Form 51-102F1

JACKPOT DIGITAL INC.

Management's Discussion & Analysis
Annual Audited Consolidated Financial Statements for the
Year ended December 31, 2016

The following discussion and analysis of the financial condition and financial position and results of operations of Jackpot Digital Inc. (the "Company" or "Jackpot") should be read in conjunction with the annual audited consolidated financial statements for the years ended December 31, 2016 and 2015 and notes thereto.

The consolidated financial statements, including comparatives, have been prepared in accordance with International Financing Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Company's consolidated financial statements are expressed in Canadian (CDN) Dollars which is the Company's functional currency. All amounts in this MD&A are in CDN dollars unless otherwise stated.

The following information is prepared as at May 1, 2017.

Forward-Looking Statements

Certain statements contained herein are "forward-looking" and are based on the opinions and estimates of management, or on opinions and estimates provided to and accepted by management. Forward-looking statements may include, among others, statements regarding future plans, costs, objectives or economic performance, or the assumptions underlying any of the foregoing. In this MD&A, words such as "may", "would", "could", "will", "likely", "seek", "project", "predict", "potential", "should", "might", "hopeful", "objective", "believe", "expect", "anticipate", "intend", "plan", "estimate", "optimistic" and similar words are used to identify forward-looking statements. Forward-looking statements are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those expressed or implied. Readers, shareholders and investors are therefore cautioned not to place reliance on any forward-looking statements as the plans, assumptions, intentions, estimations or expectations upon which they are based might not occur. The Company does not undertake to update or revise any forward-looking statements, except in accordance with applicable securities laws.

Overview

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

The Company's office is located at Suite 300 – 570 Granville Street, Vancouver, British Columbia, Canada, V6C 3P1 and the Company's warehouse is located at 4664 Lougheed Hwy, Unit W030, Burnaby, British Columbia, Canada, V5C 5T5. The Company's registered office is at Suite 1500, 1055 West Georgia Street, PO Box 11117 Royal Centre, Vancouver, British Columbia, Canada, V6E 4N7.

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

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

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

Selected Annual Information

Selected annual information from the audited consolidated financial statements for the three years ended December 31, 2016, 2015 and 2014 is shown in the following table:

	2016	2015	2014
Revenues	$ 2,793,483	$ 1,142,178	$ 33,871
Expenses	7,697,380	4,481,348	2,719,660
Net loss and Comprehensive Loss	(6,158,137)	(3,768,817)	(2,685,789)
Basic and Diluted Loss per common share	(0.04)	(0.03)	(0.02)
Total Assets	6,361,810	9,739,234	220,371
Long term financial obligations	2,982,264	3,074,011	47,940
Cash dividends	Nil	Nil	Nil

For the year ended December 31, 2016, the Company has recorded revenues of $2,793,483 (2015: $1,142,178) (2014: $33,871) which includes Electronic gaming tables of $2,638,771 (2015: $1,001,337) (2014: $nil), Licensing revenue of $152,058(2015: $135,461) (2014: $22,829) and Sales revenue of $2,654 (2015: $5,380) (2014: $11,042), The Net Loss and Comprehensive Loss for 2016 was $6,158,137 as compared to $3,768,817 in 2015 and as compared to $2,685,789 in 2014.

The Company has never paid any dividends and has no plans to pay any dividends in the future. For the year ended December 31, 2016, the Company's weighted average number of common shares was 155,996,550 as compared to 149,812,198 in 2015 and as compared to 120,235,825 in 2014.

Results of Operations

As of December 31, 2016, the Company's operations employed 20 people (December 31, 2015: 18 people) consisting of staff and management. As of the date of this MD&A, the Company's operations employed 18 people consisting of staff and management.

