



NFT Technologies Inc.

Management's Discussion & Analysis
For the three and nine months ended September 30, 2022
(Expressed in Canadian Dollars, unless otherwise noted)



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Forward Looking Statements

This MD&A contains "forward-looking statements" within the meaning of applicable securities laws, such as statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. They are based on certain factors and assumptions, including expected growth, results of operations, business prospects and opportunities. Use of words such as "anticipate", "plan", "continue", "estimate", "expect", "intend", "propose", "may", "will", "project", "should", "could", "would", "believe", "predict", "target", "aim", "pursue", "potential" and "objective" and the negative of these terms or other similar expressions may indicate a "forward-looking" statement. These statements are not guarantees of future performance and are subject to numerous risks and uncertainties, including those described in our publicly filed documents and in this MD&A under the heading "Risks and Uncertainties". Those risks and uncertainties include, but are not limited to, the ability to maintain profitability and manage growth, reliance on information systems and technology, reputational risk, regulatory risks, reliance on key professionals, the ability to successfully integrate acquisitions, trends in digital collectables, market compliance with current smart contract standards, general economic conditions and pandemics, natural disasters or other unanticipated events (including the novel coronavirus ("COVID-19") pandemic). Many of these risks and uncertainties can affect our actual results and could cause our actual results to differ materially from those expressed or implied in any forward-looking statement made by us or on our behalf.

In particular, but without limiting the foregoing, this MD&A contains forward-looking statements pertaining to: NFT Technologies Inc. (the "Company" or "NFT Tech")'s expectations of future robust software-based infrastructure and application development in Web 3.0 and digital asset ecosystem; the Company's ability to issue new shares from time to time; the Company's plans to offer advisory services and that such services will be done in-house; plans to acquire new NFTs from consulting launches and receipt of digital assets in exchange for consulting services; intention to pursue long term engagements in preference over short term engagements; intention to maintain ongoing market research into NFTs; profile and target customer base; investor access to portfolio and qualifications of such portfolio; plans to fund early stage projects; planned projects for the collection of NFTs, management of P2E gaming guilds and launching NFTs; investment business objectives, including portfolio management and participation in P2E gaming; consulting business offerings, including identification of target markets and opportunities; management's ability to leverage established networks and identify opportunities; the rate of returns from identified opportunities; significance, extent and effect of fluctuating profit margins on token and NFT resales; future profitability of the Guild; Assumption Management's expectation of continued profit margins for the Guild; plans to retain future earnings and payment of dividends; issuance of new equity instruments or raising additional debt financing; investment requirements for new funds; need for experienced members of management; continued negative cash flows from operations; range and depth of responses to potential cyber threats; involvement in projects not directly related to NFTs or digital assets; benefit of future blockchain technology and value management's experience in connection therewith; assumptions about general business and economic conditions; the availability of equity and other financing on reasonable terms or at all, including necessary financing to meet the Company's contractual obligations; the ability of the Company to identify and execute on value enhancement opportunities such as joint ventures, potential acquisitions and other divestitures.

With respect to the forward-looking statements contained in this MD&A, Management has assessed material factors and made assumptions regarding, among other things: expectation of gross profits below reported levels in future periods; volatility in trading price; supply chain disruption; the economic impacts of the COVID-19 pandemic; NFT Tech's ability to obtain qualified staff and equipment in a timely and cost-effective manner; predictability and consistency of the legislative and regulatory regime governing taxes and cryptocurrencies; the value of cryptocurrencies potentially being subject to momentum pricing; the exposure of digital asset exchanges and other trading venues to fraud and potential failure; the impact of geopolitical events on the supply and demand for digital assets; uncertainty of the acceptance and/or widespread use of digital assets; future cash flows; future sources of funding and NFT Tech's ability to obtain external financing when required and on acceptable terms; future debt levels; the timely receipt of regulatory approvals; and the impact of industry competition.

The forward-looking statements contained herein reflect Management's current views, but the assessments and assumptions upon which they are based may prove to be incorrect. Although Management believes that its underlying assessments and assumptions are reasonable based on currently available information, given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

These statements are made as of the date of this MD&A and, except as required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Additionally, we undertake no obligation to comment on analyses, expectations or statements made by third parties in respect of us, our financial or operating results or our securities. All figures are in Canadian dollars except share and per share data unless otherwise noted.

Glossary

"Annual financial statements" means the Company's financial statements for Fiscal 2021.

"Fiscal 2021" means the fiscal year ended December 31, 2021.

"Fuku Assets" means the protocol and source code associated with the development of the Fuku Marketplace, together with all intellectual property rights associated therewith.

"Fuku Marketplace" means a digital marketplace for NFTs and digital assets.

"Guild" means the Company's blockchain-based gaming guild, known as the GOAT Guild.

"MD&A" means this Management's Discussion and Analysis for the three and nine months ended September 30, 2022.

"NFT" means non-fungible token.

"P2E" or "Play-to-earn" means the blockchain-based video games where players have the ability to earn revenue, in the form of tokens (fungible or non-fungible) while they play.

"Q1 2021" means the three months ended March 31, 2021.

"Q2 2021" means the three and six months ended June 30, 2021.

"Q3 2021" means the three and nine months ended September 30, 2021.

"Q1 2022" means the three months ended March 31, 2022.

"Q2 2022" means the three and six months ended June 30, 2022.

"Q3 2022" means the three and nine months ended September 30, 2022.

"Realfevr" means Fantasy Revolution, S.A. a Portuguese company.

"Run It Wild" means Run It Wild Pty Ltd., Run it Wild Pty Ltd., a company organized under the laws of Australia.

"SAFT" means a Simple Agreement for Future Tokens, or "SAFT", a form of an investment contract that was created as a way to help new cryptocurrency ventures raise money without breaking financial regulations.

PART I – COMPANY AND HIGHLIGHTS

Company

NFT Technologies Inc. is working in the NFT space of unique digital assets and environments to develop new technologies, invest in digital assets and meaningful engagement in the Metaverse, and advise creators and platforms in the space.

The business of the Company is focused on three main business lines: (i) technology; (ii) investing; and (iii) consulting. The technology business line is focused on emerging technologies and creating new intellectual property in the NFT space. The investing business line is focused on the acquisition and trade of NFTs, including creating and maintaining a curated portfolio of collectible NFTs, investing in or potentially acquiring emerging companies whose focus is on developing technology and launching NFTs and the generation and sale of tokens and digital assets in connection with “play to earn” blockchain games and associated gaming guilds. The consulting business line is focused on assisting clients with the launch and marketing of their own brand of NFT.

Technology

The NFT space is a new and growing space which includes the collection and sales of individual tokens and digital assets, the platforms through which they are sold and traded and the evolving worlds of the Metaverse. With any new industry may come emerging technologies that furthers its growth. At NFT Tech, we intend to invest in and develop new technologies that we believe fit into and enhance the future of NFTs across the digital asset, cryptocurrency and blockchain technology sector. Current anticipated pipeline projects include technologies that improve the user experience of acquiring and organizing NFTs, more efficiently manage gaming guilds, and to ease and enhance the process of launching NFTs for specific industries. We believe that with our expertise, position in the industry and understanding of the NFT market, we can deploy capital and resources to build and launch technology that helps move the industry forward.

