

A copy of this amended and restated preliminary prospectus has been filed with the securities regulatory authorities for the Province of Ontario but has not yet become final. Information contained in this amended and restated preliminary prospectus may not be complete and may have to be amended.

This prospectus does not constitute a public offering of any securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

**AMENDED AND RESTATED PRELIMINARY PROSPECTUS AMENDING AND RESTATING THE
PRELIMINARY PROSPECTUS DATED FEBRUARY 23, 2022**

NON-OFFERING

DATED: May 25, 2022

**ANC CAPITAL VENTURES INC.
(a capital pool company)**

No securities are being offered pursuant to this prospectus (the "**Prospectus**"). This Prospectus is being filed with the Ontario Securities Commission to enable ANC Capital Ventures Inc. ("**ANC**" or the "**Company**"), a capital pool company pursuant to Exchange Policy 2.4 — *Capital Pool Companies* (the "**CPC Policy**"), to complete its Qualifying Transaction as defined under the CPC Policy with VIP Entertainment Group Inc. ("**VIP**") (the "**Proposed Qualifying Transaction**"). Since no securities are being sold pursuant to this Prospectus, no proceeds will be raised pursuant to this Prospectus. All expenses in connection with the preparation and filing of this Prospectus will be paid by the Company and VIP from working capital.

The Company was formed as a capital pool company on March 11, 2019, and completed the initial public offering of its Common Shares on January 17, 2020 at an issue price of \$0.10 per Common Share. The Common Shares were listed for trading on the Exchange on January 21, 2020, under the symbol "ANCV.P". The Company's business has been restricted to the identification and evaluation of assets and businesses in connection with a potential Qualifying Transaction and, upon identifying and evaluating such opportunities, to negotiate an acquisition or participation subject to acceptance by the Exchange. The Company and VIP entered into the Definitive Agreement on April 21, 2022, pursuant to which the Company will acquire all of the securities of VIP by way of a three-cornered amalgamation. The Qualifying Transaction is intended to serve as the Company's Qualifying Transaction under the CPC Policy.

The Qualifying Transaction must be approved by the Exchange in accordance with the CPC Policy. Except as specifically contemplated in the CPC Policy, until completion of the Qualifying Transaction, the Company has not carried on and will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. As of the date of this Prospectus, the Common Shares are listed on the Exchange under the symbol "ANCV.P". On February 16, 2021 the Company Shares were halted for trading on the Exchange at the request of the Company in connection with the Qualifying Transaction. At the time of the trading halt, the Common Shares closed at a trading price of \$0.08 per Common Share.

No underwriter has been involved in the preparation of this Prospectus or performed any review or independent due diligence of the contents of this Prospectus. This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities.

Neither the Exchange nor any securities regulatory authority has in any way passed upon the merits of the Qualifying Transaction described in this Prospectus.

An investment in the Resulting Issuer is speculative and involves a high degree of risk. Accordingly, prospective investors should carefully consider and evaluate all risks and uncertainties involved in an investment in the Resulting Issuer, including risks related to: the Transaction or Private Placement not being approved by the Exchange; the fact that the Company has no history of operations or earnings; possible trading suspension or delisting of the Shares; reliance on key individuals; competition risks; regulatory risks;

cybersecurity risks; uninsured and uninsurable risks; success of sports betting products; lack of an active securities market; commodity market risks; conflicts of interest; changes in general economic conditions; public health crises; infrastructure; litigation and other proceedings; future sales or issuances of equity securities; and issuance of debt. For a complete discussion of the risks associated with the Resulting Issuer and the Completion of the Transaction, see "*Risk Factors*".

The Company was only recently incorporated, does not own any ongoing business operations and has no assets other than cash and cash equivalents, and its listing on the Exchange. There is no assurance that the Company will successfully complete the Qualifying Transaction, or even if it does, that the business of the Resulting Issuer will be profitable or will succeed. Moreover, additional funds may be required to accomplish the business objectives of the Resulting Issuer, and the Resulting Issuer may not be able to obtain such financing or may not be able to raise sufficient funds. If future business activities of the Resulting Issuer are financed by the issuance of Resulting Issuer Shares from treasury, control of the Resulting Issuer may change and shareholders may suffer additional dilution. Holders of Resulting Issuer Shares may be unable to enforce Canadian statutory and civil remedies against non-residents.

The principal office of the Company is located at 26, 2365 Abbeyglen Way, Kamloops, BC V1S 1Y3, and its registered and records office is located at 10th Floor, 595 Howe Street, Vancouver, BC V6C 2T5.

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NOTICE CONCERNING FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements and information which constitute “forward-looking information” as such term is used in applicable Canadian securities laws (“**Forward-looking Statements**”). Often, but not always, Forward-looking Statements can be identified by the use of words such as “plans”, “expects”, “estimates”, “intends”, “anticipates” or “believes”, or variations of such words and phrases (or the negative form thereof), or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements included or incorporated by reference in this document include, but are not limited to, statements regarding: Completion of the Qualifying Transaction; closing of the Private Placement; the change of name of the Company; anticipated use of funds by the Resulting Issuer; the appointment of proposed directors and officers of the Resulting Issuer; proposed corporate governance policies of the Resulting Issuer; and compensation of proposed directors and officers of the Resulting Issuer. Forward-looking Statements reflect beliefs of management of the Company and are based on information currently available to management of the Company (including assumptions relating to general economic and market conditions).

Such Forward-looking Statements are based on a number of assumptions, which may prove to be incorrect, including, but not limited to, the ability of the Company, the Target Company or the Resulting Issuer, as the case may be, to obtain necessary financing; satisfy conditions under the Definitive Agreement; satisfy the requirements of the Exchange and the CPC Policy with respect to the Transaction and the Private Placement; the Resulting Issuer's activities; the availability, final receipt and maintenance of required approvals, licenses and permits, including in countries other than Canada; that sufficient working capital is available to complete the proposed business objectives; that contracted parties provide goods and/or services on the agreed upon time frames; the ability to successfully market products and develop a brand; expectations regarding trends and competitive conditions in the industry; expectations regarding the regulatory environment in the industry; that the Resulting Issuer is able to secure and/or retain appropriate personnel; the ability to increase operational capacity and that such added capacity will enable increased sales volume; that the Resulting Issuer is able to expand its technological and cybersecurity capabilities, as needed, to remain competitive and protect customer data; that no labour shortages or delays are incurred and that no unusual technical problems occur; that the Resulting Issuer does not experience significant cost overruns on its programs; and anticipated and unanticipated costs, including the cost associated with the Resulting Issuer's business plan.

Forward-looking Statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the Forward-looking Statements, including, without limitation, the Transaction or Private Placement not being approved by the Exchange; the fact that the Resulting Issuer, is at least initially, a holding company upon Closing of the Qualifying Transaction; the fact that the Company has no history of operations or earnings; the Target Company has a limited operating history with negative cash flows from operations during 2021; uncertainty of future revenues; revenue risks related to foreign jurisdictions; possible trading suspension or delisting of the Shares; reliance on key individuals; competition risks; regulatory risks; complex and evolving regulatory environment for online gaming industry; operational risks; reliance on third parties and third party networks; risks associated with growth and acquisitions; intellectual property risks; cybersecurity risks; uninsured and uninsurable risks; success of sports betting products; brand development; failure to retain or add customers; liquidity risk; lack of an active securities market; the market price for Resulting Issuer Shares may be volatile; commodity market risks; currency fluctuations; conflicts of interest; global economic risk and changes in general economic conditions; COVID-19 and other public health crises; infrastructure; litigation and other proceedings; future sales or issuances of equity securities; issuance of debt; financial projections, sales forecasts or Forward-looking Statements may prove inaccurate; and the other factors discussed under “Risk Factors”. This list of factors should not be construed as exhaustive. Although the Company has attempted to identify important factors that could cause actual actions, events, or results to differ materially from those described in Forward-looking Statements, there may be other factors that cause actions, events, or results not to be as anticipated, estimated, or intended.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying Forward-looking Statements prove incorrect, actual results, performance or achievements may vary materially from those expressed or implied by the forward-looking statements contained in this Prospectus. These factors should be considered carefully and prospective investors should not place undue reliance on Forward-looking Statements. Although the Forward-looking Statements contained in this Prospectus are based upon what management currently believes to be reasonable assumptions, the Company cannot assure prospective investors that actual results, performance or achievements will be consistent with these Forward-looking Statements. The Forward-looking Statements contained in this Prospectus are made as of the date of this Prospectus and the Company does not intend, and do not assume any obligation, to update or revise these Forward-looking Statements, except where required by law.

GENERAL DISCLOSURE INFORMATION

Unless otherwise stated, the information contained in this Prospectus is given as of May 25, 2022.

No person has been authorized by ANC or VIP to give any information or make any representations in connection with the Transaction herein described other than those contained in this Prospectus and, if given or made, any such information or representation must not be relied upon as having been authorized by ANC or VIP, as applicable.

All information contained in this Prospectus with respect to ANC has been supplied by ANC for inclusion herein, and with respect to that information, VIP and its directors and officers have relied solely on ANC. Based on its due diligence conducted in this respect, VIP has no reason to believe that such information is not accurate.

All information contained in this Prospectus with respect to VIP has been supplied by VIP for inclusion herein, and with respect to that information, ANC and its directors and officers have relied solely on VIP. Based on its due diligence conducted in this respect, ANC has no reason to believe that such information is not accurate.

Unless otherwise indicated or the context otherwise requires, all dollar amounts in this Prospectus are in Canadian dollars.

GLOSSARY

The following is a glossary of capitalized and other terms and abbreviations used frequently throughout this Prospectus.

“ABCA” means the *Business Corporations Act* (Alberta).

“AGCO” means Alcohol and Gaming Commission of Ontario.

“Affiliate” means a company that is affiliated with another company as described below:

A company is an “Affiliate” of another company if:

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same Person.

A company is “controlled” by a Person if:

- (a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person, and
- (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company.

A Person beneficially owns securities that are beneficially owned by:

- (a) a company controlled by that Person, or
- (b) an Affiliate of that Person or an Affiliate of any company controlled by that Person.

“Agency Agreement” means the agreement dated October 4, 2021 between the Target Company and the Agent for the engagement of the Agent for the offering of Subscription Receipts under the Private Placement.

“Agent” means Research Capital Corporation, a registered broker dealer who acts as the Target Company’s agent for the Private Placement.

“Agent’s Cash Commission” means the cash portion of the commission payable to the Agent in connection with the Offering, if any, as elected by the Agent pursuant to the terms of the Agency Agreement.

“Agent’s Expenses” means certain fees and expenses of the Agent plus applicable taxes in connection with the Offering, as set out in the Agency Agreement.

“Agent’s Unit Option” means the warrants of the Resulting Issuer to purchase Resulting Issuer Units issuable to the Agent in connection with the Offering.

“Agent’s Unit Option Shares” means the Resulting Issuer Shares issuable on exercise of the Agent’s Unit Option.

“Agent’s Unit Option Warrants” means the Resulting Issuer Warrants comprising the Resulting Issuer Units issuable upon the conversion of the Agent’s Unit Option.

“Agent’s Unit Option Warrant Shares” means the Resulting Issuer Shares issuable on exercise of the Agent’s Unit Option Warrants.

“**AML**” means anti-money laundering laws, regulations and procedures intended to prevent criminals from disguising illegally obtained funds as legitimate income.

“**ANC Agent’s Options**” means the 350,000 Options granted to Research Capital Corporation as compensation for the IPO which were exercised on January 14, 2022.

“**ANC Name Change**” means the anticipated change of the Company’s name to “VIP Entertainment Technologies Inc.” pursuant to the Transaction.

“**Associate**” when used to indicate a relationship with a person or company, means:

- (a) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer;
- (b) any partner of the person or company;
- (c) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity;
- (d) in the case of a person, a relative of that person, including:
 - (i) that person's spouse or child, or
 - (ii) any relative of the person or of his spouse who has the same residence as that person;

but

- (e) where the Exchange determines that two persons shall, or shall not, be deemed to be Associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company.

“**Board**” means the board of directors of the Company.

“**Cash Corporate Finance Fee**” means the cash fee payable to the Agent of \$40,000 pursuant to the Agency Agreement.

“**CFT**” is defined below the heading “*Information Concerning the Target Company - Operations*”.

“**CGL**” means a Curacao Gaming License.

“**CHD**” means Coal Harbour Developments, a wholly owned subsidiary of VIP, located at Veroias, 11, 2nd Floor, Flat/Office 203, Strovolos, Nicosia, 2023 Cyprus.

“**Closing**” means the closing of the Qualifying Transaction.

“**Closing Date**” means the date on which the Closing occurs.

“**company**”, unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

“**Company**” or “**ANC**” means ANC Capital Ventures Inc., a corporation existing under the laws of the Province of British Columbia

"Compensation Committee" is defined below under the heading *"Executive Compensation – Compensation Discussion and Analysis"*.

"Completion of the Qualifying Transaction" means the date the Final Exchange Bulletin is issued by the Exchange.

"Control Person" means any person or company that holds or is one of a combination of persons or companies that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

"COVID-19" is defined below the heading *"Risk Factors - Global Economic Risk"*.

"CPC" means a corporation or trust:

- (a) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the Commissions in compliance with Policy 2.4 - *Capital Pool Companies*; and
- (b) in regard to which the Final QT Exchange Bulletin has not yet been issued.

"CPC Escrow Shares" means the 2,100,000 Shares held in escrow pursuant to the CPC Seed Escrow Agreement.

"CPC Seed Escrow Agreement" means the TSXV Form 2F escrow agreement dated June 11, 2019, as amended, among the Company, the Escrow Agent, and the holders of certain Shares.

"Debt Settlement" means the settlement of certain arm's length debt of VIP in the amount of approximately \$714,500 in exchange for VIP Units at a price of \$0.25 per VIP Unit or 2,858,000 VIP Units.

"Definitive Agreement" means the amalgamation agreement entered into between the Company, SubCo and VIP on April 21, 2022, pursuant to which the parties to the Agreement completed a three-cornered amalgamation in respect of the Transaction.

"DSUs" means Deferred Share Units.

"Escrow Agent" means Computershare Investor Services Inc..

"Escrowed Funds" means the gross proceeds from the Offering less the sum of: (i) the estimated amount of the Agent's Expenses payable by the Company pursuant to the terms of the Agency Agreement; (ii) 50% of the Agent's Cash Commission, if any; and (iii) the Cash Corporate Finance Fee (such proceeds together with all interest and other income earned thereon).

"Escrowed Proceeds" is defined below under the heading *"Details of the Transaction - The Private Placement"*.

"Escrow Release Deadline" is defined below under the heading *"Details of the Transaction - The Private Placement"*.

"Exchange" or **"TSXV"** means TSX Venture Exchange Inc.

"Exchange Ratio" means the exchange of VIP Shares in exchange for Resulting Issuer Shares at an exchange basis of 1.16739 Resulting Issuer Share for every one (1) VIP Share so held (and also including a convertible securities of VIP).

"Final Exchange Bulletin" means the Exchange Bulletin which is issued following Closing of the Qualifying Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Qualifying Transaction.

"Forward-looking Statements" is defined above under the heading *"Notice Concerning Forward-Looking Statements"*.

"Gaming Control Board" means the Curacao Gaming Control Board, the governing body of the CGL.

"iGaming Ontario" or "iGO" means the Ontario government body, a subsidiary of the AGCO, that advances Ontario's plans to create an open and competitive internet gaming (igaming) market.

"Initial Release" is defined below under the heading *"Information Concerning the Resulting Issuer – Escrowed Securities – Release Terms of the Escrow for the CPC Escrowed Shares"*.

"Infrastructure Services" is defined below under the heading *"Risk Factors - Revenue from Foreign Jurisdictions"*.

"Insider" if used in relation to an issuer means:

- (a) a director or senior officer of the issuer;
- (b) a director or senior officer of a company that is an Insider or subsidiary of the issuer;
- (c) a Person that beneficially owns or controls, directly or indirectly voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or
- (d) the issuer itself if it holds any of its own securities.

"IPO" means the initial public offering of the Company, completed on January 17, 2020.

"IPO Prospectus" means the amended and restated prospectus of the Company dated October 25, 2019.

"KPIs" means key performance indicators.

"KYC" means "know your customer" and refers to procedures required by the CGL for companies to maintain their gaming license.

"Master License Holders" or "MLH" means Gaming Services Provider NV, which is the holder of the Master License which is issued by the Minister of Finance for the government of Curacao.

"Named Executive Officers" or "NEO" means, in respect of the Resulting Issuer, any individual(s) proposed to act as, or in a capacity similar to, a chief executive officer or chief financial officer and the three most highly compensated executive officers whose total compensation will exceed \$150,000 per annum.

"Non-Arm's Length Party" means:

- (a) in relation to a Company:
 - (i) a Promoter, officer, director, other Insider or Control Person of that Company and any Associates or Affiliates of any of such Persons; or
 - (ii) another entity or an Affiliate of that entity, if that entity or its Affiliate have the same Promoter, officer, director, Insider or Control Person as the Company; and
- (b) in relation to an individual, any Associate of the individual or any Company of which the individual is a Promoter, officer, director, Insider or Control Person.

“Non-Arm’s Length Qualifying Transaction” means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the CPC and in relation to the Significant Assets which are to be the subject of the proposed Qualifying Transaction.

“Options” means stock options of the Company to purchase Shares.

“Option Plan” means the 10% rolling stock option plan of the Company.

“Person” means a company or individual.

“Policy 2.4” means Exchange Policy 2.4 – *Capital Pool Companies*.

“Preferred Shares” means the preferred shares in the capital of the Company.

“Private Placement” means the proposed brokered private placement offering of Subscription Receipts of the Target Company at a price of \$0.25 per Subscription Receipt for aggregate gross proceeds of \$2,006,500.

“Private Placement Price” means the price of each Subscription Receipt under the Private Placement, being \$0.25 per Subscription Receipt.

“Prospectus” means this amended and restated preliminary prospectus dated May 25, 2022.

“QT Escrow Agreement” means the TSXV Form 5D escrow agreement among the Vendor, the Company, the Escrow Agent, with application to the QT Escrow Shares.

“Qualifying Transaction” or **“QT”** means a transaction where a CPC acquires Significant Assets other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means.

“Restricted List” is defined below under the heading, *“Information Concerning the Target Company - Overview of Global Regulatory Environment and Gaming Licenses - Key Markets and Regulatory Regimes”*.

“Restricted Share Unit” or **“RSU”** means the restricted share units to be issued to directors of the Resulting Issuer from time to time.

“Resulting Issuer” means the issuer that results after the Company acquires all of the issued and outstanding shares of the Target Company.

“Resulting Issuer Board” means the board of directors of the Resulting Issuer, as constituted following Completion of the Qualifying Transaction.

“Resulting Issuer Escrow Shares” is defined below the heading *“Information Concerning the Resulting Issuer - Escrowed Securities”*.

“Resulting Issuer Options” means options to purchase Common Shares of the Resulting Issuer.

“Resulting Issuer Shares” means a share in the capital of the Resulting Issuer.

“Resulting Issuer Units” means units of the Resulting Issuer, each comprised of one Resulting Issuer Share and one-half of one Resulting Issuer Warrant.

“Resulting Issuer Warrants” means the warrants of the Resulting Issuer to purchase Resulting Issuer Shares: (i) issued upon the completion of the Qualifying Transaction to the former holders of VIP Offering Warrants, and (ii) comprising the Resulting Issuer Units.

“Resulting Issuer Warrant Shares” means the Resulting Issuer Shares issuable upon the exercise of the Resulting Issuer Warrants.

“SEDAR” means the System for Electronic Document Analysis and Retrieval, accessible at www.sedar.com.

“Shares” or **“Company Shares”** means the common shares in the capital of the Company as presently constituted or the Resulting Issuer, as applicable.

“Significant Assets” means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any other concurrent transactions, would result in the CPC meeting the minimum listing requirements of the Exchange.

“Southern Pacific” means Southern Pacific Resource Corp.

“Subscription Receipt Conversion Conditions” means:

- a) the completion of the Qualifying Transaction;
- b) the Resulting Issuer Shares, including the Resulting Issuer Warrant Shares, being approved for listing on the TSXV;
- c) the receipt of all shareholder, third-party and regulatory approvals required in connection with the Qualifying Transaction;
- d) the receipt by the Agent of an opinion delivered by counsel to the Resulting Issuer confirming, among other things, that the Resulting Issuer Shares issued in connection with the exchange of the VIP Shares pursuant to the Qualifying Transaction shall be free of any statutory hold periods in Canada upon the issue thereof, other than in respect of control block sales; and
- e) VIP, ANC and the Resulting Issuer shall not be in breach or default of any of its covenants or obligations under the Subscription Receipt Agreement or the Agency Agreement, except, in the case of the Agency Agreement only, those breaches or defaults that have been waived by the Agent and all conditions set out in the Agency agreement shall have been fulfilled, which shall all be confirmed to be true in a certificate of a senior officer of the Resulting Issuer.

“Surplus Security Escrow Agreement” is defined below under the heading *“Information Concerning the Resulting Issuer – Escrowed Securities – Release Terms of the Escrow for the Resulting Issuer Escrowed Shares”*.

“SubCo” means 2380946 Alberta Ltd., a body corporate, incorporated under the laws of the Province of Alberta, a wholly-owned subsidiary of the Company.

“Subscription Receipt Agreement” means the agreement dated May 9, 2022 entered into between the Target Company and the Agent pursuant to which the Company will hold the Private Placement proceeds in trust until the Subscription Receipt Conversion Conditions are satisfied.

“Subscription Receipt Conversion Conditions” means the completion or satisfaction or waiver of all conditions precedent to the completion of the Qualifying Transaction, to the satisfaction of the Agent, acting reasonably.

“Subscription Receipts” means the subscription receipts offered through the Private Placement. The Subscription Receipts shall be offered at a price of \$0.25 per Subscription Receipt. Each Subscription Receipt entitles the holder to receive, upon satisfaction of the Subscription Receipt Conversion Conditions, without payment of additional consideration, one VIP Unit.

“Target Company” or **“VIP”** means VIP Entertainment Group Inc., a corporation incorporated under the laws of the Province of Alberta.

“Transaction” means the transaction pursuant to which the Company will acquire all of the VIP Shares pursuant to the terms and conditions set out in the Definitive Agreement.

“Transaction Term Sheet” means the non-binding term sheet dated February 16, 2021, as amended, between the Company and the Target Company for the completion of the Qualifying Transaction.

“Value Security Escrow Agreement” is defined below under the heading *“Information Concerning the Resulting Issuer – Escrowed Securities – Release Terms of the Escrow for the Resulting Issuer Escrowed Shares”*.

“VIP Bets” is the former name of the Target Company and the current platform by which VIP operates its business, through the online website www.vipbets.com. See *“Information Concerning the Target Company - General Development of the Business”*.

“VIP Board” means the board of directors of VIP.

“VIP Offering Warrants” means the warrants to purchase VIP Shares comprising the VIP Units.

“VIP Named Executive Officers” or **“VIP NEOs”** means, in respect of the Resulting Issuer, any individual(s) proposed to act as, or in a capacity similar to, a chief executive officer or chief financial officer and the three most highly compensated executive officers whose total compensation will exceed \$150,000 per annum.

“VIPNV” means VIP Entertainment NV., a wholly owned subsidiary of VIP located at Abraham de Veerstraat 9, Willemstad, Curacao.

“VIP Share” means one common voting share of VIP Entertainment Group Inc.

“VIP Subscription Receipts” means subscription receipts of VIP to be issued pursuant to the Offering, each of which shall automatically convert into one VIP Unit upon satisfaction of the Subscription Receipt Conversion Conditions.

“VIP Transaction” or **“Transaction”** means the transaction contemplated by the Definitive Agreement pursuant to which the Company will acquire the Target Company, which acquisition will serve as the Company's Qualifying Transaction.

“VIP Units” means units of VIP, each comprised of one VIP Share and one-half of one VIP Offering Warrant.

“VIP Warrants” means a common share purchase warrant, each whole warrant granting the holder a right to purchase one VIP Share at a price of \$0.50 per VIP Share for a period of 24 months from the date of the satisfaction of the Subscription Receipt Conversion Conditions.

“Warrant Indenture” means the warrant indenture to be entered into among VIP, ANC and Computershare Investor Services Inc. in connection with the Offering.

“WEST” means Westchester Holdings Inc., a wholly owned subsidiary of VIP located at 9 Barrack Road, Belize City, Belize.

PROSPECTUS SUMMARY

The following is a summary of certain information contained in this Prospectus, and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. Certain capitalized terms and phrases used in this Prospectus are defined in the "Glossary".

General

The Company is a reporting issuer in British Columbia, Alberta and Ontario, and is listed on the TSXV as a Capital Pool Company under the symbol "ANCV.P". The Company is a capital pool company created pursuant to Policy 2.4 which completed its IPO on January 17, 2020 pursuant to an amended and restated prospectus dated October 25, 2019 (the "**IPO Prospectus**"). The Company sold an aggregate of 3,500,000 Company Shares at a price of \$0.10 per Company Share pursuant to its IPO Prospectus, raising gross proceeds of \$350,000, which amount was raised to provide the Company with funds with which to identify and evaluate businesses or assets with a view towards completing a Qualifying Transaction. The Shares began trading on the TSXV on January 21, 2020. As at the date hereof and prior to the Completion of the Qualifying Transaction, the Company has not and will not have commenced any commercial operations.

The Company requested its common shares be halted by the TSXV pending review of materials submitted in relation to the Qualifying Transaction. As of February 16, 2021 trading in Company shares on the TSXV has been halted. The market price of the shares on the TSXV on the date immediately preceding the halt and continuing to the date of this Prospectus, was \$0.08.

There is currently no public market for the securities of the Target Company.

Proposed Corporate Changes

In connection with the completion of the Qualifying Transaction, the Company intends to change its name from ANC Capital Ventures Inc. to "VIP Entertainment Technologies Inc." and to adopt the trading symbol "VIP" or such other symbol as may be acceptable to ANC, VIP and the Exchange. Following completion of the Transaction, the Resulting Issuer intends to seek shareholder approval to continue under the provisions of the ABCA.

The Qualifying Transaction

As announced in a press release dated February 16, 2021, the Company and the Target Company entered into a non-binding term sheet dated February 16, 2021 (the "**Transaction Term Sheet**") to complete the Qualified Transaction. A more comprehensive press release was issued by the Company on March 5, 2021.

On April 21, 2022, the Company, Subco and the Target Company entered into the Definitive Agreement pursuant to which the Company will, subject to the acceptance of the Exchange, acquire all of the issued and outstanding shares of the Target Company to form a combined company (the "**Resulting Issuer**"). The transaction will be structured as a three-cornered amalgamation.

The Company, a CPC, intends for the transaction described in this part to constitute a Qualifying Transaction under Policy 2.4. The Transaction is not a Non Arm's-Length Qualifying Transaction. As such, the Company does not require the approval of its shareholders in order to complete the Transaction.

Each shareholder of the Target Company (including those becoming shareholders as a result of the Private Placement) will receive 1.16739 (the "**Exchange Ratio**") Resulting Issuer Shares for each share of the Target Company held at the time the Qualifying Transaction is completed.

In connection with the Qualifying Transaction, the Target Company intends to complete the Private Placement for aggregate gross proceeds of \$2,006,500. A total of \$1,701,500 of the Private Placement was completed on May 9, 2022, with the remaining \$300,000 to be closed prior to the completion of the Transaction.

Non-Arm's Length Qualifying Transaction

The proposed Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction.

Securityholder Approval

The Company will not be obtaining securityholder approval in relation to the Qualifying Transaction.

Availability of Funds and Principal Purposes

As at March 31, 2022, the Company had estimated working capital deficit of \$621,296.

Based on this working capital position and assuming Completion of the Qualifying Transaction and closing of the Private Placement, the total funds available to the Resulting Issuer would be as follows:

Source	Funds Available
Estimated working capital of the Resulting Issuer at March 31, 2022	\$(426,295) ⁽¹⁾
Debt Settlement Adjustment	\$474,500
Net proceeds from Private Placement	\$1,913,246 ⁽²⁾
TOTAL	\$1,961,451

Notes:

- (1) Includes pro forma working capital of the Company and the Target Company as at March 31, 2022.
- (2) Based on the completion of the Private Placement and estimated Agent's Fee cash commission, working fee of \$40,000, and legal fees for a total of \$93,254.

The Resulting Issuer intends to expend the funds available in the 12 months following Completion of the Qualifying Transaction as follows:

Principal Use of Funds	Amount (after giving effect to the Private Placement) (CAD\$)
Marketing and user acquisition	\$470,000
Canadian license review	\$100,000
General and administrative for 12 months	\$821,000
Unallocated general and administrative	\$100,000
Unallocated Funds	\$470,451
TOTAL	\$1,961,451

Note:

- (1) The above uses of available funds are estimates only and assumes the Agent will elect to receive the Agent's Commission in cash on the Private Placement in cash. Notwithstanding the proposed uses of available funds as discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. It is difficult at this time to definitively project the total funds necessary to execute the planned undertakings of the Resulting Issuer. For these reasons, management considers it to be in the best interests of the Resulting Issuer and its shareholders to permit management a reasonable degree of flexibility as to how the Resulting Issuer's funds are employed among the above uses or for other purposes, as the need may arise.

See the disclosure in this Prospectus under “*Information Concerning the Resulting Issuer – Available Funds and Principal Purposes*”.

Selected Pro Forma Consolidated Financial Information

The following sets out selected pro forma consolidated financial information as if Completion of the Qualifying Transaction and closing of Private Placement and Debt Settlement on March 31, 2022

Pro Forma Balance Sheet (CAD\$)	Issuer March 31, 2022 (unaudited)	Target Company March 31, 2022 (unaudited)	Pro Forma Adjustments (unaudited)	Resulting Issuer Pro Forma (unaudited)
Current Assets	195,001	31,344	1,773,246	2,024,251
Total Assets	195,001	56,004	1,773,246	2,024,251
Current Liabilities	0	677,300	(474,500)	202,800
Total Liabilities	0	677,300	(474,500)	202,800
Total Shareholders' Equity	195,001	(621,296)	2,247,746	1,821,451

Sponsorship

The Company has applied for an exemption from the Sponsorship requirements of the Exchange.

Interests of Experts

No person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Prospectus or as having prepared or certified a report or valuation described or included in this Prospectus will hold any beneficial interest, direct or indirect, in any securities or property of the Resulting Issuer or of an Associate or Affiliate of the Resulting Issuer and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Resulting Issuer or of an Associate or Affiliate of the Resulting Issuer and no such person is a promoter of the Resulting Issuer or an Associate or Affiliate of the Resulting Issuer.

Risk Factors

The securities of the Company should be considered highly speculative due to the nature of the Company's business and the present stage of its development. A prospective investor should consider carefully the risk factors set out below. In addition, prospective investors should carefully review and consider all other information contained in this Prospectus before making an investment decision. An investment in securities of the Company should only be made by persons who can afford a total loss of their investment.

Readers should carefully consider all such risks, which include the following risk factors: the Transaction or Private Placement not being approved by the Exchange; the fact that the Company has no history of operations or earnings; possible trading suspension or delisting of the Shares; reliance on key individuals; competition risks; regulatory risks; cybersecurity risks; uninsured and uninsurable risks; success of sports betting products; lack of an active securities market; commodity market risks; conflicts of interest; changes in general economic conditions; public health crises; infrastructure; litigation and other proceedings; future sales or issuances of equity securities; and issuance of debt.

For more information, see below under the heading “*Risk Factors*”.

Conditional Listing Approval

The Company has applied for the Exchange's conditional approval of the Qualifying Transaction. Conditional approval of the Qualifying Transaction will be subject to the Company and VIP fulfilling all the requirements of the Exchange.

INFORMATION CONCERNING THE COMPANY

Corporate Structure

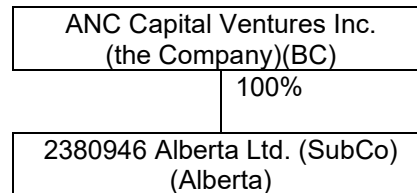
Name and Incorporation

The Company was incorporated on March 11, 2019 pursuant to the provisions of the *Business Corporations Act* (British Columbia) under the name “ANC Capital Ventures Inc.”.

The principal office of the Company is located at 26, 2365 Abbeyglen Way, Kamloops, BC V1S 1Y3, and its registered and records office is located at 10th Floor, 595 Howe Street, Vancouver, BC V6C 2T5.

The Company is a reporting issuer in British Columbia, Alberta and Ontario, and is listed on the TSXV as a Capital Pool Company under the symbol “ANCV.P”.

The Company has one wholly-owned subsidiary, SubCo, incorporated on October 14, 2021 under the ABCA for the purpose of completing the Transaction as set forth in the following table.



General Development of the Business

History

The Company is a capital pool company under Policy 2.4 which completed its initial public offering (“**IPO**”) on January 17, 2020 pursuant to an amended and restated prospectus dated October 25, 2019 (the “**IPO Prospectus**”). The Company sold an aggregate of 3,500,000 Company Shares at a price of \$0.10 per Company Share pursuant to its IPO Prospectus, raising gross proceeds of \$350,000. The Company Shares began trading on the Exchange on January 21, 2020. The outstanding Company Shares are listed on the Exchange under the Trading Symbol “ANCV.P”.

The principal business of the Company is to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction, and, once identified and evaluated, to negotiate an acquisition or participation in such assets or businesses. Until the Company completes a Qualifying Transaction, it will not carry on business other than the identification and evaluation of assets or businesses in connection with a potential Qualifying Transaction. The Transaction is intended to be the Company's Qualifying Transaction.

On February 16, 2021, the Company announced that it had entered into a Transaction Term Sheet for an arm's length acquisition of all of the issued and outstanding shares of VIP, a private Alberta corporation. The Transaction is an arm's length transaction and will constitute the Company's Qualifying Transaction.

Amalgamation Agreement

The Company entered into the Transaction Term Sheet on February 16, 2021. Trading of the Shares was halted by IIROC at the request of the Company on February 16, 2021 in anticipation of the announcement of the Transaction.

Pursuant to the terms of the Definitive Agreement: (i) VIP will amalgamate with SubCo, (ii) the VIP Shares will be disposed of and cancelled in exchange for the Resulting Issuer Shares in accordance with the Exchange Ratio, and (iii) the SubCo Shares will be disposed of and cancelled, and in exchange therefor, the Resulting Issuer will issue to the Issuer one common share in respect of every cancelled SubCo Share. The Resulting Issuer will change its name to “VIP Entertainment Technologies Inc.” See below under the headings “*Information Concerning the Resulting Issuer*” and “*The Proposed Qualifying Transaction*”.

The Company has applied for the Exchange's conditional approval of the Qualifying Transaction. Conditional approval of the Qualifying Transaction will be subject to the Company and VIP fulfilling all the requirements of the Exchange.

Dividends or Distributions

The Company has not declared dividends on the Company Shares in the past and does not intend to pay dividends on the Company Shares in the foreseeable future. Any future determination to pay dividends will be at the discretion of the ANC Board and will depend on the financial condition, business environment, operating results, capital requirements, any contractual restrictions on the payment of dividends and any other factors that the ANC Board deems relevant.

Selected Financial Information and Management's Discussion And Analysis

Information from Inception

Since incorporation, the Company has incurred costs in carrying out its Initial Public Offering, in seeking, evaluating and negotiating potential Qualifying Transactions, and in meeting the disclosure obligations imposed upon it as a reporting issuer listed for trading on the Exchange. The following table sets forth selected historical financial information for the Company for the period from incorporation on March 11, 2019 to March 31, 2021, and the nine month period ended December 31, 2021. Such information should be read in conjunction with such financial statements attached hereto as Schedule “A”.

	Total Expenses (\$)	Amounts Deferred in Connection with the Transaction
Period ended March 31, 2021	162,719	Nil
Nine Month Period ended December 31, 2021	51,716	Nil

Management's Discussion and Analysis

Management's Discussion and Analysis of the Company in respect of its most recently completed financial period ended March 31, 2021, and the most recent subsequently completed financial period ended December 31, 2021 is attached as Schedule “B” hereto and available on SEDAR, and should be read in conjunction with the Company's financial statements and notes thereto for the period ended March 31, 2021, and December 31, 2021 which are attached hereto as Schedule “A” and are also available on SEDAR at www.sedar.com.

Unless otherwise stated, financial results are being reported in accordance with IFRS.

Description of Securities

The authorized capital of the Company consists of an unlimited number of Company Shares without nominal or par value and an unlimited number of Preferred Shares, which are issuable in series. As of the date of this Prospectus, 5,950,000 Company Shares are issued and outstanding as fully paid and non-assessable shares and 555,000 Company Shares had been reserved for issuance pursuant to the exercise

of Options. The Options are comprised of 555,000 Options issued to officers and directors of the Company. There are nil Preferred Shares issued and outstanding.

Subject to the rights, privileges, restrictions and conditions attached to the Preferred Shares, the holders of Common Shares are entitled to dividends, if, as and when declared by the board of directors, to receive notice of and attend any meeting of the Company's shareholders, to cast one vote per Common Share held at meetings of the shareholders of the Company and, upon liquidation, dissolution or winding up of the Company, to share equally in such assets of the Company as are distributable to the holders of Common Shares.

Stock Option Plan

The Company has adopted the Option Plan, which provides that the board of directors of the Company may, from time to time, in its discretion and in accordance with Exchange requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase Company Shares, provided that the number of Company Shares reserved for issuance will not exceed 10% of the outstanding Company Shares at the time of grant. Such Options will be exercisable for a period of up to ten (10) years from the date of grant. The number of Common Shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding Company Shares and the number of Company Shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding Company Shares. The Option Plan provides that options may be exercised on the greater of 12 months after the completion of the Qualifying Transaction (as such term is defined in Policy 2.4 of the TSXV) and 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised with a maximum period of one year after such death, subject to the expiry date of such option. Further, the Option Plan provides that any Company Shares acquired pursuant to the exercise of options prior to the completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

555,000 Options were granted to the Company's directors and officers at the time of completion of the IPO in accordance with Exchange requirements, as set forth below. The exercise price for the Options is determined at the discretion of the Board, and must be paid in full upon exercise of the Options. All Company Shares acquired by Non-Arm's Length Parties pursuant to the exercise of Options prior to the completion of the Transaction must be deposited in escrow and may only be released in accordance with the escrow provisions of Policy 2.4.

Consolidated Capitalization

For information regarding changes in ANC's consolidated capitalization that will result from the Qualifying Transaction, see *"Information Concerning The Resulting Issuer — Pro Forma Consolidated Capitalization"*.

Prior Sales

Prior Sales

Since the date of incorporation, 5,950,000 Company Shares have been issued as set out in the following table.

Date	Number of Company Shares	Issue Price Per Company Share	Aggregate Issue Price	Nature of Consideration Received
March 22, 2019	2,100,000 ⁽¹⁾	\$0.05	\$105,000	Cash
January 17, 2020	3,500,000	\$0.10	\$350,000	Cash
January 14, 2022	350,000 ⁽²⁾	\$0.10	\$35,000	Cash

Notes:

- (1) 700,000 Company Shares were issued to each of John Randolph Clifford, a director and officer of the Company, and Jimmy James Sekora, a director of the Company, and Joseph Eugene Sekora, a former director of the Company. Leonidas Karabelas, a director of the Company, acquired 700,000 shares from the estate of Joseph Eugene Sekora pursuant to a share purchase agreement dated October 25, 2019.
- (2) 350,000 Company Shares were issued to the Research Capital Corporation, pursuant to the exercise of the Agent's Options.

As at the date hereof, 5,950,000 Company Shares are issued and outstanding.

Stock Exchange Price

The outstanding Company Shares are listed on the Exchange under the trading symbol "ANCV.P". The Company Shares began trading on the Exchange on January 21, 2020. On February 16, 2021 the Company Shares were halted for trading on the Exchange at the request of the Company in connection with the Qualifying Transaction. The following table sets forth the high and low sales prices and trading volumes of Company Shares as reported by the Exchange from January 21, 2020 to February 16, 2021.

	High (Cdn\$)	Low (Cdn\$)	Volume (Shares)
2020			
January	0.10	0.10	Nil
February	0.10	0.10	51,000
March	0.10	0.10	Nil
April	0.10	0.10	Nil
May	0.10	0.10	Nil
June	0.10	0.08	50,000
July	0.08	0.08	Nil
August	0.08	0.08	Nil
September	0.08	0.08	Nil
October	0.08	0.08	Nil
November	0.08	0.08	Nil
December	0.08	0.08	Nil
2021	0.08	0.08	Nil
January	0.08	0.08	Nil
February ⁽¹⁾	0.08	0.08	Nil

Notes:

- (1) Trading in the Company Shares was halted at the request of the Company on February 16, 2021.

Escrowed Securities

As of the date of this Prospectus, an aggregate of 2,100,000 Company Shares (the "**CPC Escrowed Shares**") issued prior to or in connection with the CPC IPO to the directors and officers of the Company and their respective Associates and Affiliates, representing 35.29% of the issued and outstanding Company Shares on an undiluted basis, are currently held in escrow under to the policies of the Exchange pursuant to the CPC Seed Escrow Agreement.

Principal Securityholders

The following table lists those Persons who beneficially own, directly or indirectly or exercise control or direction over more than 10% of the issued and outstanding Company Shares as at the date of this Prospectus:

Name and Municipality of Residence	Type of Ownership	Number of Company Shares	Percentage
John Randolph Clifford	Direct	700,000	11.76% ⁽²⁾

Name and Municipality of Residence	Type of Ownership	Number of Company Shares	Percentage
Kamloops, British Columbia			
Leonidas Karabelas Toronto, Ontario	Direct	700,000	11.76% ⁽²⁾
Jimmy James Sekora Red Deer, Alberta	Direct	700,000	11.76% ⁽²⁾
Total		2,100,000	35.29%

Notes:

- (1) The information above is not within the knowledge of the management of the Company and has been furnished by the respective nominees accordingly.
- (2) Based on 5,950,000 Company Shares outstanding. On a fully diluted basis, the percentage is 10.76%.

Director, Officers and Promoters

The following table sets out, for each of the Company's directors and officers, the person's name, municipality of residence, positions with the Company, principal occupation and, if a director, the month and year in which the person became a director.

Name, Municipality of Residence and Position to be Held ⁽¹⁾	Director/Officer Since ⁽³⁾	Principal Occupation for Past Five Years ⁽¹⁾	Number of Common Shares owned or controlled ⁽¹⁾
John Randolph Clifford ⁽²⁾ CEO, CFO, Corporate Secretary & Director Kamloops, British Columbia	March 11, 2019	Independent Businessman	700,000
Leonidas Karabelas ⁽²⁾ Director Toronto, Ontario	October 25, 2019	Independent Businessman	700,000
Jimmy James Sekora ⁽²⁾ Director Red Deer, Alberta	March 11, 2019	Independent Businessman	700,000

Notes:

- (1) The information as to province and country of ordinary residence, principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective individuals.
- (2) Denotes member of the Audit Committee.
- (3) Term of board appointment expires upon holding the next annual meeting of shareholders.

The total aggregate number of Company Shares beneficially owned, directly or indirectly, by all directors and officers of the Company is 2,100,000, which is equal to 35.29% of the issued and outstanding Company Shares.

Set forth below is a description of the background of the directors and officers of the Company, including a description of each individual's principal occupation(s) within the past five years. For further information, see "Other Reporting Issuer Experience".

Management Biographies

John Randolph Clifford - CEO, CFO, Corporate Secretary & Director – Age 72

Mr. Clifford has over thirty years of corporate management and consulting experience with numerous public and private companies in a variety of industries. Mr. Clifford's current principal occupation is as a business consultant.

Mr. Clifford is currently the CEO, CFO and Corporate Secretary for Smartset Services Inc. and ANC Capital Ventures Inc., both of which are Capital Pool Companies listed on the TSX Venture Exchange. Mr. Clifford was the Chairman from 1996 to 2006, Chief Executive Officer from 1999 to 2006 and a director from 1996 to 2006 of Cash Canada Group Ltd., a company involved in the business of collateral lending and retail sales of used merchandise. Cash Canada Group Ltd. was listed on the TSXV. During his tenure with Cash Canada Group Ltd. the company graduated from Tier 2 to Tier 1 issuer status on the TSXV and procured debenture and bank financing. Mr. Clifford was a director of Firebird Capital Partners Inc. a capital pool corporation on the TSXV, now Emerald Health Therapeutics Inc. Mr. Clifford was also a director and the Corporate Secretary of Wise Oakwood Ventures Inc. until it completed its qualifying transaction with Zomedica Pharmaceuticals Corp. Mr. Clifford has served as an officer and director of several other public companies.

Leonidas Karabelas - Director – Age 42

Mr. Karabelas is the founder and president of Focus Communications, a Toronto based investor relations, corporate communications and advisory firm. Mr. Karabelas has over 15 years of experience working with private and public companies in various sectors with a focus on natural resources. Mr. Karabelas bridges the gap between companies and the investment community, developing IR strategies that help clients raise visibility in the capital markets and improve liquidity.

Mr. Karabelas has managed and executed many investor presentations and has been instrumental in raising funds for clients. In addition to his role at Focus communications he is also director of Labrador Gold Corp.

Mr. Karabelas has a bachelor of commerce degree in management and enterprise development from Ryerson University.

Jimmy James Sekora - Director - Age 62

Mr. Sekora received a Bachelor of Commerce from the University of Calgary in May 1982, and has held a Chartered Accountant designation since December 1982 (now a Chartered Professional Accountant designation). He has acted as the contract CFO of Tannjinn Enterprises Inc. ("**Tanjinn**") since June 1997. Mr. Sekora has more than 25 years of CFO experience for several private companies.

Mr. Sekora's current principal occupation is acting as a CFO for several private companies through Tannjinn.

Other Reporting Issuer Experience

The following table sets out the directors and officers of the Company that are, or have been within the last five years, directors and officers of other issuers that are or were reporting issuers in any Canadian jurisdiction:

Name	Name of Reporting Issuer	Exchange	Position	From	To
John Randolph Clifford	Smartset Services Inc.	TSXV	CEO, CFO, Corporate Secretary and Director	September 2018	Present
	Datametrex AI Limited	TSXV	CFO	June 2017	May 2019
	AI/ML Innovations Inc. (formerly Firebird Resources Inc.)	TSXV	CFO	April 2013	October 2018

Name	Name of Reporting Issuer	Exchange	Position	From	To
	Icanic Brands Company Inc. (formerly Integrated Cannabis Company Inc.)	CSE	CEO and Director	April 2013	October 2018
	Lightspeed Discoveries Inc. (formerly Monster Uranium Corp.)	TSXV NEX	Director	December 2012	October 2018
	King Global Ventures Inc.	TSXV	CFO	July 2017	October 2018
	Yorkton Ventures Inc.	TSXV	CFO and Director	January 2013	October 2018
Leonidas Karabelas	Smartset Services Inc.	TSXV	Director	September 2018	Present
	Labrador Gold Corp.	TSXV	Director	October 2017	Present
	Novo Resources Corp.	TSXV	VP, Corporate Communications	June 2011	Present
	Datametrex AI Limited (formerly Everfront Ventures Corp.)	TSXV	Director	September 2011	June 2017
Jimmy James Sekora	N/A				

Corporate Cease Trade Orders or Bankruptcies

No director, officer, insider or promoter of the Company or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company is, as at the date of this prospectus, or was within 10 years before the date of this prospectus, a director, officer, insider or promoter of any other issuer that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect; or
- (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

No director, officer, insider or promoter of the Company, or a shareholder holding sufficient securities of the Company to affect materially the control of the Company, has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

In July 2012, Mr. Karabelas signed an acknowledgement and undertaking in favour of the Ontario Securities Commission in response to an investigation by the Ontario Securities Commission into certain activities that Mr. Karabelas had engaged in between 2009 and 2012 that required registration under applicable securities laws. Mr. Karabelas was not subject to a fine or any other sanction in connection with the signing

of the aforementioned acknowledgement and undertaking and Mr. Karabelas has not received any further correspondence in respect of the matter.