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

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

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

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

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

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

Wireless Gaming Software and iGaming Platform

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

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

The Derby Draft fantasy sports site (previously Derby Tournaments) was launched on June 19, 2015 by Jackpot for play money operations, and on August 3, 2015 for real money operations, using Jackpot's iGaming Platform. Derby Draft is a horse racing contest website and mobile app, where players select real horses and compete with other players around the world. The Company partnered with The Woodham Group Inc. ("Woodham") on July 13, 2015, to assist with the marketing and operations of the site. Due to changes in applicable laws for fantasy sports betting, the Company sold Derby Draft to Woodham on June 9, 2016, for a maximum fee of Cdn $150,000 which shall be based on revenue sharing. As of the date of this MD&A, the Company has not received any fee from Woodham.

Electronic Table Games

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

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

Effective January 2017, the Company pays basic rent of $3,968 plus the operational cost and the applicable tax totaling $9,825 per month.

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

Cruise Ships

- The cruise ship industry operates their casinos while they are in international waters, and therefore, they do not require their gaming equipment vendors to attain any form of gaming license.
- The Company typically leases ETGs on a monthly recurring basis to cruise ship companies.
- Carnival Corporation is the largest operator of the Company's ETGs. As of the date of this MD&A, the Company's ETGs are available on 64 of Carnival Corporation's cruise ships, as well as five other 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 typically leases ETGs on a monthly recurring basis to North American casino customers.
- As of the date of this MD&A, the Company's ETGs are available in three casinos in North America.
- On June 7, 2016, Jackpot entered a distributor agreement with Integrity Gaming in Oklahoma. The agreement allows Jackpot to lease ETGs to casino operators in Oklahoma through Integrity Gaming's Oklahoma gaming license. Jackpot attended the Oklahoma Indian Gaming Association (OIGA) trade show with Integrity Gaming booth to market the tables.
- On May 19, 2016, two of the Company's ETGs went into operation at the River Casino in New Hampshire, after gaining product approval by the Racing and Charitable Gaming Division of New Hampshire. These tables were removed in Q4 2016.
- During Q3 2016, the Company received an Arkansas Gaming License from the Arkansas Racing Commission for the manufacturing and distribution of Electronic Games of Skill. This development enables Jackpot to directly engage with Arkansas' two Racinos, Oaklawn Racing and Gaming (http://www.oaklawn.com) and Southland Racing and Gaming (http://www.southlandpark.com), both of which are currently operating the Company's PokerPro ETGs exclusively on their casino floors.
- On December 22, 2016, the Company's application was approved by the Alcohol and Gaming Commission of Ontario ("AGCO"), as a result the Company is now recognized as an officially registered Gaming Supplier under the Gaming Control Act of the Province of Ontario.
- The Company's registration as a Manufacturer of Gambling Equipment was renewed by the California Gambling Control Commission, effective March 10, 2017. This enables Jackpot to directly engage with Californian gaming establishments to lease the Company's electronic table game ("ETG") products.
- The Company also has applications in process or under review with several other jurisdictions.

Other Markets

- Markets outside cruise ships and North American casinos are considered on a case-by-case basis, depending on the practicality of deploying and supporting the Company's ETGs in other continents.

- The Company may lease or opt to sell ETGs in other markets.
- On March 1, 2016, Jackpot signed a distribution agreement with CasinoFlex Systems International Ltd. ("CasinoFlex") in Bulgaria. CasinoFlex will sell and support the Company's ETGs in Europe.

Research and Development

The Company's new ETG platform, Jackpot Blitz™, is nearing completion and will undergo its first field trial on a Carnival cruise ship in Q2 2017. The Company expects to enter production of Jackpot Blitz™ tables in Q3 2017, to replace existing PokerPro tables on Carnival cruise ships. The Company expects to enter production of a certified Jackpot Blitz™ for the regulated casino industry in the first half of 2018.

The Company has filed United States Provisional Patent Application No. 62/460,058 – Jackpot Blitz. The Company expects this to lead to several non-provisional patents that will further protect the Company's investment in its ETG technology.

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

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

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

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

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

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

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

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

Total net assets acquired	$	9,570,512

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

The Company paid $2,669,000 or US$2,000,000 cash consideration and issued 7,500,000 warrants on the Closing Date. In 2016, the Company increased the payable to Everi by $437,085 with a charge against profit or loss to recognize the change in total Cash Consideration payable to US$7,500,000. In addition, during 2016, the Company paid Everi $738,485 or US$550,000. As at December 31, 2016, the Company has a payable to Everi of $5,575,482 or US$4,152,440 (2015 - $6,907,881 or US$4,991,243).