Investing

Through our investing business line, our team aims to: (i) manage a diverse portfolio of specially curated NFTs; (ii) support platforms and creators in the digital asset ecosystem; and (iii) actively participate in the P2E gaming ecosystem. As part of our investment strategy, we have founded a blockchain-based gaming guild, known as the GOAT Guild (the “Guild”) to engage in P2E blockchain games and engage in the secondary NFT resale market associated with such games.

Consulting

We offer advisory services in the NFT sector to analyze potential customer's brand, audience and platforms and to help the customer determine what type of NFT may work best for them. Any work required to develop and mint the customer's digital assets, NFTs or tokens, such as coding, video editing and other creative work, is done in-house. After the NFT is created, the Company organizes and executes the launch in collaboration with the creator to maximize attention and traction.

The Company's strategy in connection with launching advisory services is to work with clients on a percentage-based compensatory scheme. Through its project-launching advisory services, the Company intends to: (a) acquire new NFTs from individual launches for its NFT portfolio; (b) increase market awareness of its services through high-profile launches; and (c) increase opportunity for partnership marketing. We may offer consulting services in exchange for cash, digital assets, tokens from a TGE or other assets and/or stakes in the projects on which we consult on.

Date and Subject of Report

The following is Management's Discussion and Analysis of the results of operations and financial position of NFT Tech as at and for the three and nine months ended September 30, 2022 and to the date of this MD&A.

This MD&A should be read in conjunction with the unaudited condensed interim financial statements for the three and nine months ended September 30, 2022 (the “Q3 2022 Financial Statements”). This report is dated November 15, 2022.

The Company reports its financial results in Canadian dollars and all references to \$ in this MD&A refer to the Canadian dollar. All financial information in this MD&A is derived from the Company's financial statements for the years ended December 31, 2021 and 2020 are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

Highlights for the nine months ended September 30, 2022

The significant highlights during the reporting period are as follows:

- On January 11, 2022, the Company entered into a share exchange agreement with Mario Nawfal for the purchase and sale of 173,710 shares in Realfevr (the "Realfevr Shares") from Mario Nawfal, former Chief Executive Officer of the Company. The transaction closed on January 13, 2022, at which time the Company issued 833,333 common shares in the capital of the Company ("Consideration Shares") in consideration for the Realfevr Shares. The Consideration Shares were entered into escrow and the Company received an undertaking from Mr. Nawfal for the delivery of the Realfevr Shares upon completion of Realfevr's corporate reorganization.
- On June 16, 2022, the Company entered into a binding letter of intent (the "Sherwa LOI") with Sherwa Online Services Inc. ("Sherwa") and certain of the founding shareholders of Sherwa (the "Sherwa Shareholders"), setting forth the terms and conditions of the proposed acquisition by the Company of all of the issued and outstanding shares of Sherwa (the "Sherwa Shares"). Acquisition of the Sherwa Shares is subject to entry into a definitive agreement among the parties. The Sherwa LOI provides an exclusivity period until December 13, 2022. On closing of the transaction, NFT Tech is expected to issue 2,500,000 common shares, issued pro rata to the Sherwa shareholders.
- During the nine months ended September 30, 2022, the Company advanced \$820,000 to Sherwa, evidenced by a promissory note issued by Sherwa to the Company in the amount of \$820,000, bearing interest at 1.0% per annum, and secured by a founding shareholder's guarantee and pledge of 5,000,000 Sherwa Shares, representing approximately 39.03% of the total Sherwa Shares. The accrued interest of \$1,511 and \$2,301 were recognized in the statement of loss and comprehensive loss in the three and nine months ended September 30, 2022.
- Between March 3 and 8, 2022, the Company issued 1,495,000 common shares in two tranches at \$1.00 per common share for gross proceeds of \$1,495,000 pursuant to a non-brokered private placement.
- The Company entered an asset purchase agreement (the "Fuku Purchase Agreement") on March 17, 2022, pursuant to which the Company acquired from the vendor thereunder, all of such vendor's right, title and interest to the Fuku Assets. The total purchase price for the Fuku Assets was agreed between the Company and vendor as 1,212,122 common shares of the Company at \$1.00 per common share.

Pursuant to the Fuku Purchase Agreement, the vendor of the Fuku Assets has agreed and will contribute, for nine months following the closing of such transaction, transitional managerial support for the Fuku Marketplace and strategic consulting services to the Company for running the Fuku Marketplace. Given the recent uncertainty of crypto markets, the Fuku token is deferred to a future date.

- On July 7, 2022, the Company and Run it Wild Pty Ltd., a company organized under the laws of Australia ("Run it Wild"), entered into a definitive agreement for the acquisition of Run it Wild, a multidisciplinary blockchain, metaverse and NFT development studio. The Company appointed Adam De Cata as Chief Executive Officer of the Company. The transaction is anticipated to close in the fourth quarter of the fiscal year of 2022.

With the completion of Run it Wild acquisition, the Company anticipates expanding its advisory services to partner with top tier brands to develop, mint and launch their digital assets, NFTs or tokens. The acquisition of Run it Wild meets the Company's strategic plan to generate significant revenue from consulting services by increasing market awareness through building strong partnerships with high profile customers in the next 12 months.

Since the announcement, the Company experienced fast increase in its advisory project pipeline following the establishment of partnerships with Australian Open, Elvis Presley Enterprises, Sony Sports, and an exclusive multi-year deal with Word Table Tennis.

Other notable events during the reporting period are as follows:

- On February 18, 2022, the Company granted 280,000 stock options at an exercise price of \$0.60 per common shares to the former CFO of the Company. The options expire on February 18, 2027.
- On February 21, 2022, the Company granted 250,000 stock option at an exercise price of \$0.60 per common share to a consultant. The options expire on February 21, 2027.

- On March 2, 2022, the Company granted 150,000 stock options at an exercise price of \$1.00 per common share to consultants. The options expire on March 2, 2027.
- On April 22, 2022, the Company issued 333,333 common shares to the former CEO upon vesting of 333,333 restricted share units.
- On May 13, 2022, the Company filed its non-offering (final) long form prospectus with the British Columbia Securities Commission.
- On May 25, 2022, the Company listed its common shares on the NEO Exchange under the symbol "NFT".
- On June 3, 2022, the Company listed its common shares for trading in Europe. The trading symbol for the common shares on the Frankfurt Stock Exchange (FSE) is "8LO" as the WKN identification number is A3DM5Z.
- On July 22, 2022, the Company listed its common shares for trading on the OTC Markets under the trading symbol "NFTFF".
- On August 2, 2022, the Company expanded its access to common shares for international investors through the Depository Trust Company ("DTC") in the United States.
- On September 15, 2022, the Company granted 280,000 stock options at an exercise price of \$0.35 per common shares to the new CFO of the Company. The options expire on September 15, 2027.
- On September 26, 2022, the Company issued 1,500,000 common shares for gross proceeds of \$225,000. \$67,105 was related to the fair value of 1,500,000 warrants issued and reclassified to warrant reserve.

Events subsequent to September 30, 2022

- On October 11, 2022, the Company completed the first tranche of non-brokered private placement of units for gross proceeds of \$1,005,000 through the sale of 6,699,999 units at a price of 0.15 per unit, which is comprised of one common share of the Company and one warrant to purchase a common share of the Company. Each warrant is exercisable at a price of \$0.30 per share at any time for a period of two years.

