CROYDON MERCANTILE CORP.

MANAGEMENT DISCUSSION & ANALYSIS

NINE MONTHS ENDED MARCH 31, 2015

1.1 DATE OF REPORT

The following Management Discussion and Analysis ("MD & A") for Croydon Mercantile Corp. is prepared as of May 21, 2015 and should be read in conjunction with the condensed interim financial statements and related notes for the six months ended March 31, 2015 and the audited financial statements and related notes for the year ended June 30, 2014. Except as noted, all dollar amounts contained in this discussion and in the financial statements are in Canadian dollars.

FORWARD-LOOKING STATEMENTS

This MD & A contains certain statements that may be deemed "forward-looking statements". All statements in this MD & A, other than statements of historical fact, that address exploration drilling, exploitation activities and events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could", or "should" occur. Information inferred from the interpretation of drilling results and information concerning mineral resource estimates may also be deemed to be forward-looking statements, as it constitutes a prediction of what might be found to be present when and if a project is actually developed. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from these forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration success, and continued availability of capital and financing as well as general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments are based on the beliefs, estimates and opinions of the Company's management on the date the statements were made.

1.2 NATURE OF BUSINESS

Croydon Mercantile Corp. is a reporting issuer in the Province of British Columbia. It was originally incorporated in 1984 and traded its securities under various names until 1996 when it was de-listed from the Vancouver Stock Exchange at the request of the Company.

In prior years, the Company restructured itself to enable it to seek appropriate opportunities for investment, financing and to seek re-listing of it shares on an appropriate stock exchange.

1.3 SELECTED ANNUAL INFORMATION

Not applicable

1.4 RESULTS OF OPERATIONS

The Company is a non-operating reporting issuer and as such, does not have an operating business to report. The Company incurs administrative expenses as it continues to assess opportunities that are presented to it. During the nine-month period ended March 31, 2015, the Company incurred a net and comprehensive loss totalling $27,316 as compared to a loss of $9,732 for 2014. This amounted to a loss per share of $0.00 for both 2015 and for 2014. The Company incurred a loss for the three months ended March 31, 2015 in the amount of $41,591 primarily related to expenses incurred pursuant to the proposed amalgamation with World Mahjong Limited. This was partially offset as a result of the write-off of a third party indebtedness in the amount of $14,441 reported in the six-month period ended December 31, 2014. This indebtedness had expired pursuant to the Limitations Act of British Columbia.

1.5 SUMMARY OF QUARTERLY RESULTS

The following is selected financial data from the unaudited interim financial statements of the Company for the nine-month period ended March 31, 2015 and 2014. This data should be read in conjunction with the unaudited interim financial statements for the nine-month period ended March 31, 2015 and the notes thereto.

	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter
Quarter Ended	'Mar 31/15	'Dec 31/14	'Sept 30/14	'June 30/14
Net Income (loss) before discontinued or extraordinary items	$ (41,591)	$ 14,909	$ (634)	$ (11,033)
Per common share	$ 0.00	$ 0.00	$ 0.00	$ (0.00)
Net and comprehensive income (loss) for the period	$ (41,591)	$ 14,909	$ (634)	$ (11,033)
Per common share	$ 0.00	$ 0.00	$ 0.00	$ (0.00)
Total Assets	$ 7,080	$ 890	$ 677	$ 577
Long Term Liabilities	Nil	Nil	Nil	Nil
Cash Dividends	Nil	Nil	Nil	Nil

Quarter Ended	3rd Quarter 'Mar 31/14	1st Quarter 'Dec 31/13	4th Quarter 'Sept 30/13	4th Quarter 'June 30/13
Net income (loss) before discontinued or extraordinary items	$ (7,609)	$ (3,239)	$ 1,116	$ (9,548)
Per common share	$ (0.00)	$ 0.00	$ 0.00	$ (0.00)
Net and comprehensive income (loss) for the period	$ (7,609)	$ (3,239)	$ 1,116	$ (9,548)
Per common share	$ (0.00)	$ 0.00	$ 0.00	$ (0.00)
Total Assets	$ 601	$ 916	$ 868	$ 481
Long Term Liabilities	Nil	Nil	Nil	Nil
Cash Dividends	Nil	Nil	Nil	Nil

The results of operations for the most recently completed quarter resulted in a loss of $41,575 as compared to a loss for 2014 of $7,609. The Company has no operations or revenues. The largest expenditures were legal and accounting fees related to the proposed amalgamation with World Mahjong Limited of $38,290 (2014 - $6,366) and share maintenance and records expense of $1,679 (2014 - $837). During the nine-month period ended March 31, 2015, the Company recovered $14,441 in consulting fees through the write-off of a third party indebtedness. These administrative expenses increased by $33,782 over the previous year primarily due to the expenses related to the proposed amalgamation.

1.6 LIQUIDITY

The condensed interim financial statements have been prepared on the basis that the Company will continue on a going concern basis. The Company has incurred losses since inception and the ability of the Company to continue on a going concern basis depends upon its ability to develop profitable operations and to continue to raise adequate financing. As of March 31, 2015, the Company had an accumulated deficit of $3,182,096 and a working capital deficit of $125,092. These factors raise considerable doubt about the Company's ability to continue as a going concern. These condensed interim financial statements, prepared according to International financial Reporting Standards ("IFRS) on a going concern basis, do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

Pursuant to the proposed amalgamation with World Mahjong Limited the company did receive advances from World Mahjong Limited in the amount of $49,130 to help defray the costs of the proposed amalgamation.