Non-Convertible Secured Debentures 2015

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

The principal terms of the Debentures are as follows:

- the Company has the right to prepay all or part of the outstanding principal amounts of the Debentures together with accrued interest at any time, without any penalty, prior to the maturity date.

- from time-to-time, as prepayment of the principal amount and accrued interest owing under the Debentures, the Company will pay the Debentureholders approximately 37% of the net proceeds received by the Company from the issuance of any equity securities of the Company.

- the Debentures are secured by a charge over all of the Company's assets.

- the Debentures will mature three years from the date of issue and will bear interest at the rate of 10% per annum payable on a quarterly basis.

- the Company will pay 87 Capital 45% of the net revenues from the Company's electronic table business unit (the "87 Capital Royalty") for a period of 5 years (the "Royalty Term"), and the Company will pay 30 Rock 5% of the Net Revenues from the Company's electronic table business unit (the "30 Rock Royalty") during the Royalty Term. The Company's electronic table business unit consists of the assets acquired from Everi under the APA. The Company's electronic table business unit does not include the Company's wireless products.

- in the event that the Company prepays the entire principal amount of the Debentures together with accrued interest at any time up to the first anniversary of the date of issue of the Debentures, the Company will have the right to pay 87 Capital the sum of US $900,000 so that the amount of the 87 Capital Royalty will be capped at US $5,400,000 (the "Capped 87 Capital Royalty"), and the Company will have the right to pay 30 Rock the sum of US

$100,000 so that the amount of the 30 Rock Royalty will be capped at US $600,000 (the "Capped 30 Rock Royalty"). In such an event the Capped 87 Capital Royalty shall be payable as follows: 45% of the Net Revenues from the Company's electronic table business unit during the first year of the debenture and thereafter, 6.75% of the Net Revenues from the Company's electronic table business unit until the date that 87 Capital has been paid an aggregate of US $5,400,000 and, the Capped 30 Rock Royalty shall be paid as follows: 5% of the Net Revenues from the Company's electronic table business unit during the first year of the debenture and thereafter, 0.75% of the Net Revenues from the Company's electronic table business unit until the date that 30 Rock has been paid an aggregate of US $600,000.

- within a period of 30 days from the date of issuance of the Debentures, the Company will have the right to prepay the entire principal amount and accrued interest plus an additional US $250,000 to the Debentureholders. In such an event the exercise price of the 7,500,000 bonus warrants issued to the Debentureholders will be repriced to an exercise price of $0.05 cents per common share, and the total Royalties payable to the Debentureholders will be reduced to 2% of the Net Revenues received from the Company's electronic table business unit for the balance of the Royalty Term.

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

<u>87 Capital</u>

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

  AND,

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

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

<u>30 Rock</u>

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

  AND,

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

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

Revenues

For the year ended December 31, 2016, the Company has recorded Electronic gaming tables of $2,638,771 (December 31, 2015: $1,001,337), Licensing revenues of $152,058 (December 31, 2015: $135,461) and Sales revenues of $2,654 (December 31, 2015: $5,380). The Company's revenues have increased significantly mainly due to the acquistion of the assets of the PokerTek business unit of Everi.

Royalty expense

For the year ended December 31, 2016, the Company had royalty expense of $248,626 as compared to royalty expense of $253,439 (December 31, 2015) as a result of the issuance of non-convertible secured debentures during 2015.

Licensing fee

For the year ended December 31, 2016, the Company had licensing fee of $204,597 as compared to licensing fee of $108,463 (December 31, 2015) in respect to the electronic table games business.

Cost of Sales

For the year ended December 31, 2016, the cost of sales was $801,017 as compared to $67,745 (December 31, 2015). The reason for the increase in the Cost of Sales is mainly due to salaries and benefits.