PART II – REVIEW OF FINANCIAL RESULTS

Overall Performance

Following the announcement of entering into a definitive agreement for the acquisition of Run it Wild and the appointment of Run it Wild's Adam De Cata as the new CEO, the Company has decided to focus its future business strategy and growth on consulting services. The Company continues expanding its business operations in the third quarter of fiscal 2022 by concentrating its product developments and marketing efforts on establishing partnerships with top-tier brands. As a result, the Company experienced significant increase in its advisory project pipeline with brand names such as Australian Open, Elvis Presley Enterprises, Sony Sports, and an exclusive multi-year deal with Word Table Tennis. The acquisition of Run it Wild is in alignment with the Company's strategy to maximize value through mainstreaming NFTs and the metaverse.

During the third quarter of 2022, the operating costs increased in July and August, but has decreased since September as the management takes initiatives to preserve cash by cutting operating expenses given the challenging conditions of capital markets and crypto markets while continues utilizing its ability to leverage strong relationships and established networks to raise additional capitals to support long-term business strategic plans.

During the three and nine months ended September 30, 2022, the Company incurred a net loss of \$1,464,156 and \$6,070,873 respectively compared to a net loss of \$2,284,624 and \$2,833,538 during the three and nine months ended September 30, 2021 respectively. As at September 30, 2022, the Company had cash and cash equivalents of \$465,497. The Company is actively seeking new financing opportunities in accordance with its capital risk management strategy.

See "Part I – Company and Highlights – Highlights for the nine months ended September 30, 2022" for further information regarding the Company's activities during the nine months ended September 30, 2022.

Except as disclosed herein, there are no known trends, commitments, events or uncertainties that are presently known to management which would be reasonably expected to have a material effect on the Company's business, financial condition, or results of operations.

Q3 Operating Results Summary

During the third quarter of 2022, the Company successfully listed its common shares for trading in Europe on the Frankfurt Stock Exchange (FSE) under the symbol of "8LO" as the WKN identification number us A3DM5Z. The Company also expanded its access to common shares for international investors through the Depository Trust Company ("DTC") in the United States.

The three months ended September 30, 2022, compared to the three months ended September 30, 2021

Three months ended September 30	2022	2021	Change \$	Change %
Revenue	\$ 29,466	\$ -	\$ 29,466	100%
Cost of sales	18,044	-	18,044	100%
Gross profit	\$ 11,422	\$ -	\$ 11,422	100%
Expenses				
Research and development	\$ 121,086	\$ 1,517,486	\$ (1,396,400)	(92%)
General and administration	978,535	639,757	338,778	53%
Sales and marketing	413,282	127,381	285,901	224%
Total expenses	\$ (1,512,903)	\$ (2,284,624)	771,721	(34%)
Operating loss	\$ (1,501,481)	\$ (2,284,624)	783,143	(34%)
Other income (expenses)				
Foreign exchange gain	\$ 4,333	\$ -	4,333	100%
Finance income	1,515	-	1,515	100%
Gain/(Loss) from revaluation of digital assets	37,387	-	37,387	100%
Loss from revaluation of investments	(1,626)	-	(1,626)	(100%)
Other expenses	(4,284)	-	(4,284)	(100%)
Net loss for the period	\$ (1,464,156)	\$ (2,284,624)	\$ 820,468	(36%)

Breakdown of material costs is as follows:

Three months ended September 30	2022	2021	Change \$	Change %
Research and development:				
Marketplace and digital asset development	\$ 121,086	\$ 1,517,486	\$ (1,396,400)	(92%)
Total research and development	\$ 121,086	\$ 1,517,486	\$ (1,396,400)	(92%)
General and administration:				
Salaries, wages and benefits	\$ 235,973	\$ -	\$ 235,973	100%
Professional and consulting fees	469,513	566,160	(96,647)	(17%)
Business development	2,779	-	2,779	100%
Office costs	132,095	21,230	110,865	522%
Share-based payments	135,915	51,854	84,061	162%
Amortization and depreciation	2,260	513	1,747	341%
Total general and administration	\$ 978,535	\$ 639,757	\$ 338,778	53%
Sales and marketing:				
Travel	\$ 50,668	\$ 25,198	\$ 25,470	101%
Marketing	281,760	102,183	179,577	176%
Advertising and promotion	80,854	-	80,854	100%

Total sales and marketing	\$	413,282	\$	127,381	\$	275,361	224%
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In Q3 2022, the Company reported a net loss of \$1,464,156, compared to \$2,284,642 in Q3 2021. The decrease in net loss was mainly due to the decrease of research and development costs as management concluded, in the first half of 2022, that the Company is no longer in its development phase of lifecycle. One of the significant milestones and triggers that led to this judgement is exercise of control over the digital wallets that were not controlled by the Company in previous periods. Since then, the Company focuses on sales and marketing efforts to partner with top-tier brands and to accumulate consulting projects in the pipeline while expanding the operating team to strengthen its ability to generate returns in near future. The discussion below provides more details about the Company's performance.

During the third quarter of 2022, the Company reported \$29,466 (Q3 2021 - \$nil), which is composed of the following revenue streams:

		Three months ended September 30	
		2022	2021
Token sales	\$	24,007	\$ -
NFT sales		890	-
Play-to-earn gaming (the Guild)		59	-
Auction fee sharing		4,510	-
Total revenue	\$	29,466	\$ -

The Company recognizes revenue in accordance with IFRS 15, *Revenue from contracts with customers*, which follows a five-step model to assess each contract of a sale or service to a customer: identify the legally binding contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and determine whether revenue will be recognized at a point in time or over time. Revenue is recognized when a performance obligation is satisfied and the customer obtains control of promised goods and services. The amount of revenue recognized reflects the consideration to which the Company expects to be entitled to receive in exchange for these goods and services.

Token and NFT resale

SAFTs, as legally binding contracts set rights and obligations of counterparties to a sell/buy transaction, performance obligation is a transfer of digital asset from the party which wishes to sell to the party who wishes to buy such digital asset. Transaction price is the agreed upon price at the time of transaction, which is allocated to a single performance obligation in its entirety and recognized at a point in time as performance obligation is fulfilled.

Play-to-earn gaming

The Company engages "game scholars", individuals who play games on behalf of the Company, with the goal to earn game-based digital assets. The players use the Company's game assets, digital assets, to play games and receive a commission-based fee in return for their service. The rights and obligations are set out by a legally binding agreement, performance obligation is completion of game-based tasks for a reward which is automatically deposited to the Company-owned wallet. The transaction price is determined based on a market price of digital asset(s) received and recognized at a point in time when delivery occurs.

Auction fee sharing

The Company earns a portion of auction fee for each NFT sale completed, the rights and obligations are governed by a smart contract mechanism on the auction's blockchain. The performance obligation is a sale of NFT. The transaction price is the fee amount on each completed transaction and is allocated to one performance obligation in its entirety, which is recognized at a point in time when NFT sale is completed.

The following discussion and analysis of the Company's financial condition and results of operations for the three and nine months ended September 30, 2022 and 2021.