Personal Bankruptcies

No director, officer, insider or promoter of the Company, or a shareholder holding sufficient securities of the Company to affect materially the control of the Company, or a personal holding company of any such persons has, within the 10 years before the date of the Prospectus, as applicable, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

Indebtedness of Directors and Officers

None of the directors or officers of the Company or any of their respective Associates or Affiliates has been indebted to the Company since the date of the Company's incorporation.

Conflicts of Interest

There may be potential conflicts of interest to which the directors, officers and Insiders of the Company may be subject in connection with the operations of the Company. The directors, officers and Insiders may be engaged in corporations or businesses which may be in competition with the search by the Company for businesses or assets in order to close a Qualifying Transaction. Accordingly, situations may arise where a director, officer or Insider will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies as provided under the Business Corporations Act (British Columbia).

Executive Compensation

Summary Compensation Table

In this section "Named Executive Officer" or a "NEO" means each individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year (a "**CEO**"), each individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year (a "**CFO**") and each of the three most highly compensated executive officers, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than CDN\$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an executive officer of the Company at the end of the most recently completed financial year.

As of the date of this Prospectus, the Company has the following Named Executive Officers (collectively, the "**Named Executive Officers**" or "**NEOs**": John Randolph Clifford, CEO, CFO and Corporate Secretary of the Company.

The following table sets out the compensation paid to NEOs during the fiscal year ended March 31, 2021, 2020 and for the period from March 11, 2019 (date of incorporation) to March 31, 2019, the periods of which they were acting in the capacity of a NEO:

Name and principal position	Year	Salary	Grant date fair value of share-based awards (\$)	Grant date fair value of option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
John Randolph Clifford CEO, CFO & Corporate Secretary	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) Determined using the Black-Scholes-Merton method.

Incentive Plan Awards – Value Vested or Earned During the Year

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth particulars of all outstanding share-based and option-based awards granted to the Named Executive Officers and which were outstanding at March 31, 2021:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money-options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of share-based awards not paid out or distributed (\$)
John Randolph Clifford CEO, CFO & Corporate Secretary	185,000	\$0.10	January 16, 2030 ⁽²⁾	Nil	Nil	Nil	Nil

(1) For options outstanding at the most recently completed financial year and in-the-money on that date, based on the difference between the closing market price of the Common Shares on the Exchange on March 31, 2021 and the exercise price of the option.

(2) Assuming and following completion of the Qualifying Transaction, these options may be exercised until the greater of 12 months after the completion of the Qualifying Transaction and 90 days following cessation of the optionee's position with the Company. See above under the heading "Information Concerning the Company – Stock Option Plan."

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth particulars of the value vested or earned during the year ended March 31, 2021 in respect of incentive awards to the Named Executive Officer:

Name	Option-based awards– Value vested during the year (\$)⁽¹⁾	Share-based awards–Value vested during the year (\$)	Non-equity incentive plan compensation–Value earned during the year (\$)
John Randolph Clifford CEO, CFO & Corporate Secretary	Nil	Nil	Nil

- (1) For options that became vested during the most recently completed financial year and were in-the-money on their vesting date, based on the difference between the closing market price of the Common Shares on the Exchange on the vesting date and the exercise price of the option.

Narrative Discussion

The grant of stock options to NEOs pursuant to the Company's Stock Option Plan is discussed above under the heading "Compensation Discussion and Analysis – Option Based Awards."

As at March 31, 2021, NEOs held 185,000 of the 555,000 issued and outstanding stock options. During the year ended March 31, 2021, the Company granted nil stock options to NEOs.

Pension Plan Benefits

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

Termination and Change of Control Benefits

During the year ended March 31, 2021, the Company did not have any contracts, agreements, plans or arrangements in place with any NEO that provides for payment following or in connection with any termination, resignation, retirement, a change of control of the Company or a change in an NEO's responsibilities.

MANAGEMENT CONTRACTS

Management functions of the Company are not, to any substantial degree, performed by a person or persons other than the Directors or Senior Officers of the Company.

COMPENSATION OF DIRECTORS

The only arrangement under which directors who are not executive officers are compensated by the Company and its subsidiaries for their services in their capacity as directors is that each director is eligible under the Company's Stock Option Plan to receive grants of stock options, at the discretion of the Board.

During the year ended March 31, 2021, no directors were paid fees in respect of their role as a director to the Company.

Director Compensation Table

The following table sets forth particulars of all compensation paid to directors who were not executive officers during the years ended March 31, 2021 and 2020:

Name	Year	Fees earned (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Leonidas Karabelas	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Jimmy James Sekora	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) Deemed fair value of options granted during the fiscal year, based on the Black-Scholes-Merton method.

Incentive Plan Awards – Value Vested or Earned During the Year

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth particulars of all outstanding share-based and option-based awards granted to the Named Executive Officers and which were outstanding at March 31, 2021:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money-options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of share-based awards not paid out or distributed (\$)
Leonidas Karabelas	185,000	\$0.10	January 16, 2030 ⁽²⁾	Nil	Nil	Nil	Nil
Jimmy James Sekora	185,000	\$0.10	January 16, 2030 ⁽²⁾	Nil	Nil	Nil	Nil

(1) For options outstanding at the most recently completed financial year and in-the-money on that date, based on the difference between the closing market price of the Common Shares on the Exchange on March 31, 2021, and the exercise price of the option.

(2) Assuming and following completion of the Qualifying Transaction, these options may be exercised until the greater of 12 months after the completion of the Qualifying Transaction and 90 days following cessation of the optionee's position with the Company. See above under the heading "Information Concerning the Company – Stock Option Plan."

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth particulars of the value vested or earned during the year ended March 31, 2021 in respect of incentive awards to the Named Executive Officer:

Name	Option-based awards–Value vested during the year (\$) ⁽¹⁾	Share-based awards–Value vested during the year (\$)	Non-equity incentive plan compensation–Value earned during the year (\$)
Leonidas Karabelas	Nil	Nil	Nil
Jimmy James Sekora	Nil	Nil	Nil

(1) For options that became vested during the most recently completed financial year and were in-the-money on their vesting date, based on the difference between the closing market price of the Common Shares on the Exchange on the vesting date and the exercise price of the option.

Narrative Discussion

As at March 31, 2021, Directors who were not NEOs held 370,000 of the 555,000 issued and outstanding stock options. During the year ended March 31, 2021, the Company granted nil stock options to Directors who were not NEOs.

Option Grants

ANC has granted the following options pursuant to the Stock Option Plan prior to the date of this Prospectus:

Name	Number of Shares Under Option (pre-Consolidation)	Exercise Price per Common Share (pre-Consolidation) ⁽¹⁾	Expiry Date
John Randolph Clifford	185,000	\$0.10	January 16, 2030 ⁽²⁾
Leonidas Karabelas	185,000	\$0.10	January 16, 2030 ⁽²⁾
Jimmy James Sekora	185,000	\$0.10	January 16, 2030 ⁽²⁾
Total:	555,000		

Notes:

- 1) The exercise price was determined based on the price of the initial public offering.
- 2) Assuming and following completion of the Qualifying Transaction, these options may be exercised until the greater of 12 months after the completion of the Qualifying Transaction and 90 days following cessation of the optionee's position with the Company. See above under the heading "Information Concerning the Company – Stock Option Plan."

Assuming completion of the Qualifying Transaction, at the next annual general and special meeting of shareholders of the Resulting Issuer (the "**Meeting**"), it is anticipated that the Resulting Issuer will ask Shareholders to approve the adoption of an omnibus security-based compensation plan (the "**Omnibus Plan**"). See "*Information Concerning the Resulting Issuer — Executive Compensation*".

Indebtedness of Directors and Officers

None of the directors or officers of the Corporation or any of their respective Associates or Affiliates has been indebted to the Corporation since the date of the Corporation's incorporation.

Risk Factors

An investment in the Company or the Resulting Issuer following completion of the proposed Qualifying Transaction involves a high degree of risk. There are risks inherent with completion of the Qualifying Transaction and with respect to the business of the Resulting Issuer. You should carefully consider the information in this Prospectus and the information set out under "*Information Concerning the Resulting Issuer — Risk Factors*".

Arm's Length Transactions

The Transaction is not a Non-Arm's Length Qualifying Transaction.

Legal Proceedings

There are no legal proceedings to which the Company is or is likely to be a party or which are known to the Company to be pending or contemplated which are material to the business and affairs of the Company.

Interests of Management and Others in Material Transactions

Except as disclosed below or otherwise disclosed in the section "*Information Concerning The Company — Management's Discussion and Analysis*", the directors, officers, promoters and shareholders of ANC and any Associates and Affiliates thereof have not had any direct or indirect material interest in any transaction or proposed transaction since the date of incorporation of ANC to the date of this Prospectus.

Auditor, Transfer Agent and Registrar

The Company's current auditors are Saturna Group, Chartered Professional Accountants, LLP, whose principal office is located at Suite 1605, 1166 Alberni St., Vancouver, BC, V6E 3Z3..

The Company's current transfer agent and registrar is Computershare Investor Services Inc. through its principal office located at Suite 300-510 Burrard St, Vancouver, BC V6C 3B9.

Material Contracts

The Company has not entered into any material contracts, outside of the ordinary course of business, prior to the date hereof, other than:

- The CPC Seed Escrow Agreement dated June 11, 2019, among the Company, Computershare Investor Services Inc. and the holders of seed shares;
- The Definitive Agreement dated April 21, 2022, between the Company and VIP, in connection with the Qualifying Transaction.

Copies of these material contracts will be available for inspection without charge at the registered and records office of the Company located at 10th Floor, 595 Howe Street, Vancouver, BC V6C 2T5, during ordinary business hours from the date hereof until the Closing of the Transaction and for a period of 30 days thereafter.

INFORMATION CONCERNING THE TARGET COMPANY

Corporate Structure

Name and Incorporation

The Target Company was incorporated on February 22, 2016 under the *Business Corporations Act* (Alberta), as Well Accent Investments Ltd. The Target Company changed its name to VIP Bets Inc. (“**VIP Bets**”) on July 23, 2018 and then subsequently again to VIP Entertainment Group Inc. on October 24, 2019.

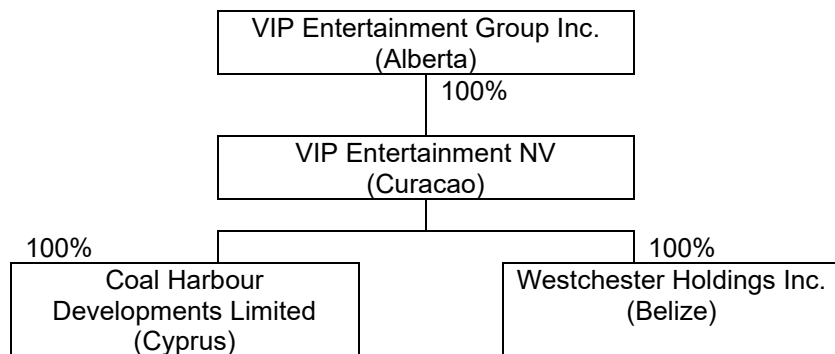
The registered and principal office of VIP Entertainment Group Inc. is located at suite #310, 1010 8th Avenue SW, Calgary, Alberta Canada, T2R1J4., and its and its registered office is located at suite 1000, 250 2nd Ave. SW, Calgary, Alberta.

The Target Company is a private company that is not a reporting issuer in any jurisdiction.

Intercorporate Relationships

VIP has three wholly-owned subsidiaries:

- VIP Entertainment NV (“**VIPNV**”) a corporation incorporated under the laws of Curacao located at Abraham de Veerstraat 9, Willemstad, Curacao;
- Westchester Holdings Inc (“**WEST**”) a corporation incorporated under the laws of Belize, located at 9 Barrack Road, Belize City, Belize and
- Coal Harbour Developments (“**CHD**”) a corporation incorporated under the laws of Cyprus, located at Veroias, 11, 2nd Floor, Flat/Office 203, Strovolos, Nicosia, 2023 Cyprus.



VIPNV holds the current Curacao Gaming License (“CGL”) utilized in the business of VIP on the site www.vipbets.com issued by the government of Curacao under license 365/JAZ, sub-license GLH-OCCHKTW070390.

The CGL used by VIP is a sublicense, issued under a Master License Holder (MLH), Gaming Services Provider NV, who has been a MLH in Curacao since 1998. The MLH licensing structure in Curacao is issued under the direction of the Minister of Finance. There are a total of 4 MLH in this structure, who report directly to the Curacao Gaming Control Board, and in turn who are permitted to issue sublicenses, such as the one utilized by VIP (365/JAZ, sub-license OCCHKTW070390). The Gaming Services Provider NV master license was issued in 1998, and its current expiry is on August 18, 2023. It is expected that Gaming Services Provider NV will apply for an extension to remain a MLH as they have for the previous 24 years.

VIP's sublicense is issued with yearly renewals. Should Gaming Services Provider NV lose, or not be able to renew their MLH, VIP would have to apply with one of the other MLH in Curacao for a sublicense under their master license

General Development of the Business

Company Vision and Licence

Randy Jennings founded VIP with the objective to become a global leader in sports betting, online casino and poker with the intent for VIP to build a fully compliant, fully licenced, legitimate gaming platform where players receive a VIP level of service & support to bet on their favourite games/events in a safe, secure and regulated environment. VIPNV first applied and received the CGL in the year 2015. The CGL is valid for a one year term with an automatic renewal of its terms each year. The CGL provides for VIP to, among other things, be permitted to operate an online casino and other casino games and operate an online, general betting book with fixed odds using the domain name www.vipbets.com.

Seed Funding and Early Stage Product Development

Mr. Jennings, a veteran in the industry having previously played in the World Series of Poker has been in the industry for several years in varying roles. Mr. Jennings began working on VIP in April 2016 with a mission to create a fully licenced sports betting platform allowing users around the globe to bet on sports events, and various casino & live dealer casino games and take part in poker and poker tournaments.

VIP has completed a number of financings since inception. The seed shares were issued to the founding shareholders in payment for the initial work that was completed between 2016 and 2017, during which time limited amounts were paid for the services rendered as the majority of the funds available from operations were reinvested in growing VIP. During 2019, VIP raised \$275,000 at a price of \$0.10 per share and in early 2021, VIP closed a private placement for gross proceeds of \$1,035,275 (\$357,035 in cash and \$678,240 for services). On February 16, 2021 VIP signed the Transaction Term Sheet to merge with ANC Capital Ventures Inc. via a three-corner amalgamation, with the objective to facilitate a Qualifying Transaction.

VIP is set to deploy a globally competitive business-to-consumer marketing of its services and sports betting platform. To assist with this development, VIP promoted from within their current management team and named Joel Donais their post amalgamation CEO and Director. Having previously served as V.P. Sales and Marketing with VIP, Mr. Donais is well versed with customer engagement and their needs while using VIP. Mr. Donais has been with VIP for the last three years and has been involved in all facets of the business. He has overseen the marketing and customer service departments, as well as trading & risk management.

The Transaction will result in ANC acquiring all the issued and outstanding VIP Shares in exchange for Company Shares at the Exchange Ratio. Convertible securities of VIP will be exchanged on the equivalent Exchange Ratio. It is anticipated that a total of 61 million Resulting Issuer Shares (plus such number of Resulting Issuer Shares issued pursuant to the Private Placement) will be issued in exchange for all the VIP Shares. Upon completion of the Transaction, the former VIP shareholders will hold approximately 79% of the Resulting Issuer Shares. Shareholders participating in the Private Placement, will hold approximately 12% of the Resulting Issuer Shares and the ANC shareholders will hold approximately 7% of the Resulting Issuer Shares. Upon Closing, the name of the Resulting Issuer will be changed to "VIP Entertainment Technologies Inc." or such other name as may be acceptable to ANC, VIP and the Exchange. All convertible securities will also be exchanged for equivalent securities of the Resulting Issuer, adjusted for the Exchange Ratio. The deemed price for TSXV purposes is based on the closing price of ANC and was \$0.08 per Company Share.

VIP has entered into an engagement letter with Research Capital Corp., pursuant to which the Agent will act as agent on a commercially reasonable efforts private placement of VIP Shares for gross proceeds of a minimum of \$2,006,500. The VIP Units will be offered at an issuance price of 25 cents per VIP Unit.

Completion of the Private Placement (including an additional \$300,000 for total proceeds of \$2,006,500) is a condition precedent to the completion of the proposed transaction. The Private Placement Shares will be exchanged for Resulting Issuer Shares upon completion of the Transaction on the Exchange Ratio.

The Private Placement includes Subscription Receipts convertible into up to 9,369,472 Resulting Issuer Units at a price of \$0.21 per Resulting Issuer Unit. Each Resulting Issuer Unit is comprised one share and ½ of a Resulting Issuer Warrant. Each whole Resulting Issuer Warrant will be exercisable for one Resulting Issuer Share at an exercise price of \$0.43 for a term of 24 months after the Closing.

Following the completion of the Transaction, Randy Jennings and Theresa Jennings will each hold more than 10 per cent of the resulting issuer shares. They will each hold approximately, 13,425,102 and 13,424,985 respectively Resulting Issuer Shares.

VIP Entertainment will pay a finder's fee upon completion of the Transaction to Market Tactic Media Ltd., an arm's-length party, in the amount of 770,000 Resulting Issuer Shares at the offering price of \$0.21 per Resulting Issuer Share.

The CGL and the Gaming Control Board strive to protect the interest of the public and the integrity and stability of the Curaçao gaming industry, by ensuring that all gaming is conducted honestly, responsibly, competitively, and free from criminal and corruptive elements, thereby elevating the Curaçao gaming industry. In working with the Gaming Control Board to ensure that VIP is fully compliant, the CGL provides that VIP (through VIP) is, among other things, permitted to operate an online casino and other casino games and operate an online, general betting book with fixed odds using the domain name www.vipbets.com. VIP currently only utilizes the CGL to operate the business and intends on adding additional licenses when and where applicable legislation permits.

VIP launched the sportsbook and began accepting depositing customers on January 1, 2019.

In the last two years of operations VIP has seen increases of 250% in player registration and has seen approximately \$70,600,000 in bets wagered since January 2019 through VIP. VIP has seen similar uplift of other key performance indicators (“KPIs”).

This increase was attributed to the agent/affiliate approach to introducing the platform to as many new users as possible and continuing to offer the best possible service and support in the industry, alongside cash-incentive-bonuses and promotional offers for consistent and loyal users. The impacts of the outbreak of COVID-19 and the subsequent global COVID-19 pandemic, resulted in a slight dip in KPI's over a period as sports were postponed globally. During this time (March 2020 to the return of sports in September 2020) VIP's casino and poker KPIs had a noticeable increase, while eSports and obscure events in the world which were still available carried revenues over this time. As at the date hereof, the increase in trajectory of new customer registrations to the site has returned to pre-COVID-19 levels and have increased with the successful return of sports; however, the increase in new customers, and increased betting activity from existing customers, during the COVID-19 pandemic has been sustained and retained.

Significant Acquisitions and Dispositions

VIP has not completed any significant acquisitions or dispositions for which financial statements would be required under National Instrument 41-101 — *General Prospectus Requirements*.

Narrative Description of the Business

The following disclosure contains forward-looking statements, including with respect to VIP business objectives and milestones upon Completion of the Qualifying Transaction. Such statements involve known and unknown risks, uncertainties, and other factors outside of management's control, including the risk factors set forth elsewhere in this Prospectus that could cause results to differ materially from those described or anticipated in such forward- looking statements. See “*Risk Factors*”.

Overview

VIP is an emerging and rapidly growing sports betting operator with the ambition to become a leader in sports betting, casino and poker activity. As at the date hereof, VIP has deployed software from globally recognized BetConstruct, a global technology and services provider for online and land-based gaming industry. VIP utilizes BetConstruct software for the creating of a single offering, namely, an online, general betting book with fixed odds to bet on sports, casino and poker. The CGL enables VIP to offer its current suite of products, and VIP intends to add licenses when and where permissible.

VIP has assembled a management team with a proven track record of delivering profitable gaming businesses. The existing structure of the business allows for VIP to add products to its offering where it sees fit - a major long-term asset – and VIP works closely with BetConstruct to ensure VIP is offering a robust suite of products. While BetConstruct supplies the software to deploy VIP's suite of products, all marketing, risk management, fraud, security, and customer support - all the customer facing elements of a sportsbook - are done in-house to ensure a fully end-to-end serviced brand experience on VIP.

VIP intends to expand its business operations, this expansion will include marketing initiatives to grow its player base as well as business acquisitions, partnership opportunities, and launches of new products thus resulting in additional offerings of its current operation.

Regardless of market, VIP will always have competition in this industry, as a result of the continued growth and regulatory changes and acceptance to the industry.

Although management is optimistic about the Company's prospects, there is no guarantee that expected outcomes and sustainable revenue streams will be achieved. The Company faces risks frequently encountered by gaming companies. Its growth and prospects depend on its ability to expand its operation and grow its revenue streams, whilst at the same time maintaining effective cost controls.

As a result of the foregoing, among other factors, the Company will have to continually introduce and successfully market new and innovative technologies, product and service offerings and product and service enhancements to remain competitive and effectively stimulate customer demand, acceptance, and engagement.

VIP has continued to remain competitive and attract new users via its basic understanding of what its customers want, and how VIP offers its customer an experience that is above industry standards.

Relationship with BetConstruct

VIP has a contractual arrangement with BetConstruct via a software licensing agreement. This license has been in place since December 13, 2018. BetConstruct is an international company that provides platform software to numerous companies in the gaming industry. BetConstruct is a global award-winning technology and services provider for the online and land-based gaming industry. BetConstruct's innovative and proven offerings include Online Sportsbook, Classic Casino and Virtual Reality RNG & Live Casinos, Poker, Skill Games, Fantasy Sports, Social Gaming Platform, Sports Data Solutions and more.

The original agreement was in place for 2 years, and the term automatically renews.

There are multiple other software/platform providers available in the industry. Should BetConstruct not be able or willing to continue to supply this service, VIP would continue with another one of these mentioned providers. VIP has had multiple discussions with these other parties to 1) ensure its offering remains competitive, and 2) continue a relationship should any event result in a change of software/platform provider.

What is Sports Betting?

Sports betting is the activity of predicting sports results and placing a wager on the outcome, with most bets being placed on American football, basketball, baseball, ice-hockey, track cycling, auto racing, mixed martial arts, and boxing at both the amateur and professional levels. Sports betting can also extend to non-athletic events, such as reality show contests and political elections, and non-human contests such as horse racing and greyhound racing among others.

Principal Products or Services

The Platform

In conjunction with the CGL issued in 2015, the board and management of VIPNV determined that the development of its betting platform would be built on a strategic vision targeting users in geo-fenced regions, while offering regionally specific marketing material and/or rewards and incentives. Core to this strategic vision was a focus on protecting the customer at all costs, not only to preserve their user experience but to prevent underage gaming, problem gaming, and to protect player funds.

In addition, the VIP Board identified key requirements (relying on market & customer research) to acquire and retain users. VIP creates a personalized, high-quality experience for the customer through continually rolling out the virtual red carpet and giving users more of what they want - better service, bigger and more frequent bonuses and a consistent level of service expected for a VIP.

None of the existing sports betting platforms available for VIP to consider as competitors at the time could meet all these requirements. Most users feel like they are just an anonymous online user, to VIP, they are considered as valuable and appreciated as a VIP customer in the more traditional brick-and-mortar casinos found around the world and in places like Las Vegas, Macau, and the Caribbean.

The sites current infrastructural setup is the result of 15 years of experience from BetConstruct, paired with the VIP management team and their extensive understanding of its customers, the market, and VIP competitors.

Management of VIP believes that the quality of the products and services to be offered by VIP is paramount to its success. VIP currently offers sportsbook, fixed odds sports betting both in pre-match and live wagers, as well as casino, live dealer casino, and poker. VIP routinely has one of the broadest offerings among its competitors, with respect to the number of matches that can be bet upon, and the number of betting markets for each match. Currently, VIP does not have plans to launch any additional products.

When customers visit VIP's website for sports betting, they register their personal details, pass multiple internally run background customer verification checks (KYC and AML), deposit money to their new account by their preferred payment method, find the match they want to bet on, select it, choose how much they want to wager, and place a bet. The bet immediately appears in their bet history with all details including how much they could win, and, when the betting market resolves, they will either win or lose. Whenever they like, assuming they have met all regulatory and security requirements, they can withdraw the money from their account using the same method with which they deposited it.

VIP offers fixed odds sports betting. Fixed odds means that at the time the bet is placed, there is an exact probability, provided by VIP, and thus an exact payout. The risk is taken by VIP and is managed in-house by VIP risk management team.

VIP conducts its own risk management and has two primary risk management strategies. The first is player profiling. For example, customers who have a long history of betting with VIP on a variety of events tend to have higher betting limits, whereas a brand-new customer who deposits \$10,000 and tries to bet it all on an obscure third tier sporting league would be treated as highly suspicious and their bet amounts would be limited by the system. Along these lines, VIP will also manage player limits of players who abuse information that is not publicly available or, are suspected of using any type of bot or arbitrage betting by having their limits reduced or face possible account suspension. Secondly, risk is managed at an event level. For large

events, where there is a lot of data available to ensure more transparency or fairness to ensure few, if any, integrity issues, VIP uses its highest betting limits; for smaller events, like the previously mentioned third tier sporting league, where data is sparse and there is a higher chance of match-fixing or fraud, VIP uses much lower limits to mitigate risk.

Much of VIP risk management is automated with complex algorithms evaluating incoming bets or history on leagues/events, among other things. VIP risk managers manually review this data and can manually adjust variables and act as supervisors of the risk management solutions. Not only do these risk management procedures reduce risk, but they also serve to increase the margin, which in turn impacts revenue.

All risk management, operations (payments, security, customer support, responsible gaming), user acquisition, product, customer relationship management, design, information technology and human resources functions, necessary to support the VIP platform are currently conducted in-house.

Odds creation is a critical part of the sports betting experience as well as helping to further manage the sportsbook maker's risk. Odds are ideally engineered to attract equal interest on both sides of a betting line. VIP internally operated risk management team can adjust odds as they see fit, and this scenario is typically used as a promotional tool, but from time to time VIP risk management will adjust odds should they be aware of a heavy favorite potentially receiving all of the action.

VIP's dedicated Risk Manager is its founder, Randy Jennings. Randy Jennings has extensive experience in the industry, Joel Donais is also involved in the risk management responsibilities. As well BetConstruct provides initial odds on all betting opportunities offered by VIP as part of its platform service. Mr. Jennings and Donais ensure the risk related to any odds offered are suitable to VIP's desire at the time of an event to offer said odds.

VIP does not own the platform; it licenses the software and has been successfully doing so without interruption since December of 2018.

Brands

VIP has cultivated the brand 'VIP' and the Resulting Issuer will be viewed as the provider of a legal, regulated, and robust sports betting platform. The intellectual property for both the brand and the site are held by VIP. The VIP and VIP Bets brand and any associated channels or use of this brand is strictly controlled by VIP and as such has been Trademarked. The brand has developed over its years of operation and has been the primary style in use across all customer facing information. VIP will continue to protect its brand and expand on its reach and customer awareness as it continues to grow.

Overview of Global Regulatory Environment and Gaming Licences

There are broadly two types of gaming licences in the world: (i) local; and (ii) multi-jurisdictional (or point-of-supply). Local licences are jurisdiction-specific and permit holders to offer gaming services to residents of that jurisdiction while preventing unlicensed entities from doing so. Currently there are over 30 jurisdictions which require a licence to provide gaming services to their respective residents.

Multi-jurisdictional licences enable gaming companies to operate in territories which do not expressly prohibit offshore gaming operators by relying on the well-established general principle of e-commerce and internet law that deems online product offerings to take place where the operator's server and/or the operator itself is established and located. This principle is widely relied upon by offshore online gaming operators as well as by many other e-commerce businesses. See "*Information Concerning the Resulting Issuer —Risk Factors*" below.

Canada

Online gaming services, when provided to persons located in Canada from within Canada, are illegal unless provided by a provincial government. However, there are no laws that specifically prohibit the provision of online gambling services to Canadians from outside of Canada. As well, there is no Canadian case in which an operator of online gaming services has been charged with such an offence in Canada.

Until April 4, 2022, provincial governments were the only operators of online gaming sites in Canada. Those government sites were (and in fact continue to be) operated by provincial lottery corporations such as the British Columbia Lottery Corporation and the Ontario Lottery and Gaming Corporation.

On April 4, 2022, the province of Ontario opened the online gaming market in its jurisdiction to private Operators who obtained licences to operate from the Ontario gaming regulator (the Alcohol and Gaming Commission of Ontario). The province choose to permit all offshore Operators who were taking players from Ontario to continue to do so pending their receipt of a licence. Ontario resolved the disconnect between the Code's limitation of gaming activities to provincial governments and the licensing of private companies by creating a separate government entity ("**iGaming Ontario**" or "**iGO**") that is a legal flow-through entity.

VIP is in the early stages of preparing to submit its application for licensing in Ontario in coordination with its dedicated Project Manager from iGaming Ontario but has not submitted its full application. This current form of application submitted is simply the initial step required to register with the iGo in its and preparation for its full application with the AGCO. Once VIP and its iGO Project Manager believe all necessary preparation steps have been completed, VIP will submit its full application to the Alcohol and Gaming Commission of Ontario ("**AGCO**") for review. iGaming Ontario is a subsidiary of the provincial regulator, the AGCO. iGaming Ontario is the direct contact and reporting body for the operators in the province of Ontario. and iGO is technically and legally the operator of all of the private Operators' gaming sites but, for all intents and purposes, the private Operators run their own sites, albeit subject to the terms of an operating agreement with iGO which is relatively onerous. iGO, in concert with the AGCO, has put in place a reasonable regulatory framework for the provision of online gaming services to persons located in Ontario. The Project Manager assigned to VIP is in place to assist VIP as they work through the steps required to submit an application with the AGCO for an operators license and for continued support of its operations in Ontario via its provincial license issued by the AGCO.

The qualifications to meet and maintain licensing in Ontario include, but are not limited to, AML/KYC policy verifications, acknowledgements and testing of VIP staff showing understanding of AML/KYC policies, data transfer testing, site testing, management interviews and background checks etc. This is not an exhaustive list.

Summary of Global Regulations

There are three different types of regulatory regimes for gaming markets in the world:

- those where the offering of gaming services in all forms, and whether offered from inside or outside the jurisdiction, is expressly illegal;
- those where the offering of gaming services is allowed only if the operator holds a local licence; and
- those where the laws do not expressly make it illegal for an entity located outside of the jurisdiction to operate offshore licenced gaming.

The benefits to local licences include strong player protections, good access to marketing channels and regulated mandatory payment processors.

As VIP expands its business, it intends to enter multiple additional licenced jurisdictions and has a platform and team in place with the capability of facilitating the addition of new licences.

Key Markets and Regulatory Regimes

VIP operates its online gaming business using its CGL, which is issued by the Minister of Finance for the government of Curacao to Master License Holders (or MLH). There are four MLH's as part of this licensing regime. VIP is sublicensed under a Master License held by the arms length third-party company, Gaming Services Provider. Gaming Services Provider has been a MLH with the government of Curacao since 1998. VIP relies on Gaming Services Provider to maintain and be adequately positioned to remain a MLH with the government of Curacao. Gaming Services Provider Master License Holder agreement with the government of Curacao expires on August 18, 2023. It is expected that Gaming Services Provider will apply for an extension to their MLH agreement granting them the ability to remain a MLH with the government of Curacao beyond August 2023. Should Gaming Services Provider not be awarded an extension to their Master License Holder agreement, the same process of MLH to sublicense recipient would take place with another Curacao based limited liability company under the guidance of the Government of Curacao to which VIP would obtain and continue to operate with their Curacao gaming license. There is no indication the government of Curacao, or the Gaming Control Board intend to discontinue with the same or a similar process for allowing and providing gaming licenses out of Curacao. Reliance on Third Parties, namely in this licensing structure, and the inherent risk factors associated with them for VIP are present.

Gaming Services Provider is expected to apply to remain a Holder of Master License with the Government of Curacao for the purpose of distributing the gaming sub-licenses as they have for operators, including VIP, since 1998 and as they have applied and received their previous extension in 2018. The actual process for Gaming Services Provider is unknown to VIP, but it is generally expected that Gaming Services Provider will be awarded another extension beyond 2023 as per discussions with VIP's senior management and their reliance on industry advisors.

The CGL allows VIP the opportunity to operate in over 156 countries. The CGL was initially acquired on April 8, 2015, for a 1 year term with an automatic renewal of these terms every year thereafter. VIP abides by the regulatory framework set out by the government of Curacao in relation to its requirements to operate its CGL. Key features of this regulatory framework include, but are not limited to, the continued deployment and adherence to AML/KYC policies, prevention of underage gaming, monitoring of all user activity, testing and certification of software and systems, as well as sharing of all player data to the Curacao Gaming Control Board. This information is shared either periodically or ad-hoc to the Master License Holder (Gaming Services Provider) who is regulated by the Minister of Justice for Curacao and the Curacao Gaming Control Board. VIP facilitates this data sharing by way of an arms-length third party consulting company.

VIP currently operates in Mexico and Brazil. In accordance with its ability to operate in Mexico and Brazil, VIP acquired the legal opinions to operate in both countries while operating under the CGL. Both Mexico and Brazil do not have their own set of specific requirements or required licenses, so VIP abides by the requirements from the government of Curacao and its gaming license. VIP conducts its operations in these jurisdictions with the applicable regulatory requirements of its CGL.

Mexico's principal gaming legislation is the Federal Law of Games and Raffles, which constitutes a legal body issued in 1947, and which has had no amendments since that year.

The country's gaming regulation (locally known as secondary legislation) is the Rules of the Federal Law of Games and Raffles, which dates from 2005 and establishes the norms for the different types of physical gaming activities that can be publicly (and legally) offered, ranging from horse races to lottery games and, mainly, land-based casino operations. There is no specific chapter within the Regulation that treats online gaming. As there is no specific chapter within the Regulation, VIP has taken the view that its operations are deemed legally permissible in Mexico as through its research with both a local to Mexico law firm and a Canadian based firm have surmised it is legally permissible for VIP to market, acquire and operate inside of Mexico for its residents.

In Brazil fixed-odds sports betting became legal in Brazil in November 2018 by virtue of Law 13,756/2018. The Federal government has not yet decided which license regime will govern the exploitation of such activities. In the absence of regulation, many companies, national and foreign alike, have been openly exploiting fixed-odd sports betting.

The above types of gaming and betting are currently the only ones permitted in Brazil and this applies for operators operating in both Brazil and overseas. Having said that we are unaware of any sanctions and penalties being applied to offshore online betting providers and their clients.

There are two main Bills of Law in advances legislative stages ready to be voted on by Congress, seeking to legalize and regulate gaming and betting in Brazil: Senate Bill 186/2014 and House Bill 442/1991. Such Bills deals with gaming and betting providing: (i) the definition of general principles; (ii) the power of the different authorities; (iii) the categories of the permitted games; (iv) the rights of the users/gamblers; (v) the criteria to receive licenses; and (vi) the application of penalties and sanctions.

The Brazilian Supreme Court is slated to judge Extraordinary Appeal (RE 966.177) regarding the legality of gaming and betting in the country, on the grounds that the general prohibition has been lifted by force of the constitutional principle of freedom of business, as provided by the Brazilian Federal Constitution. The judgment is still pending.

The Superior Court of Justice has expressly stated that sports betting has been legalized by Law 13,756/2018 (Appeal on Habeas Corpus CE 2019/0128005-3, Superior Court of Justice, Date of Publication 14/05/2019).

In Brazil, there are two bills of law under review at Congress to regulate e-sports and if e-sports are considered sports in the future, the e-sports betting services offered by VIP could potentially be deemed as fixed-odds sports betting under Federal Law No. 13,756/2018 (betting system related to real sports-themed events), but a local license would have to be obtained to allow the exploitation of the activity in the Brazilian market.

In light of Mexico and Brazil legal advice relating to VIP's operations in Mexico and Brazil, VIP conducts its operations in these jurisdictions with the applicable regulatory requirements of its CGL. VIP and its senior management remain focused on ensuring they meet any required legalities in the jurisdictions in which it operates. Should the advice on VIP's operations in either of these jurisdictions change, VIP will ensure they take the necessary steps to remain operating within any new or introduced legal framework, including (but not limited to) applying for any introduced gaming license directly related to its operations in Mexico or Brazil.

VIP has chosen not to operate or accept customers from the following:

- countries where it is illegal to take bets;
- countries where a local licence is required;
- countries with current United Nations sanctions; and
- countries which present significant risks of money laundering and terrorist financing activities.

(collectively, the "**Restricted List**").

The Platform employs robust technology that prevents players who are residents of countries on the Restricted List from participating in games and betting that involve the payment of money. See "*Principal Products or Services — The Platform*".

VIP has obtained legal advice in identifying the key territories in which it will invest resources to acquire customers. VIP closely monitors the regulatory situation in its key markets as well as reviewing any territory that starts to generate significant revenue. Over time, management of VIP expects that more territories will pass legislation providing for the licensing of gaming. The addition of local licences to VIP licence portfolio is a deliberate strategy intended to mitigate the impact of unforeseen regulatory changes.

Regulatory Strategy — Jurisdictions Under Consideration

VIP continually evaluates new geographic areas for expansion. VIP seeks to ensure that it obtains all available lawful gaming licenses necessary to offer its product offerings in the jurisdictions in which it operates, where its customers are located and/or where it is otherwise required to do so.

VIP is keenly monitoring the best way to enter other markets. The CGL does not permit operations in Canada and the United States, and VIP currently prohibits both US and Canadian customers. VIP will need licenses to operate in either of Canada or the United States.

In Canada, separate licensing will be required for each province. Currently, the only set of regulatory frameworks available to reference in Canada is that of the pending licensing being released by the AGCO for the province of Ontario. There are many aspects for an operator to adhere to in its acquisition of a license and subsequent operation inside of the province of Ontario. These vary from items such as applying AML and CFT guidelines, player data retention and sharing this data with the AGCO, and a share of gross gaming revenue due to the province to operate in Ontario, etc. There is yet to be another province in Canada to release their own requirements for prospective operators. VIP is in the process of its application with the AGCO to acquire, operate and maintain its license for Ontario.

In any jurisdiction, VIP will only operate after acquiring the required license, thus adhering to the required regulatory framework to acquire license in such jurisdictions. At this time, VIP is not considering any jurisdictions other than Ontario and Canada as potential targets for expansion.

Operations

VIP has several operation areas: customer relationship management; risk management; and operations (customer support, fraud prevention, payments, responsible gaming and verifications). VIP also has central corporate services functions such as compliance, legal, and payroll.

The VIP team covers a wide variety of tasks such as customer support, fraud prevention, payments, responsible gaming and verifications. Many of these functions are directly linked to meeting compliance requirements associated with the CGL. These include ensuring that VIP is fully compliant with responsible gaming regulation, which also includes preventing under-age people from gaming, combating the financing of terrorism (“**CFT**”) and meeting all anti-money-laundering requirements (“**AML**”). The operations team also is responsible for full customer due diligence functions.

The customer due diligence process contains several requirements, and begins when VIP onboards a customer, with VIPNV first ensuring that the customer is of legal age. In addition, VIPNV conducts KYC upon registration where a customer provides their full name, email address and country of residence and the customer verifies their email. When a registered customer attempts a deposit, various fraud and security checks are required including the verification of at least two pieces of government issued identification, such as a driver’s license and a passport as well as documents containing the residential address associated with the account. After these documents are provided by the customer, a manual verification of documents is performed by the operations team. These teams are also responsible for reviewing any bonus abuse or suspicious betting behavior in sync with the risk management team.

Customer support is offered via email and an internal messaging system and VIP mandates and maintains a rule of no longer than 60 minutes before a response to a customer inquiry has been received before a

customer support team member begins the process to solve any issue. Although often times responses to customers are much faster than the 60 minute window.

Our head of compliance and money-laundering reporting manager reviews all suspicious activity reports, many of which concern either AML or CFT reports, reviews all unusual customers as well as all escalations concerning responsible gaming. A deposit limit of \$10,000 is in place, for any given single transaction or in multiple transactions over the course of 24 hours.

VIP legal, payroll and finance functions are similar to all businesses, and are performed by a combination of in-house administration and accounting resources and outsourced services to meet the VIPNV group's needs.

Internal Controls

VIP has developed and deployed robust internal policies and controls. This has been a standard of operations for VIP and is required by authorities and governing bodies in respect to operating a licensed online gaming business.

Anti-money laundering (PCMLTA) Proceeds of Crime and Terrorist Financing

VIP follows licensed online gaming and ecommerce industry standards. The first key component is the use of third-party well established payment processors. These groups accept payments from users via a banking institution and these payments cannot be completed without first providing the necessary information for any ecommerce transactions.

Key components of system include:

- VIP only accepts payments in and out of the site via these payment processors, no cash is permitted to be deposited in or out of a players account, and players do not have the ability to deposit into an account with cash.
- Players cannot "transfer funds" from one account to another.
- Players are restricted to only one account, which is verified by KYC.
- VIP monitors player accounts for unusual activity. For example, if a player deposits, and does not show the typical behaviour of player activity on the site, they would be flagged, then reviewed which could result in the player being blocked, and any further action would be restricted.
- There is a deposit limit per transaction.

During KYC process, the user will be required to input some basic details about themselves and then upload:

- Proof of government issued identification (Driver's License, Passport etc.), meeting the following guidelines:
 - Signature is present.
 - Country is not a restricted country, which VIP retains the right to modify at any time (the present countries which are restricted countries are: Afghanistan, Aruba, Australia, Bonaire, Canada, Cuba, Curacao, Cyprus, China, Estonia, Ethiopia, France and other French territories, Ghana, Hong Kong, Iran, Iraq, Jordan, Kuwait, Libya, Mongolia, North Korea, Netherlands, Netherlands Antilles, Pakistan, Saint Martin, Syria, Sudan, Turkey, United States of America and other U.S. territories, United Kingdom and other U.K. territories, or Yemen. This is not an exhaustive list, and VIP reserves the right to add or omit countries as it deems them eligible).
 - Full name matches the client's name entered at registration.
 - Document is not expired.
 - Owner is over 18 years of age or the legal age of majority in their territory of residence.
- Proof of residence meeting the following guidelines:

- Bank statement or utility bill.
- Country is not a restricted country.
- Full name matches the client's name entered at registration and is the same as in proof of identification.
- Date of issue was within the last 3 months.

VIP takes a risk-based approach to identify, assess, mitigate, and manage potential money-laundering or misuse. The risk assessment considers any and all vulnerabilities (items highlighted above, known regular gaming activity, or a user refusing to provide additional details) performed by its risk management and compliance team that could open it up to the possibility of being used to facilitate money-laundering activities. All users are assessed for money-laundering or any other fraud/misuse of their account both at time of registration via KYC, and periodically throughout their life as a customer of VIP, and every time a user requests a withdrawal.

User Risk and Evaluation

VIP's risk management and compliance team ensures all users are showing typical online gaming behavior and that appropriate activity is being conducted. Registered users must bet/wager on at least 50% of any deposited amount (or any amount required and determined by VIP to show typical online gaming activity). Any accounts suspected of misuse are flagged and their transactions are analyzed. VIP reserves the right to forward all relevant information to the respective authorities in situations where any type of AML or terrorist financing is suspected.

Identifying anonymous accounts & due diligence for new users

Prior to a user being able to withdraw any funds (via the payment processors) there are multiple steps including KYC. User's must successfully complete identity verification by uploading multiple documents for proof of identity, age and address. Pending withdrawals are screened by VIP's systems and teams to ensure any amounts being withdrawn are the result of proper activity in the platform. Players are strictly forbidden from having more than one account.

Due diligence requirements for high-risk players

All activity and players are vetted for high-risk behaviour by the risk management team. Should a player account be flagged as high risk, limits and restrictions may be placed on their account.

Identifying restricted persons and/or jurisdictions

All users are required to complete a full KYC process to prove their identity, age and registered address. This process is approved or denied by VIP's internal system and teams. Should a restricted user attempt to verify their account for real money wagering, they would fail this process and their account would be closed indefinitely.

Market Analysis

In 2021, global sports betting estimated revenues surpassed 65.14 billion worldwide, with the expected number being closer to 92.24 billion by 2024.¹

¹ Source: <https://igamingbusiness.com/igaming-dashboard-january-2021>

Specialized Skills, Consultants and Employees

VIP anticipates hiring personnel to grow, process and market its products in compliance with its CGL and vision for its future. Additional consultants or employees for development, user acquisition and operations will subsequently be hired to deal with the growth of the components of VIP business.

VIP believes that the current board, management and consultants are sufficient to meet its current needs. VIP will look to add additional skills and expertise as its business grows and evolves. Where necessary, VIP will engage third-party experts to supplement the experience of its board and management.

As at the date hereof, VIP does not have any employees, but has 6 full-time consultants and roughly 60 Agents and Affiliates both in contract or part-time roles.

Marketing Plans and Strategies

To date all marketing VIP has undertaken has been through social media and in-house generated inbound marketing focusing on both retention and acquisition. That paired with the robust Agent and Affiliate network has driven VIP success to date, while the deployment of traditional outbound marketing in key target markets is expected to facilitate growth and future customer acquisition. VIP is in the process of scaling its user acquisition team and objectives to meet the growth needs of the business as it transitions into executing a fully operational marketing strategy.

Target customers are sports enthusiasts who are currently betting or receptive to betting, with a key focus on the sub-segment of those that are actively involved in betting.

VIP investment in marketing will continue to yield results, but VIP will need to experiment with various channels, while at the same time analyzing the suite of offers and promotions directed to a specifically targeted audience. VIP continually evaluates the marketing strategies and the converted traffic to the database. VIP will also focus on increasing average revenue per marketing unit by adding and maintaining its market spend and presence.

VIP's key customer acquisition pillars will be:

- driving content marketing and experimenting with channels;
- leveraging affiliates and key strategic partnerships;
- leveraging social media influencers; and
- driving sponsorship and direct media sales funnels.

Content Marketing: VIP intends to continue to invest into its social media channels. In addition, VIP intends to build on its in-house news/outbound content to promote specific events in any defined territory. Additionally, VIP intends to maintain a search engine optimization strategy and to drive traffic organically.

Affiliates & Key Strategic Partnerships: VIP intends to continue to work with dedicated affiliates to acquire traffic for its database, mostly on a revenue share model. VIP already has several affiliates integrated and is in the process of scaling this substantially to include Affiliate, and sub-Affiliates in target markets. Depending on this scaling model and an existing affiliate's platform, VIP anticipates starting such partnerships out on a revenue-share basis and potentially exploring deeper partnerships involving mergers or other similar horizontal integrations. This could include large affiliate sites, large influencers, and fan sites among others.

Influencers: Influencer marketing is heralded as the best medium to reach Gen XYZ, primarily micro-influencers (with audiences less than 300,000 followers) who are primarily Twitch and YouTube streamers.

The arrangements can range from deep partnerships to one-off bespoke content, as the influencer space is driven by trial and error until audiences can be found that are a good fit for the brand.

Sponsoring and Direct Media: Initially, VIP will focus on direct media in the sports betting space. As time passes, and as VIP acquires more local licenses for additional jurisdictions, VIP expects spend in advertising to increase both in amount and via the number of mediums used.

Dividends or Distributions

No dividends have been paid on the shares of VIP since its incorporation and it is not contemplated that any dividends will be paid in the immediate or foreseeable future. There are no restrictions precluding VIP from declaring dividends on the VIP Shares. VIP may from time to time declare dividends at the discretion of the VIP Board when cash balances from VIP's operations exceed cash required for the development of its business.