Expenses

For the year ended December 31, 2016, operating expenses were $7,697,380 as compared to $4,481,348 during the year ended December 31, 2015. The increase in operating operating expenses are mainly due to interest and finance expense, impairment loss on goodwill, impairment loss on intangible assets, bad debt expense and fair value change of consideration obligations.

Net Loss and Comprehensive Loss

During the year ended December 31, 2016, the Company had a net loss and comprehensive loss of $6,158,137 or $0.04 per share (weighted average) as compared to a net loss and comprehensive loss of $3,768,817 or $0.03 per share (weighted average) during the year ended December 31, 2015. During the year ended December 31, 2016, the Company's weighted average number of common shares was 155,996,550 as compared to 149,812,198 during the year ended December 31, 2015.

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 shall require 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 December 31, 2016, the Company's total assets were $6,361,810 as compared to $9,739,234 for the corresponding period in 2015. The Company's total liabilities were $13,569,644 as compared to $11,042,657 for the corresponding period in 2015. The Company has not paid any dividends and does not plan to pay any dividends in the future.

As at December 31, 2016, the Company had:

- Cash and cash equivalents of $15,173 as compared to $227,481 at December 31, 2015.
- Accounts receivable of $364,056 as compared to $273,427 at December 31, 2015.
- Due from related parties of $122,518 as compared to $259,911 at December 31, 2015.
- Prepaid expenses and deposits of $56,177 as compared to $56,924 at December 31, 2015.
- Gaming systems of $1,655,972 as compared to $2,064,929 at December 31, 2015.
- Equipment of $62,359 as compared to $33,476 at December 31, 2015.
- Intangible assets of $2,815,855 as compared to $3,833,066 at December 31, 2015.
- Goodwill of $1,269,700 as compared to $2,990,020 at December 31, 2015.

Operating Activities

During the year ended December 31, 2016, the Company used cash in operating activities of $1,543,147 as compared to $1,584,045 of cash used in operating activities during the corresponding period of 2015.

Financing Activities

During the year ended December 31, 2016, the Company received cash in the amount of $2,143,288 as compared to $4,504,050 of cash which was provided by financing activities in the corresponding period of 2015.

Investing Activities

During the year ended December 31, 2016, the Company used cash in investing activities of $811,128 as compared to $2,701,963 of cash used in investing activities during the corresponding period of 2015.

Capitalization

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

The Company has incurred significant operating losses over the past two fiscal years (2016: $6,158,137; 2015: $3,768,817), has a deficit of $51,768,866 (2015: $45,946,246), has limited revenues and resources, and has no assurances that sufficient funding will be available to continue operations for an extended period of time.

On January 20, 2017 the Company completed its rights offering (the "Rights Offering"), and the Company has issued 155,996,550 units ("Units") comprised of 155,996,550 common shares and 155,996,550 transferable share purchase warrants (the "Warrants") to purchase up to an additional 155,996,550 common shares, for total gross proceeds of $1,559,965.50. Each Warrant entitles the holders to purchase one additional common share at a price of $0.05 for five years until January 20,

2022. Additionally, the stand-by guarantors received bonus warrants entitling them to purchase a total of 32,375,000 common shares of the Company equal to 25% of the total number of Units the stand-by guarantors had agreed to purchase under the stand-by commitments, exercisable at a price of $0.05 per share for a period of five years until January 20, 2022.

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

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

During the year ended December 31, 2015, the following share transactions occurred:

On February 27, 2015 and March 3, 2015, the Company issued an aggregate of 12,471,429 units of the Company's securities at $0.035 per unit for total gross proceeds to the Company of $436,500 pursuant to the discretionary relief non-brokered private placement financing which was announced on February 25, 2015. Each Unit consists of one common share in the capital of the Company and one share purchase warrant, each warrant will entitle the holder to purchase one common share of the Company at a price of $0.10 per common share for a period of two years from Closing. The first tranche closing consisted of 8,500,000 units and the second tranche closing consisted of 3,971,429 units. All securities issued were subject to a hold period which expired on June 28, 2015 as to the first tranche and on July 4, 2015 as to the second tranche. The Company has paid finder's fees totaling $2,275 to arm's length third parties.