Token and NFT resale together generated a gross profit of \$21,717 in Q3 2022 (Q3 2021 - \$nil). Cost of sales of \$3,180 is primarily composed of the cost of digital assets (\$3,132) pursuant to SAFT arrangements and gas fees (\$48) incurred in swap transactions upon sale. The decrease of revenue from token and NFT from Q2 2022 is mainly due to (a) extremely low token and NFT market activities since Q2 2022, (b) the Q2 2022 resale from token and NFT consists of revenue recognition of the accumulated token and NFT projects to date. Prior to Q2 2022, advances for SAFTs and NFT minting costs were expensed as development costs and were not included in cost of sales. In general, the Company's performance is largely dependent on market valuation of digital assets at the time of sale, therefore gross profit margin could fluctuate significantly. However,

management expects gross profits will be below the reported levels in future reporting periods as advances and costs to mint NFTs will no longer be treated as development costs.

The Guild generated a gross loss of (\$8,570) in Q3 2022 (Q3 2021 - \$nil). Cost of sales of \$8,629 is composed of commissions paid to game scholars. The drastic decline of revenue from Guild is triggered by an industry wide hacking event of the gaming ecosystems reported in April 2022 and continues to negatively impact the P2E image and momentum.

Auction fee sharing business generated a gross loss of (\$1,726) in Q3 2022 (Q3 2021 - \$nil). Cost of sales of \$6,236 is composed of payments to artists and other fees incurred to promote the artwork. The management expects it to become more profitable as it scales going forward.

The Company reported general and administrative expenses of \$978,535 in Q3 2022, compared to \$639,757 for Q3 2021. The increase in expenses was primarily a result of the increase in headcounts and other operating expenses due to the continuous expansion of business activities. The Company incurred significant costs in salaries and wages, professional and consulting fees in pursuit of new business opportunities. Share-based payments of \$139,915 reported in Q3 2022 (Q3 2021 - \$51,854) included in general and administrative expenses are non-cash costs.

The Company reported directors' fees, salaries, wages and benefits, which includes management and personnel salaries, of \$178,002 in Q3 2022, compared to \$181,982 in Q1 2021. The decrease is due to the reduction of management fees, which is offset by the increase of share-based compensations.

The Company reported consulting and advisory service expenses of \$469,513 in Q3 2022, compared to \$566,160 in Q3 2021. The decrease was primarily the result of costs associated with less work being outsourced to (a) external consultants - \$359,738, (b) recruitment cost of \$10,120, (c) legal fees of \$47,440 in relation to review of agreements and disclosures and general corporate matters, (d) regulatory and filing fees of \$16,964, (e) tax and audit fees of \$10,673, and (f) investor relations of \$24,578, and other advisory services. The Q3 2021 costs were comprised of (i) consulting fees of \$560,806, and (ii) other professional fees of \$5,354.

The Company reported research and development costs of \$121,086, compared to \$1,517,486 in Q3 2021. The decrease is largely due to the management's conclusion that the Company is no longer in its development phase of lifecycle. The Company's research and development costs in Q3 2022 are mostly attributable to the development of the Fuku Marketplace.

The Company reported sales and marketing expenses of \$413,282 in Q3 2022, compared to \$127,381 in Q3 2021. The increase was primarily due to increased marketing campaigns of NFT Tech as a brand, building its brand image and other complimentary marketing efforts to raise its brand awareness.

The nine months ended September 30, 2022, compared to the nine months ended September 30, 2021

Nine months ended September 30	2022	2021	Change \$	Change %
Revenue	\$ 952,806	\$ -	\$ 952,806	100%
Cost of sales	337,249	-	337,249	100%
Gross profit	\$ 615,557	\$ -	\$ 615,557	100%
Expenses				
Research and development	\$ 383,044	\$ 1,572,486	\$ (1,189,442)	(76%)
General and administration	3,891,051	870,034	3,021,017	347%
Sales and marketing	1,244,728	391,018	853,710	218%
Total expenses	\$ (5,518,823)	\$ (2,833,538)	(2,685,285)	95%
Operating loss	\$ (4,903,266)	\$ (2,833,538)	(2,069,728)	73%
Other income (expenses)				
Foreign exchange gain	\$ 2,088	\$ -	2,088	100%
Finance income	2,301	-	2,301	100%
Listing costs	(546,786)	-	(546,786)	(100%)
Loss from revaluation of digital assets	(100,964)	-	(100,964)	(100%)
Loss from revaluation of investments	(515,232)	-	(515,232)	(100%)
Other expenses	(9,014)	-	(9,014)	(100%)
Net loss for the period	\$ (6,070,873)	\$ (2,833,538)	\$ (3,237,335)	(114%)

Breakdown of material costs is as follows:

Nine months ended September 30	2022	2021	Change \$	Change %
Development costs:				
Marketplace and digital asset development	\$ 121,086	\$ 1,572,486	\$ (1,371,131)	(92%)
Total development costs	\$ 121,086	\$ 1,572,486	\$ (1,371,131)	(92%)
General and administration:				
Salaries, wages and benefits	\$ 838,692	\$ -	\$ 838,692	100%
Professional and consulting fees	1,112,171	795,014	317,157	40%
Business development	4,651	-	4,651	100%
Office costs	266,198	22,553	243,645	1,080%
Business loss	111,609	-	111,609	100%
Share-based payments	1,551,159	51,954	1,499,205	2,886%
Amortization and depreciation	6,571	513	6,058	1,181%
Total general and administration	\$ 3,891,051	\$ 870,034	\$ 3,021,017	347%
Sales and marketing:				
Travel	\$ 77,303	\$ 25,198	52,105	207%
Marketing	1,083,498	365,820	717,678	196%
Advertising and promotion	83,927	-	83,927	100%
Total sales and marketing	\$ 1,244,728	\$ 391,018	\$ 853,710	218%

Token and NFT resale together generated a gross profit of \$555,010 in the nine months ended September 30, 2022 (\$nil, in the nine months ended September 30, 2021). Cost of sales of \$194,789 is primarily composed of the cost of digital assets (\$161,744) pursuant to SAFT arrangements and gas fees (\$33,045) incurred in swap transactions upon sale. In prior periods, advances for SAFTs and NFT minting costs were expensed as development costs and were not included in cost of sales. In general, the Company's performance is largely dependent on market valuation of digital assets at the time of sale, therefore gross profit margin could fluctuate significantly. However, management expects gross profits will be below the reported levels in future reporting periods as advances and costs to mint NFTs will no longer be treated as development costs.

The Guild generated a gross profit of \$22,474 in the nine months ended September 30, 2022 (\$nil, in the nine months ended September 30, 2021). Cost of sales of \$47,709 is composed of commissions paid to game scholars. The drastic decline of revenue from Guild is triggered by an industry wide hacking event of the gaming ecosystems reported in April 2022 and continues to negatively impact the P2E image and momentum.

Auction fee sharing business generated a gross profit of \$38,073 in the nine months ended September 30, 2022 (\$nil, in the nine months ended September 30, 2021). Cost of sales of \$94,752 is composed of payments to artists and other fees incurred to promote the artwork. The management expects it to become more profitable as it scales going forward.

The Company reported general and administrative expenses were \$3,891,051 in the nine months ended September 30, 2022, compared to \$870,034 in the nine months ended September 30, 2021. The increase in expenses was primarily the result of expansion of operating business activities across every business unit. The Company incurred significant costs in salaries and wages, professional and consulting fees in pursuit of new business opportunities and effort to list the Company's common shares with the NEO Exchange. Share-based payments of \$1,551,159 reported in the nine months ended September 30, 2022 (\$51,954, the nine months ended September 30, 2021) included in general and administrative expenses are non-cash costs.