Selected Consolidated Financial Information and Management's Discussion and Analysis

Annual Financial Information

The following table sets forth selected financial information for the VIP for the periods indicated. Such information is derived from and should be read in conjunction with the audited financial statement and notes thereto of VIP for the years ended December 31, 2021 and December 31, 2020 attached as Schedule "B" hereto.

	Year Ended December 31, 2021 (audited) (\$)	Year Ended December 31, 2020 (audited) (\$)
Operating Data:		
Total Revenues	\$388,804	\$582,545
Total Expenses	1,638,793	674,727
Loss From Continuing Operations	(1,249,989)	(92,182)
Net Loss	(700,792)	(28,339)
Loss Per Share (basic)	(0.013)	\$(0.001)
Balance Sheet Data:		
Total Current Assets	\$62,417	\$203,843
Total Assets	62,417	203,843
Total Current Liabilities	602,728	585,630
Total Long Term Financial Liabilities	Nil	153,882
Shareholders' Equity (deficit)	(540,311)	(535,669)

Quarterly Financial Information

The following table sets forth selected information regarding quarterly information as March 31, 2022 and March 31, 2021. The information below is derived from and should be read in conjunction with the unaudited financial statement and notes thereto of VIP, attached as Schedule "B" hereto:

	Three months ended March 31, 2022 (unaudited)	Three months ended March 31, 2021 (unaudited)
Operating Data:		
Total Revenues	84,565	132,311
Total Expenses	148,863	870,958
Income (loss) From Continuing Operations	(64,298)	(738,647)
Net Income (loss)	(80,634)	(143,364)
Loss Per Share (basic and diluted)	(0.0015)	(0.0028)
Cash Dividends Declared	Nil	Nil

Balance Sheet Data:		
Total Current Assets	56,004	34,480
Total Assets	56,004	265,893
Total Current Liabilities	677,300	613,143
Total Long Term Financial Liabilities	Nil	Nil
Shareholders' Equity (Deficit)	(621,296)	(347,251)

Management's Discussion and Analysis

VIP's management discussion and analysis are attached as Schedule "D" hereto and should be read in conjunction with financial statements and the notes thereto of VIP for the periods included.

Trends, Commitments, Events or Uncertainties

VIP management believe that growth of the digital sports betting industry will continue and will have a positive impact on VIP growth.

There are significant risks associated with the VIP business, as described in "Information Concerning the Resulting Issuer — Risk factors" below.

Consolidated Capitalization

The following table sets forth VIP's share and loan capital as of the end of the periods indicated.

Designation	Authorized	Amount outstanding as at December 31, 2021	Amount outstanding as at March 31, 2022
		(audited)	(unaudited)
Common Shares	Unlimited	52,306,800 (\$1,376,105)	52,306,800 (\$1,376,105)
Warrants	N/A	1,220,133	1,220,133
Loan	N/A	Nil	Nil

Options to Purchase Securities

VIP has no options outstanding.

Subscription Receipts and Agent's Unit Options

VIP has 6,826,000 Subscription Receipts and 193,280 Agent's Units Options outstanding. These were issued on May 9, 2022 in connection with the Private Placement.

Prior Sales

Prior Sales

The following tables set forth the issuances of Common Shares of VIP outstanding as of the date of this Prospectus.

Date	Type of Security	Number of Securities Sold	Issue Price	Consideration Received
February 22, 2016	Common Shares	100	Nominal	Cash
September 15, 2018	Common Shares	31,500,000	Nominal	Cash
September 15, 2018	Common Shares	11,000,000	Nominal	Cash
August 1, 2019	Common Shares	2,750,000	\$0.10	Cash
February 15, 2021	Common Shares	6,901,833	\$0.15	Cash

May 12, 2021	Common Shares	154,867	\$0.15	Cash
<u>52,306,800</u>				

The following tables set forth the issuances of securities convertible into Common Shares of VIP outstanding as of the date of this Prospectus.

<u>Date</u>	<u>Type of Security</u>	<u>Number of Securities Sold</u>	<u>Issue Price</u>	<u>Consideration Received</u>
May 9, 2022	Subscription Receipts	6,826,000	\$0.25	Cash
May 9, 2022	Agent's Unit Options	193,280	Commission	Commission

Stock Exchange Price

There is no public market for any securities of the Target Company.

Description of the Securities

The authorized share capital of VIP consists of an unlimited number of VIP Shares of which 52,306,800 VIP Shares are issued and outstanding as fully paid and non-assessable as at the date hereof.

A total of 2,858,000 VIP Units will be issuable immediately prior to the closing of the Transaction pursuant to the Debt Settlement.

Up to an additional 8,026,000 VIP Shares are issuable immediately prior to the closing of the Transaction for no additional consideration upon conversion of an aggregate of up to 8,026,000 Subscription Receipts.

In addition, there may be an aggregate of up to 193,280 VIP Shares that will be issuable upon the due exercise of the Agent's Unit Options issued in connection with the Private Placement.

VIP Shares

Holders of VIP Shares are entitled to receive notice of and to attend all meetings of the VIP Shareholders and shall have one vote for each VIP Share held at all meetings of the VIP Shareholders. VIP Shareholders are entitled to (a) receive any dividends as and when declared by the VIP Board out of the assets of VIP properly applicable to the payment of dividends, in such amount and in such form as the board of directors may from time to time determine, and (b) receive the remaining property of VIP (after payment of all outstanding debts) in the event of any liquidation, dissolution or winding-up of VIP. The VIP Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do the provisions relating thereto contain any sinking or purchase fund provisions or provisions requiring a securityholder to contribute additional capital. The articles of VIP do not contain any provisions restricting the issuance of additional securities or any other material restrictions.

Subscription Receipts - Concurrent Private Placement

VIP has 6,826,000 Subscription Receipts outstanding. These were issued on May 9, 2022 in connection with the Private Placement. A total of 1,200,000 Subscription Receipts are expected to be issued in connection with the closing of the Transaction.

Each Subscription Receipt shall be automatically exchanged, without payment of any additional consideration and without further action on the part of the holder thereof, into one VIP Share and one-half of one VIP Warrant upon the satisfaction of the Subscription Receipt Conversion Conditions, all in accordance with terms and conditions of the Subscription Receipt Agreement, and until such time, no Subscription Receipts may be exchanged into VIP Shares by the holders thereof.

At the direction of the Agent, the Escrowed Funds will, upon the Financing Closing Date, be deposited into a segregated interest bearing account of the Company and invested by the Company in short-term obligations of, or guaranteed by, the Government of Canada or a major Schedule 1 Canadian chartered bank, or any interest bearing trust account of the Company. The Escrowed Funds will only be released to VIP for use, on or before the Escrow Deadline of (i) a Closing Notice directing the Company to release the Escrowed Funds, net of (A) the balance of the cash commission payable to the Agent, and (B) the balance of the Agent's reasonable expenses incurred in connection with the Financing, to VIP; and (ii) confirmation from VIP of the satisfaction or waiver of each of the Subscription Receipt Conversion Conditions.

In the event that (i) VIP provides written notice to the Agent confirming that the Transaction will not be completed; or (ii) the Subscription Receipt Conversion Conditions have not been satisfied prior to the Escrow Deadline, the Escrowed Funds (together with any accrued interest earned thereon (less applicable withholding taxes)), net of the Agent's Commission paid on Closing and the Agent's reasonable expenses incurred in connection with the Financing, will be returned to the holders of the Subscription Receipts on a pro rata basis and the Subscription Receipts will be deemed to have been cancelled. To the extent that there are insufficient funds to reimburse the holders of Subscription Receipts in full, VIP will contribute to the Escrowed Funds such amount as may be necessary to satisfy any shortfall.

VIP plans to complete as part of the Transaction with ANC, a financing of a brokered private placement of 8,026,000 Subscription Receipts for minimum aggregate gross proceeds to VIP of \$2,006,500. In connection with the brokered portion of the Private Placement, VIP entered into an agency agreement dated May 9, 2022 (the "**Agency Agreement**") with Research Capital Corporation.

The Private Placement includes Subscription Receipts convertible into up to 9,369,472 Resulting Issuer Units at a price of \$0.21 per Unit. Each Unit is comprised one share and ½ of a Resulting Issuer Warrant. Each whole Warrant will be exercisable for one Resulting Share at an exercise price of \$0.43 for a term of 24 months after the Closing.

In connection with the Private Placement, the Company shall pay agent's fees to the Agent, consisting of cash-based commission representing up to 8% of the aggregate proceeds raised in the Private Placement, and an additional up to 8% Agent's Unit Options that expire 24 months after the date of issuance. A total of 193,280 Agent's Unit Options were issued on May 9, 2022. The Agent will also receive funds to pay for their legal expenses and due diligence.

The net proceeds of the Private Placement are expected to be primarily used for the marketing activities of the Resulting Issuer and for working capital and general corporate purposes.

The Private Placement will be made in accordance with the rules and policies of the Exchange and is contemplated to close concurrently with the Completion of the Qualifying Transaction. The Target Company intends to use the proceeds of the Private Placement for the marketing activities of the Resulting Issuer and for working capital and general corporate purposes. For further information on the use of the Private Placement proceeds, see the disclosure in this Prospectus under "*Information Concerning the Resulting Issuer – Available Funds and Principal Purposes*".

Principal Shareholders

To the knowledge of the directors and executive officers of the Target Company, the following persons beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the VIP Shares on a non-diluted basis as of the date of this Prospectus.

Name and Municipality of Residence	Number of Target Company Shares⁽¹⁾	Percentage of Target Company Shares	Number of Resulting Issuer Shares	Percentage of Resulting Issuer Shares ⁽²⁾
Randy Jennings Calgary, Alberta	11,500,100	21%	13,425,102	17%

Theresa Jennings Calgary, Alberta	11,500,000	21%	13,424,985	17%
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Notes:

- (1) There are 52,306,800 VIP Common Shares outstanding.
- (2) Assumes there are 80,488,309 Resulting Issuer Common Shares outstanding after given effect to the Private Placement and Debt Settlement.

Directors and Executive Officers

The following table sets out, for each of the Company's directors and officers, the person's name, municipality of residence, positions with the Company, principal occupation and, if a director, the month and year in which the person became a director.

Name, Municipality of Residence and Position⁽¹⁾	Director/Officer Since	Principal Occupation in Preceding Five Years	Number of VIP Shares owned or controlled
Joel Donais Calgary, Alberta CEO and Director	2018	Officer of VIP. Former V.P. Sales and Marketing with VIP, Mr. Donais is well versed with customer engagement and their needs while using VIP. Mr. Donais has been with VIP for the last three years and has been involved in all facets of the business. He has overseen the marketing and customer service departments, as well as trading & risk management.	2,500,000
Randy Jennings Calgary, Alberta Director	2018	Mr. Jennings is the founder of VIP Entertainment, and has been involved in all aspects of the business since its inception. He oversees the Trading and Risk management for the VIP Sportsbook and Poker operations.	11,500,100

As of the date of this Prospectus, the directors and executive officers of VIP as a group own 14,000,100 VIP Shares, representing approximately 26% of the outstanding VIP Shares on a non-diluted basis (excluding any VIP Warrants held by such directors and executive officers of VIP).

Set forth below is a description of the background of the directors and officers of VIP, including a description of each individual's principal occupation(s) within the past five years.

Management Biographies

Joel Donais - CEO & Director – Age 38

Joel has been with VIP since its launch and has experience in all aspects of the business. He was previously VP of Sales and Marketing having led the customer acquisition and marketing/sales department over the previous 2 years. Joel initially developed the customer service and support programs which are still in use today. He has experience with VIP in the trading/risk management department as well, prior to being promoted to the CEO position.

Mr. Donais will devote 100% of his time in a Full-Time capacity to VIP.

Randy Jennings – Director – Age 58

Mr. Jennings is the founder of VIP, and has been involved in all aspects of the business since its inception. He oversees the Trading and Risk management for the VIP Sportsbook and Poker operations.

Corporate Cease Trade Orders or Bankruptcies

No directors, officer, or promoter of VIP or securityholder holding a sufficient number of securities VIP to affect materially the control of VIP is or has been, within the past ten years, a director, officer or promoter of any person or company that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the other issuer access to any exemptions under applicable securities law, for a period of more than 30 consecutive days; or
- (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Penalties or Sanctions

No director, officer, insider or promoter of the Target Company, or a shareholder holding sufficient securities of the Target Company to affect materially the control of the Target Company, has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

No director, officer, insider or promoter of the Target Company, or a shareholder holding sufficient securities of the Target Company to affect materially the control of the Target Company, or a personal holding company of any such persons has, within the 10 years before the date of the Prospectus, as applicable, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

Indebtedness of Directors and Officers

None of the directors or officers of the Target Company or any of their respective Associates or Affiliates has been indebted to the Target Company since the date of the Target Company's incorporation.

Conflicts of Interest

There may be potential conflicts of interest to which the directors, officers and Insiders of the Target Company may be subject in connection with the operations of the Target Company. The directors, officers and Insiders may be engaged in corporations or businesses which may be in competition with the search by the Target Company for businesses or assets in order to close a Qualifying Transaction. Accordingly, situations may arise where a director, officer or Insider will be in direct competition with the Target Company. Conflicts, if any, will be subject to the procedures and remedies as provided under the Alberta Business Corporations Act.

Other Reporting Issuer Experience

None of the directors or officers of VIP have been directors, officers or promoters of other issuers that are or were reporting issuers in any Canadian jurisdiction within the last five years.

Executive Compensation

The following table sets forth the total compensation paid by VIP to CEO and CFO and next three the highest paid executive officers earning more than \$150,000 per annum for the periods indicated.

Name and Principal Position	Year	Salary (\$)	Non-Equity Incentive Plan Compensation⁽¹⁾ (\$)	Pension Value⁽²⁾ (\$)	All Other Compensation (\$)	Total Compensation (\$)
Joel Donais, CEO	2021	55,795	Nil	Nil	Nil	55,765
	2020	40,500	Nil	Nil	Nil	40,500
	2019	54,000	Nil	Nil	Nil	54,000

Note:

(1) There are no individuals who made in excess of \$150,000 in the year ended December 31, 2021.

Long-Term Incentive Plans

Target Company has no long-term Incentive Plans.

Option Grants

VIP has no options outstanding.

Termination of Employment, Change in Responsibilities and Employment Contracts

VIP does not have any employment agreements in place with the VIP Named Executive Officers.

Management Contracts

No management functions of VIP or any subsidiary are to any substantial degree performed by persons other than directors and senior officers.

Non-Arm's Length Party Transactions

Other than as described below and elsewhere in this Prospectus, VIP has not acquired any assets or been provided any services from any director, officer, Insider or Promoter of the Company. See "*Information Concerning VIP — General Development of the Business — History*".

Legal Proceedings

The Target Company is not involved in any legal proceedings.

Interests of Management and Others in Material Transactions

Except as disclosed below or otherwise disclosed in the section "*Information Concerning The Target Company — Management's Discussion and Analysis*", the directors, officers, promoters and shareholders

of VIP and any Associates and Affiliates thereof have not had any direct or indirect material interest in any transaction or proposed transaction since the date of incorporation of VIP to the date of this Prospectus.

Promoters

Randy Jennings, took the initiative in founding the Target Company and arranging for its organization and, accordingly, may be considered to be the promoter of the Target Company. The following table sets out their shareholdings in the Target Company and the Resulting Issuer before and after giving effect to the Offering.

Name and Municipality of Residence	Number of Target Company Shares⁽¹⁾	Percentage of Target Company Shares	Number of Resulting Issuer Shares	Percentage of Resulting Issuer Shares⁽²⁾
Randy Jennings Calgary, Alberta	11,500,100	21%	13,425,102	17%

Notes:

- (1) There are 52,306,800 VIP Common Shares outstanding.
- (2) Assumes there are 80,488,309 Resulting Issuer Common Shares outstanding after given effect to the Private Placement and Debt Settlement.
- (3) See "Executive Compensation" for a discussion of the anticipated compensation for Randy Jennings in his capacity as Director of the Target Company. Other than as disclosed herein, Randy Jennings has not received anything of value from the Target Company nor have there been any assets, services or other consideration received or expected to be received by the Target Company.

Material Contracts

VIP has not entered into any material contracts, outside of the ordinary course of business, prior to the date hereof, other than:

- BetConstruct software licensing agreement dated December 13, 2018 between VIP and BetConstruct.
- Curacao Gaming License ("CGL") issued by the government of Curacao under license 365/JAZ, sub-license GLH-OCCHKTW070390.
- The Definitive Agreement dated April 21, 2022 between the Company and VIP, in connection with the Qualifying Transaction.
- The Agency Agreement dated May 9, 2022 between the Company, VIP and Research Capital Corporation.
- The Subscription Receipt Agreement dated May 9, 2022 between the Target Company and the Agent.

Copies of the foregoing and the articles of the Target Company may be inspected during ordinary office business hours at the Target Company's registered offices located at Suite 1000, 250 – 2nd Street SW, Calgary, Alberta or may be viewed at the website maintained by the Canadian Securities Administrators at <http://www.sedar.com>.

THE PROPOSED QUALIFYING TRANSACTION

On April 21, 2022 ANC, SubCo and VIP entered into the Definitive Agreement pursuant to which ANC will acquire all of the issued and outstanding VIP Shares in exchange for the issuance of Resulting Issuer Shares, as applicable, in accordance with the Exchange Ratio. The Transaction will be structured as a three-cornered amalgamation.

ANC, a CPC, intends for the Transaction to constitute as a Qualifying Transaction under Policy 2.4. The Transaction is not a Non Arm's-Length Qualifying Transaction. As such, ANC does not require the approval of its shareholders in order to complete the Transaction.

In connection with the Transaction, VIP proposes to complete the Private Placement for aggregate gross proceeds of a minimum of \$2,006,500. On May 9, 2022 a total of \$1,706,500 was raised with a total of \$300,000 to be completed prior to closing of the Transaction. Completion of the Private Placement and Debt Settlement are conditions precedent to completion of the Transaction. On May 9, 2022, VIP completed the Private Placement in the amount of \$1,706,500 for a total of 6,826,000 Subscription Receipts. The Debt Settlement will be completed concurrently to the completion of the Transaction.

The Amalgamation

ANC has entered into the Definitive Agreement with VIP and SubCo pursuant to which the Issuer will acquire all of the issued and outstanding VIP Shares by way of a three-cornered amalgamation. Pursuant to the Definitive Agreement: (i) VIP will amalgamate with SubCo, (ii) the VIP Shares will be disposed of and cancelled in exchange for the Resulting Issuer Shares in accordance with the Exchange Ratio, and (iii) the SubCo Shares will be disposed of and cancelled, and in exchange therefor, the Resulting Issuer will issue to ANC one common share in respect of every cancelled SubCo Share. Although the Transaction will result in VIP becoming a wholly-owned subsidiary of ANC, the Transaction will constitute a reverse takeover of ANC inasmuch as the former VIP Shareholders will own a substantial majority of the Resulting Issuer Shares. Upon completion of the Transaction, the current business of VIP will be the business of the Resulting Issuer.

In addition, each VIP convertible security will be exchanged into one Resulting Issuer security, on the same terms and conditions as the original outstanding VIP convertible securities.

Upon completion of the Transaction the former VIP Shareholders will hold approximately 79% of the Resulting Issuer Shares and the ANC Shareholders will hold approximately 7% of the Resulting Issuer Shares (the Private Placement subscribers will hold the remainder). Accordingly, the Transaction will constitute a "reverse take-over" for accounting purposes.

The Completion of the Qualifying Transaction contemplated by the Definitive Agreement is subject to certain conditions, including but not limited to (a) obtaining all necessary regulatory approvals, including Exchange approval of the Transaction, the ANC Name Change and other transactions comprising part of the Transaction; (b) the approval by the VIP Shareholders of the Transaction; and (c) other customary conditions.

The Private Placement

In connection with the Transaction, VIP plans to complete the Private Placement of Subscription Receipts for gross proceeds of a minimum of \$2,006,500. On May 9, 2022, VIP completed the Private Placement in the amount of \$1,706,500 for a total of 6,826,000 Subscription Receipts.

In connection with the Private Placement, VIP entered into an agency agreement dated May 9, 2022 (the "**Agency Agreement**") with Research Capital Corporation

The Private Placement includes up to 9,369,472 Resulting Issuer Units at a price of \$0.21 per Resulting Issuer Unit. Each Resulting Issuer Unit is comprised one share and ½ of a Resulting Issuer Warrant. Each

whole Resulting Issuer Warrant will be exercisable for one Share at an exercise price of \$0.43 for a term of 24 months after the Closing.

In connection with the Private Placement, the Company shall pay agent's fees of cash-based commission representing 8% of the aggregate proceeds raised in the Private Placement, and an additional 8% in Agent's Unit Options that expire 24 months after the date of issuance. Such agent will also receive funds to pay for their legal expenses and due diligence.

The net proceeds of the Private Placement are expected to be primarily used for the marketing activities of the Resulting Issuer and for working capital and general corporate purposes.

The Private Placement will be made in accordance with the rules and policies of the Exchange and is contemplated to close concurrently with the Completion of the Qualifying Transaction. The Target Company intends to use the proceeds of the Private Placement for the marketing activities of the Resulting Issuer and for working capital and general corporate purposes. For further information on the use of the Private Placement proceeds, see the disclosure in this Prospectus under "*Information Concerning the Resulting Issuer – Available Funds and Principal Purposes*".

Effect of the Transaction

Following completion of the Closing and assuming the completion of the Private Placement and Debt Settlement, it is expected that:

- a) VIP shall have amalgamated with SubCo and the Resulting Issuer will become a wholly-owned subsidiary of ANC;
- b) the Subscription Receipts shall be converted, without additional consideration or further action, into VIP Units;
- c) ANC will have changed its name to "VIP Entertainment Technologies Inc.";
- d) ANC will have acquired all of the issued and outstanding VIP Shares on the basis of the Exchange Ratio, being 1.16739 Resulting Issuer Share for every one (1) VIP Share;
- e) each VIP convertible security shall be exchanged into 1.16739 Resulting Issuer convertible securities with each such Resulting Issuer convertible security being exercisable into Resulting Issuer Shares on the same terms and conditions as the original outstanding VIP convertible security;
- f) the Resulting Issuer will carry on the business theretofore carried on by VIP;
- g) there will be an aggregate of 80,488,309 Resulting Issuer Shares issued and outstanding on a non-diluted basis (giving effect to the Private Placement and Debt Settlement);
- h) the following convertible securities will be issued and outstanding: (i) a maximum of 1,424,371 Resulting Issuer Warrants, each exercisable to acquire a Resulting Issuer Share at a price of \$0.128 per Resulting Issuer Share (ii) a maximum of 6,352,936 Resulting Issuer Warrants (after giving effect to the Private Placement and Debt Settlement), each exercisable to acquire a Resulting Issuer Share at a price of \$0.43 per Resulting Issuer Share (iii) a maximum of 225,633 Resulting Issuer compensation options (after giving effect to the Private Placement), each exercisable to acquire a Resulting Issuer Unit at a price of \$0.21 per Resulting Issuer Unit; (iv) 555,000 Resulting Issuer Options, held by the Company's directors, each exercisable to acquire one Resulting Issuer Share at an exercise price of \$0.10 per Resulting Issuer Share; and (v) 2,200,000 Resulting Issuer Options to be issued in connection with the Closing of the Transaction, each exercisable

to acquire one Resulting Issuer Share at an exercise price of \$0.21 per Resulting Issuer Share;.

- i) former VIP Shareholders will hold an aggregate of approximately 61,062,436 Resulting Issuer Shares (excluding any Resulting Issuer Shares issued pursuant to the Private Placement) representing approximately 75.6% of the outstanding Resulting Issuer Shares on a non-diluted basis (giving effect to the Private Placement and Debt Settlement);
- j) existing shareholders of ANC, will hold an aggregate of 5,950,000 Resulting Issuer Shares representing approximately 7.4% of the outstanding Resulting Issuer Shares on a non-diluted basis (giving effect to the Private Placement and Debt Settlement);
- k) the Resulting Issuer Board shall be comprised of: Joel Donais, Dave Antony, Michael Mansfield and Scott Seguin. In addition, it is expected that Joel Donais will serve as CEO, Charidy Lazorko will serve as CFO and Trevor Wong-Chor will serve as Corporate Secretary of the Resulting Issuer; and
- l) the Resulting Issuer may seek shareholder approval to continue under the provisions of the ABCA.

Background of the Transaction

On January 17, 2020, ANC completed its initial public offering. As a CPC, ANC has no assets other than cash and has not carried on active business or commercial operations. Under the policies of the Exchange, the activities of ANC are limited to identifying and evaluating assets or businesses which, when acquired, would qualify ANC for listing as a Tier 1 or Tier 2 issuer on the Exchange.

In the first quarter of 2021, ANC began discussions with VIP directors and management about the possibility of a transaction that would see ANC and VIP combine. On February 16, 2021, ANC and VIP signed the Transaction Term Sheet to proceed with the Transaction.

The negotiations were conducted at arm's length.

On April 21, 2022, ANC, SubCo and VIP entered into the Definitive Agreement which supersedes the Transaction Term Sheet. Pursuant to the Definitive Agreement and subject to receipt of all requisite approvals, ANC will acquire all of the issued and outstanding VIP Shares in exchange for the issuance of Resulting Issuer Shares in accordance with the Exchange Ratio.

Reasons for the Transaction

ANC was formed as a CPC and has been engaged in the business of identifying and evaluating properties or businesses with a view to completing a Qualifying Transaction. The Transaction will constitute a Qualifying Transaction for ANC for the purposes of Policy 2.4.

VIP is a Canadian company engaged in providing sports betting products to consumers. The Transaction allows VIP to provide the potential for liquidity to its existing shareholders and gain access to the capital markets.

The terms of the Transaction were established through arm's length negotiations and is therefore not a Non-Arm's Length Qualifying Transaction.

Definitive Agreement

The following is a summary of the material provisions of the Definitive Agreement. This description is not a complete description of the provisions of the Definitive Agreement and is qualified in its entirety by the Definitive Agreement, which is available for review under ANC's SEDAR profile at www.sedar.com.

General

The Definitive Agreement was entered into effective as of April 21, 2022.

The principal features of the Transaction may be summarized as follows:

- a) VIP and SubCo will amalgamate and continue as one corporation under the provisions of the ABCA and, as a result, the property and liabilities of SubCo and VIP will become the property and liabilities of the Resulting Issuer;
- b) each VIP Share will be cancelled and the holder thereof shall receive that number of Resulting Issuer Shares as is equal to the number of VIP Shares held by such VIP shareholder immediately prior to amalgamation multiplied by the Exchange Ratio; and
- c) each SubCo Share shall be cancelled and, after the amalgamation, the Resulting Issuer shall issue one share to ANC in respect of every SubCo Share so cancelled.

Representations, Warranties and Covenants

The Definitive Agreement contains certain customary representations and warranties of each of ANC, VIP Sub and VIP relating to, among other things, their respective organization, capitalization, qualification, operations, compliance with laws and regulations and other matters, including their authority to enter into the Definitive Agreement and to consummate the Transaction. Pursuant to the Definitive Agreement, the parties have agreed to advise each other of any material adverse changes. Further, the parties have agreed to use their commercially reasonable efforts to obtain all regulatory and other consents, waivers and approvals required for the consummation of the Transaction.

In addition, pursuant to the Definitive Agreement, each of the parties has covenanted, among other things, until the completion of the Transaction, to maintain their respective businesses and not take certain actions outside the ordinary course of business.

Conditions to the Transaction

The Definitive Agreement contains a number of conditions precedent to the obligations of ANC, SubCo and VIP thereunder. Unless all such conditions are satisfied or waived by the party or parties for whose benefit such conditions exist, to the extent they may be capable of waiver, the Transaction will not proceed. There is no assurance that the conditions will be satisfied or waived on a timely basis, or at all. The conditions to the Transaction becoming effective are set out in the Definitive Agreement and are summarized below.

Mutual Conditions

The respective obligations of ANC and VIP to complete the Transaction are subject to the fulfillment of the following conditions at or prior to the Closing Date, each of which may be waived with the written consent of the parties:

- a) each of VIP, ANC and SubCo shall have received appropriate approval of their respective boards of directors, as the case may be, for the Transaction and for all matters incidental thereto or as may be required to effect the Transaction;
- b) the VIP Shareholders shall have approved the resolutions authorizing the Transaction on or before June 30, 2022;
- c) there shall be no action taken under any existing laws that (i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Transaction or any other transactions

- contemplated; or (ii) results in a judgment or assessment of material damages directly or indirectly relating to the Transaction;
- d) the amalgamation of SubCo and the Target Company shall have been completed in accordance with the ABCA and all applicable laws;
 - e) the Definitive Agreement shall not have been terminated;
 - f) the Transaction shall have been conditionally approved by the Exchange and the Exchange shall have conditionally approved for listing all of the Resulting Issuer Shares to be issued to VIP Shareholders pursuant to the Transaction on or before June 30, 2022;
 - g) ANC, SubCo and VIP shall have obtained all consents, waivers, approvals and authorizations (including, without limitation, all stock exchange, securities commission and other regulatory approvals) required or necessary in connection with the Transaction on terms and conditions reasonably satisfactory to VIP and ANC;
 - h) Joel Donais, Dave Antony and Michael Mansfield, and Scott Seguin shall be appointed as directors of the Resulting Issuer;
 - i) the ANC Name Change shall have been approved by the Board;
 - j) each of ANC, SubCo and VIP shall have tabled such other deliverables as are customary for the Transaction; and
 - k) the date of the Closing shall occur on or before June 30, 2022.

Conditions to Obligations of ANC and SubCo

The obligations of ANC and SubCo to complete the Transaction are subject to the fulfillment of the following conditions at or prior to the Closing Date:

- a) the representations and warranties made in the Definitive Agreement by VIP shall be true in all material respects as of the Closing Date as if made on and as of such date (except for representations and warranties which refer to another date, which shall be true as of that date) and VIP shall have provided to ANC a certificate of one officer of VIP certifying as to such matters on the Closing Date and ANC shall have no knowledge to the contrary;
- b) VIP shall have complied in all material respects with its covenants in the Definitive Agreement and VIP shall have provided to ANC a certificate of an officer certifying as to such compliance as of the Closing Date;
- c) before giving effect to the transactions contemplated by the Definitive Agreement, there shall have been no "Material Adverse Change" (as such term is defined in the Definitive Agreement) in respect of VIP or its business since the date of the Definitive Agreement;
- d) there shall be no action taken under any applicable law that will, in the sole judgement of ANC, acting reasonably, impose any material limitations on the ability of the parties to complete the Transaction and the transactions contemplated by the Definitive Agreement or would result in a "Material Adverse Effect" (as such term is defined in the Definitive Agreement) on VIP; and
- e) ANC shall be satisfied, acting reasonably, that the Resulting Issuer Shares issuable to VIP Shareholders that are U.S. persons shall be issuable in accordance with applicable laws and in accordance with transactions that do not require registration under the U.S. Securities Act or applicable state securities laws.

Conditions to Obligations of VIP

The obligations of VIP to complete the Transaction are subject to the fulfillment of the following conditions at or prior to the Closing Date:

- a) the representations and warranties made by each of ANC and SubCo in the Definitive Agreement shall be true in all material respects as of the Closing Date as if made on and as of such date (except for representations and warranties which refer to another date, which shall be true as of that date) and ANC shall have provided to VIP a certificate of one officer of ANC certifying as to such matters on the Closing Date and VIP shall have no actual knowledge to the contrary;
- b) each of ANC and SubCo shall have complied in all material respects with their covenants in the Definitive Agreement and ANC shall have provided to VIP a certificate of an officer of VIP certifying as to such compliance as of the Closing Date and VIP shall have no actual knowledge to the contrary;
- c) before giving effect to the transactions contemplated by the Definitive Agreement, there shall have been no "Material Adverse Change" in respect of ANC and SubCo since the date of the Definitive Agreement;
- d) the Resulting Issuer Shares to be delivered pursuant to the Transaction shall have been approved for issuance and ANC shall deliver such securities to the VIP Shareholders who are entitled to receive such consideration in accordance with the terms of the Definitive Agreement and upon completion of the Transaction;
- e) each director and officer of ANC shall have provided their written resignation as a director and/or officer, as applicable, effective on or before the Closing Date, together with a release (satisfactory to VIP, acting reasonably) in favour of VIP;
- f) the Private Placement and Debt Settlement shall have been completed;
- g) the Subscription Receipt Conversion Conditions shall have been satisfied;
- h) there shall be no action taken under any applicable law that will, in the sole judgement of VIP, acting reasonably, impose any material limitations on the ability of the parties to complete the Transaction and the transactions contemplated by the Definitive Agreement or would result in a "Material Adverse Effect" on ANC;
- i) the Resulting Issuer Shares to be delivered pursuant to the Transaction shall be issued as fully paid and non-assessable common shares in the capital of ANC, free and clear of any and all encumbrances, except those pursuant to any relevant Exchange policies or applicable securities laws;
- j) ANC shall have completed the ANC Name Change.

Termination of Agreement

The Definitive Agreement may be terminated at any time prior to the Closing Date:

- a) by the mutual agreement of VIP and ANC;
- b) by either VIP or ANC if:

- i. the Amalgamation is not approved by the shareholders of VIP in accordance with applicable laws;
- ii. in the event the Transaction has not become effective on or before June 30, 2022, unless otherwise agreed to by the parties;
- iii. a Material Adverse Change (as such term is defined in the Definitive Agreement) in respect of ANC shall have occurred after the date of the Definitive Agreement;
- iv. ANC shall be in breach of any of its covenants, agreements or representations and warranties contained herein that would have a Material Adverse Effect on ANC or on the ability of ANC and VIP to consummate the Transaction and ANC fails to cure such breach within three (3) business days after receipt of written notice thereof from VIP (except that no cure period shall be provided for a breach which by its nature cannot be cured); or
- v. upon a right of termination of the Definitive Agreement by VIP arising pursuant to the sections related to closing conditions of both ANC and VIP.

INFORMATION CONCERNING THE RESULTING ISSUER

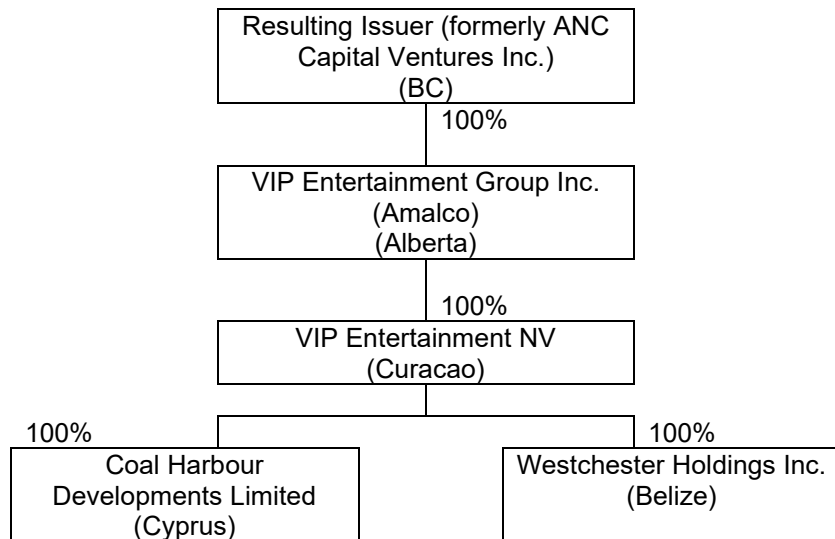
Corporate Structure

In connection with the Completion of the Qualifying Transaction, SubCo and the Target Company intend to amalgamate in a series of steps to form one company. ANC will change its name to “VIP Entertainment Technologies Inc.” (the “**Resulting Issuer**”). The Resulting Issuer intends to continue to be listed on the Exchange, and has reserved the listing symbol “VIP”. The Resulting Issuer will be a reporting issuer in the Provinces of Alberta, Ontario and B.C.

The Resulting Issuer's head and registered office will be the registered and head office of the Target Company immediately prior to the completion of the amalgamation of the Company and the Target Company. The Target Company's current registered office is located at 1000, 250 2nd Street SW., Calgary, Alberta, T2P 0C1.

Upon Completion of the Qualifying Transaction, the Resulting Issuer intends to seek shareholder approval to continue under the ABCA and amend its constating documents accordingly.

Upon Completion of the Qualifying Transaction, the Resulting Issuer will have one direct subsidiary and three indirect wholly-owned subsidiaries, comprised of the amalgamated entity of VIP and SubCo, along with VIPNV, WEST, and CHD as set forth below.



Narrative Description of the Business

Stated Business Objective

Assuming completion of the Qualifying Transaction, the Resulting Issuer will operate the business of the Target Company, including the operation of VIP. The Resulting Issuer currently anticipates to be involved in the online sports betting industry, offering online betting on sports, eSports, casino, poker and more. The Resulting Issuer intends to evaluate opportunities to potentially expand their operations into additional markets. The Resulting Issuer will not have any legal obligation to expand into additional markets until after Completion of the Qualifying Transaction.

As for the marketing and user acquisition to be accomplished, VIP has seen a steady increase in this area over its previous years of operation and is gaining even more users daily as compared to its historical

average – this is likely attributable to its previously mentioned brand recognition and mandate to provide a customer service level that exceeds industry standards. These numbers will be increased with a consistent and heightened marketing budget as per this financing. VIP expects to launch by or during Q1 2022, this increased marketing budget and subsequent plans to advertise to and acquire new users.

As for licensing, VIP maintains itself and operations adhering to the current industry climate and regulations and intends to apply and receive the licenses as they become available from any specific jurisdiction.

Milestones

The Resulting Issuer's primary milestones will be the continuation of the business of the Target Company, the continued operation and improvement of VIP, along with promoting additional marketing and user acquisition and conducting a review of obtaining a Canadian license to operate VIP in Canada.

Description of the Securities

The holders of Shares of the Resulting Issuer will be entitled to vote at all meetings of shareholders of the Resulting Issuer, to receive dividends if, as and when declared by the directors and to participate rateably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Resulting Issuer. There will not be any pre-emptive rights, dividend rights, conversion or exchange rights, sinking or purchase fund provisions, provisions affecting the issuance of additional Shares, or provisions requiring shareholders to make additional contributions.

See “*Information Concerning the Company – Description of Securities*”.

Pro Forma Consolidated Capitalization

The following table sets out the selected share and loan capital of the Resulting Issuer following the Completion of the Qualifying Transaction and the Private Placement.

Designation of Security	Amount authorized or to be authorized	Amount outstanding after giving effect to the Qualifying Transaction, Private Placement and Debt Settlement⁽¹⁾
Common Shares	Unlimited	80,488,309
Warrants ⁽³⁾	N/A	7,777,308
Agent's Unit Options ⁽⁴⁾	N/A	225,633
Stock Options ⁽⁵⁾	10%	2,755,000
Debt	N/A	\$139,837

Notes:

- (1) Assuming \$2,006,500 is raised through the issuance of 8,026,000 Subscription Receipts, subsequently exchanged for 9,369,472 Resulting Issuer Units under the Private Placement.
- (2) Of these Warrants 1,424,371 Warrants are exercisable at a price of \$0.128 per Resulting Issuer Share until June 30, 2022 and the remainder are exercisable at a price of \$0.41 per Resulting Issuer Share until two years from the Closing Date.
- (3) These Agent's Unit Options are convertible into a Resulting Issuer Share and one half of one Resulting Issuer Warrant at a price of \$0.21 for a period of 24 months from Closing.
- (4) Stocks Options, are limited to a total of 10% of the issued and outstanding shares. A total of 555,000 of the Stock Options are exercisable at \$0.10 per Resulting Issuer Share. The remainder will have an exercise price of \$0.21 per Resulting Issuer Share.

Fully Diluted Share Capital

The following table sets out the fully diluted share capital of the Resulting Issuer after giving effect to the Completion of the Qualifying Transaction and the Private Placement.

Description	Number of Shares	% of Total (approx.)
Issued Common Shares (at closing)		
Shares presently issued	5,950,000	6.5%
Shares issuable to the Target Company under the Agreement	61,062,436	66.8%
Shares issuable pursuant to the Finder's Fee Agreement	770,000	less than 1%
Debt Settlement Shares	3,336,401	3.5%
Number of Shares issuable under the Private Placement of \$2,006,500	9,369,472	10.2%
Subtotal Basic Resulting Issuer Shares	80,488,309	
Convertible Securities		
Shares presently reserved for issuance pursuant to outstanding Options	555,000	less than 1%
Number of Shares reserved for issuance pursuant to VIP Warrants	1,424,371	1.6%
Number of Shares reserved for issuance pursuant to VIP Warrants as part of VIP Units under the Debt Settlement	1,668,200	1.8%
Number of Shares reserved for issuance pursuant to VIP Warrants as part of VIP Units under the Private Placement	4,684,736	5.1%
Number of Shares reserved for issuance pursuant to Agent's Unit Option under the Private Placement	225,633	less than 1%
Number of Shares reserved for issuance pursuant to Agent's Warrant Warrants under the Private Placement	112,816	less than 1%
Number of Shares reserved for issuance pursuant to Options to be issued to directors and officers of the Resulting Issuer	2,200,000	2.4%
Number of Shares reserved for issuance pursuant to RSUs and DSUs to be issued to directors and officers of the Resulting Issuer	0	
Subtotal	10,870,756	
TOTAL (fully diluted)	91,359,065 ⁽¹⁾	

Notes:

- (1) Assuming \$2,006,500 is raised through the Private Placement.
- (2) Assuming \$714,500 is converted under the Debt Settlement for 2,858,000 VIP Units.

Available Funds and Principal Purposes

As at March 31, 2022, the Company had estimated working capital deficit of \$621,296.

Based on this working capital position and assuming Completion of the Qualifying Transaction and closing of the Private Placement, the total funds available to the Resulting Issuer would be as follows:

Source	Funds Available
Estimated working capital of the Resulting Issuer at March 31, 2022	\$(426,295) ⁽¹⁾
Debt Settlement Adjustment	\$474,500

Source	Funds Available
Net proceeds from Private Placement	\$1,913,246 ⁽²⁾
TOTAL	\$1,961,451

Notes:

- (1) Includes pro forma working capital of the Company and the Target Company as at March 31, 2022.
- (2) Based on the completion of the Private Placement and estimated Agent's Fee cash commission, working fee of \$40,000, and legal fees for a total of \$93,254.

Dividends

There will be no restrictions on the Resulting Issuer's ability to pay dividends subsequent to the Completion of the Qualifying Transaction. It is not contemplated that any dividends will be paid in the immediate future following Completion of the Qualifying Transaction, as it is anticipated that all available funds will be used to finance the growth and operations of the Resulting Issuer's business. The holders of Shares are entitled to dividends, if, as and when declared by the Resulting Issuer Board. Any decision to pay dividends on Shares in the future will be made by the Resulting Issuer Board on the basis of the earnings, financial requirements and other conditions existing at such time.

Principal Purposes of Funds

The Resulting Issuer intends to expend the funds available in the 12 months following Completion of the Qualifying Transaction as follows:

Principal Use of Funds	Amount (after giving effect to the Private Placement) (CAD\$)
Marketing and user acquisition	\$470,000
Canadian license review	\$100,000
General and administrative for 12 months	\$821,000
Unallocated general and administrative	\$100,000
Unallocated Funds	\$470,451
TOTAL	\$1,961,451

Note:

- (1) The above uses of available funds are estimates only and assumes the Agent will elect to receive the Agent's Commission in cash on the Private Placement in cash. Notwithstanding the proposed uses of available funds as discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. It is difficult at this time to definitively project the total funds necessary to execute the planned undertakings of the Resulting Issuer. For these reasons, management considers it to be in the best interests of the Resulting Issuer and its shareholders to permit management a reasonable degree of flexibility as to how the Resulting Issuer's funds are employed among the above uses or for other purposes, as the need may arise.

The allocation of funds will be examined on an on-going basis, and there and there may be circumstances in which, and for sound business reasons, funds are re-allocated, in accordance with the prevailing business and economic conditions. It is difficult at this time to definitively project the total funds necessary to accomplish the business objectives of the Resulting Issuer. For these reasons, management considers it to be reasonable and in the best interests of the Resulting Issuer to permit management a reasonable degree of flexibility with respect to the use of funds. See "Information Concerning the Resulting Issuer – Narrative Description of the Business".

Principal Securityholders

To the knowledge of management of the Company, other than as follows, the only securityholders that will own of record or beneficially, directly or indirectly or exercise control or direction over more than 10% of any class of voting securities of the Resulting Issuer after giving effect to the Qualifying Transaction and the Private Placement are as follows:

Name and Municipality of Residence	Number of Resulting Issuer Shares	Percentage of Resulting Issuer Shares ⁽¹⁾⁽²⁾
Randy Jennings Calgary, Alberta	13,425,102	17%
Theresa Jennings Calgary, Alberta	13,424,985	17%

Notes:

- (1) Assumes there are 80,488,309 Resulting Issuer Common Shares outstanding after given effect to the Private Placement and Debt Settlement.
- (2) On a fully diluted basis (91,359,065 Resulting Issuer Common Shares outstanding) this amount would be approximately 15%.

Directors, Officers and Promoters

The Company intends to reconstitute its Board following Completion of the Qualifying Transaction. The following table sets forth the name of all individuals proposed to be directors, officers and promoters of the Resulting Issuer following the Completion of the Qualifying Transaction, their municipalities of residence, their anticipated positions with the Resulting Issuer, their principal occupations during the past five years and the number of Shares of the Resulting Issuer to be beneficially owned, directly or indirectly, or over which control or direction will be exercised.

Name, Municipality of Residence and Position⁽¹⁾	Principal Occupation in Preceding Five Years	Shares Owned⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	
		Number	Percentage
Joel Donais ⁽⁶⁾ Calgary, Alberta CEO and Director	Officer of VIP. Former V.P. Sales and Marketing with VIP, Mr. Donais is well versed with customer engagement and their needs while using VIP. Mr. Donais has been with VIP for the last three years and has been involved in all facets of the business. He has overseen the marketing and customer service departments, as well as trading & risk management.	5,836,950	7.3%
Dave Antony ⁽⁹⁾ Calgary, Alberta Director	David Antony is a corporate director and has 30 years' experience in assisting companies in structuring transactions, accessing capital, and corporate governance. He is formerly the Chief Executive Officer and a director of Blackhawk Growth Corp., which is listed on the CSE. In addition, Mr. Antony has sat on both the Local Advisory and National Advisory Committees for the TSXV.	2,334,780	2.9%
Mike Mansfield ^{(8) (9)} Calgary, Alberta Director	Senior Investment Advisor & Portfolio Manager, Industrial Alliance Securities Inc. (2017 – 2020); VP & Investment Advisor, Echelon Wealth Partners (2016 – 2017); VP & Investment Advisor, Dundee Private Wealth (2014 - 2015); VP &	175,109	Less than 1%

Name, Municipality of Residence and Position ⁽¹⁾	Principal Occupation in Preceding Five Years	Shares Owned ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	
		Number	Percentage
	Investment Advisor, Macquarie Wealth (2010 - 2014).		
Scott Seguin ^{(7) (8) (9)} Calgary, Alberta Director	Mr. Seguin has over 25 years of experience as a start-up entrepreneur, successful business owner and consultant focused on finance, streamlining operations, and business strategy. Mr. Seguin currently is the President and a Director of Rooster Building Group. As well, is a Director of Blackhawk Growth Corp, which is listed on the CSE.	116,739	Less than 1%
Charidy Lazorko Calgary, Alberta CFO	Ms. Lazorko is a CPA, CGA with over 15 years of public company experience and financial services, with an emphasis in corporate restructuring, amalgamations and asset acquisitions. She formerly served as the Chief Financial Officer of Blackhawk Growth Corp. and UMG Media Ltd. Additionally, she has acted as a financial advisor for a multitude of other private company transactions.	Nil	N/A
Trevor Wong-Chor Calgary, Alberta Corporate Secretary	Partner, DLA Piper (Canada) LLP	Nil	N/A
TOTAL:		8,463,578	10.9%

Notes:

- (1) The term of office of the directors will expire annually at the time of the Resulting Issuer's annual general meeting or when or until their successor is duly appointed or elected. The term of office of the Resulting Issuer's officers will expire at the discretion of the Resulting Issuer's directors. None of the current directors and officers of the Company has a non-competition or non-disclosure agreement with the Company.
- (2) Includes all Shares that are beneficially owned, directly or indirectly, or controlled by the director and/or officer.
- (3) As at the date of this Prospectus the current directors and executive officers of the Resulting Issuer, as a group, are expected to own beneficially, directly or indirectly, or exercise control or direction over, a total of 8,463,578 Shares, representing 10.5% of the currently issued and outstanding Shares.
- (4) Assumes there are 80,488,309 Resulting Issuer Common Shares outstanding after given effect to the Private Placement and Debt Settlement.
- (5) Includes shares held by Joel Donais and Kelly Donais.
- (6) These share are held by the spouse of Scott Seguin.
- (7) Each of these directors of the Resulting Issuer will be independent in accordance with NI 52-110.
- (8) Proposed members of the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee.