1.7 CAPITAL RESOURCES

The Company has traditionally relied upon advances from related parties, directors and officers to satisfy its capital requirements and this will continue into the future. There can be no assurance that the Company will be able to obtain the required financing on acceptable terms. The Company has borrowed $40,000 from a shareholder to retire outstanding accounts payable. The loan is unsecured, without interest and due on demand. In addition the Company is indebted to a related party in the amount of $34,089. Both of these amounts were settled for the issue of shares subsequent to the year end (See Share Capital and Subsequent Events.)

1.8 OFF-BALANCE SHEET ARRANGEMENTS

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

1.9 RELATED PARTY TRANSACTIONS

The Company is indebted to directors, officers and other related parties in the amount of $34,089 (2014 - $23,021). During 2012, the Company settled $40,950 in amounts previously owed to related parties for the issuance of 163,801 shares with an estimated fair value of $9,099. As part of this settlement the Company settled the note payable to a Company wholly owned by a director of the Company, including accrued interest in the amount of $9,897. These transactions have been in the normal course of operations and are recorded at their exchange amounts being the amounts agreed between the parties.

The Company incurred the following amounts to related parties during the respective years.

	2015 $	2014 $
Cash advances	10,568	8,695

During the nine-month periods ended March 31, 2015 and 2014, the Company was involved in the following related party transactions:

(i) The Company received an advance of $10,568 (2014 - $8,695) from Mr. Jamieson for the purpose of retiring outstanding accounts payable;

(ii) As at March 31, 2014, the amount of $34,089 (2013 - $22,021) was due to Robert Jamieson the CEO of the Company. This amount is non-interest bearing, unsecured and due on demand;

1.10 THIRD QUARTER

The results of the third quarter differ significantly from those of 2014 for two principal reasons. Firstly, the Company has incurred $41,591 in administrative expenses in 2015 primarily related to costs incurred pursuant to the proposed amalgamation with World Mahjong Limited. Secondly, the Company has recovered $14,441 in indebtedness owed to a third party that expired pursuant to the Limitation Act and was not paid by the Company.

1.11 PROPOSED TRANSACTIONS

The Company has entered into an agreement with Two Lions Holdings Ltd. and World Mahjong Limited whereby the Company will restructure to acquire a gaming and gaming consulting services business and spin out a subsidiary holding the business and leaving the Croydon shareholders with a direct interest in the business. The Company will incorporate two (2) companies pursuant to the Laws of the British Virgin Islands. BVISubCo1 would be a wholly owned subsidiary of the Company and BVISubCo2 would be the wholly owned subsidiary of BVISubCo1. Following the incorporation of the two BVI companies and following certain financings to be provided to World Mahjong Limited by Two Lions Holdings Ltd., the companies have agreed that World Mahjong Limited will amalgamate with BVISubCo2 forming a new company called “Amalco” which will continue to operate the mahjong business. The shareholders of World Mahjong Limited will exchange their shares held in World Mahjong Limited for shares in the Company on a 1:1 basis. Following the amalgamation the Company intends to apply to the Canadian Securities Exchange to list its shares for trading. The Company’s shareholders approved the proposed merger at the Company’s annual general meeting held on March 30, 2015.

See Subsequent Events

1.12 CRITICAL ACCOUNTING ESTIMATES

The preparation of condensed interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the condensed interim financial statements. These estimates and any associated assumptions are based on historical experience and various other factors believed to be reasonable in the circumstances, the results of which form the basis form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

1.13 ADOPTION OF NEW ACCOUNTING POLICIES

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended march 31, 2015, and have not been applied in preparing these financial statements.

New standard IFRS 9, “Financial Instruments
New Standard IFRS 10, “Consolidated Financial Statements” and IFRS 12 “Disclosure of Interests in Other Entities.”
New Standard IFRS 11, “Joint Arrangements”
New Standard IFRS 13, “Fair Value Measurement”
Amendment to IAS 32, “Financial Instruments – Presentation”

The Company has not early adopted these new or revised standards because they are not effective until or subsequent to annual reporting periods. The Company is currently assessing the impact that these standards will have on the financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

1.14 FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

All financial assets are initially recorded at fair value and classified into one of four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss (FVPTL). All financial liabilities are initially recorded at fair value and classified as either FVTPL or other financial liabilities. Financial instruments comprise cash, accounts payable and due to related parties. At initial recognition management has classified financial assets and liabilities as follows:

Financial assets – the Company has recognized its cash as assets designated at FVTPL.

Financial Liabilities – the Company has recognized its accounts payable and due to related parties as other financial liabilities.

Fair Values

Assets measured at fair value on a recurring basis are presented on the Company's statement of financial position as of March 31, 2015 as follows:

	Fair Value Measurement Using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Balance as at March 31, 2015
	$	$	$	$
Assets:				
Cash	4,949			4,949

The fair values of other financial instruments, which include amounts due to related parties, and accounts payable, approximate their carrying values due to the nature and relatively short-term maturity of these instruments.

Credit Risk – Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash. To minimize the credit risk the Company places these instruments with high credit quality financial institutions.

Liquidity Risk – The Company's objective is to ensure its holding of cash is sufficient to meet its short-term obligations and general and administrative expenditures. As of March 31, 2015, the Company had a working capital deficit of $125,092. During the year ended June 30, 2012, the Company was able to settle debts for the issuance of its own shares. The Company does not have investments in any asset backed securities.

Foreign Exchange Risk – The Company does not have any foreign exchange currency denominated financial instruments and is not exposed to foreign exchange risk.

Interest Rate Risk - The Company manages its interest rate risk by obtaining the best available commercial deposit interest rates by major Canadian financial institutions.