The Company reported directors' fees, salaries, wages and benefits, which includes management and personnel salaries, of \$754,373 in the nine months ended September 30, 2022, compared to \$371,670 in the nine months ended September 30, 2021. This increase was primarily due to an increase in share-based compensation of \$384,195 in the nine months ended September 30, 2022 (\$4,774, in the nine months ended September 30, 2021).

The Company reported consulting and advisory service expenses were \$1,112,171 in the nine months ended September 30, 2022, compared to \$795,014 in the nine months ended September 30, 2021. The increase was primarily the result of costs associated with (a) work outsourced to external consultants of \$614,512, (b) recruitment cost of \$49,333, (c) legal fees of \$226,687 in relation to review of agreements and disclosures and general corporate matters, (d) regulatory and filing fees of \$64,706, (e) tax and audit fees of \$62,433, and (f) investor relations of \$94,500, and other advisory services. The Q2 2021 costs were comprised of (i) legal fees of \$20,378 and (ii) consulting fees of \$747,612, and (iii) other professional fees of \$27,024.

The Company reported development costs of \$121,086 in the nine months ended September 30, 2022, compared to \$1,572,486 in the nine months ended September 30, 2021. The decrease is largely due to the management's conclusion that the Company is no longer in its development phase of lifecycle. The Company's research and development costs in Q3 2022 are mostly attributable to the development of the Fuku Marketplace.

The Company reported sales and marketing expenses of \$1,244,728 in the nine months ended September 30, 2022, compared to \$391,018 in the nine months ended September 30, 2021. The increase was primarily due to increased marketing campaigns of NFT Tech as a brand, building its brand image and other complimentary marketing efforts to raise its brand awareness.

Summary of Quarterly Information

Three months ended	Sep-22	Jun-22	Mar-22	Dec-21	Sep-21	Jun-21	Mar-21	Dec-20
	\$	\$	\$	\$	\$	\$	\$	\$
Total revenue	29,466	923,340	-	-	-	-	-	-
Net loss	(1,464,156)	(1,813,232)	(2,793,485)	(3,182,562)	(2,284,624)	(485,914)	(63,000)	-
Loss per share	(0.02)	(0.02)	(0.04)	(0.04)	(0.05)	(0.04)	(63,000)	-

The Company's Q3 performance is discussed in the section "Q3 Operating Results Summary" of this MD&A. During Q3 2022, the management implemented multiple cost cutting initiatives to preserve cash given the challenging conditions of capital markets and crypto markets while continues utilizing its ability to leverage strong relationships and established networks to raise additional capitals to support long-term business strategic plans.

Outlook

With the upcoming completion of Run it Wild acquisition and Adam's leadership, the Company's strategy for the next 12 months is to increase its focus on the media and brand development business by partnering with new clients and brands to become the gateway for them to navigate creative monetization strategies in Web3. As the date hereof, the Company has successfully built its project pipeline with brand names such as Australian Open, Elvis Presley Enterprises, Sony Sports, and an exclusive multi-year deal with Word Table Tennis.

Since the acquisition of Run it Wild is one of the most important steps NFT Tech will be taking toward mainstreaming NFTs and the metaverse, one of the Company's key priorities for Q4 2022 will be to complete the post-merger integration of Run it Wild and to implement critical infrastructure to support business operations. This will represent an important step to scale the Company's products and services to more customers. The Company plans to further develop partnerships with top-tier brands and IP holders across Sport, Entertainment, and the Creator Economy to effectively deliver the lead strategy and deploy client projects, continue to enhance its business and product developments to offer top notch client services by creating customized design and innovative solutions to meet customers' demands. Over the course of anticipating the move, the Company has built out key assets in client outreach and content development to support future growth.

The Company will also remain diligent on its cost-cutting initiatives to effectively reduce operating losses while adjusting to the quickly evolving blockchain technology landscape. One of the key priorities in Q4 2022 will be to accelerate the monetization of its P2E dashboard Cashdash through the previously announced acquisition of Sherwa. The launch of Cashdash will enable players to find, play and choose between multiple P2E games from which the Company will generate revenue from the initial listing fees of games and receive a commission-based fee in return for its service.

The Company remains committed to the creation of shareholder value. The directors and management have a wide entrepreneurial network which provides a range of future opportunities. The company has already listed its common shares with Neo Exchange Inc., the Frankfurt Stock Exchange, and the OTC Markets. The Company has also expanded access to its common shares for international investors through eligibility for electronic clearing and settlement through the Depository Trust Company ("DTC") in the United States. The Company will continue investing in projects and activities that attract investor interest and offer significant growth potential.

The foregoing projected outlook constitutes forward-looking information and is intended to provide information about management's current expectations for the Company's 2022 fiscal year. Although considered reasonable as of the date hereof, such outlook and the underlying assumptions may prove to be inaccurate. Accordingly, actual results could differ materially from the Company's expectations as set forth herein. See "Forward-Looking Statements".

In preparing the above outlook, the Company assumed, among other things, that the operators of the P2E games underlying the Guild's activities will meet expected development milestones and player-base forecasts for the applicable period. This section includes forward-looking statements. See "Forward-Looking Statements".

The Company's continuing operations as intended are dependent upon its ability to attain profitable operations and generate funds therefrom and raise equity capital or obtain the necessary financing sufficient to meet current and future obligations.

Selected Quarterly Information

The following tables set out selected financial information with respect to the Company's operations for the three months ended September 30, 2022 and 2021.

	2022	2021
Revenue	\$ 29,466	\$ -
Net loss	(1,464,156)	(2,284,624)
Loss per share – basic and diluted	(0.02)	(0.05)
Total assets	3,935,928	4,308,823

The discussion about revenue, expenses and performance is available in the section "Q3 Operating Results Summary" of this MD&A. The Company did not declare any dividends during the three months ended September 30, 2022 and 2021.

PART III – FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Cash Flow Information

The following table provides an overview of the Company's cash flows for the nine months ended September 30, 2022 and 2021.

	2022	2021
Net cash provided by (used in):		
Operating activities	\$ (4,858,770)	\$ (1,979,597)
Investing activities	(567,447)	(38,678)
Financing activities	1,973,594	6,010,169
Increase (decrease) in cash	\$ (3,452,623)	\$ 3,991,894

Operating Activities

NFT Tech used \$4,858,770 of cash in operating activities during the nine months ended September 30, 2022, compared to \$1,979,597 used in the nine months ended September 30, 2021. The Company used more cash in operations due to its development activities, acquisition of SAFTs, larger spend on compensation due to increased headcount, expenditures on marketing and listing efforts.

Investing Activities

The Company used \$567,447 of cash in investing activities during the nine months ended September 30, 2022, compared to \$38,678 in the nine months ended September 30, 2021. The Company loaned \$820,000 to Sherwa during the nine months ended September 30, 2022, purchased \$4,397 of equipment, spent \$20,000 on transaction costs related to acquisition of intangible assets and received proceeds of \$276,950 of digital assets.

Financing Activities

The Company generated \$1,973,594 through financing activities during the nine months ended September 30, 2022, compared to \$6,010,169 during the nine months ended September 30, 2021. Net cash provided by financial activities was related to cash received from share subscriptions in the amount of \$1,970,263, which were received in connection with the Company's non-brokered private placement, compared to \$6,010,169 received in the comparative period. The Company received the proceeds of \$3,331 from exercise of stock options.