Management Biographies

Joel Donais - CEO & Director – Age 38

Joel has been with VIP since its launch and has experience in all aspects of the business. He was previously VP of Sales and Marketing having led the customer acquisition and marketing/sales department over the previous 2 years. Joel initially developed the customer service and support programs which are still in use today. He has experience with VIP in the trading/risk management department as well, prior to being promoted to the CEO position.

Mr. Donais will devote 100% of his time in a Full-Time capacity to VIP.

Charidy Lazorko – CFO - Age 41

Ms. Lazorko is a CPA, CGA with over 15 years of public company experience and financial services, with an emphasis in corporate restructuring, amalgamations, and asset acquisitions. She formerly served as the Chief Financial Officer of Blackhawk Resource Corp. and UMG Media Ltd. Additionally, she has acted as a financial advisor for a multitude of other private company transactions. Ms. Lazorko has been an officer of numerous public companies on the TSXV.

It is anticipated that Ms. Lazorko will devote 60% of her time to VIP, or such other time and expertise as may reasonably be required by the Resulting Issuer.

David Antony – Director – Age 59

Mr. Antony is a corporate director and has over 30 years experience in assisting companies in structuring transactions, accessing capital, and corporate governance. He is formerly the Chief Executive Officer and remains a director of Blackhawk Growth Corp., which is listed on the CSE. Mr. Antony has extensive experience as a director an officer of numerous companies in many industries including the gaming industry.

It is anticipated that Mr. Antony will devote such time and expertise as may reasonably be required to VIP.

Michael Mansfield – Director - Age 57

Mr. Mansfield has over 20 years' experience in the public markets as a portfolio manager and investment advisor specializing in the Canadian venture market working with both private and public investors and companies. He has a track record of successfully taking public over a hundred companies through the completion of qualifying transactions by Capital Pool Corporations.

It is anticipated that Mr. Mansfield will devote such time and expertise as may reasonably be required to VIP.

Scott Seguin – Director - Age 48

Mr. Seguin has over 25 years of experience as a new venture start-up entrepreneur, successful business owner, and consultant focused on finance, streamlining operations, and business strategy. Mr. Seguin has sat as an officer and director of numerous public and private companies and is currently an independent business consultant. Mr. Seguin has experience in both the public markets and the gaming industry.

It is anticipated that Mr. Seguin will devote such time and expertise as may reasonably be required to VIP.

Trevor Wong-Chor - Corporate Secretary - Age 53

Mr. Wong-Chor is a partner with DLA Piper (Canada) LLP (and its predecessor firms) since September, 2004. Prior thereto, Partner and Associate at Borden Ladner Gervais LLP (and its predecessor firms) from 1998 to 2004. He is a corporate secretary or director of several public and private companies.

It is anticipated that Mr. Wong-Chor will devote such time and expertise as may reasonably be required to VIP.

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of the Company none of the proposed directors, officers, or promoters of the Resulting Issuer or a securityholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer is or has been, within the past ten years, a director, officer or promoter of any person or company that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the other issuer access to any exemptions under applicable securities law, for a period of more than 30 consecutive days; or
- (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Southern Pacific and its subsidiaries (and partnership), obtained creditor protection under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") pursuant to an Order granted on January 21, 2015 by the Court of Queen's Bench of Alberta. As a result of the CCAA proceeding Southern Pacific did not file its quarterly filings. Southern Pacific was ceased traded effective February 20, 2015 for failure to file its quarterly filings when due. On June 1, 2015 Southern Pacific was placed in receivership.

David M. Antony was on the Board of Directors of Southern Pacific until June 1, 2015. Trevor Wong-Chor was the Corporate Secretary of Southern Pacific until June 1, 2015.

Southern Pacific was engaged in the development of in-situ heavy oil projects in Alberta and Saskatchewan.

Penalties or Sanctions

To the knowledge of the Company no proposed director, officer or promoter of the Resulting Issuer, or a securityholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable security holder making a decision about the Qualifying Transaction.

Personal Bankruptcies

To the knowledge of the Company, no proposed director, officer or promoter of the Resulting Issuer, or a securityholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of any such persons, has within the ten years prior to the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Conflicts of Interest

There are potential conflicts of interest to which all of the directors, officers, Insiders and Promoters of the Resulting Issuer may be subject in connection with the operations of the Resulting Issuer. All of the directors, officers, Insiders and Promoters are engaged in and will continue to be engaged in corporations or businesses, including publicly traded corporations, which may be in competition with the Resulting Issuer. Accordingly, situations may arise where all of the directors, officers, Insiders and Promoters will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies as provided under the corporate statute applicable to the Company.

Audit Committee of the Resulting Issuer

A copy of the Charter of the Audit Committee of the Resulting Issuer (and the Company) is attached here as Schedule "F".

The following information of the Resulting Issuer (and the Company) is disclosed in accordance with National Instrument 52-110 Audit Committees ("NI 52-110" or the "Instrument"):

Composition of the Audit Committee

NI 52-110 provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Resulting Issuer, which could, in the view of the Resulting Issuer's board, reasonably interfere with the exercise of the member's independent judgment.

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Resulting Issuer's financial statements. The following sets out the members of the audit committee and their education and experience that is relevant to the performance of his responsibilities as an audit committee member.

The anticipated members of the Audit Committee are Michael Mansfield, David Antony and Scott Seguin all of whom are financially literate in accordance with NI 52-110. Messrs. Michael Mansfield and Scott Seguin will be independent directors in accordance with NI 52-110.

Mr. Mansfield will be the Chair of the Audit Committee.

Relevant Education and Experience of Audit Committee Members

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Resulting Issuer's financial statements.

All current members of the Audit Committee have received relevant education in financial literacy and have been involved in enterprises which publicly report financial results, each of which requires a working understanding of, and ability to analyze and assess, financial information (including financial statements).

Further, each member has the requisite education and experience that has provided the member with:

- (a) an understanding of the accounting principles used by the Resulting Issuer to prepare the Resulting Issuer's financial statements;
- (b) the ability to assess the general application of the above-noted principles in connection with estimates, accruals and reserves;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Resulting Issuer's financial statements, or experience actively supervising individuals engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

At no time since incorporation was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the board.

Reliance on Certain Exemptions

Since incorporation, the Resulting Issuer (or the Company) has not relied on:

- (a) the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Resulting Issuer's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Resulting Issuer, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit);
- (b) the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*) of NI 52-110 (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Resulting Issuer or of an affiliate of the Resulting Issuer if a circumstance arises that affects the business or operations of the Resulting Issuer and a reasonable person would conclude that the circumstance can be best addressed by a member of the Audit Committee becoming an executive officer or employee of the Resulting Issuer);
- (c) the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*) of 52-110 (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Resulting Issuer or of an affiliate of the Resulting Issuer if an Audit Committee member becomes a control person of the Resulting Issuer or of an affiliate of the Resulting Issuer for reasons outside the member's reasonable control);
- (d) the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) of 52-110 (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Resulting Issuer or of an affiliate of the Resulting Issuer if a vacancy on the Audit Committee arises as a result of the death, incapacity or resignation of an Audit Committee member and the board was required to fill the vacancy); and
- (e) an exemption from the requirements of NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

The Resulting Issuer will be a "venture issuer" for the purposes of NI 52-110. Accordingly, the Resulting Issuer is relying upon the exemption in section 6.1 of NI 52-110 providing that the Resulting Issuer is exempt from the application of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee's charter provides that that Audit Committee must approve all non-audit services to be provided by the Resulting Issuer's external auditor to the Resulting Issuer or a subsidiary of the Resulting Issuer.

Other Reporting Issuer Experience

The following table sets out the directors and officers of the Resulting Issuer that are, or have been within the last five years, directors, officers or promoters of other issuers that are or were reporting issuers in any Canadian jurisdiction:

Name	Name and Jurisdiction of Reporting Issuer	Name of Exchange	Position	From	To
David M. Antony	Blackhawk Growth Corp.	CSE	Director	February 2009	Present
	HAW Capital Corp.	TSXV	Director	November 2016	July 2019
	Metal Energy Corp. (Rider 2 Investment Capital Corp.)	TSXV	Director and CEO	February 2021	November 2021
	Baselode Energy Corp. (formerly Rider Investment Capital Corp.)	TSXV	CEO, Director	January 2018	June 2020
	UMG Media Corp	TSXV	CEO, Director	July 2019	December 2019
	Trusted Brands 2016 Inc.	TSXV	Director	January 2017	February 2018
	Miza Enterprises Inc.	TSXV	Director	February 2016	December 2016
	Fanlogic Interactive Inc. (formerly Spriza Media Inc.)	TSXV	Director	July 2011	December 2016
Charidy Lazorko	Blackhawk Growth Corp.	CSE	CFO	February 2009	October 2019
	Metal Energy Corp. (Rider 2 Investment Capital Corp.)	TSXV	Director and CFO	February 2021	November 2021
	Baselode Energy Corp. (formerly Rider Investment Capital Corp.)	TSXV	CFO, Corporate Secretary	January 2018	June 2020
	UMG Media Corp	TSXV	CFO	July 2019	December 2019
	Yorkton Equity Group Inc.	TSXV	CFO	April 2014	February 2018
	Africa Hydrocarbons Inc.	TSXV	CFO	April 2012	January 2016
Scott Seguin	Blackhawk Growth Corp.	CSE	Director	January 2021	Present
	Health Logic Interactive Inc.	TSXV	Director	February 2016	March 2017

Mike Mansfield	Baselode Energy Corp. (formerly Rider Investment Capital Corp.)	TSXV	Director	January 2018	Present
	Revival Gold Inc.	TSXV	Director	December 2016	Present
Trevor Wong-Chor	Baselode Energy Corp. (formerly Rider Investment Capital Corp.)	TSXV	Director	January 2018	June 2020
	Metal Energy Corp. (Rider 2 Investment Capital Corp.)	TSXV	Director	February 2021	November 2021
	Blackhawk Growth Corp.	TSXV	Corporate Secretary	February 2009	August 2019
	Highwood Asset Management Ltd. (formerly Highwood Oil Company Ltd.)	TSXV	Director and Corporate Secretary	March 2018	Present
	Cortex Business Solutions Inc.	TSXV	Corporate Secretary	October 2006	February 2019
	Tidewater Midstream and Infrastructure Ltd.	TSX	Director	April 2015	May 2018
	Fanlogic Interactive Inc. (formerly Spriza Media Inc.)	TSXV	Corporate Secretary	March 2016	July 2017
	Octant Energy Corp.	TSXV	Corporate Secretary	March 2012	May 2017

Statement Of Corporate Governance Practices For The Resulting Issuer

Board of Directors

The Resulting Issuer Board will consist of four (4) directors, two (2) of whom are independent within the meaning of NI 52-110. An independent director, as defined in NI 52-110 is a director who has no direct or indirect material relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a members independent judgment or as otherwise determined to be independent in accordance with NI 52-110. Certain directors, such as current or former employees or officers of the issuer, are deemed not to be independent of the issuer.

The following directors of the Resulting Issuer are independent within the meaning of NI 52-110: Scott Seguin and Michael Mansfield. The Resulting Issuer Board has determined that Joel Donais is not independent as he will be President and Chief Executive Officer of the Resulting Issuer and David Antony is not independent for a period of three years due to having received consulting fees from the Target Company in excess of \$75,000 in the 12 month period prior to the date of completion of the Transaction.

The Resulting Issuer Board is of the view that the Resulting Issuer Board will be able to function independently of management and that the Resulting Issuer Board will be organized properly to function effectively and meets its obligations and responsibilities, including those matters set forth in the mandate of the Resulting Issuer Board.

At the end of or during each meeting of the Resulting Issuer Board, the members of management of the Resulting Issuer and the management directors of the Resulting Issuer Company who are present at such meeting will be asked to leave the meeting in order for the independent directors to meet separately. In addition, other meetings of the independent directors may be held from time to time if required. The independent directors may take leadership roles on various issues as the need arises. Further, as with all directors, the independent directors may engage external advisors at the expense of the Resulting Issuer in appropriate circumstances, subject to the approval of the Board, and have complete access to appropriate personnel of the Resulting Issuer in order to secure all information necessary to fulfill their duties.

Board Mandate

The Resulting Issuer Board, either directly or through its committees, is responsible for the supervision of management of the Company's business and affairs with the objective of enhancing Shareholder value. A copy of the mandate of the Board of Directors will be posted on SEDAR.

Position Descriptions

The Resulting Issuer Board will approve written position descriptions or terms of reference for the Chairman and the Chair of each of the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee. The Resulting Issuer Board will develop a written position description for the Chief Executive Officer and Chief Financial Officer.

Orientation and Continuing Education

The orientation and continuing education of the directors of the Company is the responsibility of the Compensation Committee. Given its early stage of development, the Company does not currently have any formal orientation and education programs.

As new directors join the Board, they are provided with, among other things, corporate policies, historical information about the Company, information on the Company's performance and its strategic plan and an outline of the general duties and responsibilities entailed in carrying out their duties. The Resulting Issuer Board believes that these procedures are a practical and effective approach in light of the Company's particular circumstances, including the size of the Company, limited turnover of the directors and the experience and expertise of the directors.

The Company regularly provides the directors (at least on a quarterly basis) briefings and an update on business, operations and affairs of the Company, including new and ongoing prospects of the Company, the Company's performance relative to its peers and related developments that could have a significant effect on the Company's operations and results. Such updates are conducted by senior management with responsibility in the relevant areas. In addition, from time to time, presentations and seminars are provided to the Board on recent accounting developments as well as other issues receiving increased focus in the industry.

The Company also encourages directors to attend, enrol or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters. Each director of the Company has the responsibility for ensuring that he maintains the skill and knowledge necessary to meet his obligations as a director.

Ethical Business Conduct

In order to encourage and promote a culture of ethical business conduct, the Board has adopted a Code of Business Conduct and Ethics (the "**Code**"). The Code reflects the Company's commitment to a culture of honesty, integrity and accountability and outlines the basic principles and policies with which all employees and consultants are expected to comply. The Company recognizes that each employee's and consultant's

cooperation and commitment is necessary for continued success and the cultivation and maintenance of its reputation as a good corporate citizen. The Code also addresses a number of important topics, including conflicts of interest, corporate opportunities, confidentiality, protection and proper use of company assets, insider trading, fair dealing, compliance with laws, rules and regulations, compliance with environmental laws, discrimination and harassment, safety and health, accuracy of company records and reporting, use of email and internet services, political activities and contributions, illicit payments, payments to officials, directors role in the code of business conduct and ethics, and compliance procedures. A copy of the business Code is available on SEDAR at www.sedar.com under the Company's profile.

The Resulting Issuer Board monitors compliance with the Code by requiring that each of the officers, employees and consultants of the Company affirm in writing when commencing employment his or her agreement to abide by the Code. Compliance is also reaffirmed annually by all individuals. In addition, management provides reports on compliance with the Code to the Board on a regular basis.

In accordance with the ABCA, directors who are a party to, or are a director or an officer of a person which is a party to, a material contract or material transaction or a proposed material contract or proposed material transaction with the Company are required to disclose the nature and extent of their interest and not to vote on any resolution to approve the contract or transaction. In addition, in certain cases, an independent committee of the Board may be formed to deliberate on such matters in the absence of the interested party.

In addition to the Code, the Board has adopted a "Whistleblower Policy" which provides employees and consultants of the Company with a mechanism by which they may raise concerns including (but not limited to) falsification of financial records, unethical conduct, harassment and theft in a confidential, anonymous process.

Nomination of Directors

The proposed members of the Corporate Governance and Nominating Committee Michael Mansfield, David Antony and Scott Seguin. Messrs. Michael Mansfield and Scott Seguin will be independent directors in in accordance with NI 52-110.

The Corporate Governance and Nominating Committee's mandate includes approving directors for nomination and election and filling vacancies among the directors.

When potential candidates are identified, they are screened to ensure that they possess the requisite qualities of integrity, business and professional experience, independence considerations and other skills. The other commitments of the potential candidates are also considered to ensure that the candidate is able to fulfill the candidate's obligations as a director. Potential candidates are identified through suggestions by members of the Board, industry contacts and, in certain cases, professional search agencies.

The Corporate Governance and Nominating Committee's mandate also includes reviewing and recommending mandates of the Board and its committees, recommending appropriate governance processes, policies and guidelines for the Company.

Board Committees

The Resulting Issuer Board will have three committees, the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee, which will be constituted on closing of the Qualifying Transaction.

Audit Committee

See "*Audit Committee*".

Compensation Committee

See "*Executive Compensation – Compensation Discussion and Analysis*".

Corporate Governance and Nominating Committee

See "*Statement of Corporate Governance Practices – Nomination of Directors*".

Board Assessments

The Resulting Issuer has not commenced a formal process of assessing the Board and its committees or the individual directors. To date the Resulting Issuer Board has not reviewed the effectiveness of its proposed committees and individual directors.

Director Term Limits

The Resulting Issuer Board does not believe that fixed term limits or mandatory retirement ages are in the best interest of the Resulting Issuer. Therefore, it will not specifically adopt term limits or other mechanisms for board renewal.

However, when considering nominees for the Resulting Issuer Board, the Corporate Governance and Nominating Committee will review the skills and experience of the then current directors with the objective of recommending a group of directors that can best perpetuate the Resulting Issuer's success and represent Shareholder interests through the exercise of sound judgment and the application of its diversity of experience. The Corporate Governance and Nominating Committee will also consider both the term of service and age of individual directors, the average term of the Board as a whole and turnover of directors over the prior years when proposing nominees for election to the Board. In addition, the Corporate Governance and Nominating Committee also assesses the knowledge, experience and character of all nominees to the Board and other factors such as independence of the directors to ensure that the Board is operating effectively and independently of management. The Resulting Issuer Board also considers whether the individual will enhance the diversity of views and experiences available to the Board in its deliberations.

Policies Regarding the Representation of Women on the Board

The Resulting Issuer Board is not expected to adopt policies that address the identification and nomination of women directors of the Resulting Issuer.

The Resulting Issuer Board acknowledges the importance of diversity and although it does not have a formal diversity or gender policy, it is guided by the Resulting Issuer's philosophy with respect to diversity in its review and consideration of potential director nominees. The potential candidates are assessed on numerous factors including:

- (a) whether the individual meets the requirements of independence;
- (b) whether the individual has a general understanding of various disciplines relevant to the success of a large publicly traded company in today's global business environment;
- (c) the individual's understanding of the business of the Resulting Issuer;
- (d) the individual's professional expertise and experience;
- (e) the individual's educational and professional background; and
- (f) other characteristics of the individual that promote diversity and breadth of experience.

The Resulting Issuer Board believes that Board nominations and executive officer appointments should be made on the basis of the skills, knowledge, experience and character of individual candidates as well as the requirements of the Board and management at the time. The Resulting Issuer will be committed to meritocracy and believes that considering the broadest group of individuals who have the skills, knowledge, experience and character required to provide leadership needed to achieve business objectives, without reference to their age or gender is in the best interests of the Resulting Issuer and all of its stakeholders.

The Resulting Issuer Board will encourage the consideration of women who have the necessary, skills, knowledge, experience and character when evaluating new potential candidates for the Board, and it will consider the level of representation of women on the Board when identifying and nominating potential candidates for election or re-election to the Board; however, the Board feels that, in keeping its commitment to meritocracy, the best and most qualified individual in all respect should be the individual that is nominated.

The Resulting Issuer Board will encourage the consideration of women who have the necessary, skills, knowledge, experience and character when considering new potential candidates for executive officer positions.

The Resulting Issuer is not expected to impose quotas or targets regarding the representation of women on the Board and in executive officer positions. The Resulting Issuer Board believes that imposing quotas or targets regarding the representation of women in executive officer positions would compromise the principles of meritocracy and its overall philosophy of equal opportunity and diversity. However, the Resulting Issuer Board does understand and appreciate the importance of gender equality and diversification and considers this when recruiting for a Resulting Issuer Board appointment or executive officer position.

There is expected to be one women serving in an executive officer position resulting in a 50% representation of women as officers of the Resulting Issuer. The Resulting Issuer will have a very flat structure represented by two officers, including the CEO and CFO.

Insider Trading and Reporting Policy

The Resulting Issuer will adopt an Insider Trading and Reporting Policy as set forth in Schedule "G" hereto.

The Insider Trading and Reporting Policy provides for the following:

- (a) trading prohibitions for parties with insider information;
- (b) insider reporting obligations;
- (c) blackout periods, including scheduled blackouts for each quarter, the blackout period is the seven days immediately preceding the day of the Board or Audit Committee meeting at which the financial statements are to be reviewed and/or approved and terminating at the end of the business day following the release;
- (d) blackout periods for financial results release dates are approximate and will vary on a yearly basis; and
- (e) trading blackout for unscheduled events.

Executive Compensation

Compensation Discussion and Analysis

The Resulting Issuer expects that compensation will play an important role in achieving short and long-term business objectives that ultimately drive business success. The Resulting Issuer's compensation philosophy will foster entrepreneurship at all levels of the organization through, among other things, the future granting of Options, which may be a significant component of executive compensation. This approach is based on the assumption that the performance of the Share price over the long term is an important indicator of long-term performance.

The Resulting Issuer's compensation philosophy is based on the following fundamental principles:

- *Compensation programs align with shareholder interests* – the Resulting Issuer aligns the goals of executives with maximizing long-term shareholder value;
- *Performance sensitive* – compensation for executive officers should be linked to operating and market performance of the Resulting Issuer and fluctuate with the performance; and
- *Offer market competitive compensation to attract and retain talent* – the compensation program should provide market competitive pay in terms of value and structure in order to retain existing employees and consultants who are performing according to their objectives and to attract new individuals of the highest caliber.

The objectives of the compensation program in compensating all the Resulting Issuer's Named Executive Officers will be developed based on the above-mentioned compensation philosophy and will be as follows:

- to attract and retain highly qualified executive officers;
- to align the interests of executive officers with shareholders' interests and with the execution of the Resulting Issuer's business strategy;
- to evaluate executive performance on the basis of key measurements that correlate to long-term shareholder value; and
- to tie compensation directly to those measurements and rewards based on achieving and exceeding predetermined objectives.

The Resulting Issuer believes that transparent, objective and easily verified corporate goals, combined with individual performance goals, play an important role in creating and maintaining an effective compensation strategy for Named Executive Officers. The Resulting Issuer's objective is to establish benchmarks and targets for its Named Executive Officers that will enhance shareholder value if achieved.

Aggregate compensation for each Named Executive Officer shall be designed to be competitive. Once formed, it is anticipated that the compensation committee of the Resulting Issuer (the “**Compensation Committee**”) will review from time to time the compensation practices of similarly situated companies when considering the Resulting Issuer's executive compensation practices. The Compensation Committee will review each element of compensation for market competitiveness, and although it may weigh a particular element more heavily based on the Named Executive Officer's role within the Resulting Issuer, it is primarily focused on remaining competitive in the market with respect to total compensation.

Named Executive Officers and directors will be permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director.

From time to time, on an *ad hoc* basis, the Compensation Committee will review data related to compensation levels and programs of various companies that are similar in size to the Resulting Issuer and operate within the gaming industry. The Compensation Committee will also rely on the experience of its members as officers and/or directors at other companies in similar lines of business as the Resulting Issuer in assessing compensation levels.

Compensation Governance

The Compensation Committee will be responsible for ensuring that the Resulting Issuer has in place an appropriate plan for executive compensation and for making recommendations to the Resulting Issuer Board with respect to the compensation of the Resulting Issuer's executive officers. The Compensation Committee will ensure that total compensation paid to all Named Executive Officers is fair, reasonable, and consistent with the Resulting Issuer's compensation philosophy and will be responsible for considering the implications of the risks associated with the Resulting Issuer's policies and practices.

From time to time the Compensation Committee shall make, and the Resulting Issuer Board shall review and may approve, recommendations regarding compensation to executive officers and directors. A combination of fixed and variable compensation will be used to motivate executive officers to achieve overall corporate goals. The two basic components of the Resulting Issuer's executive officer compensation program are:

- base salary; and
- annual incentive (bonus) payments.

Base salaries shall be paid in cash, and constitute the fixed portion of the total compensation paid to executive officers. Annual incentives comprise the remainder, and represent compensation that is "at risk" and thus may or may not be paid to the respective executive officer depending on: (i) whether the executive officer is able to meet or exceed his or her applicable performance targets; and (ii) market performance of the Shares. To date, no specific formula has been developed to assign a specific weighting to each of these components. Instead, the Resulting Issuer Board shall consider each performance target and the Resulting Issuer's performance and assigns compensation based on this assessment and the recommendations of the Compensation Committee.

Base Salary

The Compensation Committee and the Resulting Issuer Board shall approve the salary ranges for the Named Executive Officers. The base salary review for each Named Executive Officer is based on assessment of factors such as current competitive market conditions, compensation levels and practices of similarly situated companies and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. The Resulting Issuer may consider comparative data for the Resulting Issuer's peer group, which are accumulated from a number of external sources including independent consultants. The Resulting Issuer's policy for determining salary for executive officers will be consistent with the administration of salaries for all other employees.

Annual Incentive (Cash Bonus) Payments

Cash annual incentive awards shall be based on various personal and company-wide achievements. Performance goals for annual incentive payments are subjective and include achieving individual and corporate targets and objectives, as well as general performance in day-to-day corporate activities.

The Resulting Issuer Board will approve target annual incentive amounts for each Named Executive Officer at the beginning of each financial year. The Compensation Committee will determine target amounts based on a number of factors, including comparable compensation of similar companies. Funding of the annual

incentive awards will be capped at the company level and the distribution of funds to the executive officers will be at the discretion of the Compensation Committee. Each Named Executive Officer may receive partial or full payment of the target annual incentive amount set by the Compensation Committee at the beginning of each financial year, depending on the number of the predetermined targets met, and the assessment of such Named Executive Officer's overall performance by the Compensation Committee and the Resulting Issuer Board.

In order to develop a recommendation to the Resulting Issuer Board regarding annual incentive payments, the Compensation Committee will assess Named Executive Officer performance subjectively, considering each Named Executive Officer's respective success in achieving his or her individual objectives, contributions to the achievement of the Resulting Issuer's goals, and contributions to meeting the needs of the Resulting Issuer that arise on a day-to-day basis. If the Compensation Committee cannot unanimously agree on a recommendation in respect of an Named Executive Officer's annual incentive payment, the matter is referred to the full Resulting Issuer Board for decision.

The Resulting Issuer Board will rely heavily on the recommendations of the Compensation Committee in granting annual incentives. However, the Resulting Issuer Board reserves ultimate discretion in determining whether each Named Executive Officer has met his or her targets, and has the right make positive or negative adjustments to any annual incentive payment recommended by the Compensation Committee that it deems appropriate.

Share-Based Compensation

Upon completion of the Transaction, the Resulting Issuer intends to maintain the current 10% rolling Option Plan. This Option Plan provides that the board of directors of the Company may, from time to time, in its discretion and in accordance with Exchange requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase Company Shares, provided that the number of Company Shares reserved for issuance will not exceed 10% of the outstanding Company Shares at the time of grant. Such Options will be exercisable for a period of up to ten (10) years from the date of grant. The number of Common Shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding Company Shares and the number of Company Shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding Company Shares. The Option Plan provides that options may be exercised on the greater of 12 months after the completion of the Qualifying Transaction (as such term is defined in Policy 2.4 of the TSXV) and 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised with a maximum period of one year after such death, subject to the expiry date of such option. Further, the Option Plan provides that any Company Shares acquired pursuant to the exercise of options prior to the completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

At a future date the Resulting Issuer intends to adopt an Omnibus Plan at a future date following the completion of the Transaction. The proposed purpose of the Omnibus Plan is to permit a means for the Resulting Issuer's Board to grant options ("**Options**"), restricted shares ("**Restricted Shares**"), restricted share units ("**RSUs**"), deferred share units ("**DSUs**"), share appreciation rights ("**SARs**") and retention awards ("**Retention Awards**", and together with the Options, the Restricted Shares, the RSUs, the DSUs and the SARs, the "**Awards**") to directors, officers, senior executives and other employees of the Resulting Issuer or a subsidiary, consultants and service providers providing ongoing services to the Resulting Issuer and its affiliates ("**Eligible Participants**", and when such Eligible Participants are granted Awards, the "**Participants**") in order to attract, retain and motivate such persons as individuals whose skills, performance and loyalty to the objectives and interests of the Resulting Issuer are necessary to the Resulting Issuer's success, to incentivize them to continue their services for the Resulting Issuer, and to align their interests with those of the Resulting Issuer.

A complete copy of the Option Plan may be obtained without charge upon request from the Resulting Issuer's registered and records office 25th Floor, 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B3, and a summary of the material provisions of the Omnibus Plan is set out below.

The adoption of the Omnibus Plan by the Resulting Issuer Board is subject to approval of the Omnibus Plan by Shareholders and the TSXV. In accordance with Exchange policies, the approval of the Omnibus Plan will require disinterested Shareholder approval, being the approval of a majority of the votes cast by Shareholders at the Meeting excluding Insiders and their Associates. An “**Insider**” includes all directors and senior officers of the Resulting Issuer and its subsidiaries and any person who beneficially owns or controls, directly or indirectly, more than 10% of the issued and outstanding Common Shares; and “**Associates**” includes an individual’s spouse, children and any relative who lives in the same residence as such person.

Assuming such approval of Shareholders and adoption by the Resulting Issuer Board is obtained, the Omnibus Plan will replace the existing Stock Option Plan and the existing Stock Option Plan will be of no further force and effect and all Options issued under the existing Stock Option Plan will continue under and be governed by the Omnibus Plan.

Summary of the proposed Omnibus Plan

The following is a summary of the material provisions of the proposed Omnibus Plan:

<i>Adjustments</i>	The Omnibus Plan may be adjusted if certain changes are made to the Resulting Issuer’s capitalization (e.g. subdivision, consolidation or reclassification of or a distribution of assets on (other than an ordinary course dividend) the Common Shares) in order to preclude a dilution or enlargement of the benefits due to Participants under the Omnibus Plan.
<i>Administration</i>	The Omnibus Plan is administered and interpreted by the Board. The Board may decide by resolution to appoint a committee of at least three members to administer and interpret the Omnibus Plan. The Board and the committee may also delegate to one or more officers of the Resulting Issuer, or to a committee of such officers, the authority, subject to such terms and limitations as the Board or the committee may determine, to grant, cancel, modify, waive rights with respect to, alter, discontinue, suspend or terminate Awards.
<i>Amendments</i>	The Board may amend the Omnibus Plan or any Award with consent of the Participants provided that the amendment shall: • not adversely alter or impair any Award previously granted; • be subject to any regulatory approvals; • be subject to Shareholder approval, where required, provided that Shareholder approval is not required for the following amendments and the Board may make any changes which may include but are not limited to: (i) amendments of a “housekeeping” nature; (ii) a change to the vesting provisions of any Award; (iii) the introduction or amendment of a cashless exercise feature payable in securities, whether or not such feature provides for a full deduction of the number of underlying securities from the Omnibus Plan reserve; and (iv) the addition of or amendment to any form of financial assistance. The Board needs Shareholder approval to make the following amendments: • any change to the maximum number of Common Shares or preferred shares of the Resulting Issuer issuable under the Omnibus Plan (the “Shares”, and each, a “Share”), except any increase due to an adjustment or due to the evergreen provisions of the plan; • any amendment that reduces the exercise price of an Award; • any amendment that extends the expiry date of an Award; • amend the limitations on the maximum number of Shares reserved or issued to Insiders under the Omnibus Plan;

	- any amendment that changes the Eligible Participants, including a change that would have the potential to broaden the participation by Insiders; - any amendment that would permit an Award to be transferable or assignable other than as currently permitted; and - any amendment to the amendment provisions of the Omnibus Plan. Common Shares held directly or indirectly by Insiders that may benefit from certain amendments shall be excluded from voting when obtaining Shareholder approval.
<i>Assignability</i>	Awards granted under the Omnibus Plan are non-transferrable or assignable, other than in the event of death of the holder.
<i>Black-out Period</i>	If the expiration date of an Option or SAR falls within a black-out period or within the 10 business days following the end of the black-out period, then the expiration of the Option or SAR is extended to the 10 th business day following the end of the black-out period.
<i>Cessation</i>	<i>Cessation for any reason other than cause or death or disability</i> – Forfeiture of all unvested Awards. All vested Awards as of the termination date shall: (i) in the case of a DSU, RSU or Retention Award, be settled in accordance with the terms of the Omnibus Plan; and (ii) in the case of an Option or SAR, be exercised in accordance with the terms of the Omnibus Plan, at any time during the period that terminates on the earlier of: (A) the Option's or SAR's expiry date, and (B) the 90th day after the termination date. Any Option or SAR that remain unexercised shall be immediately forfeited upon the termination of such period. <i>Termination for cause</i> – Forfeiture of all vested and unvested Awards. <i>Death or disability of a Participant</i> – Acceleration of vesting of all unvested Awards and (i) in the case of a DSU, RSU or Retention Award, be settled in accordance with the terms of the Omnibus Plan; and (ii) in the case of an Option or SAR, be exercised in accordance with the terms of the Omnibus Plan, at any time during the period that terminates on the earlier of: (A) the Option's or SAR's expiry date, and (B) the first anniversary of the date of the death or disability of the Participant. Any Option or SAR that remain unexercised shall be immediately forfeited upon the termination of such period. <i>Restricted Shares</i> – Upon a Participant ceasing to be an Eligible Participant for any reason, any Restricted Shares that have not vested at such time shall automatically be deemed to have been reacquired by the Resulting Issuer.
<i>Change of Control</i>	In the event of a "Change in Control", a reorganization of the Resulting Issuer, an amalgamation of the Resulting Issuer, an arrangement involving the Resulting Issuer, a take over bid (as that term is defined in the <i>Securities Act</i> (British Columbia)) for all of the Common Shares or the sale or disposition of all or substantially all of the property and assets of the Resulting Issuer, the Board may make such provision for the protection of the rights of the Participants as the Board in its discretion considers appropriate in the circumstances. "Change in Control" means an event whereby (i) any person becomes the beneficial owner, directly or indirectly, of 50% or more of either the issued and outstanding Common Shares or the combined voting power of the Resulting Issuer's then outstanding voting securities entitled to vote generally; (ii) any person acquires, directly or indirectly, securities of the Resulting Issuer to which is attached the right to elect the majority of the Board; or (iii) the Resulting Issuer undergoes a liquidation or dissolution or sells all or substantially all of its assets.
<i>Eligibility</i>	The persons eligible to receive Awards are the Eligible Participants.
<i>Financial Assistance</i>	The Omnibus Plan does not contain any form of financial assistance.

<i>Market Appreciation/Dividend Payment</i>	The Omnibus Plan contemplates the award of SARs. In addition, a holder of DSUs is entitled to receive additional DSUs (or fractions thereof) when dividends are declared and paid on Shares. The additional DSUs are based on (i) the actual amount of dividends that would have been paid if the Participant had held Shares under the Omnibus Plan on the applicable record date divided by (ii) the Market Value (as defined below) on the date on which the dividends on Shares are payable.
<i>Market Value as of Grant</i>	Restricted Shares – Restrictions and conditions on the disposition of Restricted Shares that are granted are determined by the Board at the time of grant. Options – The option price for Shares that are the subject of any Option shall be determined by the Board at the time the Option is granted, but may not be less than Market Value (as defined below) at the time of grant. The terms of the Omnibus Plan allow for the exercise of an Option on a cashless basis. The number of Shares received on the cashless exercise of an Option is determined by taking (i) the difference between (A) the Market Value and (B) the exercise price of such Option, (ii) multiplying that difference by the number of Shares to which such Option relates, and then (iii) dividing that product by the Market Value. DSUs – Each Eligible Participant may elect, once each calendar year, to be paid a percentage of his or her annual retainer in the form of DSUs. The number of DSUs an Eligible Participant is entitled to receive is calculated by taking (i) the percentage elected by the Eligible Participant, (ii) multiplying that percentage by the Eligible Participant's annual retainer, and then (iii) dividing that product by the Market Value. RSUs – The purchase price of an RSU is determined by the Board and may be zero. SARs – The exercise price of a SAR shall be fixed by the Board, but may not be less than the Market Value at the time of grant. Upon exercise, the holder is entitled to receive the number of Shares equal to the excess of the Market Value on the effective date of such exercise over the exercise price of the SAR. Retention Awards – A retention award entitles an Eligible Participant to receive the number of Shares that is equal to the retention payment divided by the Market Value on the vesting date of the retention award, disregarding fractions and less any amounts withheld for taxes. "Market Value" means at any date when the market value of Shares of the Resulting Issuer is to be determined, the volume weighted average trading price of the Shares on the five trading days prior to the date of grant, calculated by dividing the total value by the total volume of Shares traded for the five trading days prior to the date of grant on the principal stock exchange on which the Shares are listed, or if the Shares are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith.
<i>Participation Limits</i>	The aggregate number of Shares (i) issued to Insiders under the Omnibus Plan together with any other security-based compensation arrangement of the Resulting Issuer within any one year period and (ii) issuable to Insiders at any time under the Omnibus Plan together with any other security-based compensation arrangement, shall in each case not exceed 10% of the issued and outstanding Shares (on a non-diluted basis).
<i>Ratification</i>	The Board has not made any grant of Awards that is subject to ratification.
<i>Reserve Maximum and Current Reserve</i>	Total Reserve – The maximum number of Shares which may be reserved for issuance under the Omnibus Plan, together with any other security-based compensation arrangement of the Resulting Issuer, may not exceed 10% of the issued Shares from time to time. Options – The total number of Shares reserved and available for grant and issuance pursuant to Options shall not exceed a number of Shares equal to 10% of the total issued and outstanding Shares at the time of granting of Options (on a non-diluted basis). This means any increase in the issued and outstanding Shares (whether as a

	result of exercise of Awards or otherwise) will result in an increase in the number of Shares that may be issued on Options outstanding at any time and any increase in the number of Options granted will, upon exercise, make new grants available under the Omnibus Plan. Other Awards – The total number of Shares available for issuance from treasury under the Omnibus Plan pursuant to SARs, Restricted Shares, RSUs, DSUs or Retention Awards will be fixed at 10% of the total issued and outstanding Shares of the Resulting Issuer at the effective date of the Omnibus Plan.
<i>Term</i>	Restricted Shares – Determined by the Board. Options – The Board shall determine the period in which an Option is exercisable. An Option cannot expire later than 10 years from the date it is granted. DSUs – A Participant may redeem his or her DSUs up to the 120th calendar day after the date of his or her termination. RSUs – The Board shall determine the Restricted Period (as defined below), provided such Restricted Period cannot expire later than December 31 of the year that is three years after the calendar year in which the grant of RSUs was made. SARs – The Board shall determine the period during which a SAR is exercisable, provided such period cannot expire more than 10 years from the date the SAR was granted. Retention Awards – The relevant conditions and vesting provisions of a Retention Award are determined by the Board (including the performance period and criteria, if any).
<i>TSXV Limits</i>	• The total number of Shares from treasury which may be reserved for issuance pursuant to SARs, Restricted Shares, RSUs, DSUs or Retention Awards to Insiders under the Omnibus Plan together with any other security-based compensation arrangement of the Resulting Issuer shall not exceed 2% of the issued and outstanding Shares on the grant date or within any 12 month period (in each case on a non-diluted basis). • The total number of Shares which may be reserved for issuance pursuant to Options to any one Eligible Participant under the Omnibus Plan together with any other security-based compensation arrangement of the Resulting Issuer shall not exceed 5% of the issued and outstanding Shares on the grant date or within any 12 month period (in each case on a non-diluted basis). • The total number of Shares from treasury which may be reserved for issuance pursuant to SARs, Restricted Shares, RSUs, DSUs or Retention Awards to any one Eligible Participant under the Omnibus Plan together with any other security-based compensation arrangement of the Resulting Issuer shall not exceed 1% of the issued and outstanding Shares on the grant date or within any 12 month period (in each case on a non-diluted basis). • The aggregate number of Options to any one Eligible Participant that is a consultant of the Resulting Issuer in any 12 month period must not exceed 2% of the issued Shares calculated at the first such grant date. • The aggregate number of Options to all persons retained to provide investor relations activities must not exceed 2% of the issued Shares in any 12 month period calculated at the first such grant date (and including any Eligible Participant that performs investor relations activities and/or whose role or duties primarily consist of investor relations activities). • Options granted to any Person retained to provide investor relations activities must vest in a period of not less than 12 months from the date of grant of the Award and with no more than 25% of the Options vesting in any three month period notwithstanding any other provision of the Omnibus Plan.

<i>Vesting</i>	Restricted Shares – The Omnibus Plan does not contemplate any required vesting of the Restricted Shares. Restrictions and conditions on the disposition of Restricted Shares are determined by the Board at the time of grant. Options – The Board shall, from time to time by resolution, determine the vesting provisions of the Options. DSUs – The Board may, at the time of grant, make DSUs subject to restrictions and conditions (i.e. continuing employment or achievement of pre-established performance goals). DSUs are exercisable immediately following the date a Participant resigns or is terminated. RSUs – The relevant conditions and vesting provisions of a RSU are determined by the Board (including the performance period and criteria, if any). In making its determination regarding the vesting requirements applicable to any RSUs, the Board shall ensure that such requirements are not considered a “salary deferral arrangement” for purposes of applicable legislation. The Board also sets a date upon which it is determined whether the vesting conditions with respect to RSUs have been met (the “RSU Vesting Determination Date”). This then establishes the number of RSUs that become vested. The RSU Vesting Determination Date cannot fall outside the period (the “Restricted Period”) that ends on December 31 of the year that is three years after the calendar year in which the grant of RSUs was made. Any RSU that remains unvested on the RSU Vesting Determination or at the end of the Restricted Period, whichever is earlier, is cancelled. SARs – The relevant conditions and vesting provisions of a SAR are determined by the Board (including the performance period and criteria, if any). Retention Awards – The relevant conditions and vesting provisions of a Retention Award are determined by the Board (including the performance period and criteria, if any).
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Summary Compensation Table

The following table sets forth the anticipated compensation for each of the Resulting Issuer's Chief Executive Officer and Chief Financial Officer for the 12-month period following Completion of the Qualifying Transaction (no other executive officers are expected to earn in excess of \$150,000 per annum).

SUMMARY COMPENSATION TABLE									
Name and Principal Position	Year	Salary, Consulting fee, retainer or commission (\$)	Share-Based Awards (\$) ⁽¹⁾	Option-Based Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans			
Joel Donais, CEO	2022	70,000	63,000	47,790	Nil	Nil	Nil	Nil	180,790
Charidy Lazorko, CFO	2022	40,000	73,500	39,825	Nil	Nil	Nil	Nil	153,325

Notes:

(1) These are the number of RSUs multiplied by the Financing price of \$0.21 per Common Share.

(2) Using a formula for valuing options (Black-Scholes) the options are valued at \$0.1593 per option.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth the awards anticipated to be issued to the Resulting Issuer's the Chief Executive Officer and Chief Financial Officer for the 12-month period following Completion of the Qualifying Transaction (no other executive officers are expected to earn in excess of \$150,000 per annum).

Name and Title	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options ⁽¹⁾ (\$)	Number of Shares or Units of Shares that have not vested	Market or Payout Value of Share-Based Awards that have not vested (\$)	Market or payout value of vested Share-Based Awards not paid out or distributed (\$)
Joel Donais, CEO	300,000	\$0.21	Five Years from Grant	Nil	300,000	63,000	Nil
Charidy Lazorko, CFO	250,000	\$0.21	Five Years from Grant	Nil	350,000	73,500	Nil

Note:

(1) The exercise price of the options is \$0.21 per Resulting Issuer Share which is the price of the concurrent Financing.

Narrative Discussion

Following Completion of the Qualifying Transaction, all issued and outstanding Options previously granted will be continued under and governed by the Option Plan. The significant terms of the Option Plan are disclosed in this Prospectus under "*Information Concerning the Company – Stock Option Plan*".

Pension Plan Benefits

The Resulting Issuer does not have in place any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

Termination and Change of Control Benefits

The Resulting Issuer has not entered into to any contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Resulting Issuer, its subsidiaries or affiliates or a change in a Named Executive Officer's responsibilities.

Compensation of Directors

It is anticipated that all directors will be primarily compensated for their services as directors by the granting of Options and DSUs in such amounts and upon such terms as may be recommended and approved by the Compensation Committee from time to time.

Indebtedness of Directors and Officers

No current or former director or officer of the Company, proposed director or officer of the Resulting Issuer nor any of their associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to the Company nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement

or understanding, provided by the Company. None of the foregoing individuals are expected to be indebted to the Resulting Issuer following the Completion of the Qualifying Transaction.

Investor Relations Arrangements

No written or oral agreement or understanding has been reached with any person to provide any promotional or investor relations services for the Resulting Issuer. Any such agreement or understanding that may be entered into following completion of the Transaction will be at the determination of the Resulting Issuer Board.

Options to Purchase Securities

Other than as set out in the table below, as at the date of this Prospectus, there are no stock options to purchase securities of the Resulting Issuer that will be held upon completion of the Transaction and the Private Placement by:

- proposed officers of the Resulting Issuer as a group and proposed directors of the Resulting Issuer who are not also officers as a group;
- officers of all subsidiaries of the Resulting Issuer as a group and directors of those subsidiaries who are not also officers of the subsidiary as a group;
- other employees of the Resulting Issuer as a group;
- consultants of the Resulting Issuer as a group; and
- any other person or company, including any agent or underwriter.

The following table sets out information, as of the date of this Prospectus, on options to purchase Resulting Issuer Shares that will be held upon completion of the Transaction to the extent presently known and subject to applicable regulatory approvals:

Class of Optionee	Type of Security	Number of Resulting Issuer Shares Under Option	Exercise Price (C\$)	Expiry Date
Proposed Officers	Resulting Issuer Options	700,000	\$0.21	Five years from the date of grant
Proposed Directors (other than officers)	Resulting Issuer Options	700,000	\$0.21	Five years from the date of grant
Former Directors and Officer	Resulting Issuer Options	555,000	\$0.10	One Year from the Closing Date
Other Employees and Consultants	Resulting Issuer Options	800,000	\$0.21	Five years from the date of grant
TOTAL		2,755,000		

The option price was determined based on the Private Placement price of \$0.21 per Resulting Issuer Share. Options granted in connection with the Transaction will be granted at Closing.