On March 9, 2015, the Company closed the last and final tranche of the discretionary relief non-brokered private placement financing by issuing an aggregate of 2,715,000 units at $0.035 per unit for total gross proceeds to the Company of $95,025. Each Unit consists of one common share in the capital of the Company and one share purchase warrant, each warrant will entitle the holder to purchase one common share of the Company at a price of $0.10 per common share for a period of two years from Closing. All securities issued were subject to a hold period which expired on July 10, 2015.

On April 17, 2015, the Company closed a non-brokered private placement financing and issued 11,500,000 Units of the Company at the price of $0.05 per Unit for total gross proceeds to the Company of $575,000. Each Unit consists of one common share in the capital of the Company and one share purchase warrant, each warrant entitles the holder to purchase one common share of the Company at a price of $0.10 per common share for a period of two years from Closing. The Company has paid finder's fees totaling $11,450 in cash, 170,000 units fair valued at $8,500 and 229,000 share purchase warrants to arm's length third parties. All securities issued were subject to a hold period which expired on August 18, 2015. In respect to this non-brokered private placement financing, a total of 1,000,000 units were subscribed by a private company which is owned by two directors of the Company.

Warrants

There were no warrants exercised during the year ended December 31, 2016. As at December 31, 2016, there were 136,871,314 warrants outstanding with a weighted average exercise price of $0.11 per warrant (December 31, 2015: 132,237,064 with a weighted average exercise price of $0.11 per warrant). Subsequent to the year ended December 31, 2016, the expiry term of a total of 26,686,429 certain warrants have been extended for a further two year period. Furthermore, a total of 399,000 finder's warrants exercisable at $0.10 per share expired unexercised.

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

Stock Options

On April 14, 2015, the TSX.V accepted the Company's new rolling stock option plan whereby a maximum of 10% of the issued shares of the Company will be reserved for issuance under the plan ("New 10% Rolling Stock Option Plan"). The New 10% Rolling Stock Option Plan received shareholder approval at the Company's 2016 Annual General Meeting of its Shareholders which was held on December 21, 2016. All previously granted and outstanding stock options under the Company's Amended 2004 Stock Option Plan shall be governed by the provisions of the New 10% Rolling Stock Option Plan. Pursuant to the Company's New 10% Rolling Stock Option Plan the Company grants stock options to employees, directors, officers and consultants. As at December 31, 2016, there were 1,129,655 stock options available for granting under the New 10% Rolling Stock Option Plan (December 31, 2015: 503,905).

There were no stock options exercised during the year ended December 31, 2016.

As at December 31, 2016, there were 14,470,000 stock options outstanding with a weighted average exercise price of $0.06 per share (December 31, 2015: there were 15,095,750 stock options outstanding with a weighted average exercise price of $0.06 per share).

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

Non-Convertible Secured Debentures 2015

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

Convertible Secured Debentures 2016

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

As at December 31, 2016, the amount of $1,916,224 has been recorded as the liability portion of convertible secured debentures and the amount of $101,601 has been recorded as the equity portion of convertible secured debentures reserve.

Summary of Quarterly Results

The following are the results for the eight most recent quarterly periods, starting with the three-month quarterly period ended December 31, 2016:

For the Quarterly Periods ended		**December 31, 2016**	**September 30, 2016**	**June 30, 2016**	**March 31, 2016**
Total Revenues	$	954,240	556,617	585,438	697,188
Net loss and comprehensive loss for the period	$	(4,126,674)	(976,454)	(897,732)	(157,277)
Basic and diluted loss per common share	$	(0.03)	(0.01)	(0.01)	(0.00)

For the Quarterly Periods ended		**December 31, 2015**	**September 30, 2015**	**June 30, 2015**	**March 31, 2015**
Total Revenues	$	688,155	400,631	43,592	9,800
Net loss and comprehensive loss for the period	$	(1,864,629)	(695,751)	(687,537)	(520,900)
Basic and diluted loss per common share	$	(0.01)	(0.00)	(0.00)	(0.00)

Fourth Quarterly Results (December 31, 2016)

During the three months [fourth quarter] period ended December 31, 2016:

- The Company had a net loss and comprehensive loss of $4,126,674 or $0.03 per share as compared to a net loss and comprehensive loss of $1,864,629 or $0.01 per share in the same three months [fourth quarter] period of 2015.