Dividends

The Company currently intends to retain any future earnings to fund the development and growth of its business and does not currently anticipate paying dividends on the Common Shares. Any determination to pay dividends in the future will be at the discretion of the Board and will depend on many factors, including, among others, restrictions in any credit arrangements the Company may enter in the future, the Company's financial condition, current and anticipated cash requirements, contractual restrictions and financing agreement covenants, solvency tests imposed by applicable corporate law and other factors that the Board may deem relevant.

Financial Position

The following table sets forth selected information regarding the Company's financial position for the periods indicated:

	September 30, 2022	December 31, 2021
As at		
Cash and cash equivalents	\$ 465,497	\$ 3,918,120
Restricted cash	5,000	5,000
Prepaid expenses and deposits	1,102,868	106,740
Note and interest receivable	822,364	-
Digital assets	55,412	433,326
Property and equipment	21,321	23,495
Intangible assets	1,232,122	-
Investments	231,344	246,576
Trade payables and accrued liabilities	215,271	215,131
Advances payable	-	30,575
Shareholders' equity	3,720,657	4,487,551

The following discussion addresses the above noted factors regarding the Company's financial position for the periods indicated:

Cash and cash equivalents

As of September 30, 2022, the Company had cash of \$465,497 compared to \$3,918,120 as of December 31, 2021. The changes in cash are discussed above in the summary of cash flow activities. See "Part III - Financial Condition, Liquidity and Capital Resources - Cash Flow Information".

Restricted cash

The Company held \$5,000 in the Guaranteed Investment Certificate (GIC) which is used as a security for corporate credit cards.

Prepaid expenses and deposits

The significant portion of prepaid expenses and deposits is attributable to advances made in SAFT arrangements (\$922,668). The remainder of the balance is made up of prepayments for insurance, marketing and investor relation services and a deposit payment for payroll services.

Note and interest receivable

On March 18, 2022, the Company entered into a non-binding letter of intent the Sherwa LOI with Sherwa and the Sherwa Shareholders, setting forth the terms and conditions of the proposed acquisition by the Company of all of the issued and outstanding Sherwa Shares in consideration for 2,000,000 common shares of the Company. Concurrently, the Company agreed to extend funding to Sherwa for working capital needs until the close of the proposed acquisition.

During the nine months ended September 30, 2022, the Company advanced \$820,000 to Sherwa by way of a promissory note issued by Sherwa to the Company in the amount of \$820,000, bearing interest at 1.0% per annum, and secured by a founding shareholder's guarantee and pledge of 5,000,000 Sherwa Shares, representing approximately 39.03% of the total Sherwa Shares.

Digital assets

The balance decrease was due to digital wallet withdrawal during the period. The Company converted digital assets to fiat currencies to provide support to business operations. Generally, the increase of balance is attributable to appreciation of digital assets, funding of digital wallets through acquisition of stable coins with cash, digital asset drops pursuant to the SAFT arrangement vesting schedules and the decrease is attributable to depreciation of digital asset holdings, digital assets being used as payments for services, conversion of digital assets to fiat currencies, i.e. a digital wallet withdrawal.

Property and equipment

The Company acquired new items of property and equipment during Q3 2022, which were offset by depreciation of \$6,571 recorded in the nine months ended September 30, 2022.

Intangible assets

The Company entered the Fuku Purchase Agreement on March 17, 2022, pursuant to which the Company acquired from the vendor thereunder, all of such vendor's right, title and interest to the Fuku Assets. The total purchase price for the Fuku

Assets was agreed between the Company and vendor as 1,212,122 common shares of the Company at \$1.00 per common share. The management concluded that this acquisition does not constitute a business combination, therefore an asset acquisition accounting was applied accordingly. The Company incurred \$20,000 of transaction costs which were capitalized. Given the recent high volatility of crypto markets, the Company decides to defer the launch of Fuku tokens and will be able to assess the recoverable amount once an active market for Fuku tokens is established.

Pursuant to the Fuku Purchase Agreement, the vendor of the Fuku Assets has agreed and will contribute, for nine months following the closing of such transaction, transitional managerial support for the Fuku Marketplace and strategic consulting services to the Company for running the Fuku Marketplace.

Investments

On August 11, 2021, the Company acquired \$31,262 in units of UN Fund I, a series of Evan Singh Luthra Funds, LP (the "Fund"), which has been formed under the laws of the State of Delaware for the primary purpose of purchasing, on a private placement's basis, the series of Unocoin Technologies, PTE. Ltd., a Singapore Private Limited Company. Fund GP, LLC, is a limited liability company also organized under the laws of the State of Delaware. Investment advisor is AngelList Advisor, LLC. The fair value was estimated based on the Fund's K-1 as of December 31, 2021. No gains or losses were reported for the three and nine months ended September 30, 2022.

On October 15, 2021, the Company entered into a binding letter of intent with the former CEO of the Company for the purchase of his holdings in Fantasy Revolution, S.A. a Portuguese company ("Realfevr"). The Company was to issue 833,333 common shares in exchange for 173,710 common shares of Realfevr. The parties entered into the share exchange agreement in relation to this transaction on January 11, 2022, at which time the 833,333 common shares were issued and the Company received the undertaking from the former CEO for the delivery for the Realfevr common shares upon completion of Realfevr's corporate reorganization. There is direct link between the \$FEVR token and the business because owners of the token get access to new packs. Since there is this connection management assumed that the \$FEVR is a good proxy for the usage demand. The value of the \$FEVR token declined in the period. The Company recognized gain from revaluation of investment in Realfevr of \$500 during the three months ended September 30, 2022 and recognized loss from revaluation of investment in Realfevr of \$395,893 during the nine months ended September 30, 2022 (the three and nine months ended September 30, 2021 - \$nil and \$nil respectively); the gain and loss were measured by reference to the decline in the \$FEVR token.

The Company recognized loss from revaluation of investment in Shima 1inch SPV LLC of \$2,126 and \$120,965 during the three and nine months ended September 30, 2022 respective (the three and nine months ended September 30, 2021 - \$nil and \$nil respectively). The fair value was estimated based on the quoted market price of 1INCH token as at September 30, 2022.

Trade payables and accrued liabilities

This balance includes liabilities incurred in a regular course of business. The balance arises due to the timing difference of recognition and settlement.

Advances payable

The Company refunded individuals monies that were advanced for private placement in the year ended December 31, 2021 as no common shares were issued.

Shareholders' equity

Shareholders' equity largely decreased due to the increase of comprehensive net loss of \$6,070,873, offset by gross proceeds of (\$2,634,133) from a non-brokered private placement and issuance of common shares for investment (\$500,000), increase in share-based payment reserves (~\$957,724) and intangible assets acquired (\$1,212,122).

Contractual Obligations

The following table summarizes the Company's contractual obligations, including payments due for each of the next five years and thereafter

Contractual Obligations	Payments Due by Period				
	Total (\$)	Less than 1 year (\$)	1 - 3 years (\$)	3 - 5 years (\$)	After 5 years (\$)
Fuku contributions ⁽¹⁾	169,662	169,662	-	-	-
Total Contractual Obligations	169,662	169,662	-	-	-

Notes:

- (1) The total contribution is offset by any amounts to developers for the launch of Fuku Marketplace, a decentralized digital marketplace, consisting of the client facing store front, instance-routing vault registry and registry vault

wrapper. For the nine months ended September 30, 2020, the total payments to developers of Fuku Marketplace is \$230,338. The net contractual obligation balance is \$169,662 as of the date hereof. The vendor is to deliver the Fuku tokens for the Fuku contributions made by the Company at a future date.