Market Risk – market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The Company does not believe it is exposed to significant risk at the present.

1.15 OTHER MD & A REQUIREMENTS

Share Capital

Authorized: An unlimited number of common shares without par value.

Issued:

	Shares	Amount
Balance at June 30, 2013, 2014 and March 31, 2015	11,854,923	$3,056,900
Shares issued for debt	296,353	74,088
Balance at May 21, 2015	12,151,276	$3,130,988

During the year ended June 30, 2012, the Company agreed to settle its indebtedness of $58,225 with a non-related party and $40,950 with related parties respectively for the issue of 396,701 shares having an estimated fair value of $22,037. The Company realized a gain of $77,138 for these settlements representing the difference between the face value of the debts and the estimated fair value of the shares issued. The fair value of the shares issued on settlement was estimated using the net asset approach.

The Company does not have any outstanding stock options or warrants outstanding and the Company's does not have a stock option plan. See Subsequent Events.

Disclosure Controls and Internal Controls Over Financial Reporting

The Company's Chief Executive Officer and its Chief Financial Officer are responsible for establishing and maintaining the Company's disclosure controls and procedures and our internal controls over financial reporting. The primary weaknesses in the Company's internal controls is that there is an insufficient number of accounting and administration staff to properly segregate certain duties that require segregation in order to have good internal control. Management and the Board of Directors have implemented processes to mitigate the risks arising from this weakness. The Chief Executive Officer and the Chief Financial Officer review and approve all payments by the Company and all strategic and non-routine matters prior to submission to the Board of Directors for its approval. They require to be fully apprised of any material information affecting the Company so that information may be evaluated and discussed and the appropriateness and timing of public releases determined. The Board of Directors reviews and approves the Company's financial reports on a quarterly basis and approves all public disclosures.

The Chief Executive Officer and the Chief Financial Officer, after evaluating the effectiveness of the Company's disclosure controls and procedures as at August 31, 2009, have concluded that the Company's disclosure controls and procedures are adequate and effective to ensure that material information relating to the Company would have been known to them.

Risk

The securities of the Company should be considered a highly speculative investment. Investors should carefully consider all of the information disclosed herein prior to making an investment in the Company's securities.

There are trends and factors that may be beyond the Company's control which affect its operations and business. Such trends and factors include adverse changes in the conditions in the specific markets for the Company's products and services, the conditions in the broader market of "Mahjong" and other gaming products and conditions in the domestic or global economy generally. It is not possible for management to predict economic fluctuations and the impact of such fluctuations on its performance. While risk management is part of the Company's transactional, operational and strategic decisions, as well as the Company's overall management approach, risk management does not guarantee that events or circumstances will not occur which could negatively affect the Company's financial condition and performance. No representation is or can be made as to the future performance of the Company and there can be no assurance that the Company will achieve its objectives.

Legal and Regulatory Risk

The Company is subject to the legal systems and regulatory requirements of a number of jurisdictions with a variety of requirements and implications. The regulatory requirements vary by jurisdiction, and any license, permit, approval, registration, or finding of suitability (each, an "***Approval***") may be revoked, suspended or conditioned at any time. The loss of any Approval in one jurisdiction could trigger the loss of or affect the Company's eligibility for a similar or different Approval in another jurisdiction.

The Company may be unable to obtain or maintain all necessary Approvals, and could incur fines or experience delays related to obtaining one or more Approvals which could adversely affect the Company's operations and its ability to retain key employees.

To expand into new jurisdictions, the Company may need to obtain additional Approvals including Approvals of its products and/or its officers, directors, major shareholders, key employees or business partners. If the Company fails to seek, does not receive or receives a revocation of any Approval in a particular jurisdiction for its games and gaming tournaments, hardware or software, the Company would not be able to sell, place on a participation or leased basis or license its products in that jurisdiction and its issued licenses in other jurisdictions may be impacted. Any delays in obtaining or difficulty in maintaining Approvals needed for expansion within existing markets or into new jurisdictions could negatively affect the Company's opportunities for growth. Additionally, evolving laws and regulations regarding data privacy could adversely impact opportunities for growth in the Company's online business, and could result in additional compliance-related costs.

International activities in the gaming industry may require protracted negotiations with host governments, national companies and third parties. Foreign government regulations may favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. If a dispute arises with foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of Canada or elsewhere as needed.

Online Gaming and Physical Tournament Related Laws and Regulations

The Company is, and any licensees would be, subject to applicable laws in the jurisdictions in which it operates. Some countries have introduced regulations attempting to restrict or prohibit online gaming, while others have taken the position that online gaming should be regulated and have adopted or are in the process of considering legislation to enable that regulation.

While the U.K. and other European countries such as Malta, Alderney and Gibraltar have currently adopted a regime which permits licensees in these jurisdictions to accept wagers from any other jurisdiction, other countries, including Canada and the United States have, or are in the process of implementing regimes which only permit the targeting of the domestic market provided a local license is obtained and local taxes are paid. Other European territories continue to defend a licensing regime that protects domestic monopoly providers and have combined this with an attempt to prohibit all other service providers from selling into these territories.

The Company began development of its World Series of Mahjong online version in 2014, and the Company is expecting to launch this new web application and online game (the "***Online Services***") before the end of the second quarter of 2015. The Company currently expects to offer its Online Services worldwide with physical tournament play ("***Physical Tournaments***") in Macau. Physical Tournaments may be expanded to include other countries in the future. The Company has attempted to structure its Online Services and Physical Tournaments (together, the "***Services***") so as not to be considered to include gambling activities under applicable laws and regulations of the various jurisdictions in which it offers such Services. However, the Company has not engaged legal or other professional advisors to confirm or verify its assessment of what, if any, laws and regulations are applicable to its Services in any such jurisdiction. If the Company's Services were characterized as including gambling activities in any jurisdiction, strict laws and regulations would likely apply which could (i) negatively impact participation levels and thus the profitability of the Company's Services, and (ii) result in the inability of the Company to offer any or all of its Services in such jurisdiction.