- The Company's total revenues were $954,240 as compared to total revenues of $688,155 in the same three months [fourth quarter] period of 2015.

- The Company's total operating expenses were $4,305,818 as compared to total operating expenses of $2,146,197 in the same three months [fourth quarter] period of 2015.

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***

  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 can have a negative impact on the Company's gaming products which can adversely impact the financial affairs of the Company.

- ***Competition***

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

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

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

- ***Reliance on key personnel***

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

- ***Customer loyalty***

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

- ***Payment processing***

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

- ***Foreign exchange rates***

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

- ***Reliance on Major Customer***

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

- ***Share price volatility and liquidity***

  The market price of the Company's common shares has 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. There is a limited trading market for the Company's common shares and the ability of investors to sell their shares or the price at which those shares may be sold cannot be assured.

- ***Growth management***

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

- ***Dilution***

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

- ***Revenues and Dividends***

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

- ***Under Capitalized***

  The Company has outstanding debts, has working capital deficiency, has limited revenues, has incurred operating losses, 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 of the Company may be halted or suspended or may be subject to cease trade orders at any time and for any reason, including, but not limited to, the failure by the Company to submit documents to the Regulatory Authorities within the required time periods.

- ***Research and development risk***

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

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

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

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

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

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

Related Party Transactions

The Company shares office space and certain expenses with 37 Capital Inc. ("37 Capital") and Green Arrow Resources Inc. ("Green Arrow"), companies related by certain common officers and directors.

The Company, together with 37 Capital and Green Arrow, have entered into an office lease agreement with an arm's length party (the "Lease"). The Lease had a one year term with a commencement date of August 1, 2014. The office lease agreement was extended until July 31, 2016 and has been further extended for a period of one year until July 31, 2017. Under the Lease, effective as of August 1, 2016, the three companies are required to pay monthly basic rent of $7,193 plus property and operating expenses. In respect to the Lease, the Company has paid a deposit in the amount of $10,000. As of December 1, 2016, Green Arrow is no longer required or obligated to pay its proportionate share of the office rent.

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 director of 37 Capital namely Bedo H. Kalpakian, is the Chairman and CFO of the Company. Furthermore, Gregory T. McFarlane and Neil Spellman are directors of both the Company and 37 Capital and Neil Spellman is the CFO of 37 Capital .

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

27 Red Capital Inc. ("27 Red") is related to the Company by virtue of the fact that 27 Red's President, CEO, CFO & Secretary namely Jacob H. Kalpakian, is the President & CEO of the Company, and a director of 27 Red namely Bedo H. Kalpakian is the Chairman & CFO of the Company. Furthermore, Neil Spellman is a director of both 27 Red and the Company.

4 Touchdowns Inc. ("4 Touchdowns") is related to the Company by virtue of the fact that 4 Touchdown's President, CEO, CFO & Secretary namely Jacob H. Kalpakian, is the President & CEO of the Company, and a director of 4 Touchdowns namely Bedo H. Kalpakian is the Chairman & CFO of the Company. Furthermore, Neil Spellman is also a director of both 4 Touchdowns and the Company.

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

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

As at December 31, 2016, the Company has a balance of $122,518 (2015 - $259,911) due from entities with common directors, net allowance for doubtful accounts of $323,524 (2015 - $nil). The amounts due from related parties are unsecured, due on demand without interest.

