

**AMPD VENTURES INC.**  
(FORMERLY E-GAMING VENTURES CORP.)

MANAGEMENT DISCUSSION AND ANALYSIS  
August 31, 2019

## **1.1 Date**

This Management Discussion and Analysis (“MD&A”) of AMPD Ventures Inc. (formerly E-Gaming Ventures Corp.) (or the “Company”) has been prepared by management as of October 29, 2019 and should be read in conjunction with the audited financial statements and related notes thereto of the Company for the six months ended August 31, 2019 and the audited financial statements and related notes thereto of the Company for the period from incorporation date (June 28, 2018) to February 28, 2019, which was prepared in accordance with International Accounting Standards using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and International Financial Reporting Interpretations Committee (“IFRIC”).

This MD&A contains forward-looking information which reflects management's expectations regarding the Company's growth, results of operation, performance and business prospects and opportunities. The use of words such as “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “believe”, “outlook”, “forecast” and similar expressions are intended to identify forward-looking statements.

Forward-looking statements in this MD&A include, but not limited to, the Company's expectation of future activities and results, of its working capital needs and its ability to identify, evaluate and pursue suitable business opportunity. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results of events to differ materially from those anticipated in these forward-looking statements. Readers should not put undue reliance on forward-looking information.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

## **1.2 Over-all Performance**

AMPD Ventures Inc. was incorporated under the laws of the Province of British Columbia on June 27, 2018. The Company changed its name from 1169750 B.C. Ltd. to CannaGlobe Therapeutics Corp. on August 2, 2018, then to E-Gaming Ventures Corp. on January 28, 2019 and subsequently to AMPD Ventures Inc. on July 25, 2019.

On July 15, 2019, the Company entered into a share exchange agreement (“SEA”) with AMPD Holdings Corp. (“AMPD”), a private company incorporated under the Canada Business Corporations Act. AMPD is a technology company building high performance computing infrastructure, cloud computing and next-gen content to gaming developers and publishers.

Pursuant to the SEA, the Company will acquire 100% of the issued and outstanding common shares of AMPD (the “Transaction”) resulting in AMPD becoming a wholly owned subsidiary of the Company and the Company will continue on the business of AMPD. Upon completion of the Transaction, the security holders of AMPD will become shareholders of the combined entity (the “Resulting Issuer”).

On October 15, 2019, the Company received approval from the BC Securities Commission on its prospectus filing to become a publicly traded company. On October 23, 2019, the Company also received final approval from the Canadian Securities Exchange (“CSE”) and the Company's common shares commenced trading on the CSE on October 24, 2019 under the symbol “AMPD”. See 1.11 Proposed Transaction.

### 1.3 Selected Annual Information

	Date of Incorporation (June 27, 2018) to February 28, 2019
Net Loss	\$ (94,942)
Loss per share	\$ (0.37)
Total assets	\$ 669,714
Total long-term liabilities	Nil
Cash dividends declared per share for each class of share	Nil

### 1.4 Results of Operations

*Six months ended August 31, 2019*

During the six months ended August 31, 2019, the Company reported a net loss of \$104,977 or \$0.01 per share compared to a net loss of \$47,814 or \$478.14 per share, an increase in net loss of \$57,613 due to increased operations since incorporation on June 27, 2018. Significant increases occurred in consulting fees of \$22,508 for services in connection to the Company's RTO and to support the professional fees which increased by \$27,550 as a result of legal services retained for the Company's listing and private placements.

During the three months ended August 31, 2019, the Company incurred a net loss of \$39,837 compared to a loss of \$47,814, a decrease in loss by \$7,977. Significant changes occurred in consulting and professional fees.

During the period, the Company completed:

- a private placement and issued 578,000 non-transferrable Special Warrants of the Company for total gross proceeds of \$28,900 to be used towards working capital and the completion of the Transaction.
- its first tranche of the concurrent financing for total gross proceeds of \$2,837,400. The Company paid \$130,838 in share issuance costs and issued 262,249 agent's warrants on a portion of the financing. Each agent's warrant will entitle the holder to one common share at an exercise price of \$0.35 per share expiring on May 19, 2021. See 1.11 Proposed Transactions.

### 1.5 Summary of Quarterly Results

The following is a summary of financial information concerning the Company for each of the reported quarters since its incorporation.

Quarter ended	Expenses	Loss	Loss per share
August 31, 2019	\$ (40,538)	\$ (39,837)	\$ (0.01)
May 31, 2019	(65,140)	(65,140)	(0.01)
February 28, 2019	(12,664)	(12,664)	(0.02)
November 30, 2018	(34,464)	(34,464)	(344.64)
August 31, 2018	(47,814)	(47,814)	(1,071.70)

\*The Company was incorporated on June 27, 2018

The Company did not have active business operations during the last five quarterly periods. Most of the costs incurred to date have been professional fees associated with preparing the prospectus and payments made to the Canadian Securities Exchange. Given its limited history there are no trends in the expenses or any seasonality related to operations.

## **1.6 Liquidity and Capital Resources**

The Company reported a working capital of \$2,665,249 at August 31, 2019 (February 28, 2019 - \$63,664). As at August 31, 2019, the Company had cash on hand of \$2,708,792 (February 28, 2019 - \$699,714), GST and loan receivables of \$102,034 (February 28, 2019 - \$Nil), trade payables and accrued liabilities of \$50,592 (February 28, 2019 - \$27,083), and subscription receipts of \$94,985 (February 28, 2019 - \$608,967).

In connection with the Transaction, the Company completed a private placement of subscription receipts for gross proceeds of \$3,023,595. See 1.11 *Proposed Transactions*.