Legislation and regulation regarding online gambling and gaming is in a state of flux and not uniform throughout the world. Changes in applicable laws or regulations or evolving interpretations of existing law could, in certain circumstances, result in increased compliance costs or capital expenditures, which could affect the Company's profitability, or impede the Company's ability to carry on its business which could affect its revenues.

There can be no assurance that: (i) legally enforceable legislation prohibiting the Company from offering its Services or regulating various aspects of the Internet or the Internet gaming industry or physical tournaments will not be proposed and passed in jurisdictions relevant or potentially relevant to the Company's business or (ii) existing laws in those jurisdictions will not be interpreted in a way adverse to the Company's interests. Compliance with any such legislation may have a material adverse effect on the Company's business, financial condition and results of operations, either as a result of the Company's determining that a jurisdiction should be blocked, or because local Approvals may be costly for the Company or its licensees to obtain and/or such Approvals may contain other commercially undesirable conditions.

Internet and Electronic Commerce Laws and Regulations

In addition to regulations pertaining to the gaming industry in general and specifically to online gaming, the Company may become subject to any number of laws and regulations that may be adopted with respect to the Internet and electronic commerce. New laws and regulations that address issues such as user privacy, pricing, online content regulation, taxation, advertising, intellectual property, information security, and the characteristics and quality of online products and services may be enacted. Current laws, which predate or are incompatible with the Internet and electronic commerce, may be applied and enforced in a manner that restricts the electronic commerce market. The application of such pre-existing laws regulating communications or commerce in the context of the Internet and electronic commerce is uncertain. Moreover, it may take years to determine the extent to which existing laws relating to issues such as intellectual property ownership and infringement, libel and personal privacy are applicable to the Internet. The adoption of new laws or regulations relating to the Internet, or particular applications or interpretations of existing laws, could decrease the growth in the use of the Internet, decrease the demand for the Company's products and services, increase the Company's cost of doing business or could otherwise have a material adverse effect on Company's business, revenues, operating results and financial condition. The Company is subject to a number of domestic and foreign laws and regulations that affect companies conducting business on the Internet, from laws that impose liability for the listing, linking or hosting of third-party content that includes materials that infringe copyrights, to laws restricting the distribution of materials considered harmful to children or restricting the collection of information from children, to laws that require notification to users when there is a security breach for personal data, and to laws relating to privacy, content, advertising, and information security. The costs of compliance with these and other similar type laws may increase in the future as a result of changes in interpretation, which could adversely affect the Company's ability to carry on its business profitably, or at all.

Claims and Legal Proceedings

Future legislative and court decisions may have a material impact on the operations and financial results. There is a risk that governmental authorities may view the Company or its licensees as having violated their local laws. Therefore, there is a risk that civil and criminal proceedings, including class actions brought by or on behalf of prosecutors or public entities incumbent monopoly providers, or private individuals, could be initiated against the Company, its licensees, Internet service providers, credit card processors, advertisers and others involved in the Internet gaming industry. Such potential proceedings could involve substantial litigation expense, penalties, fines, seizure of assets, injunctions or other restrictions being imposed upon the Company or its licensees or other business partners, while diverting the attention of key executives. Such proceedings could have a material adverse effect on the Company's business, revenues, operating results and financial condition as well as impact upon the Company's reputation. Failures to comply with applicable regulatory requirements can, among other things, result in fines, suspension of Approvals, operating restrictions and criminal prosecutions. All of the foregoing regulatory matters will also be applicable to development and marketing undertaken by any collaborative strategic partners and/or possible licensees of the Company.

The Company may be subject to claims or legal proceedings covering a wide range of matters that arise in the ordinary course of business activities, including relating to ex-employees. These matters may give rise to legal uncertainties or have unfavourable results. The Company may carry liability insurance coverage and mitigate risks that can be reasonably estimated. In addition, the Company may be involved in disputes with other parties in the future that may result in litigation or unfavourable resolution which could materially adversely impact the Company's financial position, cash flow and results of operations.

Business Market, Product, and Competitive Risks

Online Gaming Presents Significant Uncertainty and Business Risks

The Company began development of its Online Services in calendar year 2014 and is expecting to launch the same before the end of the second quarter of 2015. However, there is no guarantee that the Online Services will be completed on-time, on-budget or at all. Online, social, casual and mobile gaming is a relatively new industry that continues to evolve. The success of this industry and the Company's online business will be affected by future developments in social networks, mobile platforms, legal or regulatory developments (such as the passage of new laws or regulations or the extension of existing laws or regulations to online gaming activities), data privacy laws and regulations, and other factors that the Company is unable to predict, and which are beyond the Company's control. Evolving laws and regulations regarding data privacy could adversely impact opportunities for growth in the Company's gaming products, and could result in additional compliance-related costs. This environment can make it difficult to plan strategically and can provide opportunities for competitors to grow revenues at the Company's expense. Consequently, the Company's future operating results relating to the Online Services may be difficult to predict and the Company cannot provide assurance that the Online Services will grow at the rates expected, or be successful in the long term.