Capital Resources

	September 30, 2022	December 31, 2021
As at		
Cash and cash equivalents	\$ 465,497	\$ 3,918,120
Shareholders' equity	3,720,657	4,487,551

During the nine months ended September 30, 2022, the Company incurred a net loss of \$6,070,873 and negative cash flows from operating activities of \$4,858,770. As at September 30, 2022, the Company has an accumulated deficit of \$12,086,973. The Company generates revenue and is incurring costs to develop its business. Management carefully monitors cash outflows and seek additional sources of financing to ensure continued operations. The Company's continuing operations as intended are dependent upon its ability to attain profitable operations and generate funds therefrom and raise equity capital or obtain the necessary financing sufficient to meet current and future obligations.

Completed Agreements

The Company entered the Fuku Purchase Agreement on March 17, 2022, pursuant to which the Company acquired from the vendor thereunder, the Fuku Assets. The total purchase price for the Fuku Assets was agreed between the Company and vendor as \$727,273. The Company satisfied such purchase price through the issuance of Common Shares.

On March 18, 2022, the Company entered into a non-binding letter of intent the Sherwa LOI with Sherwa and the Sherwa Shareholders, setting forth the terms and conditions of the proposed acquisition by the Company of all of the issued and outstanding Sherwa Shares in consideration for 2,000,000 common shares of the Company.

On March 24, 2022, the Company advanced \$120,000 to Sherwa, evidenced by a promissory note issued by Sherwa to the Company in the amount of \$120,000, bearing interest at 1.0% per annum, and secured by a founding shareholder's guarantee and pledge of 5,000,000 Sherwa Shares, representing approximately 39.03% of the total Sherwa Shares.

On June 16, 2022, the Company and current shareholders of Sherwa entered into a binding letter of intent to acquire all Sherwa Shares. The letter of intent is subject to several conditions to completion, including entering into a definitive agreement. On closing of the transaction, NFT Tech is expected to issue 2,500,000 common shares, issued pro rata to the shareholders of Sherwa. In addition, NFT Tech will assume Sherwa's outstanding related party loans and expects to settle such loans on closing.

On July 7, 2022, the Company and Run it Wild, entered into a definitive agreement for the acquisition of Run it Wild. Based on the proposed transaction, NFT Tech will issue 10,000,000 common shares of the Company and a cash payment of \$2,000,000 in exchange for acquiring all of the issued and outstanding shares of Run it Wild. The Company appointed Adam De Cata as Chief Executive Officer of the Company. Adam replaced Mario Nawfal, who now serves as a strategic advisor to NFT Tech.

Transactions with Related Parties

See "Part V - Accounting Policies, Estimates and Internal Controls - Related party transactions".

Outstanding Share Data

As of the date hereof, the Company has 80,281,695 common shares, 3,961,754 common share purchase warrants, 5,987,000 options to purchase common shares.

Off-Balance Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial position of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

PART IV – RISKS

The Company is subject to many risks which are outlined in the Company's preliminary long form non-offering prospectus under the section entitled "Risk Factors", which is available on SEDAR at www.sedar.com. In addition, please see "*Part V – Accounting Policies, Estimates, and Internal Controls – Capital Management – Financial Instruments and Financial risk management*" for the analysis of financial risk factors.

PART V – ACCOUNTING POLICIES, ESTIMATES, AND INTERNAL CONTROLS

Accounting Estimates and Judgments

In the application of the Company's accounting policies, management is required to make judgments, estimates, and assumptions that affect the carrying amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses for the periods presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, the results of which form the basis of the valuation of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

Judgments

Judgment is used in situations when there is a choice and/or assessment required by management. The following are critical judgments apart from those involving estimations, that management has made in the process of applying the Company's accounting policies and that have a significant effect on the amounts recognized in the financial statements.

Going concern

Determining if the Company has the ability to continue as a going concern is dependent on its ability to secure debt and equity financing, and to achieve profitable operations. Certain judgements were made when determining if and when the Company will secure debt and equity financing and achieve profitable operations.

Indicators of impairment

The Company assesses the impairment of its assets in accordance with IAS 36. Management of the Company applies judgement throughout the fiscal year in assessing whether any events, facts, or circumstances are potential indicators of impairment.

Functional currency

The functional currency of the Company was assessed to be Canadian dollar in accordance with IAS 21. Management applied judgement in identifying the primary economic environment in which the Company operates.

Estimates

Critical accounting estimates are those that require management to make assumptions about matters that are highly uncertain at the time the estimate or assumption is made. Critical accounting estimates are also those that could potentially have a material impact on the Company's financial results where a different estimate or assumption is used. The significant areas of estimation uncertainty are:

Shares issued for services and investments

The Company estimated the fair value of shares issued for services and investments by reference to the share value observed in private placement equity financings that were completed around the time of provision of services and investments.

Share-based payments

The Company uses the Black-Scholes option pricing model to determine the fair value broker warrants, stock options, restricted stock units ("RSUs") and performance stock units ("PSUs"). In estimating the fair value, management is required to make certain assumptions and estimates such as the fair value of the underlying share, the expected life of the performance warrants, stock options, PSUs and RSUs, volatility of the Company's future share price, risk-free rate, future dividend yields and estimated forfeitures. Changes in assumptions used to estimate fair value could result in different outcomes.

Related party transactions

The Company compensates its key management personnel, which includes the Company's executive officers and directors. The compensation payments, including share-based payments, are in the normal course of business.

Key management personnel compensation

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company defines key management personnel as being the directors and key officers.

The compensation awarded to key management personnel is as follows:

	Three months ended September 30		Nine months ended September 30	
	2022 (unaudited)	2021 (unaudited)	2022 (unaudited)	2021 (unaudited)
Management fees	\$ 82,684	\$ 177,208	\$ 352,478	\$ 366,896
Director fees	9,185	-	17,700	-
Share-based payments	86,133	4,774	384,195	4,774
Total compensation	\$ 178,002	\$ 181,982	\$ 754,373	\$ 371,670

The management and director fees owed to key management personnel:

As at:	September 30, 2022 (unaudited)	December 31, 2021
Former CEO	\$ -	\$ 22,073
Executive Chairman	141,000	112,584
Former CFOs	6,300	2,662
Total management fees payable included in trade payables and accrued liabilities balance in the statement of financial position	\$ 147,300	\$ 137,319

Other related party transactions

	Three months ended September 30		Nine months ended September 30	
	2022 (unaudited)	2021 (unaudited)	2022 (unaudited)	2021 (unaudited)
Development and marketing costs paid to a legal entity controlled by former CEO	\$ -	\$ 209,389	\$ 199,438	\$ 209,389
Other consulting fees charged by the entity controlled by former CFO	1,575	-	4,725	-
Share-based payments to the father of former CEO due to vesting of stock options	-	-	41,954	-
Total expenses incurred with legal entities and individuals related to key management personnel and the Company	\$ 1,575	\$ 209,389	\$ 246,117	\$ 209,389

Other related party balances

Balances from other related party transactions:

As at:	September 30, 2022 (unaudited)	December 31, 2021
Prepaid development costs charged by the legal entity controlled by former CEO (included in prepaid expenses balance)	\$ 44,898	\$ 99,390
Other balance owed to Executive Chairman (included in trade payables and accrued liabilities balance)	-	584

Accounting Policies

The Company adopted the following accounting standards during the nine months ended September 30, 2022:

Intangible assets acquired separately

Intangible assets acquired separately are measured on initial recognition at cost and intangible assets acquired in a business combination are recognized at fair value at the date of acquisition. Intangible assets include intellectual property, rights and patents. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization for finite life intangible assets is recognized in profit or loss. Intangible assets with indefinite lives are not amortized, however they are tested annually or more frequently when circumstances indicate that the carrying value may not be recoverable.