During the years ended December 31, 2016 and 2015, the Company completed the following related party transactions:

	2016	**2015**
Rent recovered from entities with common directors	$ (54,239)	$ (58,807)
Office and other expenses recovered from entities with common directors	$ (142,230)	$ (147,161)
Interest charged on amounts due to related parties	$ -	$ 193
Interest charged on loans from related parties	$ 9,726	$ -

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain directors and officers. Key management personnel include the CEO and CFO of the Company. The remuneration of key management personnel during the years ended December 31, 2016 and 2015 is as follows:

	2016	**2015**
Management fees (note 17)	$ 396,000	$ 396,000
Short-term benefits	97,856	92,694
Share-based payment	84,162	269,709
Total key management personnel compensation	$ 578,018	$ 758,403

During 2016, the Company entered into two loans with a company owned by a director of the Company for the amounts of $300,000 and $20,000, bearing interest rates of 10% and prime plus 1% per annum, respectively. During January 2017, the Company repaid loans totaling $324,066 together with the accrued interest.

During December 2016, the Company has issued four promissory notes totalling $231,500 which bear interest at 10% per annum and are payable on demand to a family member related to two directors and officers of the Company. During January 2017, the Company repaid loans totalling $208,162 together with the accrued interest.

Effective as of May 1, 2012, the Company has entered into an Agreement for Office Support Services with Green Arrow, whereby Green Arrow is obligated to pay to the Company a monthly sum of $5,000 plus applicable taxes for certain office support services that shall be provided by the Company. As of December 31, 2016, Green Arrow was no longer obligated or required to pay the monthly support services to Jackpot.

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

The Company, together with 37 Capital and Green Arrow, have entered into an office lease agreement with an arm's length party (the "Lease"). The Lease has a one year term with a commencement date of August 1, 2014 which was extended until July 31, 2016. The Lease has been further extended for another one year period until July 31, 2017. Under the Lease, effective as of August 1, 2016, the three companies are required to pay monthly basic rent of $7,193 plus property and operating expenses. In respect to the Lease, the Company has paid a deposit in the amount of $10,000. 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 Non-Convertible Secured Debentures issued to 30 Rock Management Inc. ("30 Rock"), for further particulars, please see Non-Convertible Secured Debentures 2015 under Results of Operations in this MD&A. The Company is related to 30 Rock by virtue of the fact that 30 Rock is owned by the President and CEO of the Company.

Financial Instruments and Risk Management

(a) Risk management overview

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

(b) Fair value of financial instruments

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

2 financial instruments.

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

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

(c) Credit risk

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

The financial instruments that potentially subject the Company to a significant concentration of credit risk consist of cash and cash equivalents, due from related parties and accounts receivable. The Company mitigates its exposure to credit loss associated with cash by placing its cash and cash equivalents in a major financial institution. The Company's cash and cash equivalents as at December 31, 2016, and 2015 are as follows:

		2016		2015
Cash and Cash Equivalents consists of:				
Cash	$	1,197	$	210,231
Cheques issued in excess of funds		(3,274)		-
Term deposit		17,250		17,250
	$	15,173	$	227,481

As at December 31, 2016, the Company had cashable term deposits of $17,250 (2015 - $17,250) readily convertible into cash, maturing July 31, 2017 with an annual interest rate of 0.60%.

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 December 31, 2016, allowances for doubtful accounts for due from related parties is $323,524 (2015 - $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 December 31, 2016, the Company had receivables from one customer representing 83% (2015 - 87%) of total trade receivables. In addition, as at December 31, 2016, allowance for doubtful accounts is $40,281 (2015 - $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 December 31, 2016, the Company has cash and cash equivalents of $15,173 (2015 - $227,481) available to apply against short-term business requirements and current liabilities of $9,489,925 (2015 - $7,921,859). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of December 31, 2016. As December 31, 2016, amounts due to related parties, loan payable, and convertible debenture are due in fiscal 2017. The non-convertible debentures mature in fiscal 2018. Subsequent to December 31, 2016, the Company completed its rights offering and issued 155,996,550 units for gross proceeds of $1,559,966.