Physical Tournaments

The Company held its most recent Physical Tournament in Macau in 2010. The 2010 Physical Tournament in Macau was not profitable. There are no assurances that any future event will be held, and if held, would be profitable. The Company holds its Physical Tournaments at venues operated by companies outside of its control. These companies may not honor contractual commitments to provide the promised venues or may seek to change the terms and conditions under which such venues are provided. A failure by any such contractual counterparty to provide a venue pursuant to the agreed terms and conditions would likely impact the profitability of the associated Physical Tournament and could result in the cancellation thereof.

Significant Barriers to Entry

There are significant barriers to entry to the market for the Company's solutions. The primary barriers to entry, some of which the Company is still in the process of overcoming, are the establishment of relationships with the owners and operators of casinos, card clubs, cruise ships and other gaming operators, the receipt of necessary Approvals and the development of the technology necessary to create its solutions. Delays in Approvals or failure to obtain such Approvals may also serve as a barrier to entry to the market for the Company's solutions. If the Company is unable to overcome the barriers to entry, it will materially affect its results of operations and future prospects.

To the extent new gaming jurisdictions are established or expanded, the Company cannot guarantee it will be successful in penetrating such new jurisdictions or expanding its business in line with the growth of existing jurisdictions. As the Company enters into new markets, it may encounter legal and regulatory challenges that are difficult or impossible to foresee and which could result in an unforeseen adverse impact on planned revenues or costs associated with the new market opportunity. If the Company is unable to effectively develop and operate within these new markets, then its business, operating results and financial condition could be impaired.

Competitive Industry

There is intense competition amongst gaming solution providers. There are a number of established, well-financed companies producing both physical and virtual gaming products and systems that compete with the products of the Company. Most of these providers have greater financial, marketing and product development resources than the Company currently has. As some of the Company's competitors have greater financial resources, they may spend more money and time on developing and testing products, undertake more extensive marketing campaigns, adopt more aggressive pricing policies or otherwise develop more commercially successful products than the Company which could impact the Company's ability (i) to attract customers to use its Services and (ii) to win new contracts and renew existing ones. Furthermore, new competitors may enter the Company's key market areas. If the Company is unable to obtain significant early market presence or it loses market share to its competitors, it will materially affect its results of operations and future prospects. There are many companies who could introduce directly competitive products in the short term that have already established relationships with gaming operators, the potential to develop technology quickly and greater resources. The Company's success depends on its ability to develop new products and enhance existing products at prices and on terms that are attractive to its customers.

Ability to Develop and Enhance Existing Solutions

The markets for the Company's solutions are characterized by rapidly changing technology, evolving industry standards and increasingly sophisticated customer requirements. The introduction of products embodying new technology and the emergence of new industry standards can render the Company's existing solutions obsolete and unmarketable and can exert price pressures on existing solutions. It is critical to the success of the Company to be able to anticipate, react and adapt quickly to changes in technology or in industry standards and to successfully develop and introduce new, enhanced and competitive products on a timely basis. Further, the Company's competitors may adapt to an emerging technology more quickly or effectively than the Company, resulting in the creation of products that are technologically superior to the Company's, more appealing to customers, or both. The Company cannot give assurance that it will successfully develop new products or enhance and improve its existing products, that new products and enhanced and improved existing products will achieve market acceptance or that the introduction of new products or enhanced existing products by others will not render the Company's products obsolete. The Company's inability to develop solutions that are competitive in technology and price and that meet customer needs could have a material adverse effect on the Company's business, financial condition and results of operations. Accelerated product introductions and sometimes short product life cycles require high levels of expenditure for research and development that could adversely affect the Company's operating results. Further, any new solutions that the Company

develops could require long development and testing periods and may not be introduced in a timely manner or may not achieve the broad market acceptance necessary to generate significant revenue.
The demands of the Company's customers and the preferences of the end players are continually changing. There is constant pressure to develop and market new game content and technologically innovative products. The Company's revenues are dependent on the earning power and life span of its games (both virtual and physical). The Company therefore faces increased pressure to design and deploy new and successful game content to maintain its revenue and remain competitive. The success of newly introduced technology and products is dependent on customer and end player acceptance as well as the reliability and performance of the Company's products. Customers will generally only accept a new product if the Company can show that it is likely to produce more revenue and net wins than the Company's existing products and competitors' products.

The Company has invested and intends to continue to invest resources in research and development efforts. If a new product does not gain market acceptance, the Company's business could be adversely affected. If a product is unsuccessful, the Company could incur losses. There is no assurance that the Company's investments in research and development will lead to successful new technologies or timely new products. If a new product does not achieve market acceptance, the Company may not recover its development, Approval and promotion costs.

The Company's newer products are generally technologically more sophisticated than those it has produced in the past and the Company must continually refine its production capabilities to meet the needs of its product innovation. If the Company cannot adapt its production infrastructure to meet the needs of its product innovations, if it is unable to make upgrades to its production capacity in a timely manner, or if it commits significant resources to upgrades for products that are ultimately unsuccessful, the business of the Company could be adversely affected. In addition, because of the sophistication of the Company's newer products and the resources committed to their development, they are generally more expensive to produce. If the increase in the average selling price of these new products is not proportionate to the increase in production costs, in each case as compared to the Company's prior products or, if the average cost of production does not go down over time, whether by reason of long-term customer acceptance, the Company's ability to find greater efficiencies in the production process as it refines its production capabilities or a general decrease of the cost of the technology, the Company's margins will suffer.

Player and Operator Preferences and Changes in the Economy

As a supplier of gaming services, the Company must continually offer themes and products that appeal to gaming operators and players. The Company's success depends in part on unpredictable and volatile factors that are beyond its control, such as customer preferences, competing games, travel activity and the availability of other entertainment activities.