Intangible assets are amortized over their estimated useful lives, on a straight-line basis, as follows:

Intangible assets	Years
Intellectual property rights	5

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Impairment of non-financial assets

The Company assesses the recoverable amount of non-financial assets, at each reporting period, for indicators of impairment. If any indication exists the Company estimates the recoverable amount for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount which is the higher of fair value less costs of disposal and its value in use. In assessing value in use, the estimate future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining fair value less costs of disposal, recent market transactions are considered or an appropriate valuation model is used.

An impairment loss is recognized in the statement of profit or loss if the carrying amount of an asset or CGU exceeds its recoverable amount.

A previously recognized impairment loss is reversed when there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited to its recoverable amount and cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

Revenue

The Company's revenue is derived from the following business segments:

- Resale of digital assets acquired through simple agreements for future tokens (SAFT) at discounted prices
- Play-to-earn gaming
- Minting and resale of non-fungible tokens (NFTs)
- Commission earned on an auction site

The Company recognizes revenue in accordance with IFRS 15, *Revenue from contracts with customers*, which follows a five-step model to assess each contract of a sale or service to a customer: identify the legally binding contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and determine whether revenue will be recognized at a point in time or over time. Revenue is recognized when a performance obligation is satisfied and the customer obtains control of promised goods and services. The amount of revenue recognized reflects the consideration to which the Company expects to be entitled to receive in exchange for these goods and services.

Token and NFTs resale

The legally binding contracts set out the rights and obligations of counterparties to a sell/buy transaction, performance obligation is a transfer of digital asset from the party which wishes to sell to the party who wishes to buy such digital asset.

Transaction price is the agreed upon price at the time of transaction, which is allocated to a single performance obligation in its entirety and recognized at a point in time as performance obligation is fulfilled.

Play-to-earn gaming

The Company engages “game scholars”, individuals who play games on behalf of the Company, with the goal to earn game-based digital assets. The players use the Company’s game assets, digital assets, to play games and receive a commission-based fee in return for their service. The rights and obligations are set out by a legally binding agreement, performance obligation is completion of game-based tasks for a reward which is automatically deposited to the Company-owned wallet. The transaction price is determined based on a market price of digital asset(s) received and recognized at a point in time when delivery occurs.

Auction fee sharing

The Company earns a portion of auction fee for each NFT sale completed, the rights and obligations are governed by a smart contract mechanism on the auction’s blockchain. The performance obligation is a sale of NFT. The transaction price is the fee amount on each completed transaction and is allocated to one performance obligation in its entirety, which is recognized at a point in time when NFT sale is completed.

Capital Management

The Company’s objective and policies for managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company manages its capital structure and makes changes based on economic conditions, risks that impact the operations and future significant capital investment opportunities. In order to maintain or adjust its capital structure, the Company may issue new equity instruments or raise additional debt financing.

The Company is exposed to a variety of financial risks by virtue of its activities: market risk, interest rate risk, liquidity risk and foreign currency risk. The Board of Directors has overall responsibility for the determination of the Company’s capital and risk management objectives and policies while retaining ultimate responsibility for them. The Company’s overall capital and risk management program has not changed throughout the year. It focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. Risk management is carried out by the finance department under policies approved by the Board of Directors. The finance department identifies and evaluates financial risks in close cooperation with management.

Financial Instruments and Financial risk management:

The Company’s financial assets include cash and cash equivalents, cryptocurrency holdings, restricted cash, and long-term investments. The Company’s financial liabilities include trade payables and accrued liabilities and advances payable.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to market interest rate risk.

Digital asset risk

Digital asset risk is the risk that the fair value of digital assets will fluctuate because of the changes in the price of digital assets. The price of ETH, stable and other coins or tokens, and NFTs fluctuate significantly.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Credit risk for the Company is primarily associated with the Company’s bank balances.

The Company mitigates credit risk associated with its bank balance by only holding cash and cash equivalents with large, reputable financial institutions.

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 generally relies on external financing or key management to provide sufficient liquidity to meet budgeted operating requirements. The following tables set forth details of the payment profile of financial liabilities based on their undiscounted cash flows as at December 31, 2021 and September 30, 2022:

As of December 31, 2021		Total carrying amount		Contractual cash flows		Less than 1 year		1 to 5 years		More than 5 years
Trade payables and accrued liabilities	\$	215,131	\$	215,131	\$	215,131	\$	-	\$	-
Advances payable		30,575		30,575		30,575		-		-
Total	\$	245,706	\$	245,706	\$	245,706	\$	-	\$	-

As of September 30, 2022		Total carrying amount		Contractual cash flows		Less than 1 year		1 to 5 years		More than 5 years
Trade payables and accrued liabilities	\$	215,271	\$	215,271	\$	215,271	\$	-	\$	-
Total	\$	215,271	\$	215,271	\$	215,271	\$	-	\$	-

Taking into consideration the Company's current cash position, volatile equity markets, global uncertainty in the capital markets and increasing cost pressures, the Company is continuing to review its needs to seek financing opportunities in accordance to its capital risk management strategy.

Foreign currency risk

Foreign currency risk is defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company maintains financial instruments and enters into transactions denominated in foreign currencies, principally in USD, which exposes the Company to fluctuating balances and cash flows due to various in foreign exchange rates.

The table below indicates the foreign currencies to which the Company has significant exposure as at December 31, 2021 and September 30, 2022 in Canadian dollar terms:

		September 30, 2022 (unaudited)	December 31, 2021
Cash	\$	56,357	\$ 419,931
Trade payables and accrued liabilities		(32,850)	(57,985)
Net monetary assets	\$	23,507	\$ 361,946

Assuming all other variables remain constant, a fluctuation of +/- 5.0% in the exchange rate between CAD and USD would impact the net loss by approximately \$1,000 in the nine months ended September 30, 2022.

Management's report on disclosure controls and procedures and internal control over financial reporting

Management is responsible for establishing and maintaining adequate disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"), as those terms are defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, for the Company. The DC&P provide reasonable assurance that material information relating to the Company is made known to the Chief Executive Officer and the Chief Financial Officer of the Company. The ICFR have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.

No changes were made in the Company's design of internal controls over financial reporting during Q3 2022, that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting. The Company is still in early days of establishing a system of internal controls.

Due to inherent limitations in all controls systems, a control system can provide only reasonable, not absolute assurance, that the objective of the control system is met and may not prevent or detect misstatements or instances of fraud. Management's estimates may be incorrect, or assumptions about future events may be incorrect, resulting in varying results. Additionally, controls may be circumvented by the unauthorized acts of individuals, by collusion of two or more people or by Management override.