the Company's accounts receivable are due within 60 days.

(d) Liquidity risk

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

At September 30, 2018, the Company has cash and cash equivalents of $87,432 (December 31, 2017 -$162,239) available to apply against short-term business requirements and current liabilities of $14,546,268 (December 31, 2017 - $12,699,877). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of September 30, 2018. As at September 30, 2018, all of the Company's debentures are due in fiscal 2018. The Company will be required to raise additional capital in order to fund operations for the next twelve months.

(e) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing return on capital.

(i) Currency risk

The Company is exposed to foreign currency risk and has significant financial assets and liabilities denominated in US dollars. The Company has not entered into any foreign currency contracts to mitigate this risk. As at September 30, 2018, the Company is exposed to currency risk for its US dollar equivalent of financial assets and liabilities denominated in currencies other than Canadian dollars as follows:

	Held in US dollars (stated in Canadian dollars)	
	September 30, 2018	**December 31, 2017**
Cash	$ 21,460	$ 42,434
Accounts receivable	191,608	237,906
Prepaid	19,229	541,124
Accounts payable and accrued liabilities	(1,233,011)	(704,426)
Payable to Everi	(4,926,032)	(4,818,980)
Non-convertible secured debentures	(3,206,362)	(2,854,790)
Net financial liability	$ (9,133,108)	$ (7,556,732)

Based upon the above net exposure as at September 30, 2018and assuming all other variables remain constant, a 4% depreciation or appreciation of the US dollar relative to the Canadian dollar would result in a change of approximately $365,324 (December 31, 2017 - $302,269) in the Company's consolidated net loss and comprehensive loss.

(ii) Interest rate risk

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

There are variable interest rates on loans payable. As at September 30, 2018, the interest rate on the non-convertible secured debentures, loans payable, and convertible secured debentures balances have fixed interest rates. As such, the Company is exposed to interest rate price risk to the extent of these financial liabilities.

(iii) Other price risk

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

Transaction with 37 Capital Inc.

On October 23, 2017, the Company and 37 Capital entered into a debt settlement agreement whereby on November 2, 2017 37 Capital issued 4,249,985 units of 37 Capital to the Company as full settlement of the $382,498 balance owed (the "Transaction"). Each 37 Capital unit consists of one common share and one share purchase warrant. Each share purchase warrant is exercisable at $0.12 per share until November 2, 2022.

During August 2018, the Company entered into a Purchase & Sale Agreement with an arm's length party whereby the Company sold to the arm's length party the Company's 800,000 units in the capital of 37 Capital for a cash payment of $72,000.

Presently, the Company has a controlling interest of approximately 49.34% of 37 Capital's issued and outstanding shares and the Company has begun consolidating the results of 37 Capital from

November 2, 2017. The Company recorded the Transaction using the fair value of the receivable, and accordingly recognized loss of debt settlement $702,724.

The fair value of 37 Capital's net liabilities at the date of acquisition were as follows:

Cash	$	1,122
GST receivable		2,964
Mineral property		1
Investment		1
Accounts payable and accrued liabilities		(228,684)
Interest payable		(142,941)
Due to related parties		(104,150)
Loan payable		(103,924)
Convertible debt		(361,024)
Net liabilities	$	(936,635)

The carrying value of the non-controlling interest at November 2, 2017 was as follows:

Proportionate share of identifiable net liabilities of 37 Capital on acquisition	$	(317,765)
Share of post-acquisition loss for the period		(6,530)
Balance, December 31, 2017		(324,295)
Share of post-acquisition loss for the period		(42,521)
Dilution of interest		(179,315)
Balance, September 30, 2018	$	(546,131)

37 Capital holds a 33% interest in the Extra High Claims located in British Columbia. The majority of the Extra High Claims expire on December 25, 2019.

During April 2013, 37 Capital entered into an agreement with a Mexican gaming company whereby as at December 31, 2013, 37 Capital invested $800,000 in the Mexican gaming company. As at December 31, 2014, 37 Capital assessed the fair value of its investment in the Mexican gaming company to be $1. Management has determined there has been no change in fair value of this investment as at September 30, 2018.

During the year ended December 31, 2016, 37 Capital cancelled subscription agreements of non-brokered private placement totaling $45,000 and refunded $35,000. As at September 30, 2018, $10,000 remains outstanding to be repaid.

Off-balance sheet arrangements

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

Significant Accounting Policies

All of the Company's significant accounting policies and estimates are included in Note 4 of the Company's condensed consolidated unaudited interim financial statements for the nine months ended September 30, 2018 and 2017.

Capital Stock

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

Outstanding Share Data	Common shares	Number of Preferred Shares	Exercise ($) Price per common share	Expiry Dates
Issued and Outstanding as at November 29, 2018	56,818,594	Nil		N/A
Warrants as at November 29, 2018	850,000 397,143 271,500 1,150,000 40,000 17,500 3,750 14,500 7,500 90,168 675,000 75,000 750,000 1,000,000 3,185,800 1,712,500 29,421,535* 3,237,500 700,000 346,000 850,000 300,000 1,053,550 389,000 1,478,601 48,016,547	Nil	$1.00 $1.00 $1.00 $1.00 $0.50 $0.60 $0.60 $0.60 $0.60 $0.60 $2.00 $2.00 $0.50 $0.35 $0,25 $0.25 $0.50 $0.50 $0.60 $0.60 $0.60 $0.60 $0.60 $0.60 $0.50	February 27, 2019 March 3, 2019 March 9, 2019 April 17, 2019 July 27, 2019 August 21, 2019 Sept 13, 2019 Nov 28, 2019 Dec 1, 2019 Jan 3, 2020 August 4, 2020 August 4, 2020 August 10, 2020 November 19, 2020 October 29, 2021 November 8, 2021 January 20, 2022 January 20, 2022 August 21, 2022 Sept 13, 2022 Nov 28, 2022 Dec 1, 2022 Jan 3, 2023 Jan 24, 2023 June 22, 2023
Compensation Broker Options. Entitles the Holder to purchase one unit at $0.50 per unit. Each Unit shall consist of one common share and one share purchase warrant. Each warrant is exercisable at $0.60 per share for two years.	31,200 24,000 55,200	Nil	$0.50 $0.50	January 3, 2020 January 24, 2020

Stock Options as at November 29, 2018	4,903,000	Nil	$0.18 - $0.50	Feb 1, 2020 – August 28, 2021
Fully Diluted as at November 29, 2018	109,793,341	Nil		

*****trading on the TSX.V under the symbol "JP.WT"

Director Approval

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

Outlook

The Company's new ETG platform, Jackpot Blitz™, is generating considerable interest from numerous casinos, card rooms and cruise lines. Jackpot Blitz™ ETG installations are continuing with new and current customers. As a result of Jackpot Blitz™ receiving GLI certification in November 2018, management is optimistic that the Company shall be in a good position to capitalize on the significant interest for the Company's gaming product from land-based casinos and cruise lines.

The Company continues to optimize its electronic table games business by enhancing processes, training staff, finding cost-effective local and international vendors, and implementing business management software and practices.

Furthermore, the Company is working on a new project for a client to incorporate table games and other casino entertainment experiences into a new gaming machine. While this project is in the early stages of development, Management is optimistic that once this new project is completed, it should increase the Company's revenues.