The Company faces continuous pressure to design and deploy new and successful game themes and technologically innovative products to maintain its revenue and remain competitive. If the Company is unable to anticipate or react to any significant changes in player or customer preferences in a timely manner, the demand for its solutions could decline, which could affect its financial results. If the Company's gaming solutions suffer a loss of demand to other more technologically advanced games, the Company could fail to meet certain minimum performance levels, or operators may reduce revenue sharing arrangements with the Company, each of which could negatively impact the Company's sales and financial results.

The demand for entertainment and leisure activities tends to be highly sensitive to consumers' disposable income, and thus can be affected by changes in the economy and consumer tastes, both of which are difficult to predict and beyond the control of the Company. Unfavourable changes in the general economic conditions, including recessions, economic slowdown, sustained high levels of unemployment, and higher fuel or transportation costs, may reduce disposable income of patrons or result in fewer patrons visiting casinos, whether physical or virtual. As a result, the Company cannot ensure that demand for its products or services will remain constant. Continued or renewed adverse developments affecting economies throughout the world, including a general tightening of availability of credit, decreased liquidity in many financial markets, increasing interest rates, increasing energy costs, acts of war or terrorism, transportation disruptions, natural disasters, declining consumer confidence, sustained high levels of unemployment or significant declines in stock markets, as well as concerns regarding epidemics and the spread of contagious diseases, could lead to a further reduction in discretionary spending on leisure activities. Any significant or prolonged decrease in consumer spending on leisure activities could greatly affect the gaming industry. If the Company experiences a significant unexpected decrease in demand for its products, it could incur losses.

Defects in the Company's Solutions

The Company's solutions are complex and, accordingly, they may contain defects or errors, particularly when first introduced or as new versions are released. The Company may not discover such defects or errors until after a product has been released and used by its end-customers. Defects and errors in the Company's solutions could materially and adversely affect the Company's reputation, result in significant costs to it, delay planned release dates and impair its ability to sell its products in the future. The costs incurred in correcting any product defects or errors may be substantial and could adversely affect the Company's operating margins. Furthermore, there can be no assurance that the Company's efforts to monitor, develop, modify and implement appropriate test and production processes for the Company's products or solutions will be sufficient to permit it to avoid a rate of failure in its products or solutions that results in substantial delays, significant repair or replacement costs or potential damage to its reputation, any of which could have a materially adverse effect on the Company's business, results of operations and financial condition.

The Company may also be subject to claims that its products are defective or that some function or malfunction of its products caused or contributed to damages. The Company attempts to minimize this risk by incorporating provisions into its commercial agreements that are designed to limit the Company's exposure to potential claims of liability. No assurance can be given that all claims will be barred by the contractual provisions limiting liability or that the provisions will be enforceable. The Company may be liable for an unforeseen failure regarding the use of its products or services. A significant liability claim against the Company could have a materially adverse effect on its operating results and financial position.

Intellectual Property Risks

The Company's financial performance relies on brand recognition and loyalty from its clientele in addition the quality of its products and services. Also, as innovation forms part of the Company's growth strategy, its research and development teams must develop new technologies, products and process optimization methods. The Company therefore takes measures to protect, maintain and enforce its intellectual property. Any infringement to its intellectual property could damage its value and limit the Company's ability to compete. In addition, the Company may have to engage in litigation in order to protect its rights which could result in significant costs.

Potential Intellectual Property Rights Claims

Companies in the Internet, technology and media industries own large numbers of patents, copyrights, trademarks and trade secrets and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. The Company may be subject to intellectual property rights claims in the future and its technologies may not be able to withstand any third-party claims or rights against their use. Any intellectual property claims, with or without merit, could be time consuming, expensive to litigate or settle and could divert management resources and attention. An adverse determination could prevent the Company from offering its products and services to others and may require that it procure substitute products or services. With respect to any intellectual property rights claim, the Company may have to pay damages or stop using technology found to be in violation of a third party's rights. The Company may have to seek a license for the technology, which may not be available on reasonable terms and may significantly increase its operating expenses. The technology also may not be available for license to the Company at all. As a result, the Company may also be required to develop alternative non-infringing technology, which could require significant effort and expense. If the Company cannot license or develop technology for the infringing aspects of its business, it may be forced to limit its product and service offerings and may be unable to compete effectively. Any of these results could harm the Company's brand and prevent the Company from generating sufficient revenue or achieving profitability.

Protection of Intellectual Property Rights

The Company's success is heavily dependent upon intellectual property. To protect its intellectual property, the Company relies principally upon copyright, trademark and trade secret protection. All proprietary information that can be copyrighted is marked as such. The Company has also reapplied to register its "World Series of Mahjong" logo as a trademark in the United States and Macau. It expects to register the same logo for trademark protection in Australia, Canada, China, Japan, Malaysia, Philippines, Singapore, and Taiwan. However, there are no assurances that any such registrations will be successful or that any steps taken by the Company to protect its intellectual property will be adequate to prevent misappropriation, infringement or independent third-party development of the Company's intellectual property.

The Company expects to license some or all of its intellectual property to third parties. These licensees and other third parties may intentionally or unintentionally infringe or misappropriate the Company's intellectual property. Monitoring any such potential infringement and misappropriation can be difficult and expensive, and the Company may not be able to detect infringement or misappropriation of its proprietary rights. Although the Company intends to aggressively pursue any party is reasonably believed to be infringing its intellectual property rights, initiating and maintaining suits against any such party would require substantial financial resources. The Company may not have the financial resources to bring such suits and if it does bring such suits, it may not prevail. Regardless of the Company's success in any such actions, the expenses involved may have a material adverse effect on its financial position.