The following table sets out information, as of the date of this Prospectus, on RSUs and DSUs to acquire Resulting Issuer Shares that will be granted following completion of the Transaction and adoption of the Omnibus Plan to the extent presently known and subject to applicable regulatory approvals:

Class of Optionee	Type of Security	Number of Resulting Issuer RSUs or DSUs	Grant Price (C\$)	Expiry Date
Proposed Officers	Resulting Issuer RSUs	850,000	\$0.21	End of third Calendar year from the date of grant
Proposed Directors (other than officers)	Resulting Issuer DSUs	750,000	\$0.21	Upon retirement from the Board
Other Employees and Consultants	Resulting Issuer RSUs	1,200,000	\$0.21	End of third Calendar year from the date of grant
TOTAL		2,800,000		

The price was determined based on the Private Placement price of \$0.21 per Resulting Issuer Share. RSUs and DSUs granted will be granted only upon implementation of the Omnibus Plan.

Stock Option Plan

Upon completion of the Transaction, the Resulting Issuer intends to maintain the current 10% rolling Option Plan. At a future date an omnibus plan for the Resulting Issuer is expected to be implemented. This will be subject to shareholder and TSXV acceptance.

Escrowed Securities

CPC Escrowed Shares

An aggregate of 2,100,000 Company Shares (the “**CPC Escrowed Shares**”) issued prior to or in connection with the CPC IPO to the directors and officers of the Company and their respective Associates and Affiliates, are currently held in escrow under to the policies of the Exchange pursuant to the CPC Seed Escrow Agreement.

Resulting Issuer Escrowed Shares

The following table sets out, as of the date of this Prospectus and to the knowledge of ANC and VIP the name and municipality of residence of the Resulting Issuer Shareholders whose Resulting Issuer Shares (the “**Resulting Issuer Escrowed Shares**”) will be subject to an Exchange Form 5D –Escrow Agreement (on an undiluted basis):

Name and Municipality of Residence of Shareholder	Escrowed Securities ⁽¹⁾	Number and Percentage of Securities after giving effect to the Private Placement, Debt Settlement and the Transaction ⁽²⁾
Randy Jennings, Calgary, Alberta	Resulting Issuer Shares	13,425,102 (17.3%)
Theresa Jennings, Calgary, Alberta	Resulting Issuer Shares	13,424,985 (17.3%)
Joel Donais, Calgary, Alberta	Resulting Issuer Shares	2,918,475 (3.8%)
Kelly Donais, Calgary, Alberta	Resulting Issuer Shares	2,918,475 (3.8%)
David Antony, Calgary, Alberta	Resulting Issuer Shares	2,334,780 (3.0%)
Kaitlyn Seguin, Calgary, Alberta	Resulting Issuer Shares	116,739 (less than 1%)
Michael Mansfield, Calgary, Alberta	Resulting Issuer Shares	175,109 (less than 1%)
Total	Resulting Issuer Shares	35,313,665

Notes:

- (1) The escrow agent of these Resulting Issuer Shares will be Computershare Investor Services Inc. (or such other escrow agent as Resulting Issuer may appoint).
- (2) Assumes there are 80,488,309 Resulting Issuer Common Shares outstanding after given effect to the Private Placement and Debt Settlement.

Release Terms of the Escrow for the CPC Escrowed Shares

Pursuant to the CPC Seed Escrow Agreements, the CPC Escrowed Shares are held in escrow by Computershare Investor Services Inc. as the escrow agent. The CPC Seed Escrow Agreements provide that the CPC Escrowed Shares shall not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without the written consent of the Exchange. At the annual general and special meeting of ANC held on May 14, 2021, the disinterested shareholders of ANC approved certain amendments to the CPC Seed Escrow Agreement to reduce the length of the term of any escrow provision in accordance with amendments to Policy 2.4. As a result of such amendments, under the CPC Seed Escrow Agreement, 25% of the CPC Escrowed Shares will be released from escrow on the issuance of the Final Exchange Bulletin (the “**Initial Release**”) and an additional 25% will be released on the dates that are 6 months, 12 months and 18 months following the Initial Release.

Release Terms of the Escrow for the Resulting Issuer Escrowed Shares

The Resulting Issuer Escrowed Shares listed above are expected to be subject to a surplus security escrow agreement in accordance with the Exchange policies (“**Surplus Security Escrow Agreement**”).

The principal distinction between a Value Security Escrow Agreement and a Surplus Security Escrow Agreement is the time period for release of securities from escrow. In the case of the Resulting Issuer, a Value Security Escrow Agreement will provide for a three year escrow release mechanism with 10% of the Resulting Issuer Escrowed Shares being releasable at the time of the Final Exchange Bulletin, and 15% of the Resulting Issuer Escrowed Shares being releasable every 6 months thereafter until the date which is 36 months after the Final Exchange Bulletin. In the case of the Resulting Issuer, a Surplus Security Escrow Agreement will provide for a 3 year escrow release mechanism with: 5% of the Resulting Issuer Escrowed Shares releasable at the time of the Final Exchange Bulletin, 5% on the date which is 6 months after the Final Exchange Bulletin, 10% on each of the dates which are 12 and 18 months after the Final Exchange Bulletin, 15% on each of the dates which are 24 and 30 months after the Final Exchange Bulletin and 40% on the date which is 36 months after the Final Exchange Bulletin.

Where the Resulting Issuer Escrowed Shares are held by a non-individual (a “**holding company**”), each holding company pursuant to the applicable escrow agreement has agreed, or will agree, not to carry out any transactions during the currency of the escrow agreement which would result in a change of control of the holding company, without the consent of the Exchange. Any holding company must sign an undertaking to the Exchange that, to the extent reasonably possible, it will not permit or authorize any issuance of securities or transfer of securities that could reasonably result in a change of control of the holding company. In addition, the Exchange may require an undertaking from any control person of the holding company not to transfer the shares of that company.

The Resulting Issuer Escrowed Shares may not be transferred within escrow without the approval of the Exchange for release or transfer other than in specified circumstances set out in the applicable escrow agreement.

Seed Share Resale Restrictions

In addition to the foregoing, Policy 5.4 of the TSXV imposes resale restrictions on shares held by non-principals prior to the Transaction. These resale restrictions are in addition to any hold periods applied under applicable securities laws.

Number of Shares	Average Price Per Resulting Issuer Share	Resale Provisions Tier 2	First Release at Exchange Bulletin (Number of Shares)
16,927,155 ⁽¹⁾	Nominal	10% of the Shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months	1,692,715

Note:

(1) After giving effect to the Exchange Ratio. This is equivalent to 14,500,000 VIP Shares.

Statutory Resale Restrictions

A portion of the Private Placement may be conducted directly by the Resulting Issuer on a non-brokered basis. Any Resulting Issuer Shares issued pursuant to the Private Placement directly by the Resulting Issuer will be subject to a statutory resale restriction of four months from the Closing Date.

Emerging Market Disclosure

All of VIP's assets (other than the CGL) and staff are located in Canada. VIP's banking is done in Canada, and VIP does not have local banking in Curacao, Mexico or Brazil or other emerging markets. Payments made or received by VIP go through a third-party processor (Premier Pay – Canada. EcoPayz – Isle of Man. MuchBetter – United Kingdom) to a VIP bank in Canada. VIP has a registered office in Curacao, although no VIP staff are present, and the office is simply a requirement of the licensing structure.

Notwithstanding the foregoing, guidance from Canadian securities regulators provides that issuers operating in markets deemed "emerging markets" include additional disclosure with respect to operations in such markets.

VIP has subsidiaries located in Curacao, Belize, and Cyprus, while it actively markets and acquires players from Mexico and Brazil, all of these countries are considered Emerging Markets. Westchester Holdings Inc. (Belize) still holds the software licensing agreement with BetConstruct and a payment processing contract. WEST was the original entity which signed into agreement for these contracts and VIP continues to maintain these contracts to date. Coal Harbour Developments (Cyprus) is a dormant legacy entity of VIP. CHD was originally in place for payment support services with a third-party payment provider, which VIP no longer has in place and no longer utilizes as a form of payment.

For these reasons, the following disclosure is included in consideration of the guidance in Notice 51-720 – Issuer Guide for Companies Operating in Emerging Markets of the Ontario Securities Commission.

Although these subsidiaries are registered in their respective territories, the only asset based out of these countries is that of the gaming license provided by the country of Curacao. VIP engages in customer acquisition campaigns in both Mexico and Brazil under the consideration of the legal opinions VIP acquired by respective in-country, established, and in-good-standing legal firms. VIP does not have any staff, consultants, assets, intellectual property, or licenses in these jurisdictions, other than the CGL. As VIP acquires new licensing in any regulated market, the CGL will become inactive in that jurisdiction as the jurisdiction specific license will override any current, ongoing, or previous operations for VIP to operate its online gaming business.

VIP has held and operated the CGL since 2015 and considers Curacao to be a relatively stable jurisdiction for business and the country of issuance for its gaming license. VIP acquired its CGL with the assistance

of a in-country, established and in-good-standing third-party group in Curacao, who specializes in offshore compliance and license acquisition. VIP regularly relies on the service of this third-party service provider to maintain its regulatory compliance, as is the required structure under the direction of the government of Curacao, and their licensing regime. All its correspondence with this third-party provider, or any related entity/business-to-business communication is completed and transmitted in English, this also applies to correspondence with both legal firms from Mexico and Brazil. As an Emerging Market, it is possible that operating in Curacao, Mexico and Brazil may expose VIP to a certain degree of political, economic, and other risks and uncertainties. While VIP believes they have a strong understanding and relationship with each of these jurisdictions and any related parties, it is plausible that any new or changing regulations or the introduction of new laws could negatively impact VIP's ability to continue its operations as present.

The establishment of the Curacao based subsidiary, which was required to obtain its gaming license, adds an additional regulatory framework to which VIP operates and is supplementary to the existing regulatory framework existing in Canada. VIP, its directors, and officers, ensure they maintain the required regulations and reporting to the government of Curacao where required to maintain their Curacao Gaming License. VIP's operations in emerging jurisdictions are governed in accordance with applicable local laws and entity-wide governance principles. The directors and management of VIP is generally comprised of a majority of senior management with experience and regular contact with related parties in these jurisdictions. VIP maintains oversight over the operations in these Emerging Markets. Each jurisdiction will require greater internal controls and adherence to a regulatory framework that creates challenges in relation to decision-making, communication, and compliance. VIP has experienced management and has an ongoing relationship with legal advisors and consultants to help facilitate adherence to regulatory requirements in order to meet this challenge.

Use of and Reliance on Experts

VIP has utilized local legal counsel in these jurisdictions in which it operates regarding various corporate and regulatory legal issues, including the VIP's right to conduct business in Mexico and Brazil, and has relied on advice from these parties with respect to such matters. VIP has on-going relationships with, a Mexican law firm located in Mexico City, as well as a Brazilian law firm located in Sao Paulo, Brazil. VIP ensures that any such counsel or provider retained has their credentials vetted, referenced, with considerable diligence and adherence to local licenses, professional associations, and regulators.

Considering the Notice 51-720 – Issuer Guide for Companies Operating in Emerging Markets of the Ontario Securities Commission, VIP must disclose any relationship in these jurisdictions. All of VIP's Directors and Officers are in Canada, and any securities laws or regulations concerning VIP would fall under that of Canada. This disclosure is prepared with the desire to inform any potential investors with the risks associated with VIP's current business model and its operations in emerging markets.

Risk Factors

The following describes the risk factors that management believes a reasonable holder of the securities of the Company (or if the Transaction is completed, the Resulting Issuer) would consider relevant and that would be material to the holders of securities in the Company or the Resulting Issuer after giving effect to the Transaction. It is possible that other risks and uncertainties that affect the Company's business will arise or become material. The risks listed are not set out in any particular order of priority.

AN INVESTMENT IN SECURITIES OF THE RESULTING ISSUER SHOULD BE CONSIDERED SPECULATIVE IN NATURE AND INVOLVES A HIGH DEGREE OF RISK. IN ADDITION TO THE OTHER INFORMATION PRESENTED IN THIS PROSPECTUS, PROSPECTIVE SHAREHOLDERS AND PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS IN EVALUATING AN INVESTMENT IN THE SECURITIES OF THE RESULTING ISSUER.

Transaction or Private Placement Not Approved

The Completion of the Qualifying Transaction, including the Private Placement, is subject to the final approval of the Exchange. The Company has applied for the Exchange's conditional approval of the Qualifying Transaction. Conditional approval of the Qualifying Transaction will be subject to the Company and VIP fulfilling all the requirements of the Exchange. If the Qualifying Transaction does not complete, the Company will continue to search for other opportunities, however, it will have incurred significant costs associated with the Qualifying Transaction. In the event that the Qualifying Transaction is not approved, the Company will remain a CPC.

The Exchange will review the expenses, disclosure, trading history and other transactions undertaken by the Company during its listing to determine compliance with Exchange policies. The Exchange may refuse to accept the Qualifying Transaction if significant concerns arise from its review and where, among other things, the Company fails to meet the minimum listing requirements prescribed by the Exchange upon Completion of the Qualifying Transaction, or the consideration proposed to be paid by the Company in connection with the Transaction is objectionable to the Exchange.

VIP has a Limited Operating History

VIP began carrying on business in its current capacity on January 1, 2019. VIP is, therefore, subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that VIP will be successful in achieving a return on shareholders' investment and likelihood of success must be considered in light of the early stage of operations. VIP's lack of operating history may also make it difficult for investors to evaluate VIP's prospects for success and there is no guarantee that VIP's business model will continue to achieve its strategic objectives.

Negative Cash Flow from Operations

During the fiscal year ended December 31, 2021, VIP had negative cash flows from operating activities. Although VIP anticipates it will have positive cash flows from operating activities in future periods, to the extent that VIP has negative cash flows in any future period, certain of the net proceeds from the Private Placement may be used to fund such negative cash flows from operating activities, if any.

Uncertainty of VIP's Future Revenues

Although management is optimistic about VIP's prospects, there is no guarantee that expected outcomes and sustainable revenue streams will be achieved. VIP faces risks frequently encountered by early-stage companies. In particular, its growth and prospects depend on its ability to expand its operation and grow its revenue streams, whilst at the same time maintaining effective cost controls. Any failure to expand is likely to have a material adverse effect on VIP's business, financial condition, and results.

Global Economic Risk

The ongoing economic slowdown and downturn of global capital markets (in particular as a result of the current outbreak of the novel coronavirus ("**COVID-19**") and the global COVID-19 pandemic) 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, VIP is subject to liquidity risks in meeting 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 VIP's ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to VIP. If uncertain market conditions persist, VIP's ability to raise capital could be jeopardized, which could have an adverse impact on VIP's operations and trading price of the Resulting Issuer Shares on the stock exchange.

COVID-19 Risk

VIP's business could be significantly and adversely affected by the effects of any widespread global outbreak of contagious disease. A significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn and cancellation of sports events that could affect demand for VIP's services and likely impact operating results. In particular, the recent outbreak of COVID-19 has had a negative impact on global financial conditions. VIP cannot accurately predict the impact COVID-19 will have on VIP's ability to remain open for business in response to government public health efforts to contain COVID-19 and to obtain financing or third parties' ability to meet their obligations with VIP, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak and the length of travel and quarantine restrictions imposed by governments of affected countries, and future demand of VIP's products and services. In the event that the prevalence of the coronavirus continues to increase (or fears in respect of the coronavirus continue to increase), governments may increase regulations and restrictions regarding the flow of labour or products, and travel bans, and VIP's operations, suppliers, customers and distribution channels, and ability to advance its projects, could be adversely affected.

Changing Economic Conditions

The demand for entertainment and leisure activities, including sports betting and gaming, more generally, can be overly sensitive to changes in 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 VIP's control. Unfavourable changes in general economic conditions, including recessions, economic slowdowns, sustained high levels of unemployment, and increasing fuel or transportation costs or the perception by customers of weak or weakening economic conditions, may reduce customers' disposable income or result in fewer individuals engaging in entertainment and leisure activities, such as sports betting or online gaming. As a result, VIP cannot ensure that demand for its product and service offerings will remain constant. Adverse developments affecting economies throughout the world, including a general tightening of availability of credit, decreased liquidity in certain financial markets, increased interest rates, foreign exchange fluctuations, increased 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, such as sports betting and gaming. Any significant or prolonged decrease in consumer spending on entertainment or leisure activities could adversely affect the demand for VIP's product offerings, reducing its cash flows and revenues. If VIP experiences a significant unexpected decrease in demand for its product offerings, its business may be harmed.

Risks Associated with Acquisitions

As part of VIP's overall business strategy, VIP may pursue select strategic acquisitions after the Completion of the Qualifying Transaction, which would provide additional product and service offerings, vertical integrations, additional industry expertise and a stronger industry presence in both existing and new jurisdictions. Future acquisitions may expose it to potential risks, including risks associated with: (a) the integration of new operations, services and personnel; (b) unforeseen or hidden liabilities; (c) the diversion of resources from VIP's existing business and technology; (d) potential inability to generate sufficient revenue to offset new costs; (e) the expenses of acquisitions, in particular where cost synergies are not achieved or where significant additional regulatory risk or costs are associated with the entry into new jurisdictions as a result of acquisitions; or (f) the potential loss of or harm to relationships with employees, consultants, and existing customers resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

Operational Risks

VIP will be affected by a number of operational risks and VIP may not be adequately insured for certain risks, including labour disputes, catastrophic accidents, fires, blockades or other acts of social activism, changes in the regulatory environment, difficulty obtaining banking and payment processing for companies involved in online gaming, difficulty in obtaining gaming licences for gaming platforms, changing online gaming regulatory environment with previously open markets becoming closed, or adopting prohibitive regulations, markets adopting point of consumption tax regimes that can render some markets less lucrative over time, cost of player acquisition and likelihood to recoup value based on player lifetime values, impact of non-compliance with laws and regulations. There is no assurance that the foregoing risks and hazards will not result in adverse impacts on VIP's operation, costs, monetary losses, potential legal liability and adverse governmental action, any of which could have an adverse impact on VIP's future cash flows, earnings and financial condition. Also, VIP may be subject to or affected by liability or sustain loss for certain risks and hazards against which VIP cannot insure or which VIP may elect not to insure because of the cost. This lack of insurance coverage could have an adverse impact on VIP's future cash flows, earnings, results of operations and financial condition.

Cybersecurity Risks

VIP's operations involve the storage and transmission of customer data, including personally identifiable information, and security incidents could result in unauthorized access to, the loss of, or unauthorized disclosure of such information. Although VIP has security systems in place and what it deems sufficient security around its system to prevent unauthorized access, it must ensure that it continually enhances security and fraud protection within its platform, and if VIP is unable to do so it may become subject to liability for privacy breaches or consequences that result from any unanticipated incident. As a result of advances in computer capabilities, new discoveries in the field of cryptography or other developments, a compromise or breach of VIP's security precautions may occur. The techniques used to obtain unauthorized, improper or illegal access to VIP's systems, data or customers' data and to sabotage its system are constantly evolving and may be difficult to detect quickly. An information breach in VIP's system and loss of confidential information such as credit card numbers and related information, or interruption in the operation of the VIP applications, could have a longer and more significant impact on VIP's business operations than any hardware failure. A compromise in VIP's security system could severely harm its business by the loss of its customers' confidence in it and thus the loss of their business. VIP may be required to spend significant funds and other resources to protect against the threat of security breaches or to alleviate problems caused by these breaches. However, protection may not be available at a reasonable price, or at all. Any failure to adequately comply with necessary protective measures could result in fees, penalties and/or litigation. Concerns regarding the security of e-commerce and the privacy of customers may also inhibit the growth of the Internet as a means of conducting commercial transactions. This may result in a reduction in revenues and increase operating expenses, which would prevent VIP from achieving profitability.

Financial Projections May Prove Materially Inaccurate or Incorrect

VIP's financial estimates, projections and other forward-looking information accompanying this Prospectus were prepared by VIP. Such forward-looking information is based on assumptions of future events that may or may not occur, which assumptions may not be disclosed in such documents. Investors should inquire of VIP and become familiar with the assumptions underlying any estimates, projections or other forward-looking statements. Projections are inherently subject to varying degrees of uncertainty and their achievability depends on the timing and probability of a complex series of future events.

There is no assurance that the assumptions upon which these projections are based will be realized. Actual results may differ materially from projected results for a number of reasons including increases in operational expenses, changes or shifts in regulatory rules, undiscovered and unanticipated adverse industry and economic conditions, and unanticipated competition. Accordingly, investors should not rely on any projections to indicate the actual results VIP and its subsidiaries might achieve.

Difficulty to Forecast

VIP must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the sports betting and gaming industries. A failure in the demand for its services to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations, and financial condition of VIP.

Industry Competition Generally

There is potential that VIP will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and marketing experience than VIP. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition, and results of operations of VIP. To remain competitive, VIP will require a continued high level of investment in marketing, sales and customer relationship management and support.

Competition in Sports Betting Industry

The industry within which VIP operates is rapidly evolving and intensely competitive, and is subject to changing technology, shifting customer needs and frequent introductions of new offerings. VIP's potential competitors include large and established companies as well as other start-up companies. Such competitors may spend more money and time on developing and testing products and services, undertake more extensive marketing campaigns, adopt more aggressive pricing or promotional policies, or otherwise develop more commercially successful products or services than VIP, which could negatively impact its business. Furthermore, new competitors, whether licenced or not, may enter VIP's key product and/or geographic markets. There is no assurance that VIP will be able to maintain or grow its position in the marketplace.

As a result of the foregoing, among other factors, VIP will have to continually introduce and successfully market new and innovative technologies, product and service offerings and product and service enhancements to remain competitive and effectively stimulate customer demand, acceptance, and engagement. The process of developing new product and service offerings and systems is inherently complex and uncertain, and new product and service offerings may not be well received by customers, even if well-reviewed and of high quality. Furthermore, VIP may not recover the often-substantial up-front costs of developing and marketing new technologies and product and service offerings, or recover the opportunity cost of diverting management and financial resources away from other technologies and product or service offerings. Additionally, if VIP cannot efficiently adapt its processes and infrastructure to meet the needs of its product and service offering innovations, its business could be negatively impacted.

Reliance on Third Parties

VIP is reliant to an extent on third parties, including information technology service providers. VIP's success is partially dependent on its ability to attract and retain quality service providers. There can be no assurance that these business relationships will continue to be maintained or that new ones will be successfully formed. A breach or disruption in these relationships or failure to engage third party service providers could be detrimental to the future business, operating results and/or profitability of VIP. Moreover, VIP's financial performance will be significantly determined by its success in adding, retaining, and engaging information technology service providers, which could adversely affect the business of VIP.

As previously disclosed herein, VIP operates its online gaming business using its CGL which is a sublicense under a master license held by Gaming Services Provider NV, which is issued by the Minister of Finance for the government of Curacao to Master License Holders ("Master License Holders" or "MLH"). VIP relies on Gaming Services Provider as Gaming Services Provider is subject to regulatory requirements, as are the sub-license holders, and theoretically would be susceptible to loss of their rights to their Master License Holder agreement should they not complete or maintain any of the requirements set forth upon them by the Government of Curacao. VIP finds this to be highly unlikely, both for Gaming Services Provider and VIP, as both parties have successfully met the requirements and maintained their respected licenses

without pause since their issuance. VIP is subject to regulatory requirements as set forth by the government of Curacao via Gaming Services Provider, to which VIP has continuously met these requirements and maintained their license in good standing, without pause, since 2016. VIP would have to intentionally attempt to bypass or circumvent these requirements thus resulting in action taken against them by the Gaming Control Board of Curacao, resulting in the cessation of their license in good standing. VIP utilizes a third-party consulting firm, FastOffshore to maintain their regulatory filings to maintain their license and business in good standing with both the MLH, Gaming Services Provider and the Government of Curacao.

There is a risk that the government of Curacao, or the Gaming Control Board could discontinue providing gaming licenses out of Curacao. Reliance on these parties, namely in this licensing structure, and the inherent risk factors associated with them for VIP are present.

Management of Growth

VIP may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of VIP to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train, and manage its employee base. The inability of VIP to deal with this growth may have a material adverse effect on VIP's business, financial condition, results of operations and prospects.

Reliance on Management

The success of VIP will be dependent upon the ability, expertise, judgment, discretion, and good faith of its key executives, including the directors and officers of VIP and a small number of highly skilled and experienced executives and personnel. Any loss of the services of such individuals could have a material adverse effect on VIP's business, operating results, or financial condition. The competition for highly skilled technical, management and other employees and consultants in VIP's industry is high and there can be no assurance that VIP will be able to engage or retain the services of such qualified personnel in the future.

Furthermore, equity-based awards comprise a key component of executive and senior management compensation, and if the share price of the Resulting Issuer declines or is volatile, it may be difficult to retain such individuals. VIP's retention and recruiting may require significant increases in compensation expense, which may adversely affect its results of operation.

Risks Relating to Insurance

VIP intends to insure its operations in accordance with technology industry practice. However, given the novelty of sports gaming and associated businesses, such insurance may not be available, uneconomical for VIP, or the nature or level may be insufficient to provide adequate insurance coverage. Further, VIP intends to insure against cyber-theft or hacking attacks. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on VIP.

Brand Development

The brand identity that VIP has developed has significantly contributed to the success of its business. Maintaining and enhancing the "VIP" brand is critical to expanding VIP's customer base and potential business-to-business clients. VIP believes that the importance of brand recognition will increase due to the relatively low barrier to entry in the industry. The "VIP" brand may be negatively impacted by several factors, including software malfunctions, and data privacy and security issues. If VIP fails to maintain and enhance its brand, or if VIP incurs excessive expenses in this effort, it could have a material adverse effect on VIP's prospects, business, financial condition, and results of operations. Maintaining and enhancing the "VIP" brand will depend largely on VIP's ability to continue to provide high-quality products, services and promotional offers, which VIP may not continue to do successfully.

Volatile Market Price for Resulting Issuer Shares

The market price for Resulting Issuer Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Resulting Issuer's control, including the following: (a) actual or anticipated fluctuations in the Resulting Issuer's quarterly results of operations; (b) recommendations by securities research analysts; (c) changes in the economic performance or market valuations of companies in the industry in which the Resulting Issuer operates; (d) addition or departure of the Resulting Issuer's executive officers and other key personnel; (e) release or expiration of transfer restrictions on outstanding Resulting Issuer Shares; (f) sales or perceived sales of additional Resulting Issuer Shares; (g) operating and financial performance that vary from the expectations of management, securities analysts and investors; (h) regulatory changes affecting the Resulting Issuer's industry generally and its business and operations; (i) announcements of developments and other material events by the Resulting Issuer or its competitors; (j) fluctuations to the costs of vital production materials and services; (k) changes in global financial markets and global economies and general market conditions, such as interest rates; (l) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Resulting Issuer or its competitors; (m) operating and share price performance of other companies that investors deem comparable to the Resulting Issuer or from a lack of market comparable companies; (n) and news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Resulting Issuer's industry or target markets.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Resulting Issuer Shares may decline even if the Resulting Issuer's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are lasting and not temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in share price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Resulting Issuer's operations could be adversely impacted and the trading price of Resulting Issuer Shares may be materially adversely affected.

Holding Corporation Status

The Resulting Issuer is, at least initially upon Closing of the Qualifying Transaction, a holding company and essentially all of its operating assets are the capital stock of its subsidiary. As a result, investors in the Resulting Issuer are subject to the risks attributable to its subsidiary. As a holding company, the Resulting Issuer conducts substantially all its business through its subsidiary, which generate substantially all of its revenues. Consequently, the Resulting Issuer's cash flows and ability to complete current or desirable future enhancement opportunities are dependent on the earnings of its subsidiary and the distribution of those earnings to the Resulting Issuer. The ability of these entities to pay dividends and other distributions will depend on their operating results and will be subject to applicable laws and regulations which require that solvency and capital standards be maintained by such companies and contractual restrictions contained in the instruments governing their debt. In the event of a bankruptcy, liquidation or reorganization of any of the Resulting Issuer's subsidiaries, holders of indebtedness and trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to the Resulting Issuer.

Dividends

The Resulting Issuer's policy is to retain earnings to finance the development and enhancement of its products and to otherwise reinvest in the Resulting Issuer's businesses. Therefore, the Resulting Issuer does not anticipate paying cash dividends on the Resulting Issuer Shares in the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of the board of directors of the Resulting Issuer and will depend on, among other things, financial results, cash requirements, contractual restrictions, and other factors that the board of directors of the Resulting Issuer may deem

relevant. As a result, investors may not receive any return on investment in the Resulting Shares unless they sell them for a share price that is greater than that at which such investors purchased them.

Limited Market for Securities

There can be no assurance that an active and liquid market for the Resulting Issuer Shares will be maintained and an investor may find it difficult to resell any securities of the Resulting Issuer

Liquidity Risk

The Resulting Issuer's ability to remain liquid over the long term depends on its ability to obtain additional financing. The Resulting Issuer has in place planning and budgeting processes to help determine the funds required to support normal operating requirements on an ongoing basis as well as its planned development and capital expenditures. The Resulting Issuer's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. Furthermore, any debt financing, if available, may involve restrictive covenants, which may limit its operating flexibility with respect to business matters. If additional funds are raised through the issuance of equity securities, the percentage ownership of existing shareholders will be reduced, such shareholders may experience additional dilution in net book value, and such equity securities may have rights, preferences or privileges senior to those of its existing shareholders. Access to public and private capital and financing may be negatively impacted by many factors including global volatility and market turmoil generally. Such factors may impact the Resulting Issuer's ability to obtain debt and equity financing in the future on favorable terms or obtain any financing at all. Additionally, global economic conditions may cause a long-term decrease in asset values. If such global volatility and market turmoil persist, the Resulting Issuer's operations and financial condition could be adversely impacted.

Sports Betting Industry is Heavily Regulated

VIP and its officers, directors, major shareholders, key employees, key consultants and business partners will generally be subject to the laws and regulations relating to online gaming of the jurisdictions in which VIP may conduct business, as well as the general laws and regulations that apply to all e-commerce businesses, such as those related to privacy and personal information, tax and consumer protection. These laws and regulations vary from one jurisdiction to another and future legislative and regulatory action, court decisions or other governmental action, which may be affected by, among other things, political pressures, attitudes, and climates, as well as personal biases, may have a material impact on VIP's operations and financial results. Some jurisdictions have introduced regulations that restrict or prohibit online gaming, while others have taken the position that online gaming should be licenced and regulated and have adopted, or are considering adopting, legislation to enable that to happen. Even where a jurisdiction purports to license and regulate online gaming, the licencing and regulatory regimes can vary considerably and at times may be intended to provide incumbent operators with advantages over any new licensees. As such, some "liberalized" regulatory regimes are considerably more commercially attractive than others.

Regulatory regimes imposed upon gaming providers vary by jurisdiction. Typically, however, most regulatory regimes include the following elements:

- a requirement for gaming licence applicants to make detailed and extensive disclosures as to their beneficial ownership, their source of funds, the probity and integrity of certain persons associated with the applicant, the applicant's management competence and structure and business plans, the applicant's proposed geographical territories of operation and the applicant's ability to operate a gaming business in a socially responsible manner in compliance with regulation;
- interviews and assessments by the relevant gaming authority intended to inform a regulatory determination of the suitability of applicants for gaming licences;
- ongoing reporting and disclosure obligations, both on a periodic and ad hoc basis in response to material issues affecting the business;

- the testing and certification of software and systems, generally designed to confirm such things as the fairness of the gaming products offered by the business, their genuine randomness and ability to accurately generate settlement instructions and recover from outages;
- the need to account for applicable gaming duties and other taxes and levies, such as fees or contributions to bodies that organize the sports on which bets are offered, as well as contributions to the prevention and treatment of problem gaming; and
- social responsibility obligations.

Any gaming licence may be revoked, suspended or conditioned at any time, and the industry has recently experienced significantly more enforcement actions. The loss of a gaming licence in one jurisdiction could trigger the loss of a gaming licence or affect VIP's eligibility for such a licence in another jurisdiction, and any of such losses, or potential for such loss, could cause VIP to cease offering some or all of its product offerings in the impacted jurisdictions. VIP may be unable to obtain or maintain all necessary registrations, licences, permits or approvals, and could incur fines or experience delays related to the licencing process, which could adversely affect its operations. The determination of suitability process may be expensive and time-consuming. VIP's delay or failure to obtain gaming licences in any jurisdiction may prevent it from distributing its product offerings, increasing its customer base and/or generating revenues. A gaming regulatory body may refuse to issue or renew a gaming licence if VIP, or one of its directors, officers, employees, consultants, major shareholders or business partners: (a) are considered to be a detriment to the integrity or lawful conduct or management of gaming; (b) no longer meet a licensing or registration requirement; (c) have breached or are in breach of a condition of licensure or registration or an operational agreement with a regulatory authority; (d) have made a material misrepresentation, omission or misstatement in an application for licensure or registration or in reply to an inquiry by a person conducting an audit, investigation or inspection for a gaming regulatory authority; (e) have been refused a similar gaming licence in another jurisdiction; (f) have held a similar gaming licence in that province, state or another jurisdiction which has been suspended, revoked or cancelled; or (g) has been convicted of an offence, inside or outside of a particular jurisdiction that calls into question the honesty or integrity of VIP or any of its directors, officers, employees, consultants or associates.

If VIP fails to obtain the necessary gaming licence in a given jurisdiction, it would likely be prohibited from distributing and providing its product offerings in that particular jurisdiction altogether. If VIP fails to seek a licence, does not receive a licence, or receives a suspension or revocation of a licence in a particular jurisdiction for its product offerings (including any related technology and software) then it cannot offer the same in that jurisdiction and its gaming licences in other jurisdictions may be negatively affected. Furthermore, some jurisdictions require licence holders to obtain government approval before engaging in some transactions, such as business combinations, reorganizations, stock offerings and repurchases. VIP may not be able to obtain all necessary gaming licences in a timely manner, or at all. Delays in regulatory approvals or failure to obtain such approvals may also serve as a barrier to entry to the market for VIP's product offerings. If VIP is unable to overcome the barriers to entry, it will materially affect its results of operations and future prospects.

There can be no assurance that legally enforceable legislation will not be proposed and passed in jurisdictions relevant or potentially relevant to VIP's business to prohibit, legislate or regulate various aspects of the Internet, e-commerce, payment processing, or the online gaming industry.

In certain jurisdictions, including Brazil and Mexico, online gaming is either not regulated at all, is subject to very limited regulation, or its legality is unclear. There is a risk that such jurisdictions may enact regulations relating to gaming and that VIP may be required to register its activities or obtain licences (or obtain further registrations or licences, as applicable), pay taxes, royalties or fees, or that the operation of online gaming businesses in such jurisdictions may be prohibited entirely. The implementation of additional regulatory requirements or payments in such jurisdictions may have an adverse effect on the viability of VIP's operations, business, or financial performance. Where VIP or its partners fail to obtain the necessary registrations or licences, make the necessary payments, or operate in a jurisdiction where online gaming is deemed to be or becomes prohibited, VIP or its partners may be subject to investigation, penalties or

sanctions, or be forced to discontinue operations entirely, which may negatively impact VIP's business, prospects, revenues, operating results and financial condition.

More specifically, In Brazil, there are two bills of law under review at Congress to regulate e-sports and if e-sports are considered sports in the future, the e-sports betting services offered by VIP could potentially be deemed as fixed-odds sports betting under Federal Law No. 13,756/2018 (betting system related to real sports-themed events), but a local license would have to be obtained to allow the exploitation of the activity in the Brazilian market. Should either of these two bills be passed in Brazil, resulting in the need for a local Brazilian license for VIP to continue its operations in Brazil, VIP would review the requirements and base their decision on applying for any new Brazilian license as it would with any potential regulated jurisdiction. As specific details are not currently available to the public of what these requirements would entail, VIP reserves the decision on the potential application for local licensing in Brazil until, and only if, new laws are set in place and the requirements are available to VIP for review.

Complex and Evolving Regulatory Environment for Online Gaming Industry

In addition to regulations governing online gaming, VIP will be subject to a variety of laws and regulations domestically and abroad that involve the Internet, e-commerce, privacy and protection of data and personal information, rights of publicity, acceptable content, intellectual property, advertising, marketing, distribution, data and information security, electronic contracts and electronic communications, competition, protection of minors, consumer protection, unfair commercial practices, product liability, taxation, economic or other trade prohibitions or sanctions, securities law compliance and online payment and payment processing services. VIP may introduce new products or services, expand its activities in certain jurisdictions, or take other actions that may subject it to additional laws, regulations or other government scrutiny.

These laws, regulations and legislation, along with other applicable laws and regulations, which in some cases can be enforced by private parties or government entities, are constantly evolving and can be subject to significant change. As a result, the application, interpretation, and enforcement of these laws and regulations, including pre-existing laws regulating communications and commerce in the context of the Internet and e-commerce, are often uncertain, particularly in the new and rapidly evolving industry in which VIP operates, and may be interpreted and applied inconsistently across jurisdictions and inconsistently with its future policies and practices.

Legislators and regulators also look beyond online gaming regulations specifically to implement restrictive measures on online gaming. In certain jurisdictions, this has included restrictions on payment processing, internet blocking, account and identity verification requirements, and similar measures.

In addition, such restrictive measures may impact the ability or desire of third-party suppliers, including payment processors, to provide services to VIP globally or in certain jurisdictions. A supplier could require VIP, as a condition of its continued use of the supplier's products and services, to restrict access from customers in certain jurisdictions. Such third-party restrictions could affect the manner in which VIP provides its products or services in certain jurisdictions and adversely affect its financial results due to, among other things, the potential need to determine whether to change suppliers, which may not be on as favorable terms, or comply with the supplier's requested restrictions.

VIP is also vulnerable to developments in intellectual property laws and/or political, legislative, regulatory developments that may seek further liability to pay royalties, integrity fees or other types of levy to the organizers of sports events or data right owners, which arise from the concept of the so-called "right-to-bet", where the organizers of sporting events and competitions and those claiming to have data rights in relation to such events seek to obtain a share of the revenue gaming operators generate on such events and competitions. In all such cases, the level of any such royalty, fee or levy will be outside VIP's control. VIP cannot predict with any certainty what further payments may be required in the future and what other additional resources may need to be made available to address the conditions on which royalties, fees or other levies may be imposed, as well as sports integrity issues.

These laws and regulations, as well as any changes to the same and any related inquiries, investigations or any other government actions, may be costly to comply with and may delay or impede new product development, result in negative publicity, increase VIP's operating costs, require significant management time and attention, and subject it to remedies that may harm its business, including fines or demands or orders that modify or cease certain or all existing business practices, such as limiting its use of personal information to add value for customers, or implement costly and burdensome compliance measures. Any such consequences could adversely affect VIP's business, results of operations or financial condition.

The regulatory environment is evolving as new markets and jurisdictions add their own specific licensing. Some of the requirements which will be consistent across all jurisdictions - although not specific or exact from one to the next - include the ability to provide AML/KYC policies and systems, adherence to jurisdictional specific requirements for marketing, player self-exclusion, and onboarding of new customers, among others. All of these will vary from one jurisdiction to the next, and VIP ensures they are aware of and inline with these requirements prior to its application for entry.

Social Responsibility Concerns

Public opinion can significantly influence the regulation of online gaming. A negative shift in the perception of online gaming by the public or by politicians, lobbyists or others could affect future legislation or regulation in different jurisdictions. Among other things, such a shift could cause jurisdictions to abandon proposals to legalize online gaming, thereby limiting the number of new jurisdictions into which VIP could expand. Negative public perception could also lead to new restrictions on or to the prohibition of online gaming in jurisdictions in which VIP may operate.

In addition, concerns with safer betting and gaming could lead to negative publicity, resulting in increased regulatory attention, which may result in restrictions on VIP's future operations. If VIP had to restrict its future marketing or product offerings or incur increased compliance costs, this could have a material adverse effect on its business, results of operations, financial condition and prospects.

VIP will likely face scrutiny related to environmental, social, governance and responsible gaming activities, and its reputation and the value of its brands can be materially adversely harmed if it fails to act responsibly in a number of areas, such as environmental, supply chain management, climate change, diversity and inclusion, workplace conduct, responsible gaming, human rights, philanthropy and support for local communities. Any harm to VIP's reputation could impact employee and consultant engagement and retention, and the willingness of future customers and VIP's partners to do business with it, which could have a materially adverse effect on its business, results of operations and cash flows.

VIP may be subject to regulatory investigations

From time to time, VIP may receive formal and informal inquiries from government authorities and regulators, including securities authorities, tax authorities and gaming regulators, regarding its compliance with laws and other matters. Violation of existing or future regulatory orders or consent decrees could subject VIP to substantial monetary fines and other penalties that could negatively affect its financial condition and results of operations. In addition, it is possible that future orders issued by, or inquiries or enforcement actions initiated by, government or regulatory authorities could cause VIP to incur substantial costs, expose it to unanticipated civil and criminal liability or penalties, or require it to change its business practices in a manner materially adverse to its business.

Success of Sports Betting Products not Guaranteed

The sports betting industry is characterized by elements of chance. Accordingly, VIP employs theoretical win rates to estimate what a certain type of sports bet, on average, will win or lose in the long run. Net win is impacted by variations in the hold percentage (the ratio of net win to total amount wagered), or actual outcome. VIP uses the hold percentage as an indicator of a sports bet's performance against its expected outcome. Although each sports bet generally performs within a defined statistical range of outcomes, actual outcomes may vary for any given period. In addition to the element of chance, win rates (hold percentages)

may also (depending on the game involved) be affected by the spread of limits and factors that are beyond VIP's control, such as a customer's skill, experience and behavior, the mix of games played, the financial resources of customers, the volume of bets placed and the amount of time spent gaming. As a result of the variability in these factors, the actual win rates of sports bets may differ from the theoretical win rates we have estimated and could result in the winnings of VIP's customers exceeding those anticipated. The variability of win rates also have the potential to negatively impact VIP's financial condition, results of operations, and cash flows.

VIP's success also depends in part on its ability to anticipate and satisfy customer preferences in a timely manner. VIP will operate in a dynamic environment characterized by rapidly changing industry and legal standards, and its products will be subject to changing consumer preferences that cannot be predicted with certainty. VIP will need to continually introduce new offerings and identify future product offerings that complement its existing platforms, respond to its customers' needs and improve and enhance its existing platforms to maintain or increase customer engagement and growth of its business. VIP may not be able to compete effectively unless its product selection keeps up with trends in the digital sports entertainment and gaming industries, or trends in new gaming products.

VIP will rely on information technology and other systems and platforms, and any failures, errors, defects or disruptions in its systems or platforms could diminish its brand and reputation, subject it to liability, disrupt its business, affect its ability to scale technical infrastructure and adversely affect its operating results and growth prospects. VIP's software applications and systems, and the third-party platforms upon which they are made available could contain undetected errors. VIP's technology infrastructure will be critical to the performance of its platform and offerings and to customer satisfaction. VIP devotes significant resources to network and data security to protect systems and data. However, VIP's systems may not be adequately designed with the necessary reliability and redundancy to avoid performance delays or outages that could be harmful to its business. VIP cannot ensure that the measures it takes to prevent or hinder cyber-attacks and protect its systems, data and user information and to prevent outages, data or information loss, fraud and to prevent or detect security breaches, including a disaster recovery strategy for server and equipment failure and back-office systems and the use of third parties for certain cybersecurity services, will provide absolute security. VIP has experienced, and may in the future experience, website disruptions, outages, and other performance problems due to a variety of factors, including infrastructure changes, human or software errors and capacity constraints. Such disruptions have not had a material impact on the VIP; however, future disruptions from unauthorized access to, fraudulent manipulation of, or tampering with VIP's computer systems and technological infrastructure, or those of third parties, could result in a wide range of negative outcomes, each of which could materially adversely affect VIP's business, financial condition, results of operations and prospects.

Additionally, VIP's products may contain errors, bugs, flaws or corrupted data. If a particular product offering is unavailable when customers attempt to access it or navigation through the VIP platforms is slower than they expect, customers may be unable to place their bets and may be less likely to return to VIP's platforms as often, if at all. Furthermore, programming errors, defects and data corruption could disrupt operations, adversely affect the experience of VIP's customers, harm VIP's reputation, cause customers to stop utilizing VIP platforms, divert resources and delay market acceptance of VIP offerings, any of which could result in legal liability to VIP or harm its business, financial condition, results of operations and prospects.

If VIP's customer base and engagement continue to grow, and the amount and types of offerings continue to grow and evolve, it will need an increasing amount of technical infrastructure, including network capacity and computing power, to continue to satisfy customers' needs. Such infrastructure expansion may be complex, and unanticipated delays in completing these projects or availability of components may lead to increased project costs, operational inefficiencies, or interruptions in the delivery or degradation of the quality of VIP's offerings. In addition, there may be issues related to this infrastructure that are not identified during the testing phases of design and implementation, which may only become evident after VIP has started to fully use the underlying equipment or software, that could further degrade the customer experience or increase its costs. As such, VIP could fail to continue to effectively scale and grow its technical infrastructure to accommodate increased demands.

Failure to Retain or Add Customers

The financial performance of VIP will be significantly determined by its success in adding, retaining, engaging and monetizing active customers of its product offerings. If people do not perceive VIP's product offerings as enjoyable, reliable, relevant, and trustworthy it may be unable to attract or retain customers or otherwise maintain or increase the frequency and duration of their engagement. Any number of factors could potentially negatively affect customer retention, growth and engagement, including if:

- VIP fails to introduce, or delays the introduction of, new products or services (whether developed internally, licensed or otherwise obtained or developed in conjunction with third parties) that customers find engaging or that work with a variety of operating systems or networks, or if it introduces new products or services, including using technologies with which it has little or no prior development or operating experience, or changes to its existing products or services, that are not favorably received by customers;
- customers have difficulty installing, updating or otherwise accessing VIP's product offerings on desktops or mobile devices as a result of actions by it or third parties that it relies on to distribute and deliver its product offerings, or VIP fails to price its product offerings competitively or provide adequate customer service;
- there are decreases in customer sentiment about the quality of VIP's product offerings or concerns related to privacy, safety, security or other factors, or technical or other problems prevent VIP from delivering its product offerings in a rapid and reliable manner or otherwise affecting the customer experience;
- new industry standards or games are adopted or customers adopt new technologies where VIP's product offerings may be displaced in favor of other products or services, may not be featured or otherwise available, or may otherwise be rendered obsolete and unmarketable;
- there are adverse changes in VIP's product offerings that are mandated by legislation, regulatory authorities or litigation, including settlements, or VIP does not obtain applicable regulatory or other approvals or renewals of such approvals to offer, directly or indirectly, its product offerings in new or existing jurisdictions;
- VIP adopts policies or procedures related to areas such as customer data and information that are perceived negatively by its customers or the general public;
- VIP elects to focus its customer growth and engagement efforts more on longer-term initiatives, or if initiatives designed to attract and retain customers and engagement are unsuccessful or discontinued, whether as a result of actions by VIP, third parties or otherwise;
- customers increasingly engage with the products or services of VIP's competitors; or
- VIP or other companies in the industries in which it operates are the subject of adverse media reports or other negative publicity.

If VIP is unable to maintain or increase its customer base or engagement, or effectively monetize its customer base's use of its product offerings, its revenue and financial results may be adversely affected. Any decrease in customer retention, growth or engagement could render VIP's products less attractive to customers.

Reliance on Third-Party Networks

The delivery of VIP's offerings and a significant portion of VIP's revenues will be dependent on the continued use and expansion of third-party-owned communication networks, including wireless networks and the

Internet. No assurance can be given as to the continued use and expansion of these networks as a medium of communications for VIP.

As it relates to its mobile platforms, VIP will be dependent on the interoperability of such platforms with popular mobile operating systems, technologies, networks and standards that it does not control, such as the Android and iOS operating systems, and any changes, bugs, technical or regulatory issues in such systems, VIP's relationships with mobile partners, manufacturers and carriers, or in their terms of service or policies that degrade VIP's product offerings' functionality, may reduce or eliminate its ability to distribute its product offerings, give preferential treatment to competitive products, limit its ability to deliver high quality product offerings, or impose fees or other charges related to delivering its product offerings. The foregoing may adversely affect its product usage and monetization on mobile devices. If it is difficult or unfavorable for VIP's customers to access and use its product offerings on their mobile devices, or if its customers choose not to access or use its product offerings on their mobile devices or use mobile products that do not offer access to its product offerings, its customer growth and engagement could be harmed, which could adversely affect its results of operation.