(e) Market risk

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

(i) Currency risk

The Company is exposed to foreign currency risk and has significant financial assets and liabilities denominated in US dollars. The Company has not entered into any foreign currency contracts to mitigate this risk. At December 31, 2016 and 2015, 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)	
	2016	**2015**
Cash (cheques issued in excess of funds on deposit)	$ (2,969)	$ 7,779
Accounts receivable	316,333	249,149
Accounts payable and accrued liabilities	(411,486)	(402,973)
Payable to Everi	(5,575,482)	(6,907,881)
Non-convertible debenture	(2,711,549)	(2,498,191)
Net financial assets (liability)	$ (8,385,153)	$ (9,552,117)

Based upon the above net exposure as at December 31, 2016 and assuming all other variables remain constant, a 4% depreciation or appreciation of the US dollar relative to the Canadian dollar would result in a change of approximately $335,406 (2015 - $382,085) 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 December 31, 2016, the interest rate on the non-convertible secured debenture balances is fixed at 10% and the interest rate on the convertible secured debenture balances is fixed at 12%. As such, the Company is exposed to interest rate price risk to the extent of these financial liabilities.

(iii) Other price risk

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

Off-balance sheet arrangements

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

Significant Accounting Policies

The Company's Consolidated Audited Financial Statements for the year ended December 31, 2016 have been prepared in accordance with IFRS, as issued by the IASB.

All of the Company's significant accounting policies and estimates are included in Note 4 of the Company's consolidated audited financial statements for the year ended December 31, 2016.

Capital Stock

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

Outstanding Share Data	Number of Common Shares	Number of Preferred Shares	Exercise($) Price per common share	Expiry Dates
Issued and Outstanding as at May 1, 2017	311,993,500	Nil	N/A	N/A
Warrants as at May 1, 2017	3,125,000	Nil	$0.16	October 10, 2017
	3,460,000		$0.10	June 26, 2017
	7,100,000		$0.10	July 10, 2017
	797,500		$0.10	July 17, 2017
	8,570,000		$0.10	July 24, 2017
	10,149,000		$0.10	August 9, 2017
	14,010,000		$0.10	Oct 3, 2017
	4,150,000		$0.10	Oct 22, 2017
	4,801,000		$0.10	Nov 5, 2017
	1,748,385		$0.10	Nov 17, 2017
	14,375,000		$0.10	January 30, 2018
	15,000,000		$0.10	March 25, 2018
	1,500,000		$0.105	May 6, 2017
	8,500,000		$0.10	February 27, 2019
	3,971,429		$0.10	March 3, 2019
	2,715,000		$0.10	March 9, 2019
	11,500,000		$0.10	April 17, 2019
	6,750,000		$0.20	August 4, 2020
	750,000		$0.20	August 4, 2020
	7,500,000		$0.20	August 10, 2020
	4,000,000		$0.05/$0.10	April 28, 2018
	2,000,000		$0.05/$0.10	April 28, 2018
	105,729		$0.05	January 20, 2022
	226,875		$0.05	January 20, 2022

	25,000 1,057,293 264 154,581,389 32.375,000 324,843,864		$0.05 $0.05 $0.05 $0.05 $0.05	January 20, 2022 January 20, 2022 January 20, 2022 January 20, 2022 January 20, 2022
Stock Options as at May 1, 2017	12,470,000 2,000,000 14,470,000	Nil	$0.06 $0.06	May 14, 2018 September 1, 2017
Fully Diluted as at May 1, 2017	651,307,364	Nil		

Director Approval

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

Outlook

The Company's new ETG platform, Jackpot Blitz™, is nearing completion and will undergo its first field trial on a Carnival cruise ship in Q2 2017. The Company expects to enter production of Jackpot Blitz™ tables in Q3 2017, to replace existing PokerPro tables on Carnival cruise ships. The Company expects to enter production of a certified Jackpot Blitz™ for the regulated casino industry in the first half of 2018.

The Company continues to optimize its electronic table games business by enhancing processes, training staff, finding cost-effective local vendors, and implementing business management software. Licensing for several regulated jurisdictions are in progress to retain business and expand market share. New business is being generated in key locations with both customers and distributors.

With the continued operation of the electronic table games business, coupled with the Company's wireless gaming software, Management of the Company is hopeful that the Company's revenues shall increase in due course.