The Company also relies on trade secrets, ideas and proprietary know-how. The methods which the Company employs to protect such proprietary information may prove to be inadequate or ineffective resulting in the Company's proprietary information becoming known to or independently developed by competitors.

Securing Necessary Third Party Intellectual Property Rights

The Company's business is dependent in part on the intellectual property of third parties. For example, the Company's "rule-set" is derived from an antecedent work for which the Company has a world-wide, perpetual license. The Company may also license trademarks and other intellectual property from third parties for use in its Online Services and Physical Tournaments. The future success of the Company may depend upon its ability to obtain licenses to use new marks and its ability to retain or expand existing licenses for certain products. If the Company is unable to obtain new licenses or renew or expand existing licenses, it may be required to discontinue or limit its use of such products that use the licensed marks and its financial condition, operating results or prospects may be harmed.

Interpretation of Intellectual Property Laws

The future interpretation of intellectual property laws regarding the validity of intellectual property by governmental agencies or courts in jurisdictions in which Company has rights could negatively affect the validity or enforceability of the Company's current or future intellectual property. This could have multiple negative impacts including, without limitation, the marketability of or anticipated revenue from certain of Company's products. Additionally, due to the differences in foreign patent, trademark, trade dress, copyright and other laws concerning proprietary rights, the Company's intellectual property may not receive the same degree of protection in other jurisdictions as it would in Canada, Europe or the United States. The Company's failure to possess, obtain or maintain adequate protection of its intellectual property rights for any reason in the jurisdictions in which it does business could have a material adverse effect on its business, results of operations and financial condition.

Infrastructure and Technology Risks

Technology Dependence

The Company's operations are highly dependent on information technology systems, some of which are controlled by the Company and some of which are outsourced and controlled by others. There is an ongoing risk that systems may malfunction or fail, or suffer from viruses, malicious software, hacking, break-ins or theft, third-party security breaches, employee error or malfeasance, and other potential compromises that could severely disrupt operations or result in privacy breaches including breaches of customer information. Disruptions from unauthorized access to or tampering with the Company's computer systems in any such event could have a material adverse effect on the Company's business, reputation, operating results and financial condition. The risks surrounding information technology also include recovering system availability from a disaster, scalability of systems as business expands, and technology obsolescence.

Ability of Internet infrastructure to meet the demand

The growth of Internet usage has caused frequent interruptions and delays in processing and transmitting data over the Internet. There can be no assurance that the Internet infrastructure or the Company's own network systems will continue to be able to meet the demand placed on it by the continued growth of the Internet, the overall online gaming industry or of the Company's customers.

The Internet's viability could be affected if the necessary infrastructure is not sufficient, or if other technologies and technological devices eclipse the Internet as a viable channel. End-users depend on Internet service providers, online service providers and the Company's or one or more third party's system infrastructure for access to the Company's Online Services. Many of these services have experienced service outages in the past and could experience service outages, delays and other difficulties due to system failures, stability or interruption. The Company and its licensees may lose customers as a result of delays or interruption in service, including delays or interruptions relating to high volumes of traffic or technological problems.

Reliance on Development and Maintenance of the Internet Infrastructure

The success of the Company's services will depend largely on the development and maintenance of the Internet infrastructure. This includes maintenance of a reliable network backbone with the necessary speed, data capacity, and security, as well as timely development of complementary products, for providing reliable Internet access and services. The Internet has experienced, and is likely to continue to experience, significant growth in the numbers of users and amount of traffic. The Internet infrastructure may be unable to support such demands. In addition, increasing numbers of users, increasing bandwidth requirements, or problems caused by "viruses," "worms," and similar programs may harm the performance of the Internet. The backbone computers of the Internet have been the targets of such programs. The Internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure, and it could face outages and delays in the future. These outages and delays could reduce the level of Internet usage generally as well as the level of usage of our services and reduce the Company's revenues.

Service interruptions of Internet service providers

The Company is seeking to license its trademark and trade dress to independent game providers to brand existing Mahjong games as "World Series of Mahjong" games.

Some of the Company's licensees rely on Internet service providers to allow the Company's licensees' customers and servers to communicate with each other. If Internet service providers experience service interruptions, communications over the Internet may be interrupted and impair the Company's ability to carry on business. In addition, the Company's ability to process e-commerce transactions depends on bank processing and credit card systems. Any system failure as a result of reliance on third parties, including network, software or hardware failure, which causes a delay or interruption in the Company's e-commerce services could have a material adverse effect on the Company's business, revenues, operating results and financial condition.

General Economic and Currency Risks

The Company may have financial risk exposure to varying degrees relating to the currency of each of the countries where it operates. The level of the financial risk exposure related to currency will depend on its ability to maintain this natural hedge or any other protection mechanism.

Impact of currency fluctuations

A substantial portion of the Company's revenue may be earned in currencies other than that in which the Company incurs expenses. Fluctuations in the exchange rate between such currencies, may have a material adverse effect on the Company's business, financial condition and operating results. Currently, the Company does not hedge against currency risks. Any hedging program implemented in the future may not hedge entirely the Company's exposure related to any one currency and it may not hedge the Company's exposure at all with respect to certain other currencies.

The Company will maintain most of its working capital in U.S. dollars. A significant portion of the Company's operating costs may be incurred in other currencies. Accordingly, the Company may be subject to fluctuations in the rates of currency exchange between the U.S. dollar and such other currencies, and these fluctuations could materially affect the Company's financial position and results of operations as costs may be higher than anticipated. The costs of goods and services could increase due to changes in the value of the U.S. dollar. Consequently, operations might be more costly than the Company anticipates.