In addition, increasing traffic, customer numbers or bandwidth requirements may result in a decline in Internet (or a subset thereof, including in particular mobile Internet) performance and/or Internet reliability. Internet outages or delays or loss of network connectivity may result in partial or total failure of VIP's offerings, additional and unexpected expenses to fund further development or to add programming personnel to complete a development project, loss of revenue which could have a material adverse effect on VIP's prospects, business, financial condition or results of operations.

Litigation

VIP may be subject to litigation claims through the ordinary course of its business operations or otherwise, regarding, among other things, employment matters, tax matters, security of customer and employee personal information, third-party contracts, marketing, intellectual property right infringement, its current and former operations and the operations of businesses it may acquire in the future prior to their respective acquisitions. Litigation to defend VIP against claims by third parties, or to enforce any rights that it may have against third parties, may be necessary, which could result in substantial costs and diversion of its resources, causing a material adverse effect on its business, financial condition and results of operations. Given the nature of VIP's business, it may from time to time in the future be, party to various, and at times numerous, legal, administrative and regulatory inquiries, investigations, proceedings and claims that arise in the ordinary course of business, as well as potential class action lawsuits. Because the outcome of such legal matters is inherently uncertain, if one or more of such legal matters were to be resolved against VIP for amounts in excess of management's expectations or any applicable insurance coverage or indemnification right, or if such legal matters result in decrees or orders preventing it from offering certain features, functionalities, products or services, or requires that it changes its development process or other business practices, its results of operations and financial condition could be materially adversely affected. Any litigation to which VIP may be a party may result in an onerous or unfavourable judgment that may not be reversed upon appeal, or in payments of substantial monetary damages or fines, the posting of bonds requiring significant collateral, letters of credit or similar instruments.

Intellectual Property may be Insufficient

VIP's success may depend on its ability to obtain trademark protection for the names or symbols under which it markets its product offerings and to obtain copyright protection of its proprietary technologies, other game innovations and creative assets. VIP may not be able to build and maintain goodwill in its trademarks or obtain trademark protection. There can be no assurance that any trademark or copyright will provide competitive advantages for VIP or that its intellectual property will not be successfully challenged or circumvented by competitors.

VIP may also rely on trade secrets and proprietary know-how. Although VIP will generally require its employees, consultants and independent contractors to enter into confidentiality and intellectual property assignment agreements, it cannot be assured that the obligations therein will be maintained and honoured.

If these agreements are breached, it is unlikely that the remedies available to VIP will be sufficient to compensate it for the damages suffered even if it promptly applies for injunctive relief. In spite of confidentiality agreements and other methods of protecting trade secrets, VIP's proprietary information could become known to or independently developed by competitors. If VIP fails to adequately protect its intellectual property and confidential information, its business may be harmed and its liquidity and results of operations may be materially adversely impacted.

Risk of Intellectual Property Infringement or Invalidity Claims

If the registration and enforcement policies regarding VIP's intellectual property portfolios are inadequate to deter unauthorized use or appropriation by third parties, the value of VIP's brands and other intangible assets may be diminished and competitors may be able to more effectively mimic its brands, products, services and methods of operations. Such events could adversely affect VIP's business and financial results. At the same time, VIP has to be mindful of how it will be perceived by its customers and potential customers if it deploys an unduly strict enforcement policy; an overly aggressive position may deter its customers from supporting the brands and therefore damage not only the brands' reputation in the market place but also negatively impact financial results.

Moreover, due to the differences in foreign patent, trademark, copyright and other laws concerning proprietary rights, VIP's intellectual property may not receive the same degree of protection in each jurisdiction where it operates. VIP's failure to possess, obtain or maintain adequate protection of its intellectual property rights for any reason in these jurisdictions could have a material adverse effect on its business, results of operations and financial condition.

Furthermore, infringement and other intellectual property claims, with or without merit, can be expensive and time-consuming to litigate, and VIP may not have the financial and human resources to defend itself against any infringement suits that may be brought against it. Litigation can also distract management from day-to-day operations of the business.

In addition, VIP's future success may depend upon its ability to obtain licences to use new marks and its ability to retain or expand existing licences for certain products. If VIP is unable to obtain new licences or renew or expand existing licences, 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.

VIP may also infringe other intellectual property rights belonging to third parties, such as trademarks, copyrights and confidential information. The infringement of trademarks, copyrights and confidential information involve complex legal and factual issues and VIP's products, branding or associated marketing materials may be found to have infringed existing third-party rights. When any third-party infringement occurs, VIP may be required to stop using the infringing intellectual property rights, pay damages and, if it wishes to keep using the third-party intellectual property, purchase a licence or otherwise redesign the product, branding or associated marketing materials to avoid further infringement. Such a licence may not be available or may require VIP to pay substantial royalties.

Risk of Failing to Adapt to Changing Technology and Industry Standards

VIP's future success depends on its ability to adapt and enhance its suite of technology and software, such as its platforms, as well as its product offerings. To attract new customers, VIP will need to enhance and improve its platforms, product offerings, features and enhancements to meet customer needs at competitive prices. Such efforts will require adding new functionality and responding to technological advancements or disruptive technologies, which will increase VIP's research and development costs. If VIP is unable to develop technology and products that address customers' needs, or enhance and improve its platforms and product offerings in a timely manner, that could have a material adverse effect on its business, revenues, operating results and financial condition. VIP's ability to grow is also subject to the risk of future disruptive technologies. If new and/or disruptive technologies emerge that are able to deliver online betting and gaming and/or entertainment products and services at lower prices, more efficiently, more conveniently or more securely, such technologies could adversely affect VIP's ability to compete.

Economic, Social and Political Developments in Countries in which VIP Operates

As some of VIP's operations will be in emerging markets, VIP is dependent upon the respective economic and political developments that occur within these jurisdictions. As a result, VIP's business, financial position and results of operations may be affected by the general conditions of the host country's economy, price instability, currency fluctuation, inflation, interest rates, regulation, taxation, social instability, political unrest and other developments in or affecting those jurisdictions, over which VIP has no control.

In the past, some of these jurisdictions have experienced periods of weak economic activity and deterioration in economic conditions. VIP cannot assure that such conditions will not return or that such conditions will not have a material adverse effect on its business, financial condition or results of operations.

VIP's financial condition and results of operations may also be affected by changes in the political climate in these emerging markets to the extent that such changes affect the nation's economic policies, growth, stability or regulatory environment. Covid-19 also continues to have a significant impact globally. While political and social unrest has not negatively affected VIP's operations or financial results in the past, there can be no assurance that any future political and social unrest will not negatively impact VIP's operations or financial results. VIP's operations may be affected in varying degrees by government regulations with respect to online gaming, information and communications technologies services, foreign exchange controls, income taxes, wealth taxes and expropriation of property. There can be no assurance that the governments of the emerging markets countries where VIP will operate will continue to pursue business friendly and open-market economic policies or policies that stimulate economic growth and social stability.

May be Difficulty Enforcing Judgments in the Foreign Jurisdictions in which VIP Operates

Certain subsidiaries of VIP are located in foreign jurisdictions, including Curacao. Accordingly, it may be difficult for investors to enforce within Canada any judgments obtained against such entities, including judgments predicated upon the civil liability provisions of applicable Canadian securities laws. Consequently, investors may be effectively prevented from pursuing remedies against such subsidiaries, including directors and officers not resident of Canada under Canadian securities laws or otherwise.

Revenue from Foreign Jurisdictions

In certain jurisdictions, online gaming is either not regulated at all, is subject to very limited regulation, or its legality is unclear. These jurisdictions are commonly referred to in the gaming industry as "unregulated" or "grey" jurisdictions. There is a risk that such jurisdictions may enact regulations relating to gaming and that VIP may be required to register its activities or obtain licences (or obtain further registrations or licences, as applicable), pay taxes, royalties or fees, or that the operation of online gaming businesses in such jurisdictions may be prohibited entirely. The implementation of additional regulatory requirements or payments in such jurisdictions may have an adverse effect on the viability of VIP's operations, business, or financial performance. Where VIP or its partners fail to obtain the necessary registrations or licences, make the necessary payments, or operate in a jurisdiction where online gaming is deemed to be or becomes prohibited, VIP or its partners may be subject to investigation, penalties or sanctions, or be forced to discontinue operations entirely, which may negatively impact VIP's business, prospects, revenues, operating results and financial condition.

Certain of VIP's technology providers, payment processing partners, or other suppliers of content or services (collectively, "**Infrastructure Services**") may cease to provide, or limit the availability of, such Infrastructure Services to the extent VIP derives revenue from, or makes such Infrastructure Services available to customers in, unregulated jurisdictions. Were VIP's access to such Infrastructure Services to become unavailable or limited as a result of operations servicing customers located in unregulated jurisdictions, VIP's business, prospects, revenues, operating results and financial condition may be adversely affected. There is also a risk that they may not be able to source suitable or economical replacements if such Infrastructure Services becomes unavailable.

Unregulated jurisdictions may lack or have diminished regulations relating to, amongst other things, consumer protection, the prevention of money-laundering, game fairness and technology or data security which may be detrimental to customers. There is a risk that unscrupulous online gaming operators that actually operate from within unregulated jurisdictions may fail to maintain effective policies, procedures and safeguards in the aforementioned areas and that the actions or omissions of such unscrupulous operators may damage the reputation of all online gaming businesses operating in unregulated jurisdictions or lead to the adoption of new regulations. This may negatively impact VIP's business, prospects, revenues, operating results and financial condition.

Impact of Currency Fluctuations

VIP reports its results in Canadian Dollars "**CAD**" (and may continue to do so in the future) while a significant portion of its revenues are generated in other currencies. Fluctuations in the cross-exchange rates between the CAD and other currencies could have a material adverse effect on VIP's results of operations and financial condition. In addition, VIP is exposed to a degree of foreign exchange transactional risk at the time a wager is placed. The rate is fixed at the time the wager is placed, but crystallizes at the prevailing rate at the time of settlement, which is generally a matter of hours, but can be weeks or months.

No Guarantee of Exchange Approval

The Closing is subject to the final approval of Exchange, which approval may not be obtained.

Risk Factor Relating to Earnings and Dividend Record

Neither the Company nor VIP has any dividend record. Neither the Company nor VIP has paid any dividends on its shares since incorporation and the Resulting Issuer does not anticipate doing so in the foreseeable future.

Reliance on Key Individuals

The Resulting Issuer's success depends to a certain degree upon certain key members of the management. It is expected that these individuals will be a significant factor in the Resulting Issuer's growth and success. The loss of the service of members of the management and certain key employees and consultants could have a material adverse effect on the Resulting Issuer.

Lack of Active Securities Market

The lack of an active public market could have a material adverse effect on the price of the Resulting Issuer's Shares. The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the Resulting Issuer, including the market in which it is traded, the strength of the economy generally, the availability of the attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the Shares of the Resulting Issuer on the TSXV in the future cannot be predicted.

Conflicts of Interest

Certain of the proposed directors of the Resulting Issuer serve as directors of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Resulting Issuer may participate, the directors of the Resulting Issuer may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Resulting Issuer's Board, a director who has such a conflict will abstain from voting for or against the approval of such a participation or such terms.

Future Sales or Issuances of Equity Securities

The Resulting Issuer expects to rely primarily on the issuance of securities to fund its operations and shareholders will experience immediate dilution resulting from issuances of Resulting Issuer Shares. The Resulting Issuer may sell additional equity securities in subsequent offerings (including through the sale of securities convertible into equity securities). The Resulting Issuer cannot predict the size of future issuances of equity securities or the size and terms of future issuances of debt instruments or other securities convertible into equity securities or the effect, if any, that future issuances and sales of such securities will have on the market price of the Resulting Issuer Shares.

Additional issuances of such securities may involve the issuance of a significant number of Shares at prices less than the current market price for the Resulting Issuer Shares. Issuances of substantial numbers of Resulting Issuer Shares, or the perception that such issuances could occur, may adversely affect prevailing market prices of the Resulting Issuer Shares. Resulting Issuer Sales of substantial amounts of the Resulting Issuer's securities by the Resulting Issuer or its existing shareholders, or the availability of such securities for sale, could adversely affect the prevailing market prices for the Resulting Issuer Shares and dilute investors' earnings per share. Exercises of options or warrants may also result in dilution to security holders.

Principal Shareholders

To the knowledge of the directors and executive officers of the Company, upon Completion of the Qualifying Transaction, and assuming the Private Placement of \$2,006,500 and the Debt Settlement, the following persons beneficially own, directly or indirectly, or exercise control or discretion, over more than 10% of the Resulting Issuer Shares on a non-diluted basis as of the date of this Prospectus.

Name and Municipality of Residence	Number of Target Company Shares⁽¹⁾	Percentage of Target Company Shares	Number of Resulting Issuer Shares	Percentage of Resulting Issuer Shares⁽²⁾
Randy Jennings Calgary, Alberta	11,500,100	21%	13,425,102	17%
Theresa Jennings Calgary, Alberta	11,500,000	21%	13,424,985	17%

Notes:

- (1) There are 52,306,800 VIP Common Shares outstanding.
- (2) Assumes there are 80,488,309 Resulting Issuer Common Shares outstanding after given effect to the Private Placement and Debt Settlement.

Issuance of Debt

From time to time the Resulting Issuer may enter into transactions to acquire assets or the shares of other companies. These transactions may be financed partially or wholly with debt, which may increase the Resulting Issuer's debt levels above industry standards. The Resulting Issuer's articles do not limit the amount of indebtedness that the Resulting Issuer may incur. The level of the Resulting Issuer's indebtedness from time to time could impair the Resulting Issuer's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

Forward-Looking Statements

Forward-looking Statements may prove inaccurate. Shareholders and prospective investors are cautioned not to place undue reliance on the Company's forward-looking statements. By their nature, forward-looking statements involve numerous assumptions and known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties relating to forward-looking statements above under the heading "*Prospectus Summary*".

Auditor, Transfer Agent and Registrar

The auditor of the Resulting Issuer will continue to be SHIM & Associates LLP, Chartered Professional Accountants, Suite 970 - 777 Hornby Street, Vancouver, BC, V6Z 1S4.

The transfer agent and registrar of the Shares will continue to be Computershare Investor Services Inc. through its principal office located at Suite 300-510 Burrard St, Vancouver, BC V6C 3B9.

Sponsorship and Agent Relationship

Sponsorship of a Qualifying Transaction of a CPC is required by the Exchange unless exempt in accordance with Policy 2.4. The Company and Target Company have applied for an exemption from sponsorship requirements in accordance with Exchange policies.

Experts

Opinions

The following persons or companies are named in this Prospectus as having prepared or certified a report, valuation, statement or opinion in this Prospectus:

- Saturna Group Chartered Professional Accountants LLP prepared the audit report for the Company relating to the financial statements of the Company for the financial years ended March 31, 2021 and 2020. Saturna Group Chartered Professional Accountants LLP has informed ANC and the Target Company that it is independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.
- SHIM & Associates LLP, Chartered Professional Accountants, prepared the audit reports for the Target Company relating to the financial statements of the Target Company for the financial years ended December 31, 2020 and December 31, 2021. SHIM & Associates LLP has informed the Target Company that it is independent with respect to the Target Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Interest of Experts

No person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Prospectus or as having prepared or certified a report or valuation described or included in this Prospectus, including Saturna Group Chartered Professional Accountants LLP and SHIM & Associates LLP, Chartered Professional Accountants holds any beneficial interest, direct or indirect, in any securities or property of the Resulting Issuer or of an Associate or Affiliate of the Resulting Issuer and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Resulting Issuer or of an Associate or Affiliate of the Resulting Issuer and no such person is a promoter of the Resulting Issuer or an Associate or Affiliate of the Resulting Issuer.

Trevor Wong-Chor, the anticipated corporate secretary of the Resulting Issuer, is Partner with DLA Piper (Canada) LLP which provides legal services to the Target Company on a fee for services basis.

Statutory Rights of Withdrawal and Rescission

Securities legislation in the province of Ontario provides purchasers with the right to withdraw from an agreement to purchase securities. In the province of Ontario, the securities legislation further provides a purchaser with remedies of rescission or damages, if this Prospectus and any amendment contains a

misrepresentation or is not delivered to the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory, provided that the remedies for rescission, revisions of purchase price or damages are exercised by the purchaser within the time limit prescribed for by the securities legislation of the purchaser's province. However, in light of the fact that this is a non-offering prospectus and no securities are being purchased under this Prospectus, these rights and their associated remedies are not available to holders of Company Shares prior to completion of the Qualifying Transaction, or holders of Resulting Issuer Shares after completion of the Qualifying Transaction.

Other Material Facts

To the knowledge of the Company, there are no other material facts relating to the Company, the Resulting Issuer, or Transaction that are not disclosed elsewhere in this Prospectus and are necessary in order for the Prospectus to contain full, true and plain disclosure of all material facts relating to the Resulting Issuer or Transaction.

Board Approval

The contents of this Prospectus have been approved by the Board.

SCHEDULE "A"
FINANCIAL STATEMENTS OF THE COMPANY

ANC CAPITAL VENTURES INC.

Financial Statements

Years Ended March 31, 2021 and 2020

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of ANC Capital Ventures Inc.

Opinion

We have audited the financial statements of ANC Capital Ventures Inc. (the "Company"), which comprise the statements of financial position as at March 31, 2021 and 2020, and the statements of operations and comprehensive loss, changes in equity, and cash flows for the years then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has not generated any revenue and has incurred a net loss of \$72,180 during the year ended March 31, 2021, and has an accumulated deficit of \$162,719 and no current business as at March 31, 2021. As stated in Note 1 of the financial statements, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Henry Chow.



Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

July 29, 2021

ANC CAPITAL VENTURES INC.
STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)

	March 31, 2021 \$	March 31, 2020 \$
Assets		
Current assets		
Cash and cash equivalents	284,647	316,047
Prepaid expenses	10,500	–
Total assets	295,147	316,047
Liabilities		
Accounts payable and accrued liabilities	51,280	–
Total liabilities	51,280	–
Shareholders' equity		
Share capital	353,967	353,967
Share-based payment reserve	52,619	52,619
Deficit	(162,719)	(90,539)
Total shareholders' equity	243,867	316,047
Total liabilities and shareholders' equity	295,147	316,047
Nature and continuance of operations (Note 1)		
Qualifying transaction (Note 7)		

Approved and authorized for issuance by the Board of Directors on July 29, 2021:

Signed "Jim Sekora"

Jim Sekora
Director

Signed "Randy Clifford"

Randy Clifford
Director

(The accompanying notes are an integral part of these financial statements)

ANC CAPITAL VENTURES INC.
STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS)

	Year ended March 31, 2021 \$	Year ended March 31, 2020 \$
Expenses		
General and administrative	86	910
Professional fees	57,324	32,319
Transfer agent and filing fees	14,770	31,300
Total expenses	72,180	64,529
Net loss and comprehensive loss	(72,180)	(64,529)
Loss per share, basic and diluted	(0.01)	(0.02)
Weighted average number of shares outstanding	5,600,000	2,807,650

(The accompanying notes are an integral part of these financial statements)

ANC CAPITAL VENTURES INC.
STATEMENTS OF CHANGES IN EQUITY
(EXPRESSED IN CANADIAN DOLLARS)

	Share capital		Share-based payment reserve \$	Deficit \$	Total \$
	Number of Shares	Amount \$			
Balance, March 31, 2019	2,100,000	105,000	26,010	(26,010)	105,000
Issuance of shares for cash	3,500,000	350,000	–	–	350,000
Share issuance costs	–	(101,033)	26,609	–	(74,424)
Net loss for the year	–	–	–	(64,529)	(64,529)
Balance, March 31, 2020	5,600,000	353,967	52,619	(90,539)	316,047
Net loss for the year	–	–	–	(72,180)	(72,180)
Balance, March 31, 2021	5,600,000	353,967	52,619	(162,719)	243,867

(The accompanying notes are an integral part of these financial statements)

ANC CAPITAL VENTURES INC.
STATEMENTS OF CASH FLOWS
EXPRESSED IN CANADIAN DOLLARS

	Year ended March 31, 2021 \$	Year ended March 31, 2020 \$
Operating activities		
Net loss	(72,180)	(64,529)
Changes in non-cash working capital:		
Prepaid expenses	(10,500)	–
Accounts payable and accrued liabilities	51,280	–
Net cash used in operating activities	(31,400)	(64,529)
Financing activities		
Proceeds from issuance of shares	–	350,000
Share issuance costs	–	(74,424)
Net cash provided by financing activities	–	275,576
Change in cash and cash equivalents	(31,400)	211,047
Cash and cash equivalents, beginning of year	316,047	105,000
Cash and cash equivalents, end of year	284,647	316,047
Cash and cash equivalents are comprised of:		
Cash in bank	274,647	311,373
Cash held in lawyer's trust account	10,000	4,674
Total cash and cash equivalents	284,647	316,047

(The accompanying notes are an integral part of these financial statements)

1. NATURE OF BUSINESS AND CONTINUANCE OF OPERATIONS

ANC Capital Ventures Inc. (the “Company”) was incorporated on March 11, 2019 pursuant to the provisions of the *Business Corporations Act* (British Columbia). The Company was formed to complete an Initial Public Offering (“IPO”) and become classified as a Capital Pool Company (“CPC”) as defined by TSX Venture Exchange (“TSXV”) Policy 2.4. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (“QT”). On January 17, 2020, the Company completed its IPO and that its shares were listed for trading on the TSXV. The head office and the registered office of the Company is located at 10th Floor, 595 Howe Street, Vancouver, BC, V6C 2T5.

As at March 31, 2021, the Company has no business operations. As a CPC, the Company’s principal business objective will be to identify and evaluate assets, properties or businesses with a view to a potential acquisition or participation by completing a QT subject, in certain cases, to shareholders’ approval and acceptance by the TSXV. There is no assurance that the Company will identify and successfully acquire businesses or assets that will produce a profit. Moreover, if a potential business or asset is identified which warrants acquisition or participation, additional funds may be required to complete the acquisition or participation and the Company may not be able to obtain such financing on terms which are satisfactory to the Company.

Under the policies of the TSXV, the Company must identify and complete a Qualifying Transaction within 24 months from the date the Company’s shares are listed for trading on the TSXV. There is no assurance that the Company will be able to complete a QT within this time period, or that it will be able to secure the necessary financing to complete a QT. The TSXV may suspend or de-list the Company’s shares from trading should it not meet these requirements.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company has not been significant, but management continues to monitor the situation.

Going Concern

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the year ended March 31, 2021, the Company had no revenues and incurred a net loss of \$72,180. As at March 31, 2021, the Company has no current business and has an accumulated deficit of \$162,719. The Company’s continuing operations are dependent upon its ability to complete its IPO and identify, evaluate, and negotiate a QT. If the QT is identified or completed, additional funding may be required and there is no assurance that the Company will be able to obtain such financing, if any, on terms that are acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. These financial statements do not include any adjustments to the recorded assets or liabilities that might be necessary should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance and Basis of Presentation

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. The financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the Company’s functional currency.

(b) Use of Estimates and Judgments

The preparation of these financial statements in conformity with IFRS requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. It also requires management to exercise its judgment in the processing of applying the Company’s accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The impacts of such estimates and judgments are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates and judgments are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. Actual results could differ from these estimates.

Significant areas requiring the use of estimates include the fair value of share-based compensation and unrecognized deferred income tax assets.

The Company’s assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company’s ability to continue as a going concern.

(c) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to a known amount of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(d) Financial Instruments

Classification and measurement – initial recognition

On initial recognition, all financial assets and liabilities are classified and recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as at fair value through profit or loss (“FVTPL”).

Classification and measurement – subsequent to initial recognition

Subsequent measurement of financial assets and liabilities depends on their classification and measurement basis.

Financial assets

Subsequent to initial recognition, financial assets are measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss, depending on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortized cost if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ANC CAPITAL VENTURES INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2021 AND 2020
EXPRESSED IN CANADIAN DOLLARS

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial Instruments (continued)

Financial assets (continued)

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that do not meet the above conditions are classified as fair value through profit or loss. The Company's cash and cash equivalents is measured at amortized cost.

Financial liabilities

Subsequent to initial recognition, financial liabilities are measured at amortized cost, unless designated as fair value through profit or loss. The Company's accounts payable and accrued liabilities is measured at amortized cost.

Impairment of financial assets

The Company applies the expected credit loss ("ECL") model to its financial assets measured at amortized cost. Under the ECL model, loss allowances are measured on either of the following bases:

- 12-month ECLs: result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: result from all possible default events over the expected life of a financial instrument.

Upon recognition of a financial asset, 12-month ECLs are recognized in the statement of operations and a loss allowance is established. At each reporting date, if the credit risk associated with a financial asset has increased significantly and is not considered low, lifetime ECLs are recognized in the statement of operations.

(e) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Loss Per Share

Basic loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period. Diluted loss per share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. Potentially dilutive securities are excluded from the calculation of dilutive loss per share as they are anti-dilutive. As at March 31, 2021 and 2020, the Company has 905,000 potentially dilutive shares outstanding.

(g) Comprehensive Income (Loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in the statement of operations. The Company does not have any items affecting comprehensive income or loss.

(h) Share-based Payments

The Company grants share-based awards to employees and directors as an element of compensation. The fair value of the awards is recognized over the vesting period as share-based compensation expense and share-based payment reserve. The fair value of share-based payments is determined using the Black-Scholes option pricing model using estimates at the date of the grant. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the consolidated statement of operations with a corresponding entry within equity, against share-based payment reserve. No expense is recognized for awards that do not ultimately vest. When stock options are exercised, the proceeds received, together with any related amount in share-based payment reserve, are credited to share capital.

Share-based payments arrangements in which the Company receives goods or services as consideration for its equity instruments are accounted for as equity-settled share-based payment transactions, unless the fair value cannot be estimated reliably. If the Company cannot reliably estimate the fair value of the goods or services received, the Company will measure their value by reference to the fair value of the equity instruments granted.

(i) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended March 31, 2021. These 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.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instruments and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which includes cash and cash equivalents, and accounts payable and accrued liabilities, approximate their fair values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consists of cash and cash equivalents. The Company limits its exposure to credit loss by placing its cash and cash equivalents with a high credit quality financial institution or within a legal trust account. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to any significant foreign exchange rate risk.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

(e) 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 plans on settling its financial obligations out of cash and relies on the Company raising debt or equity financing in a timely manner to maintain cash in excess of anticipated needs. There is no assurance that financing will be available or, if available, that financing will be on terms acceptable to the Company.

4. SHARE CAPITAL

Authorized: unlimited common shares without par value
unlimited preferred shares without par value

On January 17, 2020, the Company issued 3,500,000 common shares through its IPO at \$0.10 per share for proceeds of \$350,000. As part of the IPO, the Company incurred share issuance fees of \$74,424 and issued 350,000 broker's options with a fair value of \$26,609, calculated using the Black-Scholes option pricing model assuming no expected dividends or forfeitures, an expected life of two years, volatility of 164%, risk free rate of 2.29%. Each broker's option is exercisable at \$0.10 per common share expiring on January 16, 2022.

In accordance with TSX-V Policy 2.4 for Capital Pool Companies, the Company is limited to the lesser of 30% of gross proceeds raised from the sale of securities or \$210,000 for expenditures that are not related to valuations or appraisals, business plans, feasibility studies and technical assessments, sponsorship reports, geological reports, financial statements, fees for legal and accounting services, and agent's fees, costs, and commissions.

ANC CAPITAL VENTURES INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2021 AND 2020
EXPRESSED IN CANADIAN DOLLARS

5. STOCK OPTIONS

The Company has established a stock option plan (the “Plan”) for its directors, executive officers, employees and consultants under which the Company may grant up to 560,000 stock options until the completion of the qualifying transaction which increases to 10% of the total issued and outstanding common shares of the Company after the completion of the qualifying transaction.

	Number of options	Weighted average exercise price \$
Outstanding, March 31, 2019, 2020, and 2021	555,000	0.10

Additional information regarding stock options outstanding as at March 31, 2021, is as follows:

Range of exercise prices \$	Stock options outstanding and exercisable	Weighted average remaining contracted life (years)
0.10	555,000	8.2

Broker's Options

	Number of options	Weighted average exercise price \$
Outstanding, March 31, 2019	—	—
Granted	350,000	0.10
Outstanding, March 31, 2020 and 2021	350,000	0.10

Additional information regarding broker options outstanding as at March 31, 2021, is as follows:

Range of exercise prices \$	Stock options outstanding and exercisable	Weighted average remaining contracted life (years)
0.10	350,000	0.8

6. CAPITAL MANAGEMENT

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and cash equivalents and shareholders' equity.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is subject to externally imposed capital requirements under Policy 2.4 of the TSX-V for Capital Pool Companies and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended March 31, 2020.

ANC CAPITAL VENTURES INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2021 AND 2020
EXPRESSED IN CANADIAN DOLLARS

7. QUALIFYING TRANSACTION

On March 5, 2021 (as amended on June 7, 2021 and July 14, 2021), the Company entered into a non-binding term sheet (the “Term Sheet”) with VIP Entertainment Group Inc. (“VIP Entertainment”) dated February 16, 2021. Pursuant to the Term Sheet, the Company and VIP Entertainment intend to complete a business combination intended to constitute the Company’s QT (the “Proposed Transaction”). The Proposed Transaction will result in the Company acquiring all of the issued and outstanding equity shares of VIP Entertainment at a ratio of 1.16739 (the “Exchange Ratio”) common shares of the Company for each common share of VIP Entertainment. Outstanding convertible securities of VIP Entertainment will be exchanged into common shares of the Company using the Exchange Ratio. The Company is required to have a minimum of \$180,000 of working capital as at the closing date of the agreement, which is to be no later than October 1, 2021.

8. INCOME TAXES

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2021 \$	2020 \$
Canadian statutory income tax rate	27%	27%
Income tax recovery at statutory rate	(19,489)	(17,425)
Tax effect of:		
Permanent difference and other	(7,021)	(20,094)
Change in unrecognized deferred income tax assets	26,510	37,519
Income tax provision	–	–

The significant components of deferred income tax assets and liabilities are as follows:

	2021 \$	2020 \$
Deferred income tax assets		
Non-capital losses carried forward	51,972	21,442
Share issuance costs	12,057	16,077
Unrecognized deferred income tax assets	(64,029)	(37,519)
Net deferred income tax asset	–	–

As at March 31, 2021, the Company has \$192,489 of non-capital losses carried forward which are available to offset future years’ taxable income. The non-capital losses expire as follows:

	\$
2039	26,010
2040	79,414
2041	87,065
	192,489

ANC CAPITAL VENTURES INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

For the periods ended December 31, 2021 and 2020

(Expressed in Canadian Dollars)

ANC CAPITAL VENTURES INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)

	December 31, 2021 \$ (unaudited)	March 31, 2021 \$ (audited)
Assets		
Current assets		
Cash	192,431	284,647
Prepaid expenses	—	10,500
Total assets	192,431	295,147
Liabilities		
Accounts payable and accrued liabilities	280	51,280
Total liabilities	280	51,280
Shareholders' equity		
Share capital	353,967	353,967
Share-based payment reserve (Note 5)	52,619	52,619
Deficit	(214,435)	(162,719)
Total shareholders' equity	192,151	243,867
Total liabilities and shareholders' equity	192,431	295,147
Nature and continuance of operations (Note 1)		
Qualifying transaction (Note 7)		

Approved and authorized for issuance by the Board of Directors on January 10, 2022:

Signed "Jim Sekora"

Jim Sekora
Director

Signed "Randy Clifford"

Randy Clifford
Director

(The accompanying notes are an integral part of these condensed interim financial statements)

ANC CAPITAL VENTURES INC.**CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS****(EXPRESSED IN CANADIAN DOLLARS)****(unaudited)**

	Three months ended December 31, 2021 \$	Three months ended December 31, 2020 \$	Nine months ended December 31, 2021 \$	Nine months ended December 31, 2020 \$
Expenses				
General and administrative	17	(35)	196	68
Professional fees	7,547	–	30,864	7,006
Transfer agent and filing fees	1,336	1,355	20,656	5,884
Total expenses	8,900	1,320	51,716	12,958
Net loss and comprehensive loss	(8,900)	(1,320)	(51,716)	(12,958)
Loss per share, basic and diluted	(0.00)	(0.00)	(0.01)	(0.00)
Weighted average number of shares outstanding	5,600,000	5,600,000	5,600,000	5,600,000

(The accompanying notes are an integral part of these condensed interim financial statements)

ANC CAPITAL VENTURES INC.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
(EXPRESSED IN CANADIAN DOLLARS)
(unaudited)

	Share Capital		Share-based payment reserve	Deficit	Total
	Number of Shares	Amount \$			
Balance, March 31, 2020	5,600,000	353,967	52,619	(90,539)	316,047
Net loss for the period	–	–	–	(12,958)	(12,958)
Balance, December 31, 2020	5,600,000	353,967	52,619	(103,497)	303,089

	Share Capital		Share-based payment reserve	Deficit	Total
	Number of Shares	Amount \$			
Balance, March 31, 2021	5,600,000	353,967	52,619	(162,719)	243,867
Net loss for the period	–	–	–	(51,716)	(51,716)
Balance, December 31, 2021	5,600,000	353,967	52,619	(214,435)	192,151

(The accompanying notes are an integral part of these condensed interim financial statements)

ANC CAPITAL VENTURES INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
EXPRESSED IN CANADIAN DOLLARS
(unaudited)

	Nine months ended December 31, 2021 \$	Nine months ended December 31, 2020 \$
Operating activities		
Net loss	(51,716)	(12,958)
Adjustment for items not involving cash:		
Accounts payable and accrued liabilities	(51,000)	278
Prepaid expenses	10,500	—
Net cash used in operating activities	(92,216)	(12,680)
Change in cash	(92,216)	(12,680)
Cash, beginning of period	284,647	316,047
Cash, end of period	192,431	303,367

(The accompanying notes are an integral part of these condensed interim financial statements)

ANC CAPITAL VENTURES INC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

NINE MONTH PERIOD ENDED DECEMBER 31, 2021

EXPRESSED IN CANADIAN DOLLARS

1. NATURE OF BUSINESS AND CONTINUANCE OF OPERATIONS

ANC Capital Ventures Inc. (the “Company”) was incorporated on March 11, 2019 pursuant to the provisions of the *Business Corporations Act* (British Columbia). The Company was formed to complete an Initial Public Offering (“IPO”) and become classified as a Capital Pool Company (“CPC”) as defined by TSX Venture Exchange (“TSXV”) Policy 2.4. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (“QT”). On January 17, 2020, the Company completed its IPO and that its shares were listed for trading on the TSXV. The head office and the registered office of the Company is located at 10th Floor, 595 Howe Street, Vancouver, BC, V6C 2T5.

As at December 31, 2021, the Company has no business operations. As a CPC, the Company’s principal business objective will be to identify and evaluate assets, properties or businesses with a view to a potential acquisition or participation by completing a QT subject, in certain cases, to shareholders’ approval and acceptance by the TSXV. There is no assurance that the Company will identify and successfully acquire businesses or assets that will produce a profit. Moreover, if a potential business or asset is identified which warrants acquisition or participation, additional funds may be required to complete the acquisition or participation and the Company may not be able to obtain such financing on terms which are satisfactory to the Company.

Under the policies of the TSXV, the Company must identify and complete a Qualifying Transaction within 24 months from the date the Company’s shares are listed for trading on the TSXV. There is no assurance that the Company will be able to complete a QT within this time period, or that it will be able to secure the necessary financing to complete a QT. The TSXV may suspend or de-list the Company’s shares from trading should it not meet these requirements.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company has not been significant, but management continues to monitor the situation.

Going Concern

These condensed interim financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the nine month period ended December 31, 2021, the Company had no revenues and incurred a net loss of \$51,716. As at December 31, 2021, the Company has no current business and has an accumulated deficit of \$214,435. The Company’s continuing operations are dependent upon its ability to complete its IPO and identify, evaluate, and negotiate a QT. If the QT is identified or completed, additional funding may be required and there is no assurance that the Company will be able to obtain such financing, if any, on terms that are acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. These condensed interim financial statements do not include any adjustments to the recorded assets or liabilities that might be necessary should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance and Basis of Presentation

These condensed interim financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) and in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”. These condensed interim financial statements should be read in conjunction with the Company’s audited financial statements for the year ended March 31, 2021.

The accompanying condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. The condensed interim financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the Company’s functional currency.

ANC CAPITAL VENTURES INC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

NINE MONTH PERIOD ENDED DECEMBER 31, 2021

EXPRESSED IN CANADIAN DOLLARS

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Use of Estimates and Judgments

The preparation of these condensed interim financial statements in conformity with IFRS requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim financial statements and reported amounts of expenses during the period. It also requires management to exercise its judgment in the processing of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The impacts of such estimates and judgments are pervasive throughout the condensed interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates and judgments are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. Actual results could differ from these estimates.

Significant areas requiring the use of estimates include the fair value of share-based compensation and unrecognized deferred income tax assets.

The Company's assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

(c) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended December 31, 2021. These 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 condensed interim financial statements.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instruments and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which includes cash, and accounts payable and accrued liabilities, approximate their fair values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consists of cash. The Company limits its exposure to credit loss by placing its cash with a high credit quality financial institution or within a legal trust account. The carrying amount of financial assets represents the maximum credit exposure.

ANC CAPITAL VENTURES INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

NINE MONTH PERIOD ENDED DECEMBER 31, 2021

EXPRESSED IN CANADIAN DOLLARS

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**(c) Foreign Exchange Rate Risk**

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to any significant foreign exchange rate risk.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

(e) 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 plans on settling its financial obligations out of cash and relies on the Company raising debt or equity financing in a timely manner to maintain cash in excess of anticipated needs. There is no assurance that financing will be available or, if available, that financing will be on terms acceptable to the Company.

4. SHARE CAPITAL

Authorized: unlimited common shares without par value
unlimited preferred shares without par value

5. STOCK OPTIONS

The Company has established a stock option plan (the "Plan") for its directors, executive officers, employees and consultants under which the Company may grant up to 560,000 stock options until the completion of the qualifying transaction which increases to 10% of the total issued and outstanding common shares of the Company after the completion of the qualifying transaction.

	Number of options	Weighted average exercise price \$
Outstanding, March 31, 2021 and December 31, 2021	905,000	0.10

Additional information regarding stock options outstanding as at December 31, 2021, is as follows:

Range of exercise prices \$	Stock options outstanding	Weighted average remaining contracted life (years)
0.10	905,000	6.75

6. CAPITAL MANAGEMENT

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and cash equivalents and shareholders' equity.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is subject to externally imposed capital requirements under Policy 2.4 of the TSX-V for Capital Pool Companies and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended March 31, 2021.

ANC CAPITAL VENTURES INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS****NINE MONTH PERIOD ENDED DECEMBER 31, 2021****EXPRESSED IN CANADIAN DOLLARS**

7. QUALIFYING TRANSACTION

On March 5, 2021 (as amended on June 7, 2021, July 14, 2021, September 29, 2021, October 20, 2021 and December 10, 2021), the Company entered into a non-binding term sheet (the “Term Sheet”) with VIP Entertainment Group Inc. (“VIP Entertainment”) dated February 16, 2021. Pursuant to the Term Sheet, the Company and VIP Entertainment intend to complete a business combination intended to constitute the Company’s QT (the “Proposed Transaction”). The Proposed Transaction will result in the Company acquiring all of the issued and outstanding equity shares of VIP Entertainment at a ratio of 1.16739 (the “Exchange Ratio”) common shares of the Company for each common share of VIP Entertainment. Outstanding convertible securities of VIP Entertainment will be exchanged into common shares of the Company using the Exchange Ratio. The Company is required to have a minimum of \$180,000 of working capital as at the closing date of the agreement.

SCHEDULE "B"
FINANCIAL STATEMENTS OF THE TARGET COMPANY

VIP Entertainment Group Inc.

Consolidated Financial Statements

Years Ended December 31, 2021 and 2020

Expressed in Canadian dollars



SHIM & Associates LLP
Chartered Professional Accountants
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of VIP Entertainment Group Inc.

Qualified Opinion

We have audited the accompanying consolidated financial statements of VIP Entertainment Group Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2021 and 2020, and its consolidated financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for information other than the financial statements and our audit report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We are not aware of any other information at this time.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

SHIM & Associates LLP
Chartered Professional Accountants

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Dong H. Shim.

“SHIM & Associates LLP”

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada

February 14, 2022

VIP Entertainment Group Inc.
Consolidated Statements of Financial Position

Expressed in Canadian dollars
As at December 31, 2021 and 2020

	2021	2020
	\$	\$
Assets		
Current assets		
Cash	42,417	38,768
Prepaid and deposits	20,000	-
	62,417	38,768
Due from a related party (Note 8)	-	165,075
Total Assets	62,417	203,843
Liabilities and Equity		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	307,183	444,068
Customer deposits	28,515	85,287
Due to related party (Note 8)	141	-
Short term loans (Note 4)	266,889	-
Loans payable (Note 5)	-	56,275
	602,728	585,630
Loans payable (Note 5)	-	153,882
Total Liabilities	602,728	739,512
Equity		
Share capital (Note 6)	1,376,105	919,100
Shares to be issued (Note 5)	240,000	-
Reserve	(1,886)	(1,031)
Deficit	(2,154,530)	(1,453,738)
Total Equity	(540,311)	(535,669)
Total Liabilities and Shareholders' Equity	62,417	203,843

Nature of Operations and Going Concern (Note 1)
Contingency (Note 13)

Approved on behalf of the Board:

/s/ "Randy Jennings"
Randy Jennings

/s/ "Joel Donais"
Joel Donais

See accompanying notes to the consolidated financial statements

VIP Entertainment Group Inc.**Consolidated Statements of Loss and Comprehensive Loss**

Expressed in Canadian dollars

For the years ended December 31, 2021 and 2020

	2021	2020
	\$	\$
Revenue	540,451	795,853
Commissions (Note 8)	151,647	213,308
	388,804	582,545
General and Administrative Expenses		
Advertising and promotion (Note 8)	178,475	141,056
Consulting fees (Note 8)	873,334	12,000
Licenses	31,982	29,036
Financing fee (Note 4)	23,320	-
Management fees (Note 8)	247,500	186,962
Office and miscellaneous	62,185	63,147
Professional fees	101,535	11,949
Software development expense	112,912	221,404
Travel	7,550	9,173
Total General and Administrative Expenses	1,638,793	674,727
Net Loss Before Other Items	(1,249,989)	(92,182)
Interest expenses (Notes 4 and 5)	(31,838)	(2,130)
Loss on settlement of debts (Notes 5, 6 and 7)	(18,965)	-
Other income from share cancellation (Note 6)	600,000	-
Write-off of debts	-	65,973
Net Loss for the Year	(700,792)	(28,339)
Foreign currency translation	(855)	(194)
Comprehensive Loss for the Year	(701,647)	(28,533)
Basic Loss Per Common Share	(0.013)	(0.001)
Weighted Average Number of Common Shares Outstanding	52,084,129	52,750,100

See accompanying notes to the consolidated financial statements

VIP Entertainment Group Inc.
Consolidated Statement of Changes in Equity
Expressed in Canadian dollars

	Number of Outstanding Shares	Share Capital \$	Share to be issued \$	Foreign currency translation reserve \$	Deficit \$	Total Shareholders' Deficiency \$
Balance, December 31, 2019	52,750,100	919,100	-	(837)	(1,425,399)	(507,136)
Foreign currency translation adjustment	-	-	-	(194)	-	(194)
Net loss	-	-	-	-	(28,339)	(28,339)
Balance, December 31, 2020	52,750,100	919,100	-	(1,031)	(1,453,738)	(535,669)
Shares cancelled (Note 6)	(7,500,000)	(601,500)	-	-	-	(601,500)
Shares issued for cash (Note 6)	2,380,233	357,035	-	-	-	357,035
Shares issued for exercise of warrants (Note 6)	154,867	23,230	-	-	-	23,230
Shares issued for services (Note 6)	4,521,600	678,240	-	-	-	678,240
Shares to be issued (Note 5)	-	-	240,000	-	-	240,000
Foreign currency translation adjustment	-	-	-	(855)	-	(855)
Net loss	-	-	-	-	(700,792)	(700,792)
Balance, December 31, 2021	52,306,800	1,376,105	240,000	(1,886)	(2,154,530)	(540,311)

See accompanying notes to the consolidated financial statements

VIP Entertainment Group Inc.
Consolidated Statements of Cash Flows
Expressed in Canadian dollars
For the years ended December 31, 2021 and 2020

	2021	2020
	\$	\$
Operating Activities		
Net loss	(700,792)	(28,339)
Financing fee	23,320	-
Accrued interest	31,838	2,130
Shares issued for service	678,240	-
Loss on settlement of debts	18,965	-
Other income from share cancellation	(600,000)	-
Write-off of debts	-	(65,973)
Changes in non-cash working capital:		
Change in prepaid and deposits	(20,000)	-
Change in due from a related party	165,216	29,083
Change in account payable and accrued liabilities	(98,981)	90,426
Change in customer deposits	(56,772)	(52,053)
Cash flows used in operating activities	(558,966)	(24,726)
Financing Activities		
Issuance of common shares	357,035	-
Warrant exercise	23,230	-
Short term loans	233,205	-
Repayment of loans	(50,000)	(10,000)
Cash flows (used in) provided by financing activities	563,470	(10,000)
Effect of foreign exchange on cash flows	(855)	(194)
Change in cash	3,649	(34,920)
Cash, beginning	38,768	73,688
Cash, ending	42,417	38,768

See accompanying notes to the consolidated financial statements

VIP Entertainment Group Inc.
Notes to the Consolidated Financial Statements

Expressed in Canadian dollars

For the years ended December 31, 2021 and 2020

1. NATURE OF OPERATIONS AND GOING CONCERN

VIP Entertainment Group Inc. (the “Company”) was incorporated on February 22, 2016 under the laws of Alberta, Canada. The Company’s principal business activity is the development of online poker and other sports betting products.

On October 24, 2019, the Company changed its name from VIP Bets Inc. to VIP Entertainment Group Inc.

The head office and principal office of the Company is located at 400 – 3rd Avenue SW, Suite 3700, Calgary, Alberta T2P 4H2.

For the year ended December 31, 2021, the Company reported a net loss of \$700,792 (2020 – \$28,339) and has an accumulated deficit of \$2,154,530 (2020 – \$1,453,738). These conditions indicate the existence of a material uncertainty that casts doubt about the Company’s ability to continue as a going concern. As at December 31, 2021, the Company has \$42,417 (2020 – \$38,768) in cash available to meet its liabilities as they become due. The Company will manage its activity levels, expenditures and commitments based on its current cash position.

The consolidated financial statements have been prepared on the basis that the Company will continue to operate as a going concern, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company’s ability to continue as a going concern is dependent on its ability to generate additional financial resources in order to meet its planned business objectives. Financial resources will come in the form of debt and/or equity financing. These consolidated financial statements do not reflect adjustments in the amounts and classifications of assets and liabilities reported that would be necessary if the going concern assumption was not appropriate. Such adjustments could be material.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. Management continues to monitor the situation.

2. BASIS OF PREPARATION

Statement of Compliance

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretation Committee (“IFRIC”). The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

The consolidated financial statements have been authorized by the Company’s Board of Directors on February 14, 2022.