Although the Company has been successful in raising funds in the past, there can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

The Company may continue to have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. The other sources of funds potentially available to the Company are through the exercise of outstanding stock options and share purchase warrants. See Item 1.15 – Other Requirements – Summary of Outstanding Share Data. There can be no assurance, whatsoever, that any or all of these outstanding exercisable securities will be exercised. The Company has and may continue to have capital requirements in excess of its currently available resources.

## **1.7 Off-Balance Sheet Arrangements**

The Company does not utilize off-balance sheet arrangements.

## **1.8 Risk and Uncertainties**

The Company can be exposed, in varying degrees, to a variety of financial related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

### *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and seeking equity financing when needed.

As at August 31, 2019, the Company had cash on hand of \$2,708,792, which is sufficient to settle its current liabilities of \$145,577.

*Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's cash is held in an account with a major Canadian financial institution. The funds may be withdrawn at any time without penalty.

(b) Foreign currency risk

The Company does not have assets or liabilities in a foreign currency and therefore is not exposed to foreign currency risk.

(c) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potentially adverse impact on the Company's ability to obtain equity financing due to movements in individual equity prices. The Company closely monitors individual equity movements to determine the appropriate course of action to be taken by the Company.

**1.9 Transactions with Related Parties**

None.

**1.10 Fourth Quarter**

None.

**1.11 Proposed Transactions**

The Company entered into a SEA dated July 15, 2019 with AMPD pursuant to which the Company proposes to acquire all of the issued and outstanding securities of AMPD in exchange for the issuance of securities of the Company, which will result in AMPD becoming a wholly owned subsidiary of the Company. In conjunction with the Transaction, the Company will file a non-offering prospectus that will result in it becoming a reporting issuer and will apply to list (the "Listing") its common shares on the Canadian Securities Exchange (the "Exchange"). Upon completion of the Transaction, the Company will carry on the business of AMPD.

The Transaction

In consideration of the Transaction, the Company shall, upon completion of the Transaction, issue 20 million of its shares to the then existing shareholders of AMPD at a price of \$0.35 per share. At closing, each of the AMPD optionholders and warrant holders shall receive replacement securities, if not exercised, of their holdings multiplied by the share exchange ratio. The replacement security will maintain the same expiration date.

Further, at closing, the convertible loans in AMPD, if not converted prior to closing, will be exchanged into the Company's common shares multiplied by the share exchange ratio.

### Concurrent Financing

In conjunction with, and prior to the closing of the Transaction, the Company held a concurrent financing of special warrants at a price of \$0.35 per special warrant. Each special warrant entitles the holder to one common share at no additional consideration and will be deemed to be exercised on the earlier of (i) the third business day after a receipt for a final prospectus qualifying the distribution of the shares; and (ii) four months and one day after issue date of the special warrants. A commission of 7% cash and 7% agent's warrants was paid and issued to third parties on a portion of the financing. Each agent's warrant will entitle the holder to purchase one common share at a price of \$0.35 for a period of two years from date of issuance.

During the six months ended August 31, 2019, the Company completed the first tranche of the concurrent financing of 8,106,853 special warrants at a price of \$0.35 per special warrant for total gross proceeds of \$2,837,400. On September 10, 2019, 8,106,853 special warrants were converted into 8,106,853 common shares of the Company. The Company paid \$130,838 in share issuance costs and issued 262,249 agent's warrants on a portion of the financing.

On September 18, 2019, the Company closed its second and final tranche of the concurrent financing by issuing 531,986 special warrants for total gross proceeds of \$186,195. The Company paid \$6,070 in share issuance costs and issued 17,342 in agent's warrants in connection with this second tranche. On October 24, 2019, 531,986 special warrants were converted into 531,986 common shares of the Company.

On October 15, 2019, the Company received approval from the BC Securities Commission on its prospectus filing to become a publicly traded company. On October 23, 2019, the Company also received final approval from the CSE and the Company's common shares commenced trading on the CSE on October 24, 2019 under the symbol "AMPD".

In connection with the CSE listing, the Company granted 900,000 incentive stock options to directors, officers and employees of the Company in accordance with the Company's stock option plan (the Option Plan). The options have an exercise price of \$0.35 per share and are exercisable for a period of five years unless terminated pursuant to the terms of the Option Plan. The options and any shares issued upon exercise thereof will be subject to a hold period of four months and one day from the date of grant.

#### **1.12 Critical Accounting Estimates**

Not applicable to venture issuers.

#### **1.13 Changes in Accounting Policies including Initial Adoption**

The financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards. Our significant accounting policies are set out in Note 3 of the audited financial statements of the Company, as at and for the period ended February 28, 2019.

#### 1.14 Financial Instruments and Other Instruments

The Company's financial instruments at August 31, 2019 are as follows:

	<i>Fair Value through Profit or Loss</i>	<i>Amortized Cost</i>
<b>Financial assets</b>		
Cash	\$ 2,708,792	\$ –
GST recoverable	1,333	
Trades payable	–	50,592
Subscriptions receipts	–	94,985
	<b>\$ 2,710,125</b>	<b>\$ 145,577</b>

#### 1.15 Other Requirements

Summary of Outstanding Share Data as of October 29, 2019:

Authorized: Unlimited number of common shares without par value.  
Issued and outstanding: 37,138,940 (including 14,553,413 held in escrow)  
Convertible debt exchangeable for 898,058 common shares  
Stock options: 900,000  
Warrants: 5,000,000  
Agent's warrants: 279,591

On behalf of the Board of Directors, thank you for your continued support.

*“Anthony Brown”*

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**Anthony Brown**  
Director & CEO