Economic Environment

The Company's operations could be affected by the general economic environment should the unemployment level, interest rates or inflation reach levels that influence consumer trends and consequently, impact the Company's sales and profitability.

Global Economy Risk

The ongoing economic slowdown and downturn of global capital markets has generally made the raising of capital by equity or debt financing more difficult. Access to financing has been negatively impacted by the ongoing global economic risks. As such, the Company is subject to liquidity risks in meeting our development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Company's ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Company. If uncertain market conditions persist, the Company's ability to raise capital could be jeopardized, which could have an adverse impact on the Company's operations and the trading price of the Company's Shares on the stock exchange.

Going-Concern Risk

The financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations might be dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing an equity or debt financing or in achieving profitability.

The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

Corporate Structure, Regional, and Other Risks

Corporate Structure

Effective with the amalgamation the Company will hold a 100% interest in Croydon Holding (BVI) Limited which in turn holds a 100% interest in Silverdale Ventures (BVI) Limited, which will be the Operating Subsidiary which has a wholly-owned subsidiary in Macau. The Operating Subsidiary is incorporated in the British Virgin Islands and has outsourced management and operations to companies headquartered in Taiwan. While the structure is necessary for the Company's operations in these countries, as it allows the Company to comply with the laws of each of these countries and is conducive to tax savings, maintaining positive relationships with local entities and government officials upon whom the Company's operations are substantially reliant, there are risks associated with operating in Taiwan, Macau and the People's Republic of China (the "PRC" or "China"), and these risks are elaborated on below.

Risks of foreign operations generally

A significant portion of the Company's operations are conducted in foreign jurisdictions including, but not limited to Taiwan and Macau. The Company expects that receivables with respect to foreign sales will continue to account for a significant portion of its total accounts and receivables outstanding. As such, Company's operations may be adversely affected by changes in foreign government policies and legislation or social instability and other factors which are not within the control of Company, including, but not limited to, recessions in foreign economies, expropriation, nationalization and limitation or restriction on repatriation of earnings, longer receivables collection periods and greater difficulty in collecting accounts receivable, changes in consumer tastes and trends, renegotiation or nullification of existing contracts or licenses, changes in gaming policies, regulatory requirements or the personnel administering them, currency fluctuations and devaluations, exchange controls, economic sanctions and royalty and tax increases, risk of terrorist activities, revolution, border disputes, implementation of tariffs and other trade barriers and protectionist practices, taxation policies, including royalty and tax increases and retroactive tax claims, volatility of financial markets and fluctuations in foreign exchange rates, difficulties in the protection of intellectual property, labour disputes and other risks arising out of foreign governmental sovereignty over the areas in which Company's operations are conducted. Company's operations may also be adversely affected by social, political and economic instability and by laws and policies of such foreign jurisdictions affecting foreign trade, taxation and investment. If Company's operations are disrupted and/or the economic integrity of its contracts is threatened for unexpected reasons, its business may be harmed.

In the event of a dispute arising in connection with the Company's operations in a foreign jurisdiction where the Company conducts its business, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, the Company's activities in foreign jurisdictions could be substantially affected by factors beyond the Company's control, any of which could have a material adverse effect on the Company. Some countries in which the Company may operate may be considered politically and economically unstable.

Doing business in the gaming industry in foreign countries often requires compliance with numerous and extensive procedures and formalities. These procedures and formalities may result in unexpected or lengthy delays in commencing important business activities.
In some cases, failure to follow such formalities or obtain relevant evidence may call into question the validity of the entity or the actions taken. Management of the Company is unable to predict the effect of additional corporate and regulatory formalities which may be adopted in the future including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

The Company may in the future enter into agreements and conduct activities outside of the jurisdictions where it currently carries on business, which expansion may present challenges and risks that the Company has not faced in the past, any of which could adversely affect the results of operations and/or financial condition of the Company.

Conflicts of Interest

Certain officers and directors of the Company are officers and/or directors of, or are associated with other natural resource companies that acquire interests in mineral properties. Such associations may give rise to conflicts of interest. The directors are required by law, however, to act honestly and in good faith with a view to the best interests of the Company and the shareholders and to disclose any personal interest which they may have in any material transaction which is proposed to be entered into with the Company and to abstain from voting as a director for the approval of any such transaction.

Directors and Officers

Robert A. Jamieson C. A.	Chief Executive Office
T. Randall Saunders	Chief Financial Officer
Andrew Bennett	
Ann Ujvary	

Contractual Obligations

Apart from the proposed amalgamation with World Mahjong Limited the Company does not have any contractual obligations.

Subsequent Events

Subsequent to the period end, the Company continues to make progress towards the amalgamation with World Mahjong Limited:

(i) The Company settled a demand loan owed to a shareholder amounting to $40,000 for the issue of 160,000 shares at a price of $0.25 per share;

(ii) The Company settled an amount of $34,088 due to the wholly owned company of the Company's CEO, Robert Jamieson for the issue of 136,353 shares at a price of $0.25 per share;

(iii) Pursuant to the proposed amalgamation with World Mahjong Limited the Company had created two subsidiaries in the British Virgin Islands. Croydon Ventures BVI Limited is a wholly owned subsidiary of the Company (previously referred to as BVISubCo1) and Silverdale Ventures BVI Limited (previously referred to as BVISubCo2) is a wholly owned subsidiary of Croydon Ventures BVI Limited.

ON BEHALF OF THE BOARD

"Robert Jamieson"

Robert Jamieson CA
CEO