Basis of Measurement

The consolidated financial statements have been prepared on an accrual basis and are on a historical cost basis, except for certain financial instruments, which are measured at fair value. Items included in the financial statements of the Company and its subsidiaries are measured using the currency of the primary economic environment in which the company operates (the “functional currency”). These consolidated financial statements are presented in Canadian dollars.

VIP Entertainment Group Inc.
Notes to the Consolidated Financial Statements

Expressed in Canadian dollars

For the years ended December 31, 2021 and 2020

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Westchester Holdings Inc. ("Westchester"), a company incorporated in Belize, VIP Entertainment NV ("VIP NV"), a company incorporated in Curacao, and Coal Harbor Developments Limited. ("Coal Harbor"), a company incorporated in Cyprus.

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

In assessing control, potential voting rights that are currently exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Inter-company transactions, balances and unrealized gains or losses with the subsidiaries are eliminated. The financial statements of the subsidiaries are prepared using consistent accounting policies with that of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these consolidated financial statements set out below have been applied consistently in all material respects.

Significant assumptions and estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates, assumptions and judgments that affect the application of policies and reported amounts of assets and liabilities and disclosures of assets and liabilities at the date of the financial statements, along with reported amounts of expenses and net losses during the period. Actual results may differ from these estimates, and as such, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognized in the period in which the estimates are revised and in any future periods affected.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position reporting date that could result in a material adjustment to the carrying value of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- Functional currency
The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.
- Income taxes
The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements.

VIP Entertainment Group Inc.
Notes to the Consolidated Financial Statements

Expressed in Canadian dollars

For the years ended December 31, 2021 and 2020

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's consolidated financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and

Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive loss ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive loss.

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of comprehensive loss the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in the statement of loss and comprehensive loss.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of net loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

VIP Entertainment Group Inc.
Notes to the Consolidated Financial Statements

Expressed in Canadian dollars

For the years ended December 31, 2021 and 2020

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of comprehensive income (loss). However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of loss and comprehensive loss.

Foreign currency translation

The functional currency of the Company is Canadian dollars, the functional currency of Westchester is Canadian dollars, the functional currency of VIP NV is US dollars and the functional currency of Coal Harbor is the Euro.

Transactions in foreign currencies are translated to the respective functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary items are measured in terms of historical cost in a foreign currency and are translated using the exchange rate at the date of the transaction. The foreign currency gains or losses resulting from such transactions are recognized in the consolidated statement of loss and comprehensive loss.

The assets and liabilities of the VIP NV and Coal Harbor, which have a functional currency different from the presentation currency are translated to the presentation currency at the rate of exchange in effect at the financial period end; revenue and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions). All resulting exchange gains or losses are recognized as a foreign currency translation adjustment and included as a separate component of accumulated other comprehensive loss.

Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

VIP Entertainment Group Inc.
Notes to the Consolidated Financial Statements

Expressed in Canadian dollars

For the years ended December 31, 2021 and 2020

Deferred income tax

Deferred income tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Earnings (Loss) per share

Basic earnings (loss) per share are computed by dividing the net earnings available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings per share is computed similar to basic earnings per share except that the weighted average share outstanding is increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash, are valued based on their market value at the date the common shares are issued.

Revenue recognition

IFRS 15 utilizes a methodical framework for entities to follow in order to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

The Company generates revenue from the provision of online betting services. Revenue is recognized when the wagering services are rendered, at an amount that reflects the net of consideration received from bets placed, less the amounts of winning bets returned to the customers.

VIP Entertainment Group Inc.
Notes to the Consolidated Financial Statements

Expressed in Canadian dollars

For the years ended December 31, 2021 and 2020

4. SHORT TERM LOANS

During the year ended December 31, 2021, the Company borrowed short-term loans totaling \$233,205 from multiple creditors (the "Loans"). The principal plus a 10% financing fee was due on or before October 31, 2021. As the Loans were not repaid by October 31, 2021, all outstanding amounts began bearing interest at 2% per month, compounding monthly, until such time as the Loans are paid in full or settled with the common shares.

As at December 31, 2021, outstanding balance of the Loans was \$266,889. The Company recognized \$23,320 in financing fees and \$10,364 in interest expense.

5. LOAN PAYABLE

On July 24, 2018, the Company signed a letter of intent ("First LOI") whereby the Company will issue to a non-related party convertible debentures in the aggregate amount of \$1,500,000, secured by a general security agreement, bearing interest at an annual rate of 12% per annum and convertible into that number of shares of the Company equal to 20% of the issued and outstanding common shares, with such conversion occurring at the closing date.

On acceptance of the First LOI, the Company received \$250,000 as a loan bearing interest at 12% per annum. During the year ended December 31, 2018, the First LOI was terminated and the loan became due on demand. On October 10, 2020, a final settlement agreement was entered into in which the Company will repay the balance of \$284,000, including interest of \$34,000, in minimum monthly payments of \$5,000 on the first day of each month, starting in November 2020. In the event of default, the entire amount becomes due and payable. The balance outstanding related to the final settlement agreement was initially measured at the present value of the payments in the amount of \$218,027 on the debt settlement date, using a discount rate of 12%. This resulted in the Company recognizing \$65,973 in write-off of debts and interest expense of \$2,130 during the year ended December 31, 2020. During the year ended December 31, 2021, the Company wrote-off \$Nil (2020 - \$65,973) and accrued interest expense of \$21,474.

On November 1, 2021, the outstanding balance of the loan was \$181,631 and the Company settled the loan for 960,000 subscription receipt units to be issued in the upcoming private placement at \$0.25 per unit for a total value of \$240,000 resulting in a loss on debt settlement of \$58,368. Each unit will comprise of one common share and one half share purchase warrant, and each whole warrant is exercisable at \$0.50 for 24 months. As at December 31, 2021, the loan payable is \$Nil (2020 - \$210,157).

6. SHARE CAPITAL

Authorized

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

Shares issued

On February 15, 2021, the Company issued 154,867 common shares for total proceeds of \$23,230 pursuant to the exercise of warrants with an exercise price of \$0.15 per share.

On February 15, 2021, the Company issued 1,546,900 common shares at \$0.15 per share for total proceeds of \$232,035.

On February 15, 2021, the Company issued 4,521,600 common shares of the Company valued at \$678,240 for consulting services rendered by arm's length parties.

On May 12, 2021, the Company issued 833,333 common shares at \$0.15 per share for total proceeds of \$125,000.

VIP Entertainment Group Inc.
Notes to the Consolidated Financial Statements

Expressed in Canadian dollars
For the years ended December 31, 2021 and 2020

Shares cancelled

On February 11, 2021, 500,000 common shares with a cost of \$500 were returned to treasury and cancelled as a settlement of debt for services not completed. The Company recorded a gain on debt settlement of \$500.

On February 11, 2021, 1,000,000 common shares with a cost of \$1,000 were returned to treasury and cancelled as a settlement of debt for services not completed. The Company recorded a gain on debt settlement of \$1,000.

On February 11, 2021, 6,000,000 common shares with a cost of \$600,000 were returned to treasury and cancelled in lieu of receipt of payment in the amount of \$162,619 related to outstanding balances due from certain players previously not recognized. The Company recorded other income of \$600,000.

Warrants

	December 31, 2021		December 31, 2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price *
Warrants outstanding, beginning of period	1,375,000	\$0.15	1,375,000	\$0.15
Warrants exercised	(154,867)	\$0.15	-	-
Warrants outstanding, end of period	1,220,133	\$0.15	1,375,000	\$0.15

Outstanding warrants at December 31, 2021 were as follows:

Date of expiry	Exercise price *	Number of warrants	Weighted average remaining contractual life, years
February 1, 2022	\$0.15	1,220,133	0.08

*On January 15, 2021, the Company amended the exercise price of 1,375,000 share purchase warrants from \$0.25 per share to \$0.15 per share.

7. SETTLEMENT OF DEBTS

During the year ended December 31, 2021, the Company settled various account payables in the amount of \$89,954 for \$40,000 and recorded a gain on debt settlement of \$49,954.

On July 27, 2020, the Company entered into a Letter of intent ("Second LOI") whereby the shareholders of the Company were to sell their shares in exchange for the shares of two entities, both arm's length. Upon full execution of the Second LOI, the Company received US\$50,000 as a deposit. During the year ended December 31, 2021, the Company settled with the third party to pay back the deposit in four instalments of US\$15,000. The Company recorded a loss on debt settlement of \$12,051.

VIP Entertainment Group Inc.
Notes to the Consolidated Financial Statements

Expressed in Canadian dollars

For the years ended December 31, 2021 and 2020

8. RELATED PARTY TRANSACTIONS

Key management personnel are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Company directly and indirectly. Key management personnel include the Company's directors and members of the senior management group.

During the year ended December 31, 2021, the Company paid and/or accrued management fees of \$67,500 (2020 - \$47,406) and consulting fees of \$160,094 (2020 - \$Nil) to the Chief Executive Officer and a Director of the Company.

During the year ended December 31, 2021, the Company paid and/or accrued management fees of \$59,000 (2020 - \$47,406) to a family member of the Chief Executive Officer and Director of the Company.

During the year ended December 31, 2021, the Company paid and/or accrued marketing fees of \$45,000 (2020 - \$40,500), management fee of \$9,500 (2020 - \$Nil) and commission fees of \$Nil (2020 - \$1,265) to a Director of the Company.

During the year ended December 31, 2021, the Company paid and/or accrued management fees of \$8,000 (2020 - \$Nil) and marketing fee of \$39,500 (2020 - \$Nil) to a family member of a Director of the Company.

As at December 31, 2021, \$141 (2020 – receivable of \$165,076) was due to the Chief Executive Officer of the Company.

9. FINANCIAL INSTRUMENTS

The Company's financial instruments include cash, accounts receivable, amounts due from a related party, accounts payable, customer deposits and short term loans. The carrying value of amounts due from a related party, customer deposit and loans payable are reasonable estimates of fair values due to the relatively short periods to maturity and the terms of these instruments.

Financial instruments must be classified at one of three levels within a fair value hierarchy according to the relative reliability of the inputs used to estimate their values. The three levels of the hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities;

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3: Inputs that are not based on observable market data.

The Company does not have any Level 1 financial instruments.

The Company's financial instruments have been classified as follows:

Financial instrument:	Classification:
Cash	Amortized cost
Accounts payable	Amortized cost
Customer deposits	Amortized cost
Short term loans	Amortized cost

Risk exposure and management

The Company is exposed to various financial instrument risks and continuously assesses the impact and likelihood of this exposure. These risks include credit risk, liquidity risk, interest rate risk and currency risk. Where material these risks are reviewed and monitored by the Board of Directors.

VIP Entertainment Group Inc.
Notes to the Consolidated Financial Statements

Expressed in Canadian dollars

For the years ended December 31, 2021 and 2020

Credit risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations resulting in financial loss to the Company. The Company's credit risk is primarily attributable to its cash.

Liquidity risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due or can only do so at excessive cost. At December 31, 2021, the Company had working capital deficit of \$540,311 (December 31, 2020 – \$546,862). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company controls and monitors its cash flow on a regular basis, including forecasting future cash flows. To date, the Company's primary source of funding has been operations and the issuance of equity securities for cash, primarily through private placements. The Company will need to obtain additional funding by way of equity to meet its financial obligations.

Interest rate risk

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company does not have any financial instruments that are sensitive to interest rate changes and is therefore not exposed to any interest rate risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company periodically pays operating expenses in foreign currencies, but they are not significant. The Company's exposure to currency risk is minimal due to the nominal amounts of foreign assets and foreign liabilities and insignificant amount of foreign expenses.

10. CAPITAL MANAGEMENT

The Company manages its capital to ensure it will be able to continue as a going concern and continue the funding of its long-term investment. The capital structure of the Company consists of share capital and loans. The Board of Directors does not establish quantitative return on capital criteria for management due to the nature of the Company's business. The Company does not pay dividends and is not exposed to any externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year.

VIP Entertainment Group Inc.
Notes to the Consolidated Financial Statements

Expressed in Canadian dollars

For the years ended December 31, 2021 and 2020

11. INCOME TAX

Income tax recovery attributable to net loss before income tax recovery differs from the amounts computed by applying the combined Canadian federal and provincial income tax rate to income before income taxes as follows:

	2021	2020
Net loss	\$ (700,792)	(28,339)
Statutory tax rate	25%	25%
Expected income tax expense (recovery)	(175,198)	(7,085)
Tax effect of:		
Permanent difference	169,560	(16,493)
Difference in tax rates	40,134	50,141
Change in unrecognized deferred tax assets	(34,496)	(26,563)
Income tax recovery	\$ -	\$ -

During the year of 2021, the subsidiary of the Company incurred a taxable loss of \$184,650 (2020 - \$222,315). These losses may not be carried forward and be set off against taxable income in the future. Tax attributes are subject to review, and potential adjustment, by tax authorities.

As at December 31, 2021, the Company had approximately \$420,975 (2020 - \$461,500) in Canadian non-capital losses that can be used against taxable income until 2039.

12. SEGMENTED INFORMATION

During the years ended December 31, 2021 and 2020, the Company had one operating segment, being the online gaming business segment.

13. CONTINGENCY

During the years ended December 2020 and 2019, the Company wrote-off certain loans that have been outstanding for several years without any claims from the past vendors. The Company's position is that these loans are no longer due; however, there can be no guarantee that any of these creditors will not file a claim against the Company in the future. In such an event, the Company will defend its position that these liabilities are not payable. As at December 2021, no claim has been made against the Company in regards to the loans that have been written off during previous years.

14. PROPOSED TRANSACTION

On February 16, 2021, the Company entered into a non-binding term sheet with ANC Capital Ventures Inc. ("ANC"). Pursuant to the term sheet, ANC and the Company intend to complete a business combination intended to constitute ANC's Qualifying Transaction (the "Proposed Transaction"). The Proposed Transaction will result in ANC acquiring all of the issued and outstanding equity shares of the Company (the "VIP Entertainment Shares") in exchange for 1.16739 ("Exchange Ratio") common shares of ANC (each, an "ANC Share"). Convertible securities of the Company will be exchanged on the equivalent Exchange Ratio. The Proposed Transaction is subject to, among other things, receipt of the requisite shareholder approval of the Company, final approval of the TSX Venture Exchange (the "Exchange") and standard closing conditions.

VIP Entertainment Group Inc.

Interim Consolidated Financial Statements

Period Ended March 31, 2022 and 2021

Expressed in Canadian dollars

VIP Entertainment Group Inc.
Interim Consolidated Statements of Financial Position

Expressed in Canadian dollars

As at March 31, 2022 and December 31, 2021

	March 31, 2022	December 31, 2021
	\$	\$
Assets		
Current assets		
Cash	31,344	42,417
Due from a related party (Note 6)	4,660	-
Prepaid and deposits	20,000	20,000
Total Assets	56,004	62,417
Liabilities and Equity		
Current liabilities		
Accounts payable and accrued liabilities	305,264	307,183
Customer deposits	28,811	28,515
Due to related party (Note 6)	-	141
Short term loans (Note 3)	343,225	266,889
Total Liabilities	677,300	602,728
Equity		
Share capital (Note 5)	1,376,105	1,376,105
Shares to be issued (Note 4)	240,000	240,000
Reserve	(2,237)	(1,886)
Deficit	(2,235,164)	(2,154,530)
Total Equity	(621,296)	(540,311)
Total Liabilities and Shareholders' Equity	56,004	62,417

Nature of Operations and Going Concern (Note 1)

Contingency (Note 10)

Subsequent events (Note 11)

Approved on behalf of the Board:

Name

Name

See accompanying notes to the interim consolidated financial statements

VIP Entertainment Group Inc.**Interim Consolidated Statements of Loss and Comprehensive Loss**

Expressed in Canadian dollars

For the three month period ended March 31, 2022 and 2021

	March 31, 2022	March 31, 2021
	\$	\$
Revenue	107,018	195,661
Commissions	24,453	63,350
	84,565	132,311
General and Administrative Expenses		
Advertising and promotion (Note 6)	16,971	50,261
Consulting fees	2,400	678,240
Financing fee (Note 3)	10,000	-
Management fees (Note 6)	61,600	57,200
Office and miscellaneous	10,710	25,190
Professional fees	24,018	11,810
Software development expense	17,217	48,257
Travel	5,947	-
Total General and Administrative Expenses	148,863	870,958
Net Loss Before Other Items	(64,298)	(738,647)
Interest expenses (Notes 3 and 4)	(16,336)	(6,217)
Other income from share cancellation (Note 5)	-	601,500
Net Loss for the Period	(80,634)	(143,364)
Foreign currency translation	(351)	(223)
Comprehensive Loss for the Period	(80,985)	(143,587)
Basic Loss Per Common Share	(0.0015)	(0.0028)
Weighted Average Number of Common Shares Outstanding	52,306,800	51,792,635

See accompanying notes to the interim consolidated financial statements

VIP Entertainment Group Inc.
Interim Consolidated Statement of Changes in Equity
Expressed in Canadian dollars

	Number of Outstanding Shares	Share Capital \$	Share to be issued \$	Foreign currency translation reserve \$	Deficit \$	Total Shareholders' Deficiency \$
Balance, December 31, 2020	52,750,100	919,100	-	(1,031)	(1,453,738)	(535,669)
Shares cancelled (Note 5)	(7,500,000)	(601,500)	-	-	-	(601,500)
Shares issued for cash (Note 5)	1,546,900	232,035	-	-	-	232,035
Shares issued for exercise of warrants (Note 5)	154,867	23,230	-	-	-	23,230
Shares issued for services (Note 5)	4,521,600	678,240	-	-	-	678,240
Foreign currency translation adjustment	-	-	-	(223)	-	(223)
Net loss	-	-	-	-	(143,364)	(143,364)
Balance, March 31, 2021	51,473,467	1,251,105	-	(1,254)	(1,597,102)	(347,251)
Shares issued for cash (Note 5)	833,333	125,000	-	-	-	125,000
Shares to be issued (Note 4)	-	-	240,000	-	-	240,000
Foreign currency translation adjustment	-	-	-	(632)	-	(632)
Net loss	-	-	-	-	(557,428)	(557,428)
Balance, December 31, 2021	52,306,800	1,376,105	240,000	(1,886)	(2,154,530)	(540,311)
Foreign currency translation adjustment	-	-	-	(351)	-	(351)
Net loss	-	-	-	-	(80,634)	(80,634)
Balance, March 31, 2022	52,306,800	1,376,105	240,000	(2,237)	(2,235,164)	(621,296)

See accompanying notes to the interim consolidated financial statements

VIP Entertainment Group Inc.**Interim Consolidated Statements of Cash Flows**

Expressed in Canadian dollars

For the three month period ended March 31, 2022 and 2021

	March 31, 2022	March 31, 2021
	\$	\$
Operating Activities		
Net loss	(80,634)	(143,364)
Financing fee	10,000	-
Accrued interest	16,336	6,217
Shares issued for service	-	678,240
Other income from share cancellation	-	(601,500)
Changes in non-cash working capital:		
Change in due from a related party	(4,801)	(66,336)
Change in account payable and accrued liabilities	(1,919)	(119,929)
Change in customer deposits	296	7,342
Cash flows used in operating activities	(60,722)	(239,330)
Financing Activities		
Issuance of common shares for cash	-	232,035
Warrant exercise	-	23,230
Short term loans	50,000	-
Repayment of loans	-	(20,000)
Cash flows (used in) provided by financing activities	50,000	235,265
Effect of foreign exchange on cash flows	(351)	(223)
Change in cash	(11,073)	(4,288)
Cash, beginning	42,417	38,768
Cash, ending	31,344	34,480

See accompanying notes to the consolidated financial statements

VIP Entertainment Group Inc.
Notes to the Interim Consolidated Financial Statements

Expressed in Canadian dollars

For the Period Ended March 31, 2022 and 2021

1. NATURE OF OPERATIONS AND GOING CONCERN

VIP Entertainment Group Inc. (the “Company”) was incorporated on February 22, 2016 under the laws of Alberta, Canada. The Company’s principal business activity is the development of online poker and other sports betting products.

On October 24, 2019, the Company changed its name from VIP Bets Inc. to VIP Entertainment Group Inc.

The head office and principal office of the Company is located at 400 – 3rd Avenue SW, Suite 3700, Calgary, Alberta T2P 4H2.

For the three month period ended March 31, 2022, the Company reported a net loss of \$80,634 (2021 – \$143,364) and has an accumulated deficit of \$2,235,164 (December 31, 2021 – \$2,154,530). These conditions indicate the existence of a material uncertainty that casts doubt about the Company’s ability to continue as a going concern. As at March 31, 2022, the Company has \$31,344 (December 31, 2021 – \$42,417) in cash available to meet its liabilities as they become due. The Company will manage its activity levels, expenditures and commitments based on its current cash position.

The interim consolidated financial statements have been prepared on the basis that the Company will continue to operate as a going concern, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company’s ability to continue as a going concern is dependent on its ability to generate additional financial resources in order to meet its planned business objectives. Financial resources will come in the form of debt and/or equity financing. These consolidated financial statements do not reflect adjustments in the amounts and classifications of assets and liabilities reported that would be necessary if the going concern assumption was not appropriate. Such adjustments could be material.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. Management continues to monitor the situation.

2. BASIS OF PREPARATION

Statement of Compliance

The interim consolidated financial statements for the three months ended March 30, 2022 and 2021 have been prepared in accordance with International accounting standard (“IAS”) 34 - Interim Financial Reporting and are in accordance with International Financial Reporting Standards (“IFRS”). The interim consolidated financial statements are presented in Canadian dollars. These interim consolidated financial statements do not include all disclosure required for fair presentation and should be read in conjunction with the Corporation’s consolidated financial statements for the years ended December 31, 2021 and 2020.

The preparation of these interim consolidated financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management’s best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the interim consolidated financial statements are disclosed in the Corporation’s consolidated financial statements for the years ended December 31, 2021 and 2020.

VIP Entertainment Group Inc.
Notes to the Interim Consolidated Financial Statements

Expressed in Canadian dollars
For the Period Ended March 31, 2022 and 2021

The interim consolidated financial statements have been authorized by the Company's Board of Directors on May 25, 2022.

Basis of Measurement

The interim consolidated financial statements have been prepared on an accrual basis and are on a historical cost basis, except for certain financial instruments, which are measured at fair value. Items included in the financial statements of the Company and its subsidiaries are measured using the currency of the primary economic environment in which the company operates (the "functional currency"). These interim consolidated financial statements are presented in Canadian dollars.

Principles of Consolidation

The interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Westchester Holdings Inc. ("Westchester"), a company incorporated in Belize, VIP Entertainment NV ("VIP NV"), a company incorporated in Curacao, and Coal Harbor Developments Limited. ("Coal Harbor"), a company incorporated in Cyprus.

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

In assessing control, potential voting rights that are currently exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Inter-company transactions, balances and unrealized gains or losses with the subsidiaries are eliminated. The financial statements of the subsidiaries are prepared using consistent accounting policies with that of the Company.

3. SHORT TERM LOANS

During the year ended December 31, 2021, the Company borrowed short-term loans totaling \$233,205 from multiple creditors. The principal plus a 10% financing fee was due on or before October 31, 2021. As the short-term loans were not repaid by October 31, 2021, all outstanding amounts began bearing interest at 2% per month, compounding monthly, until such time as the Loans are paid in full or settled with the common shares.

During the three month period ended March 31, 2022, the Company borrowed short-term loans totaling \$50,000 from a single creditor. The principal plus a 20% financing fee is due on or before April 1, 2022. If this short-term loan is not repaid by April 1, 2022, all outstanding amounts began bearing interest at 1% per month, compounding monthly, until such time as it is paid in full or settled with the common shares.

As at March 31, 2022, outstanding balance of the short-term loans was \$343,225 (December 31, 2021 - \$266,889). The Company recognized \$10,000 (December 31, 2021 - \$23,320) in financing fees and \$16,336 (December 31, 2021 - \$10,364) in interest expense.

4. LOAN PAYABLE

On July 24, 2018, the Company signed a letter of intent ("First LOI") whereby the Company will issue to a non-related party convertible debentures in the aggregate amount of \$1,500,000, secured by a general security agreement, bearing interest at an annual rate of 12% per annum and convertible into that number of shares of the Company equal to 20% of the issued and outstanding common shares, with such conversion occurring at the closing date.

VIP Entertainment Group Inc.

Notes to the Interim Consolidated Financial Statements

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On acceptance of the First LOI, the Company received \$250,000 as a loan bearing interest at 12% per annum. During the year ended December 31, 2018, the First LOI was terminated and the loan became due on demand. On October 10, 2020, a final settlement agreement was entered into in which the Company will repay the balance of \$284,000, including interest of \$34,000, in minimum monthly payments of \$5,000 on the first day of each month, starting in November 2020. In the event of default, the entire amount becomes due and payable. The balance outstanding related to the final settlement agreement was initially measured at the present value of the payments in the amount of \$218,027 on the debt settlement date, using a discount rate of 12%. This resulted in the Company recognizing \$65,973 in write-off of debts and interest expense of \$2,130 during the year ended December 31, 2020. During the year ended December 31, 2021, the Company accrued interest expense of \$21,474.

On November 1, 2021, the outstanding balance of the loan was \$181,631 and the Company settled the loan for 960,000 subscription receipt units to be issued in the upcoming private placement at \$0.25 per unit for a total value of \$240,000 resulting in a loss on debt settlement of \$58,368. Each unit will comprise of one common share and one half share purchase warrant, and each whole warrant is exercisable at \$0.50 for 24 months. As at March 31, 2022, the loan payable is \$Nil (December 31, 2021 - \$Nil).

5. SHARE CAPITAL

Authorized

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

Shares issued

On February 15, 2021, the Company issued 154,867 common shares for total proceeds of \$23,230 pursuant to the exercise of warrants with an exercise price of \$0.15 per share.

On February 15, 2021, the Company issued 1,546,900 common shares at \$0.15 per share for total proceeds of \$232,035.

On February 15, 2021, the Company issued 4,521,600 common shares of the Company valued at \$678,240 for consulting services rendered by arm's length parties.

On May 12, 2021, the Company issued 833,333 common shares at \$0.15 per share for total proceeds of \$125,000.

Shares cancelled

On February 11, 2021, 500,000 common shares with a cost of \$500 were returned to treasury and cancelled as a settlement of debt for services not completed. The Company recorded a gain on debt settlement of \$500.

On February 11, 2021, 1,000,000 common shares with a cost of \$1,000 were returned to treasury and cancelled as a settlement of debt for services not completed. The Company recorded a gain on debt settlement of \$1,000.

On February 11, 2021, 6,000,000 common shares with a cost of \$600,000 were returned to treasury and cancelled in lieu of receipt of payment in the amount of \$162,619 related to outstanding balances due from certain players previously not recognized. The Company recorded other income of \$600,000.

VIP Entertainment Group Inc.
Notes to the Interim Consolidated Financial Statements

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For the Period Ended March 31, 2022 and 2021

Warrants

	March 31, 2022		December 31, 2021	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price *
Warrants outstanding, beginning of period	1,220,133	\$0.15	1,375,000	\$0.15
Warrants exercised	-	-	(154,867)	\$0.15
Warrants outstanding, end of period	1,220,133	\$0.15	1,220,133	\$0.15

Outstanding warrants at March 31, 2022 were as follows:

Date of expiry	Exercise price *	Number of warrants	Weighted average remaining contractual life, years
June 30, 2022	\$0.15	1,220,133	0.25

On January 15, 2021, the Company amended the exercise price of 1,375,000 share purchase warrants from \$0.25 per share to \$0.15 per share.

On January 31, 2022, the Company amended the expiry date of 1,220,133 share purchase warrants from February 1, 2022 to June 30, 2022.

6. RELATED PARTY TRANSACTIONS

Key management personnel are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Company directly and indirectly. Key management personnel include the Company's directors and members of the senior management group.

During the three month period ended March 31, 2022, the Company paid and/or accrued management fees of \$12,500 (2021 - \$12,500) to the Chief Executive Officer and a Director of the Company.

During the three month period ended March 31, 2021, the Company paid and/or accrued management fees of \$10,000 (2020 - \$12,000) to a family member of the Chief Executive Officer and Director of the Company.

During the three month period ended March 31, 2022, the Company paid and/or accrued marketing fees of \$Nil (2021 - \$12,500), management fee of \$10,000 (2021 - \$Nil) to a Director of the Company.

During the three month period ended March 31, 2022, the Company paid and/or accrued management fees of \$10,000 (2021 - \$Nil) and marketing fee of \$Nil (2021 - \$12,000) to a family member of a Director of the Company.

As at March 31, 2022, \$4,660 (December 31, 2021 - \$141 payable to) was due from the Chief Executive Officer of the Company.

7. FINANCIAL INSTRUMENTS

The Company's financial instruments include cash, amounts due from a related party, accounts payable, customer deposits and short term loans. The carrying value of amounts due from a related party, customer deposit and loans

VIP Entertainment Group Inc.
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Expressed in Canadian dollars

For the Period Ended March 31, 2022 and 2021

payable are reasonable estimates of fair values due to the relatively short periods to maturity and the terms of these instruments.

Financial instruments must be classified at one of three levels within a fair value hierarchy according to the relative reliability of the inputs used to estimate their values. The three levels of the hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities;

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3: Inputs that are not based on observable market data.

The Company does not have any Level 1 financial instruments.

The Company's financial instruments have been classified as follows:

Financial instrument:	Classification:
Cash	Amortized cost
Due to/from a related party	Amortized cost
Accounts payable	Amortized cost
Customer deposits	Amortized cost
Short term loans	Amortized cost

Risk exposure and management

The Company is exposed to various financial instrument risks and continuously assesses the impact and likelihood of this exposure. These risks include credit risk, liquidity risk, interest rate risk and currency risk. Where material these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations resulting in financial loss to the Company. The Company's credit risk is primarily attributable to its cash.

Liquidity risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due or can only do so at excessive cost. At March 31, 2022, the Company had working capital deficit of \$621,296 (December 31, 2021 – \$540,311). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company controls and monitors its cash flow on a regular basis, including forecasting future cash flows. To date, the Company's primary source of funding has been operations and the issuance of equity securities for cash, primarily through private placements. The Company will need to obtain additional funding by way of equity to meet its financial obligations.

Interest rate risk

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company does not have any financial instruments that are sensitive to interest rate changes and is therefore not exposed to any interest rate risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company periodically pays operating expenses in foreign currencies, but they

VIP Entertainment Group Inc.
Notes to the Interim Consolidated Financial Statements

Expressed in Canadian dollars

For the Period Ended March 31, 2022 and 2021

are not significant. The Company's exposure to currency risk is minimal due to the nominal amounts of foreign assets and foreign liabilities and insignificant amount of foreign expenses.

8. CAPITAL MANAGEMENT

The Company manages its capital to ensure it will be able to continue as a going concern and continue the funding of its long-term investment. The capital structure of the Company consists of share capital and loans. The Board of Directors does not establish quantitative return on capital criteria for management due to the nature of the Company's business. The Company does not pay dividends and is not exposed to any externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year.

9. SEGMENTED INFORMATION

During the three month period ended March 31, 2022 and 2021, the Company had one operating segment, being the online gaming business segment.

10. CONTINGENCY

During the years ended December 2020 and 2019, the Company wrote-off certain loans that have been outstanding for several years without any claims from the past vendors. The Company's position is that these loans are no longer due; however, there can be no guarantee that any of these creditors will not file a claim against the Company in the future. In such an event, the Company will defend its position that these liabilities are not payable. As at March 31, 2022, no claim has been made against the Company in regards to the loans that have been written off during previous years.

11. SUBSEQUENT EVENTS

On May 9, 2022, VIP completed a brokered private placement (the "Offering") of subscription receipts of VIP Entertainment (the "Subscription Receipts") for gross proceeds of \$1,706,500. The financing was priced at \$0.25 per Subscription Receipt (the "Offering Price"), and each Subscription Receipt shall automatically entitle the holder thereof, without payment of any additional consideration and without further action on the part of the holder, to acquire one unit of VIP ("Unit") upon the satisfaction of certain escrow release conditions, all in accordance with terms and conditions of a subscription receipt indenture to be entered into by VIP and the Agent, and until such time, no Subscription Receipts may be exercised by the holders thereof.

Each Unit will include one VIP Share and one half of one common share purchase warrant of VIP. Each full warrant is exercisable into one VIP Share at an exercise price of \$0.50 for a period of 24 months following its issuance. Completion of the Minimum Offering is a condition precedent to the completion of the Proposed Transaction. The Units will be exchanged for Resulting Issuer Shares and common share purchase warrants of the Resulting Issuer upon completion of the Proposed Transaction based on the Exchange Ratio.

In connection with the Offering, the Agent was paid \$25,010 cash commission and 193,280 broker warrants ("Broker Warrants"). Each Broker Warrant is exercisable for one Unit at an exercise price of \$0.25 per Unit for a period of 24 months following the date of issuance of thereof.

The net proceeds of the Offering are expected to be used to advance VIP's products, marketing and for working capital and general corporate purposes.

On May 9, 2022, VIP also settled \$714,500 in debts through the issuance of 2,858,000 Subscription Receipts.

VIP Entertainment Group Inc.

Notes to the Interim Consolidated Financial Statements

Expressed in Canadian dollars

For the Period Ended March 31, 2022 and 2021

12. PROPOSED TRANSACTION

On February 16, 2021, the Company entered into a non-binding term sheet with ANC Capital Ventures Inc. ("ANC"). Pursuant to the term sheet, ANC and the Company intend to complete a business combination intended to constitute ANC's Qualifying Transaction (the "Proposed Transaction"). The Proposed Transaction will result in ANC acquiring all of the issued and outstanding equity shares of the Company (the "VIP Entertainment Shares") in exchange for 1.16739 ("Exchange Ratio") common shares of ANC (each, an "ANC Share"). Convertible securities of the Company will be exchanged on the equivalent Exchange Ratio. The Proposed Transaction is subject to, among other things, receipt of the requisite shareholder approval of the Company, final approval of the TSX Venture Exchange (the "Exchange") and standard closing conditions.

SCHEDULE "C"
PRO FORMA BALANCE SHEET FOR THE RESULTING ISSUER
AS AT MARCH 31, 2022

VIP Entertainment Group Inc.
Proforma Consolidated Financial Position
As at March 31, 2022

(Unaudited)	ANC	VIP	Pro forma Adjustments	Notes	Pro forma Consolidated
Current assets					
Cash	195,001	31,344	2,006,500	b	2,019,591
			(93,254)	b	
			(120,000)	e	
Due from related party	-	4,660			4,660
Prepaid and deposits	-	20,000	(20,000)	b	-
Total assets	195,001	56,004	1,773,246		2,024,251
Current liabilities					
Accounts payable	-	305,264	(266,000)	c	39,264
Players balances	-	28,811			28,811
Short term loans	-	343,225	(208,500)	c	134,725
Total liabilities	-	677,300	(474,500)		202,800
Shareholders' equity					
Share capital	388,967	1,376,105	(388,967)	a	4,905,609
			2,006,500	b	
			(360,427)	b	
			(25,380)	b	
			(25,010)	b	
			(44,335)	b	
			(43,909)	b	
			714,500	c	
			(128,345)	c	
			161,700	d	
			1,274,210	e	
Shares to be issued	-	240,000	(240,000)	b	-
Contributed surplus	52,619	-	(52,619)	a	179,754
			25,380	b	
			154,374	e	
Foreign exchange reserve	-	(2,237)			(2,237)
Warrants	-	-	360,427	b	488,772
			128,345	c	
Deficit	(246,585)	(2,235,164)	246,585	a	(3,750,447)
			(161,700)	d	
			(1,353,583)	e	
	195,001	(621,296)	2,247,746		1,821,451
Total liabilities and shareholders' equity	195,001	56,004	1,773,246		2,024,251

The accompanying notes are an integral part of the pro forma consolidated financial statements.

VIP Entertainment Group Inc.
Pro-forma Consolidated Statement of Loss and Comprehensive Loss
for the three month period ended March 31, 2022

(Unaudited)	ANC	VIP	Pro forma Adjustments	Notes	Pro forma Consolidated
Revenue					
Revenue	-	107,018			107,018
Commissions	-	22,453			22,453
Gross Profit	-	84,565	-		84,565
Expenses					
Advertising and promotion	-	16,971			16,971
Consulting fees	-	2,400			2,400
Financing fee	-	10,000			10,000
General and administrative	32	10,710			10,742
Management fees	-	61,600			61,600
Professional fees	32,117	24,018			56,135
Software	-	17,217			17,217
Travel	-	5,947			5,947
	32,149	148,863	-		181,013
Loss from operations before other items	(32,149)	(64,298)	-		(96,448)
Interest expense	-	(16,336)			(31,838)
Finders fee	-	-	(161,700)	c	(161,700)
Transaction costs	-	-	(1,353,583)	d	(1,353,583)
Net loss and comprehensive loss	(32,149)	(80,634)	(1,515,283)		(1,628,067)

The accompanying notes are an integral part of the pro forma consolidated financial statements

VIP Entertainment Group Inc.
Pro-forma Consolidated Statement of Loss and Comprehensive Loss
for the twelve month period ended December 31, 2021

(Unaudited)	ANC	VIP	Pro forma Adjustments	Notes	Pro forma Consolidated
Revenue					
Revenue	-	540,451			540,451
Commissions	-	151,647			151,647
Gross Profit	-	388,804	-		388,804
Expenses					
Advertising and promotion	-	178,475			178,475
Consulting fees	-	873,334			873,334
Financing fee	-	23,320			23,320
General and administrative	214	62,185			62,399
Licenses	-	31,982			31,982
Management fees	-	247,500			247,500
Professional fees	110,724	101,535			212,259
Software	-	112,912			112,912
Travel	-	7,550			7,550
	110,938	1,638,793	-		1,749,731
Loss from operations before other items	(110,938)	(1,249,989)	-		(1,360,927)
Interest expense	-	(31,838)			(31,838)
Loss on settlement of debt	-	(18,965)			(18,965)
Other income from cancellation of shares	-	600,000			600,000
Finders fee	-	-	(161,700)	c	(161,700)
Transaction costs	-	-	(1,353,583)	d	(1,353,583)
Net loss and comprehensive loss	(110,938)	(700,792)	(1,515,283)		(2,327,013)

The accompanying notes are an integral part of the pro forma consolidated financial statements

1. Basis of Presentation

The accompanying unaudited pro forma consolidated financial statements of VIP Entertainment Group Inc. (“the Company”) have been prepared to illustrate the impact of the acquisition of 100% of the outstanding shares in VIP Entertainment Group Inc. (“VIP”) by ANC Capital Ventures Inc. (“ANC”).

The unaudited pro forma consolidated statement of financial position has been prepared assuming the transaction had occurred on January 1, 2021.

It is proposed that ANC will issue 61,062,436 common shares to the owner of the VIP (the “Transaction”). From an accounting perspective, the substance of the ANC share issuance and the proposed reorganization is a transaction that would be deemed a reverse takeover (“RTO”). The unaudited pro forma consolidated financial statements have been prepared for the purposes of an RTO transaction and are presented in CAD.

Upon completion of the Transaction with the minimum financing, ANC will have 80,488,309 common shares outstanding, 5,652,502 share purchase warrants with a value of \$0.43 per warrant, 1,424,371 share purchase warrants with a value of \$0.128 per warrant, 350,000 broker options with a value of \$0.10 per option, 225,633 broker options with a value of \$0.21 per option with a half purchase warrant upon exercise of the option for a total of an additional 112,816 share purchase warrants with a value of \$0.43 per warrant if the broker options are fully exercised, and 555,000 stock options with a value of \$0.10 per option.

These unaudited pro forma consolidated financial statements have been compiled from and include:

- a) The financial statements of ANC as at March 31, 2022, for the three month period ended March 31, 2022 and for the twelve month period ended December 31, 2021.
- b) The financial statements of VIP as at March 31, 2022, for the three month period ended March 31, 2022 and for the year ended December 31, 2021.

It is management’s opinion that these unaudited consolidated pro forma financial statements include all adjustments necessary for the fair presentation of the transactions described herein and are in accordance with International Financial Reporting Standards (“IFRS”) applied on a basis consistent with the Company’s accounting policies. These pro forma consolidated financial statements are not intended to reflect the financial position of the Company that would have actually resulted had the transactions been effected on the dates indicated above. Actual amounts recorded upon consummation of the transactions will differ from those recorded in these unaudited pro forma consolidated financial statements and the differences may be material.

Accounting policies used in the preparation of the unaudited consolidated pro forma financial statements are consistent with those used in the financial statements of ANC and VIP for the twelve month period ended December 31, 2021. The unaudited pro forma consolidated financial statements should be read in conjunction with the financial statements for the period ended December 31, 2021, and notes included therein, of ANC and VIP.

2. Pro forma assumptions and adjustments

The following are the pro forma assumptions and adjustments relating to the Transaction.

- a) The share capital balance of \$388,967, the contributed surplus of \$52,619 and the deficit of \$246,585 of ANC are eliminated to reflect the acquisition of ANC by VIP.
- b) Concurrent with the transaction VIP intends to complete a brokered private placement of \$2,006,500 with an estimated \$360,427 attributable to warrants, \$25,380 attributable to agent options, estimated commission of \$25,010, legal fees of \$44,335 and other fees in the amount of \$43,909 (charged to share issue costs) have been accrued.
- c) The debt settlement of \$714,500 of accounts payable of \$266,000, short term loans of \$208,500 and shares to be issued of \$240,000 with an estimated \$128,345 attributable to warrants.
- d) The accrual of a finders fee of \$161,700 payable in stock on the completion of the transaction.

e) For purposes of the pro-forma, the cost of the transaction was allocated as follows:

FV of ANC's shares	1,274,210
FV of outstanding options and agent options of ANC	154,374
Estimated transaction costs	120,000
Cost of the Transaction	1,548,584
Current assets	\$195,001
Current liabilities	\$0
Net assets acquired	\$195,001
Excess attributed to expense of obtaining TSXV listing	\$1,353,583
Cost of the Transaction	\$1,548,584

3. Share capital and per share amounts

Share capital in the unaudited consolidated pro forma financial statements is comprised of the following.

Authorized

Unlimited common shares without par value

	Number of shares	Share Capital	Shares to be Issued	Contributed Surplus	Warrants	Note
Issued		\$	\$	\$	\$	
ANC's balance as at December 31, 2021	5,950,000	388,967	-	52,619	-	
VIP's balance as at December 31, 2021	52,306,800	1,376,105	240,000	-	-	
Elimination of ANC as a result of the Transaction	-52,306,800	-388,967	-	-52,619	-	2(a)
Shares issued as consideration for 100% of the outstanding share capital of ANC	61,062,436	1,274,210	-	154,374	-	2(e)
Finders fee	770,000	161,700	-	-	-	2(d)
Shares issued for debt settlement	3,336,401	714,500	-240,000	-	-	2(c)
Value of warrants issued pursuant to debt settlement	-	-128,345	-	-	128,345	2(c)
Shares issued pursuant to brokered private placement	9,369,472	2,006,500	-	-	-	2(b)
Share issuance costs	-	-113,254	-	-	-	2(b)
Value of agent options issued pursuant to private placement	-	-25,380	-	25,380	-	2(b)
Value of warrants issued pursuant to private placement	-	-360,427	-	-	360,427	2(b)
	80,488,309	4,905,609	-	179,754	488,772	

4. Basic and diluted loss per share

The pro forma basic and diluted loss per share:

March 31, 2022

Weighted average number of common shares outstanding	80,488,309
Pro forma loss from operations	(\$1,062,534)
Pro forma basic loss per share	(\$0.01)
Pro forma diluted loss per share	(\$0.01)

December 31, 2021

Weighted average number of common shares outstanding	80,488,309
Pro forma loss from operations	(\$2,327,013)
Pro forma basic loss per share	(\$0.03)
Pro forma diluted loss per share	(\$0.03)

5. Pro forma income tax rate

The resulting issuer expects to have a pro forma income tax rate of 25%.

SCHEDULE "D"
MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY

ANC CAPITAL VENTURES INC.
(the “Company”)

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED
MARCH 31, 2021

The following Management’s Discussion and Analysis, prepared as of July 29, 2021 should be read together with the financial statements for the year ended March 31, 2021 and the related notes attached thereto. Accordingly, the financial statements and MD&A include the results of operations and cash flows for the year ended March 31, 2021 and the reader must be aware that historical results are not necessarily indicative of the future performance. The reader may also wish to refer to the Company’s audited financial statements and MD&A for the year ended March 31, 2020. All amounts are reported in Canadian dollars. The aforementioned documents can be accessed on the SEDAR website at www.sedar.com.

Unless otherwise stated, financial results are being reported in accordance with International Financial Reporting Standards (“IFRS”).

Management’s Discussion and Analysis contains the term cash flow from operations, which should not be considered an alternative to, or more meaningful than, cash flows from operating activities as determined in accordance with IFRS as an indicator of the Company’s performance. The Company’s determination of cash flow from operations may not be comparable to that reported by other companies. The reconciliation between profit or loss and cash flows from operating activities can be found in the statement of cash flows.

Certain statements contained in this interim management discussion and analysis may contain words such as “could”, “should”, “expect”, “believe”, “will” and similar expressions and statements relating to matters that are not historical facts but are forward-looking statements. Such forward-looking statements are subject to both known and unknown risks and uncertainties which may cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such factors include, among other things, the receipt of required regulatory approvals, the availability of sufficient capital, the estimated cost and availability of funding for the continued exploration and development of the Company’s prospects, political and economic conditions, commodity prices and other factors.

Nature of Business and Continuance of Operations

ANC Capital Ventures Inc. (the “Company”) was incorporated on March 11, 2019 pursuant to the provisions of the *Business Corporations Act* (British Columbia). The Company was formed to complete an Initial Public Offering (“IPO”) and become classified as a Capital Pool Company (“CPC”) as defined by TSX Venture Exchange (“TSXV”) Policy 2.4. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (“QT”). On January 17, 2020, the Company completed its IPO and that its shares were listed for trading on the TSXV. The head office and the registered office of the Company is located at 10th Floor, 595 Howe St., Vancouver, BC, V6C 2T5.

As at March 31, 2021, the Company has no business operations. As a CPC, the Company’s principal business objective will be to identify and evaluate assets, properties or businesses with a view to a potential acquisition or participation by completing a QT subject, in certain cases, to shareholders’ approval and acceptance by the TSXV. There is no assurance that the Company will identify and successfully acquire businesses or assets that will produce a profit. Moreover, if a potential business or asset is identified which warrants acquisition or participation, additional funds may be required to complete the acquisition or participation and the Company may not be able to obtain such financing on terms which are satisfactory to the Company.

ANC Capital Ventures Inc.
Management Discussion & Analysis
March 31, 2021

Nature of Business and Continuance of Operations (continued)

Under the policies of the TSXV, the Company must identify and complete a Qualifying Transaction within 24 months from the date the Company's shares are listed for trading on the TSXV. There is no assurance that the Company will be able to complete a QT within this time period, or that it will be able to secure the necessary financing to complete a QT. The TSXV may suspend or de-list the Company's shares from trading should it not meet these requirements.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company has not been significant, but management continues to monitor the situation.

Going Concern

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the year ended March 31, 2021, the Company had no revenues and incurred a net loss of \$72,180. As at March 31, 2021, the Company has no current business and has an accumulated deficit of \$162,719. The Company's continuing operations are dependent upon its ability to complete its IPO and identify, evaluate, and negotiate a QT. If the QT is identified or completed, additional funding may be required and there is no assurance that the Company will be able to obtain such financing, if any, on terms that are acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. These financial statements do not include any adjustments to the recorded assets or liabilities that might be necessary should the Company be unable to continue as a going concern.

Liquidity & Capital Resources

Results of Operations

For the year ended March 31, 2021

The Company incurred a loss of \$72,180 for the year ended March 31, 2021 compared to a loss of \$64,529 for the year ended March 31, 2020. The increase in loss was mainly attributable to increased professional fees.

Off-balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements.

Cash Flows

During the year ended March 31, 2021, the Company used \$31,400 of cash for operating activities compared to \$64,529 during the year March 31, 2020. The decrease in the use of cash for the year ended March 31, 2021 was directly related to the Company's IPO expenses during the year ended March 31, 2020.

ANC Capital Ventures Inc.
Management Discussion & Analysis
March 31, 2021

SHARE CAPITAL

Authorized: unlimited common shares without par value

unlimited preferred shares without par value

On January 17, 2020, the Company issued 3,500,000 common shares through its IPO at \$0.10 per share for proceeds of \$350,000. As part of the IPO, the Company incurred share issuance fees of \$74,424 and issued 350,000 broker options, exercisable at \$0.10 per share for a period of two years from the date of issuance, with a fair value of \$26,609.

In accordance with TSX-V Policy 2.4 for Capital Pool Companies, the Company is limited to the lesser of 30% of gross proceeds raised from the sale of securities or \$210,000 for expenditures that are not related to valuations or appraisals, business plans, feasibility studies and technical assessments, sponsorship reports, geological reports, financial statements, fees for legal and accounting services, and agents fees, costs, and commissions.

Stock Options

The Company has established a stock option plan (the “Plan”) for its directors, executive officers, employees and consultants under which the Company may grant up to 560,000 stock options until the completion of the qualifying transaction which increases to 10% of the total issued and outstanding common shares of the Company after the completion of the qualifying transaction.

During the year ended March 31, 2020, the Company granted 350,000 stock options with a fair value of \$26,609 to a broker as part of the Company’s IPO which was recorded as share-based payment reserve on the statement of financial position. The weighted average fair value of stock options on the date of grant was \$0.05.

	Number of options	Weighted average exercise price \$
Outstanding, March 31, 2019	555,000	0.10
Granted	350,000	0.10
Outstanding, March 31, 2020 and 2021	905,000	0.10

Additional information regarding stock options outstanding as at March 31, 2021, is as follows:

Range of exercise prices \$	Stock options outstanding	Weighted average remaining contracted life (years)
0.10	905,000	7.20

ANC Capital Ventures Inc.
Management Discussion & Analysis
March 31, 2021

Performance Summary

Selected Annual Information

The following table provides a brief summary of the Company's financial operations for the three most recently completed financial years ended March 31:

	2021	2020	2019
Total revenue	-	-	-
Net loss and comprehensive loss	(72,180)	(64,529)	(26,010)
Basic and diluted loss per share	(0.01)	(0.02)	(0.03)
Total assets	295,147	316,047	105,000
Total long-term liabilities	-	-	-

This information has been prepared in accordance with IFRS and is presented in Canadian dollars, which is the functional currency of the Company. For more detailed information please refer to the Company's financial statements.

Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	March 31, 2021 \$	December 31, 2020 \$	September 30, 2020 \$	June 30, 2020 \$
Net gain (loss) for the period	(59,222)	(1,320)	(2,415)	(9,223)
Basic and diluted loss per share	(0.01)	(0.00)	(0.00)	(0.00)
	March 31, 2020 \$	December 31, 2019 \$	September 30, 2019 \$	June 30, 2019 \$
Net gain (loss) for the period	(31,419)	(1,025)	(17,395)	(14,690)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.03)

Financial Instruments and Risk Management

The Company is exposed in varying degrees to a variety of financial instruments and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

ANC Capital Ventures Inc.
Management Discussion & Analysis
March 31, 2021

Financial Instruments and Risk Management (continued)

(a) Fair Values (continued)

The fair value of financial instruments, which includes cash and cash equivalents and accounts payable and accrued liabilities, approximates its fair value due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consists of cash and cash equivalents. The Company limits its exposure to credit loss by placing its cash and cash equivalents with a high credit quality financial institution or within a legal trust. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

(d) 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 plans on settling its financial obligations out of cash and relies on the Company raising debt or equity financing in a timely manner to maintain cash in excess of anticipated needs. There is no assurance that financing will be available or, if available, that financing will be on terms acceptable to the Company.

Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and cash equivalents and shareholders' equity.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is subject to externally imposed capital requirements under Policy 2.4 of the TSX-V for Capital Pool Companies and the Company's overall strategy with respect to capital risk management remains unchanged from the period ended March 31, 2020.

Qualifying Transaction

On March 5, 2021, as amended on June 7, 2021 and July 14, 2021, the Company announced that it had entered into a non-binding term sheet (the "Term Sheet") with VIP Entertainment Group Inc. ("VIP Entertainment") dated February 16, 2021. Pursuant to the Term Sheet, the Company and VIP Entertainment intend to complete a business combination intended to constitute the Company's QT (the "Proposed Transaction"). The Proposed Transaction will result in the Company acquiring all of the issued and outstanding equity shares of VIP Entertainment at a ratio of 1.16739 (the "Exchange Ratio") common shares of the Company for each common share of VIP Entertainment. Outstanding convertible securities of VIP Entertainment will be exchanged into common shares of the Company using the Exchange Ratio. The Company is required to have a minimum of \$180,000 of working capital as at the closing date of the agreement, which is to be no later than October 1, 2021.

ANC CAPITAL VENTURES INC.

(the “Company”)

FORM 51-102F1

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTH PERIODS ENDED
DECEMBER 31, 2021**

The following Management’s Discussion and Analysis, prepared as of January 11, 2022 should be read together with the financial statements for the three and nine month periods ended December 31, 2021 and the related notes attached thereto. Accordingly, the financial statements and MD&A include the results of operations and cash flows for the three and nine month periods ended December 31, 2021 and the reader must be aware that historical results are not necessarily indicative of the future performance. The reader may also wish to refer to the Company’s audited financial statements and MD&A for the year ended March 31, 2021. All amounts are reported in Canadian dollars. The aforementioned documents can be accessed on the SEDAR website at www.sedar.com.

Unless otherwise stated, financial results are being reported in accordance with International Financial Reporting Standards (“IFRS”).

Management’s Discussion and Analysis contains the term cash flow from operations, which should not be considered an alternative to, or more meaningful than, cash flows from operating activities as determined in accordance with IFRS as an indicator of the Company’s performance. The Company’s determination of cash flow from operations may not be comparable to that reported by other companies. The reconciliation between profit or loss and cash flows from operating activities can be found in the statement of cash flows.

Certain statements contained in this interim management’s discussion and analysis may contain words such as "could", "should", "expect", "believe", "will" and similar expressions and statements relating to matters that are not historical facts but are forward-looking statements. Such forward-looking statements are subject to both known and unknown risks and uncertainties which may cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such factors include, among other things, the receipt of required regulatory approvals, the availability of sufficient capital, the estimated cost and availability of funding for the continued exploration and development of the Company's prospects, political and economic conditions, commodity prices and other factors.

Nature of Business and Continuance of Operations

ANC Capital Ventures Inc. (the “Company”) was incorporated on March 11, 2019 pursuant to the provisions of the *Business Corporations Act* (British Columbia). The Company was formed to complete an Initial Public Offering (“IPO”) and become classified as a Capital Pool Company (“CPC”) as defined by TSX Venture Exchange (“TSXV”) Policy 2.4. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (“QT”). On January 17, 2020, the Company completed its IPO and that its shares were listed for trading on the TSXV. The head office and the registered office of the Company is located at 10th Floor, 595 Howe Street, Vancouver, BC, V6C 2T5.

As at December 31, 2021, the Company has no business operations. As a CPC, the Company’s principal business objective will be to identify and evaluate assets, properties or businesses with a view to a potential acquisition or participation by completing a QT subject, in certain cases, to shareholders’ approval and acceptance by the TSXV. There is no assurance that the Company will identify and successfully acquire businesses or assets that will produce a profit. Moreover, if a potential business or asset is identified which warrants acquisition or participation, additional funds may be required to complete the acquisition or participation and the Company may not be able to obtain such financing on terms which are satisfactory to the Company.

ANC Capital Ventures Inc.
Management's Discussion & Analysis
December 31, 2021

Nature of Business and Continuance of Operations (continued)

Under the policies of the TSXV, the Company must identify and complete a Qualifying Transaction within 24 months from the date the Company's shares are listed for trading on the TSXV. There is no assurance that the Company will be able to complete a QT within this time period, or that it will be able to secure the necessary financing to complete a QT. The TSXV may suspend or de-list the Company's shares from trading should it not meet these requirements.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company has not been significant, but management continues to monitor the situation.

Going Concern

These condensed interim financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the nine month period ended December 31, 2021, the Company had no revenues and incurred a net loss of \$51,716. As at December 31, 2021, the Company has no current business and has an accumulated deficit of \$214,435. The Company's continuing operations are dependent upon its ability to complete its IPO and identify, evaluate, and negotiate a QT. If the QT is identified or completed, additional funding may be required and there is no assurance that the Company will be able to obtain such financing, if any, on terms that are acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. These condensed interim financial statements do not include any adjustments to the recorded assets or liabilities that might be necessary should the Company be unable to continue as a going concern.

Liquidity & Capital Resources

Results of Operations

For the three and nine month periods ended December 31, 2021

The Company incurred a loss of \$8,900 and \$51,716, respectively for the three and nine month periods ended December 31, 2021 compared to losses of \$1,320 and \$12,958, respectively for the three and nine month periods ended December 31, 2020. The increase in losses was directly related to increased professional fees and transfer agent and filing fees associated with the Company's ongoing work to complete its QT.

Off-balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements.

Cash Flows

During the nine month period ended December 31, 2021, the Company used \$92,216 of cash for operating activities compared to \$12,680 during the nine month period December 31, 2020. The increase in the use of cash for the nine month period ended December 31, 2021 compared to December 31, 2020, as stated above, was directly related to increases in professional fees and transfer agent and filing fees associated with the Company's ongoing work to complete its QT.

ANC Capital Ventures Inc.
Management's Discussion & Analysis
December 31, 2021

SHARE CAPITAL

Authorized: unlimited common shares without par value
unlimited preferred shares without par value

During the periods ended December 31, 2021 and 2020, the Company did not have any equity transactions.

Stock Options

The Company has established a stock option plan (the "Plan") for its directors, executive officers, employees and consultants under which the Company may grant up to 560,000 stock options until the completion of the qualifying transaction which increases to 10% of the total issued and outstanding common shares of the Company after the completion of the qualifying transaction.

	Number of options	Weighted average exercise price \$
Outstanding, March 31, 2021 and December 31, 2021	905,000	0.10

Additional information regarding stock options outstanding as at December 31, 2021, is as follows:

Range of exercise prices \$	Stock options outstanding	Weighted average remaining contracted life (years)
0.10	905,000	6.75

ANC Capital Ventures Inc.
Management's Discussion & Analysis
December 31, 2021

Performance Summary

Selected Annual Information

The following table provides a brief summary of the Company's financial operations for the three most recently completed financial years ended March 31:

	2021	2020	2019
Total revenue	-	-	-
Net loss and comprehensive loss	(72,180)	(64,529)	(26,010)
Basic and diluted loss per share	(0.01)	(0.02)	(0.03)
Total assets	295,147	316,047	105,000
Total long-term liabilities	-	-	-

This information has been prepared in accordance with IFRS and is presented in Canadian dollars, which is the functional currency of the Company. For more detailed information please refer to the Company's financial statements.

Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	December 31, 2021 \$	September 30, 2021 \$	June 30, 2021 \$	March 31, 2021 \$
Net gain (loss) for the period	(8,900)	(24,601)	(18,215)	(59,222)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.01)
	December 31, 2020 \$	September 30, 2020 \$	June 30, 2020 \$	March 31, 2020 \$
Net gain (loss) for the period	(1,320)	(2,415)	(9,223)	(31,419)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

Financial Instruments and Risk Management

The Company is exposed in varying degrees to a variety of financial instruments and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial Instruments and Risk Management (continued)

(a) Fair Values (continued)

The fair value of financial instruments, which includes cash and accounts payable and accrued liabilities, approximates its fair value due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consists of cash and cash equivalents. The Company limits its exposure to credit loss by placing its cash with a high credit quality financial institution or within a legal trust. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

(d) 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 plans on settling its financial obligations out of cash and relies on the Company raising debt or equity financing in a timely manner to maintain cash in excess of anticipated needs. There is no assurance that financing will be available or, if available, that financing will be on terms acceptable to the Company.

Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and cash equivalents and shareholders' equity.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is subject to externally imposed capital requirements under Policy 2.4 of the TSX-V for Capital Pool Companies and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended March 31, 2021.

Qualifying Transaction

On March 5, 2021 (as amended on June 7, 2021, July 14, 2021, September 29, 2021, October 20, 2021 and December 10, 2021), the Company entered into a non-binding term sheet (the "Term Sheet") with VIP Entertainment Group Inc. ("VIP Entertainment") dated February 16, 2021. Pursuant to the Term Sheet, the Company and VIP Entertainment intend to complete a business combination intended to constitute the Company's QT (the "Proposed Transaction"). The Proposed Transaction will result in the Company acquiring all of the issued and outstanding equity shares of VIP Entertainment at a ratio of 1.16739 (the "Exchange Ratio") common shares of the Company for each common share of VIP Entertainment. Outstanding convertible securities of VIP Entertainment will be exchanged into common shares of the Company using the Exchange Ratio. The Company is required to have a minimum of \$180,000 of working capital as at the closing date of the agreement.

SCHEDULE "E"
MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE TARGET COMPANY

VIP ENTERTAINMENT GROUP INC.
Management's Discussion and Analysis

For the Year Ended December 31, 2021

GENERAL INFORMATION AND CAUTIONARY STATEMENTS

Introduction

The following management's discussion and analysis ("**MD&A**") dated February 15, 2022, provides information concerning the financial condition and results of operations of VIP Entertainment Group Inc. ("**VIP**" or the "**Company**") for the year ended December 31, 2021. The following MD&A should be read in conjunction with the Company's audited Consolidated Financial Statements for the year ended December 31, 2021 and 2020 and the notes to those financial statements, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

Basis of Presentation

In this MD&A, unless otherwise indicated, all amounts are stated in CAD dollars, which is VIP's functional currency, unless otherwise indicated. Disclosure contained in this MD&A is current to February 15, 2022, unless otherwise noted.

Cautionary Statement Regarding Forward-Looking Information

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation ("**forward-looking information**"). Such forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below and as detailed under *Risks And Uncertainties* in this MD&A.

In some cases, forward-looking information can be identified using forward-looking terminology such as "anticipate", "believe", "expects" or "does not expect", "estimates", "outlook", "prospects"; "projection", "intends", "believes", "should", "will", "would" or the negative of these terms, and similar expressions intended to identify forward looking statements. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein is given as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

COMPANY STRATEGY AND OBJECTIVES

The Company holds a Curacao Gaming License ("**CGL**"), utilized in the business of VIP on the site www.vipbets.com issued by the government of Curacao under license 365/JAZ, sub-license GLH-

OCCHKW070390. VIP is an emerging and rapidly growing sports betting operator with the ambition to become a leader in sports betting, casino, and poker activity. As at the date hereof, VIP has deployed software from globally recognized BetConstruct (www.betconstruct.com/about-company), creating a single offering, namely, an online, general betting book with fixed odds to bet on sports, casino, and poker.

In the last three years of operations VIP has seen increases of 250% in player registration, and roughly \$70,600,000 in bets wagered since January 2019.

The early increases were attributed to the Agent/Affiliate approach to introducing the platform to as many new users as possible and continuing to offer the best possible service and support in the industry, along side cash-incentive-bonuses and promotional offers for consistent and loyal users. The impacts of the outbreak of the novel coronavirus ("COVID-19") and the subsequent global COVID-19 pandemic, resulted in a decrease in revenue over a period as sports were postponed globally, during this time (March 2020 – to the return of sports in September 2020). In relation to and as a result of the Covid pandemic, and the pause of sporting events, a reduction in revenue occurred relating specifically to a lack of events to wager on, sports wagering revenue of \$254,901 for 2020 decreased to \$120,474 in 2021. A revenue reduction also occurred in the online casino related operations from \$204,745 in 2020 to \$174,756 in 2021. During this same period, Casino and Poker had an active user increase, while esports and obscure events in the world which were still available carried revenues over this time. Although active users in these areas increased as users ventured to other areas of the platform for their entertainment, there was still an overall decrease in revenue with lower amounts risked, thus generating less revenue. To elaborate on this increase in active users in these areas of the site, there was not “new users” or an increase in “active users”, simply existing users using the Casino and Poker areas of the site who typically would only use and wager on the sports related products. Any quantifiable increase in users here is lateral, as these users would have already been on the site wagering on sports related products, had sports not paused over this time. The corresponding revenue values was still a decrease, as stated although these users may have increased in their usage of the Casino and Poker products, wagers were less compared to their historical values typically placed on sports-based products. As at the date hereof, the increase in trajectory of new customer registrations to the site has returned to pre-COVID-19 levels and has increased with the successful return of sports and marketing initiatives; however, the increase in new customers, and betting activity from existing customers, during the COVID-19 pandemic has been sustained. The current changes to the regulations surrounding online gaming has effected previous revenue totals, as VIP has chosen to restrict users from certain jurisdictions while it works towards acquiring licensing in these jurisdictions.

Odds and risk management is a critical part of the sports betting experience. Odds are ideally engineered to attract equal interest on both sides of a betting line. To be considered a leader in sports betting, it was essential that the Company have odds that covered as close to 100% of sports events as possible.

VIP has assembled a management team with a proven track record of delivering profitable gaming businesses. The existing structure of the business allows for VIP to add products to its offering where it sees fit - a major long-term asset – and VIP works closely with BetConstruct to ensure they are offering a robust suite of products. All marketing, risk management, fraud, security, and customer support - all the customer facing elements of a sportsbook - are done in-house to ensure a fully end-to-end serviced brand experience. While BetConstruct supplies the software to deploy this suite of products for VIP Bets.

RECENT DEVELOPMENTS

Proposed Qualifying Transaction

Pursuant to the Proposed Transaction, the Resulting Issuer will acquire all of the issued and outstanding VIP Entertainment Shares such that each shareholder of VIP Entertainment (including those becoming shareholders as a result of the Offering as defined below) (each, a “VIP Entertainment Shareholder”) will receive approximately 1.16739 common shares of the Resulting Issuer, (each, a “Resulting Issuer Share”) for each VIP Entertainment Share held.

It is anticipated that a total of 61,062,436 Resulting Issuer Shares plus 14,475,636 Resulting Issuer Shares required in exchange for the VIP Entertainment Shares issued under the Offering, assuming the Maximum Offering (as defined herein) is raised, will be issued in exchange for all the VIP Entertainment Shares. Upon completion of the Proposed Transaction, the former VIP Entertainment Shareholders, excluding those under the Offering (as defined herein), will hold approximately 75% of the Resulting Issuer Shares (giving effect to the Maximum Offering), shareholders participating in the Offering will hold approximately 18.1% of the Resulting Issuer Shares and the ANC shareholders will hold approximately 6.8% of the Resulting Issuer Shares (after giving effect to the Maximum Offering). Upon Closing, the name of the Resulting Issuer will be changed to "VIP Entertainment Technologies Inc." or such other name as may be acceptable to ANC, VIP Entertainment and the Exchange. All convertible securities will also be exchanged for Resulting Issuer equivalent securities adjusted for the Exchange Ratio.

Certain of the ANC Shares to be issued to the VIP Entertainment Shareholders pursuant to the Proposed Transaction, including up to 100% of the securities to be issued to "Principals" (as defined under Exchange policies), will be subject to escrow provisions imposed pursuant to the policies of the Exchange. None of the securities to be issued pursuant to the Proposed Transaction have been or will be registered under the U.S. Securities Act, or any state securities laws, and any securities issued pursuant to the Proposed Transaction are anticipated to be issued in reliance upon available exemptions from such registration requirements pursuant to Section 3(a)(10) of the U.S. Securities Act and applicable exemptions under state securities laws. This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities.

Brokered Equity Financing

VIP Entertainment has entered into an engagement letter (the "Engagement Letter") with Research Capital Corporation (the "Agent") pursuant to which the Agent will act as agent on a "commercially reasonable efforts" private placement (the "Offering") of subscription receipts of VIP Entertainment (the "Subscription Receipts") for gross proceeds of a minimum of \$2.1 million (the "Minimum Offering") and a maximum of \$3.1 million (the "Maximum Offering"). The Subscription Receipts will be offered at an issuance price of \$0.25 per Subscription Receipt (the "Offering Price"), and each Subscription Receipt shall automatically entitle the holder thereof, without payment of any additional consideration and without further action on the part of the holder, to acquire one unit of VIP Entertainment ("Unit") upon the satisfaction of certain escrow release conditions, all in accordance with terms and conditions of a subscription receipt indenture to be entered into by VIP Entertainment, the Agent and the subscription receipt agent, and until such time, no Subscription Receipts may be exercised by the holders thereof.

Each Unit will include one VIP Entertainment Share and one half of one common share purchase warrant of VIP Entertainment. Each full warrant is exercisable into one VIP Entertainment Share at an exercise price of \$0.50 for a period of 24 months following its issuance. Completion of the Minimum Offering is a condition precedent to the completion of the Proposed Transaction. The Units will be exchanged for Resulting Issuer Shares and common share purchase warrants of the Resulting Issuer upon completion of the Proposed Transaction based on the Exchange Ratio.

In connection with the Offering, the Agent will be paid an 8% cash commission and 8% broker warrants ("Broker Warrants"). Each Broker Warrant is exercisable for one Unit at an exercise price of \$0.25 per Unit for a period of 24 months following the date of issuance of thereof. The Agent will also be granted an option to offer for sale up to an additional 15% of the number of Subscription Receipts sold in the Offering at the Offering Price, which option shall be exercisable, in whole or in part, at any time up to 48 hours prior to the closing of the Offering.

The net proceeds of the Offering are expected to be used to advance VIP Entertainment's products, marketing and for working capital and general corporate purposes.

RESULTS OF OPERATIONS

The following financial data prepared in accordance with IFRS in CAD dollars is presented for the year ended December 31, 2021 and the year ended December 31, 2020.

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	(audited)	(audited)
Revenue	\$540,451	\$795,853
Direct costs	(151,647)	(213,308)
Gross profit	388,804	582,545
Expenses	(1,638,793)	(674,727)
Other items	549,197	63,843
Net loss for the year	\$(700,792)	\$(28,339)

Year ended December 31, 2021

Revenues

For the year ended December 31, 2021, betting revenues amounted to \$540,451 as compared to \$795,853 for the year ended December 31, 2020. Although year over year VIP saw a decrease in total betting revenues during this same period, Casino and Poker had an active user increase, while esports and obscure events in the world which were still available carried revenues over this time. Although active users in these areas increased as users ventured to other areas of the platform for their entertainment, there was still an overall decrease in revenue with lower amounts risked, thus generating less revenue, this is largely due to the previously mentioned lack of sporting events due to Covid, and restrictions on users from certain jurisdictions as the regulatory changes take place. Moving forward, VIP expects to see a return to, or increase in previous revenues as it acquires additional licensing, and users both in its current area of operations, new jurisdictions, and via merger and acquisition.

Direct Costs

For the year ended December 31, 2021 direct costs amounted to \$151,647 as compared to \$213,308 for the year ended December 31, 2020.

Direct costs include:

	<u>2021</u>	<u>2020</u>
Commissions	\$(151,647)	\$(213,308)
Total direct costs	\$(151,647)	\$(213,308)

The reduction in direct costs is related to a decrease in the total amount of Affiliate Group contracts in place and the number of paid commissions as a result has decreased. VIP has limited its previous number of Affiliates to a select group ensuring a tighter control on costs and commissions related to these Affiliates.

Expenses

For the year ended December 31, 2021, expenses amounted to \$1,638,793. As compared to \$674,727 for the year ended December 31, 2020. For the year ended December 31, 2021, expenses increased by \$964,066. Significant expenses were incurred for advertising and promotion of \$178,475 (2020 - \$141,056) due to the work necessary to attract and acquire new users to the brand. During the year ended December 31, 2021, consulting fees of \$873,334 (2020 - \$12,000) due to the increase in required services to complete

the qualifying transaction. Professional fees increased to \$101,535 (2020 - \$11,949) due to the work of the above-mentioned qualifying transaction.

Net loss for the year

For the year ended December 31, 2021 the net loss amounted to \$700,792 compared to \$28,339 for the year ended December 31, 2020. The Company incurred significant expenses to both consulting and professional fees in the year ended December 31, 2021, in relation to the qualifying transaction. The Company does not believe these expenses will continue once the transaction is complete as most of these expenses relate to the work required to complete the qualifying transaction, thus, alleviating these costs once completed.

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2021, the Company had working capital deficit of \$540,311. The Company raised additional capital in 2021 of approximately \$357,035 and plans to raise additional equity as part of the proposed transaction with ANC to continue to fund the development and growth of the business.

OFF BALANCE SHEET ARRANGEMENTS

As at the date of this MD&A, the Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS BETWEEN RELATED PARTIES

During the year ended December 31, 2021, the Company paid and/or accrued management fees of \$67,500 and consulting fees of \$160,094 (2020 - \$Nil) to Randy Jennings, Chief Executive Officer, and a Director of the Company.

During the year ended December 31, 2021, the Company paid and/or accrued management fees of \$59,000 (2020 - \$47,406) to Theresa Jennings, spouse of the Chief Executive Officer and Director of the Company for provided accounting services to the company.

During the year ended December 31, 2021, the Company paid and/or accrued marketing fees of \$45,000 (2020 - \$40,500), management fee of \$9,500 (2020 - \$Nil) and commission fees of \$Nil (2020 - \$1,265) to Joel Donais, a director of the Company who provided overall management services to the company including customer service and support, marketing, and risk management.

During the year ended December 31, 2021, the Company paid and/or accrued management fees of \$8,000 (2020 - \$Nil) and marketing fee of \$39,500 (2020 - \$Nil) to Kelly Donais, spouse to Joel Donais, who provided Customer Service and Support services for the company.

As at December 31, 2021, the Company had an amount of \$141 (2020 - \$165,076) receivable from the Chief Executive Officer of the Company. This amount is unsecured, non-interest bearing and due on demand.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK EXPOSURES

The Company's financial instruments include cash, amounts due from a related party, accounts payable and accrued liabilities, customer deposits and short term loans. The carrying value of amounts due from a related party, customer deposit and loans payable are reasonable estimates of fair values due to the relatively short periods to maturity and the terms of these instruments.

Financial instruments must be classified at one of three levels within a fair value hierarchy according to the relative reliability of the inputs used to estimate their values. The three levels of the hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities:

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3: Inputs that are not based on observable market data.

The Company does not have any Level 1 financial instruments.

The Company's financial instruments have been classified as follows:

Financial instrument:	Classification:
Cash	Amortized cost
Accounts payable	Amortized cost
Customer deposits	Amortized cost
Short term loans	Amortized cost

Risk exposure and management

The Company is exposed to various financial instrument risks and continuously assesses the impact and likelihood of this exposure. These risks include credit risk, liquidity risk, interest rate risk and currency risk. Where material these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations resulting in financial loss to the Company. The Company's credit risk is primarily attributable to its cash.

Liquidity risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due or can only do so at excessive cost. As at December 31, 2021, the Company had working capital deficit of \$540,311 (December 31, 2020 – \$546,862). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company controls and monitors its cash flow on a regular basis, including forecasting future cash flows. To date, the Company's primary source of funding has been operations and the issuance of equity securities for cash, primarily through private placements. The Company is working on a number of financings to increase its working capital to offset this deficit and grow the company moving forward.

Interest rate risk

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company does not have any financial instruments that are sensitive to interest rate changes and is therefore not exposed to any interest rate risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company periodically pays operating expenses in foreign currencies, but they are not significant. The Company's exposure to currency risk is minimal due to the nominal amounts of foreign assets and foreign liabilities and insignificant amount of foreign expenses.

CRITICAL ESTIMATES AND JUDGMENTS

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingencies at the date of the Company's financial statements, and revenue and expenses during the reporting period. Actual results

could differ from those estimated. Significant estimates in the Company's financial statements include amortisation of intangible assets. By their nature, estimates and assumptions are subject to measurement uncertainty and the effect on the Company's financial statements of changes in estimates in future periods could be significant.

RISKS AND UNCERTAINTIES

Risk Factors Relating to Company

Company has a Limited Operating History

The Company has been operating for five years but has made significant changes to its operations to ensure all players comply with KYC (know your client) protocols that have been increased recently, and therefore the historical results may not reflect the future operations. Regulatory changes are taking place in the industry resulting in the need to acquire additional licensing to operate in certain jurisdictions. VIP continues to evaluate these requirements and applying for licenses in select jurisdictions is a key part of its growth. VIP also realizes the potential for mergers, acquisitions and partnerships to become a key proponent to growing the company and its revenue, and continues to evaluate these opportunities as they become relevant or available.

Negative Cash Flow from Operations

Historically, the Company had negative cash flows from operating activities. Although the Company anticipates it will have positive cash flows from operating activities in future periods, to the extent that the Company has negative cash flows in any future period, certain of the net proceeds from the financing may be used to fund such negative cash flows from operating activities, if any.

Uncertainty of Company's Future Revenues

Although management is optimistic about the Company's prospects, there is no guarantee that expected outcomes and sustainable revenue streams will be achieved. The Company faces risks frequently encountered by gaming companies. In particular, its growth and prospects depend on its ability to expand its operation and grow its revenue streams, whilst at the same time maintaining effective cost controls. Any failure to expand is likely to have a material adverse effect on the Company's business, financial condition and results.

Global Economic Risk

The ongoing economic slowdown and downturn of global capital markets (in particular as a result of the current outbreak of the novel coronavirus ("**COVID-19**") and the global COVID-19 pandemic) 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 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 business and operations.

COVID-19 Risk

The Company's business could be significantly and adversely affected by the effects of any widespread global outbreak of contagious disease. A significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn and cancellation of sporting events that could affect demand for the Company's services and likely impact operating results. In particular, the recent

outbreak of COVID-19 has had a negative impact on global financial conditions. The Company cannot accurately predict the impact COVID-19 will have on the Company's ability to remain open for business in response to government public health efforts to contain COVID-19 and to obtain financing or third parties' ability to meet their obligations with the Company, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak and the length of travel and quarantine restrictions imposed by governments of affected countries, and future demand of the Company's products and services. If the prevalence of the coronavirus continues to increase (or fears in respect of the coronavirus continue to increase), governments may increase regulations and restrictions regarding the flow of labour or products, and travel bans, and the Company's operations, suppliers, customers and distribution channels, and ability to advance its projects, could be adversely affected. Should any employees or consultants of the Company become infected with COVID-19 or similar pathogens, it could have a material negative impact on the Company's operations and prospects.

Changing Economic Conditions

The demand for entertainment and leisure activities, including sports betting and gaming, more generally, can be highly sensitive to changes in 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 Company's control. Unfavourable changes in general economic conditions, including recessions, economic slowdowns, sustained high levels of unemployment, and increasing fuel or transportation costs or the perception by customers of weak or weakening economic conditions, may reduce customers' disposable income or result in fewer individuals engaging in entertainment and leisure activities, such as sports betting or online gaming. As a result, the Company cannot ensure that demand for its product and service offerings will remain constant. Adverse developments affecting economies throughout the world, including a general tightening of availability of credit, decreased liquidity in certain financial markets, increased interest rates, foreign exchange fluctuations, increased 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, such as sports betting and gaming. Any significant or prolonged decrease in consumer spending on entertainment or leisure activities could adversely affect the demand for the Company's product offerings, reducing its cash flows and revenues. If the Company experiences a significant unexpected decrease in demand for its product offerings, its business may be harmed.

Risks Associated with Acquisitions

As part of the Company's overall business strategy, the Company intends to pursue select strategic acquisitions, which would provide additional product and service offerings, vertical integrations, additional industry expertise and a stronger industry presence in both existing and new jurisdictions. Future acquisitions may expose it to potential risks, including risks associated with: (a) the integration of new operations, services and personnel; (b) unforeseen or hidden liabilities; (c) the diversion of resources from the Company's existing business and technology; (d) potential inability to generate sufficient revenue to offset new costs; (e) the expenses of acquisitions, in particular where cost synergies are not achieved or where significant additional regulatory risk or costs are associated with the entry into new jurisdictions as a result of acquisitions; or (f) the potential loss of or harm to relationships with both employees and existing customers resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

Operational Risks

The Company will be affected by a number of operational risks and the Company may not be adequately insured for certain risks, including labour disputes, catastrophic accidents, fires, blockades or other acts of social activism, changes in the regulatory environment, difficulty obtaining banking and payment processing for companies involved in online gambling, difficulty in obtaining gaming licences for gaming platforms, changing online gaming regulatory environment with previously open markets becoming closed, or adopting prohibitive regulations, markets adopting point of consumption tax regimes that can render some markets

less lucrative over time, cost of player acquisition and likelihood to recoup value based on player lifetime values, impact of non-compliance with laws and regulations, natural phenomena, such as inclement weather conditions, floods, earthquakes and ground movements. There is no assurance that the foregoing risks and hazards will not result in personal injury or death, environmental damage, adverse impacts on the Company's operation, costs, monetary losses, potential legal liability, and adverse governmental action, any of which could have an adverse impact on the Company's future cash flows, earnings and financial condition. Also, the Company may be subject to or affected by liability or sustain loss for certain risks and hazards against which the Company cannot insure or which the Company may elect not to insure because of the cost. This lack of insurance coverage could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Cybersecurity Risks

The Company's operations involve the storage and transmission of customer data, including personally identifiable information, and security incidents could result in unauthorized access to, the loss of, or unauthorized disclosure of such information.

The Company has security systems in place and what it deems sufficient security around its system to prevent unauthorized access, it must ensure that it continually enhances security and fraud protection within its platform, and if the Company is unable to do so it may become subject to liability for privacy breaches or consequences that result from any unanticipated incident. As a result of advances in computer capabilities, new discoveries in the field of cryptography or other developments, a compromise or breach of the Company's security precautions may occur. The techniques used to obtain unauthorized, improper, or illegal access to the Company's systems, data or customers' data and to sabotage its system are constantly evolving and may be difficult to detect quickly. An information breach in the Company's system and loss of confidential information such as credit card numbers and related information, or interruption in the operation of the Company applications, could have a longer and more significant impact on the Company's business operations than any hardware failure. A compromise in the Company's security system could severely harm its business by the loss of its customers' confidence in it and thus the loss of their business. The Company may be required to spend significant funds and other resources to protect against the threat of security breaches or to alleviate problems caused by these breaches. However, protection may not be available at a reasonable price, or at all. Any failure to adequately comply with necessary protective measures could result in fees, penalties and/or litigation. Concerns regarding the security of e-commerce and the privacy of customers may also inhibit the growth of the Internet as a means of conducting commercial transactions. This may result in a reduction in revenues and increase operating expenses, which would prevent the Company from achieving profitability.

Difficulty to Forecast

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources involved in the sports betting and gaming industries. A failure in the demand for its services to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations, and financial condition of the Company.

Industry Competition Generally

There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and marketing experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition, and results of operations of the Company. To remain competitive, the Company will require a continued high level of investment in marketing, sales and customer relationship management and support.

Competition in Sports Betting Industry

The industry within which the Company operates is rapidly evolving and intensely competitive, and is subject to changing technology, changes to regulatory requirements, shifting customer needs and frequent introductions of new offerings. The Company's potential competitors include large and established companies as well as other start-up companies. Such competitors may spend more money and time on developing and testing products and services, undertake more extensive marketing campaigns, adopt more aggressive pricing or promotional policies or otherwise develop more commercially successful products or services than the Company, which could negatively impact its business. Furthermore, new competitors, whether licenced or not, may enter the Company's key product and/or geographic markets. There is no assurance that the Company will be able to maintain or grow its position in the marketplace.

As a result of the foregoing, among other factors, the Company will have to continually introduce and successfully market new and innovative technologies, product and service offerings and product and service enhancements to remain competitive and effectively stimulate customer demand, acceptance, and engagement. The process of developing new product and service offerings and systems is inherently complex and uncertain, and new product and service offerings may not be well received by customers, even if well-reviewed and of high quality. Furthermore, the Company may not recover the often-substantial up-front costs of developing and marketing new technologies and product and service offerings, or recover the opportunity cost of diverting management and financial resources away from other technologies and product or service offerings. Additionally, if the Company cannot efficiently adapt its processes and infrastructure to meet the needs of its product and service offering innovations, its business could be negatively impacted.

Reliance on Third Parties

The Company is reliant to an extent on third parties, including information technology service providers. The Company's success is partially dependent on its ability to attract and retain quality service providers. There can be no assurance that these business relationships will continue to be maintained or that new ones will be successfully formed. A breach or disruption in these relationships or failure to engage third party service providers could be detrimental to the future business, operating results and/or profitability of the Company. Moreover, the Company's financial performance will be significantly determined by its success in adding, retaining, and engaging information technology service providers, which could adversely affect the business of the Company.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train, and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Reliance on Management

The success of the Company will be dependent upon the ability, expertise, judgment, discretion, and good faith of its key executives, including the directors and officers of the Company and a small number of highly skilled and experienced executives and personnel. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results, or financial condition. The competition for highly skilled technical, management and other employees in the Company's industry is high and there can be no assurance that the Company will be able to engage or retain the services of such qualified personnel in the future.

Risks Relating to Insurance

The Company intends to insure its operations in accordance with technology industry practice. However, given the novelty of sports, gaming and associated businesses, such insurance may not be available, uneconomical for the Company, or the nature or level may be insufficient to provide adequate insurance cover. Further, the Company intends to insure against cyber-theft or hacking attacks. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the Company.

Brand development

The brand identity that the Company has developed has significantly contributed to the success of its business. Maintaining and enhancing the VIP brand is critical to expanding the Company's customer base and potential B2B clients. The Company believes that the importance of brand recognition will increase due to the relatively low barrier to entry in the industry. The VIP brand may be negatively impacted by a number of factors, including software malfunctions, and data privacy and security issues. If the Company fails to maintain and enhance its brand, or if the Company incurs excessive expenses in this effort, it could have a material adverse effect on the Company's prospects, business, financial condition, and results of operations. Maintaining and enhancing the VIP brand will depend largely on the Company's ability to continue to provide high-quality products and services, which the Company may not continue to do successfully.

Risks Factors Related to Regulation of the Company's Business

Sports Betting Industry is Heavily Regulated

The Company and its officers, directors, major shareholders, key employees and business partners will generally be subject to the laws and regulations relating to online gaming of the jurisdictions in which the Company may conduct business, as well as the general laws and regulations that apply to all e-commerce businesses, such as those related to privacy and personal information, tax and consumer protection. These laws and regulations vary from one jurisdiction to another and future legislative and regulatory action, court decisions or other governmental action, which may be affected by, among other things, political pressures, attitudes, and climates, as well as personal biases, may have a material impact on the Company's operations and financial results. In particular, some jurisdictions have introduced regulations attempting to restrict or prohibit online gaming, while others have taken the position that online gaming should be licenced and regulated and have adopted or are in the process of considering legislation to enable that to happen. Even where a jurisdiction purports to licence and regulate online gaming, the licencing and regulatory regimes can vary considerably in terms of their business-friendliness and at times may be intended to provide incumbent operators with advantages over new licencees. As such, some "liberalized" regulatory regimes are considerably more commercially attractive than others.

Regulatory regimes imposed upon gaming providers vary by jurisdiction. Typically, however, most regulatory regimes include the following elements:

- a requirement for gaming license applicants to make detailed and extensive disclosures as to their beneficial ownership, their source of funds, the probity and integrity of certain persons associated with the applicant, the applicant's management competence and structure and business plans, the applicant's proposed geographical territories of operation and the applicant's ability to operate a gaming business in a socially responsible manner in compliance with regulation;
- interviews and assessments by the relevant gaming authority intended to inform a regulatory determination of the suitability of applicants for gaming licenses;
- ongoing reporting and disclosure obligations, both on a periodic and ad hoc basis in response to material issues affecting the business;

- the testing and certification of software and systems, generally designed to confirm such things as the fairness of the gaming products offered by the business, their genuine randomness and ability to accurately generate settlement instructions and recover from outages;
- the need to account for applicable gaming duties and other taxes and levies, such as fees or contributions to bodies that organize the sports on which bets are offered, as well as contributions to the prevention and treatment of problem gaming; and
- social responsibility obligations.

Any gaming licence may be revoked, suspended or conditioned at any time, and the industry has recently experienced significantly more enforcement actions, particularly in the United Kingdom, where the Gambling Commission has issued fines against numerous operators for regulatory failings. The loss of a gaming licence in one jurisdiction could trigger the loss of a gaming licence or affect the Company's eligibility for such a licence in another jurisdiction, and any of such losses, or potential for such loss, could cause the Company to cease offering some or all of its product offerings in the impacted jurisdictions. The Company may be unable to obtain or maintain all necessary registrations, licences, permits or approvals, and could incur fines or experience delays related to the licencing process, which could adversely affect its operations. The determination of suitability process may be expensive and time-consuming. The Company's delay or failure to obtain gaming licences in any jurisdiction may prevent it from distributing its product offerings, increasing its customer base and/or generating revenues. A gaming regulatory body may refuse to issue or renew a gaming licence if the Company, or one of its directors, officers, employees, major shareholders or business partners: (a) are considered to be a detriment to the integrity or lawful conduct or management of gaming; (b) no longer meet a licencing or registration requirement; (c) have breached or are in breach of a condition of licensure or registration or an operational agreement with a regulatory authority; (d) have made a material misrepresentation, omission or mis-statement in an application for licensure or registration or in reply to an inquiry by a person conducting an audit, investigation or inspection for a gaming regulatory authority; (e) have been refused a similar gaming licence in another jurisdiction; (f) have held a similar gaming licence in that province, state or another jurisdiction which has been suspended, revoked or cancelled; or (g) has been convicted of an offence, inside or outside of a particular jurisdiction that calls into question the honesty or integrity of the Company or any of its directors, officers, employees or associates.

Additionally, the Company's product and service offerings must be approved in most regulated jurisdictions in which they are offered and will likely need to undergo third party testing by a certified testing lab. Such testing can be costly and time consuming, and this process cannot be assured or guaranteed. Obtaining these approvals is a time-consuming process that can be extremely costly. A developer and provider of online gaming products may pursue corporate regulatory approval with regulators of a particular jurisdiction while it pursues technical regulatory approval for its product offerings by that same jurisdiction. It is possible that after incurring significant expenses and dedicating substantial time and effort towards such regulatory approvals, the Company may not obtain either of them. If the Company fails to obtain the necessary gaming licence in a given jurisdiction, it would likely be prohibited from distributing and providing its product offerings in that particular jurisdiction altogether. If the Company fails to seek a licence, does not receive a licence, or receives a suspension or revocation of a licence in a particular jurisdiction for its product offerings (including any related technology and software) then it cannot offer the same in that jurisdiction and its gaming licences in other jurisdictions may be impacted. Furthermore, some jurisdictions require licence holders to obtain government approval before engaging in some transactions, such as business combinations, reorganizations, stock offerings and repurchases. The Company may not be able to obtain all necessary gaming licences in a timely manner, or at all. Delays in regulatory approvals or failure to obtain such approvals may also serve as a barrier to entry to the market for the Company's product offerings. If the Company is unable to overcome the barriers to entry, it will materially affect its results of operations and future prospects.

There can be no assurance that legally enforceable prohibiting legislation will not be proposed and passed in jurisdictions relevant or potentially relevant to the Company's business to prohibit, legislate or regulate various aspects of the Internet, e-commerce, payment processing, or the online gaming industries.

Compliance with any such legislation may have a material adverse effect on the Company's business, financial condition and results of operations.

Complex and Evolving Regulatory Environment for Online Gaming Industry

In addition to regulations governing online gaming, the Company will be subject to a variety of laws and regulations domestically and abroad that involve the Internet, e-commerce, privacy and protection of data and personal information, rights of publicity, acceptable content, intellectual property, advertising, marketing, distribution, data and information security, electronic contracts and electronic communications, competition, protection of minors, consumer protection, unfair commercial practices, product liability, taxation, economic or other trade prohibitions or sanctions, securities law compliance and online payment and payment processing services. The Company may introduce new products or services, expand its activities in certain jurisdictions, or take other actions that may subject it to additional laws, regulations or other government scrutiny. For example, the Company will handle, collect, store, retrieve, transmit and use confidential, personal information relating to its customers and personnel for various business purposes, including marketing and financial purposes.

These laws, regulations and legislation, along with other applicable laws and regulations, which in some cases can be enforced by private parties or government entities, are constantly evolving and can be subject to significant change. As a result, the application, interpretation, and enforcement of these laws and regulations, including pre-existing laws regulating communications and commerce in the context of the Internet and e-commerce, are often uncertain, particularly in the rapidly evolving industry in which the Company operates, and may be interpreted and applied inconsistently across jurisdictions and inconsistently with its future policies and practices.

Legislators and regulators also look beyond online gaming regulations specifically to implement restrictive measures on online gaming. In certain jurisdictions, this has included restrictions on payment processing, internet blocking, account and identity verification requirements, and similar measures. Such regulations, if not appropriately mitigated, could materially adversely affect the Company's business, results of operations or financial condition.

In addition, such restrictive measures may impact the ability or desire of third-party suppliers, including payment processors, to provide services to the Company globally or in certain jurisdictions. A supplier could require the Company, as a condition of its continued use of the supplier's products and services, to restrict access from customers in certain jurisdictions. Such third-party restrictions could affect the manner in which the Company provides its products or services in certain jurisdictions and adversely affect its financial results due to, among other things, the potential need to determine whether to change suppliers, which may not be on as favorable terms, or comply with the supplier's requested restrictions.

Social Responsibility Concerns

Public opinion can significantly influence the regulation of online gaming. A negative shift in the perception of online gaming by the public or by politicians, lobbyists or others could affect future legislation or regulation in different jurisdictions. Among other things, such a shift could cause jurisdictions to abandon proposals to legalize online gaming, thereby limiting the number of new jurisdictions into which the Company could expand. Negative public perception could also lead to new restrictions on or to the prohibition of online gaming in jurisdictions in which the Company may operate.

In addition, concerns with safer betting and gaming could lead to negative publicity, resulting in increased regulatory attention, which may result in restrictions on the Company's future operations. If the Company had to restrict its future marketing or product offerings or incur increased compliance costs, this could have a material adverse effect on its business, results of operations, financial condition and prospects. The Company will likely face scrutiny related to environmental, social, governance and responsible gaming activities, and its reputation and the value of its brands can be materially adversely harmed if it fails to act responsibly in a number of areas, such as environmental, supply chain management, climate change, diversity and inclusion, workplace conduct, responsible gaming, human rights, philanthropy and support for

local communities. Any harm to the Company's reputation could impact employee engagement and retention, and the willingness of future customers and the Company's partners to do business with it, which could have a materially adverse effect on its business, results of operations and cash flows.

The Company may be subject to regulatory investigations

From time to time, the Company may receive formal and informal inquiries from government authorities and regulators, including securities authorities, tax authorities and gaming regulators, regarding its compliance with laws and other matters. Violation of existing or future regulatory orders or consent decrees could subject the Company to substantial monetary fines and other penalties that could negatively affect its financial condition and results of operations. In addition, it is possible that future orders issued by, or inquiries or enforcement actions initiated by, government or regulatory authorities could cause the Company to incur substantial costs, expose it to unanticipated civil and criminal liability or penalties, or require it to change its business practices in a manner materially adverse to its business.

Risks Factors Related to the Company's Industry

Success of Sports Betting Products not Guaranteed

The sports betting industry is characterized by elements of chance. Although each sports bet generally performs within a defined statistical range of outcomes, actual outcomes may vary for any given period. In addition to the element of chance, win rates (hold percentages) may also (depending on the game involved) be affected by the spread of limits and factors that are beyond the Company's control, such as a customer's skill, experience and behavior, the mix of games played, the financial resources of customers, the volume of bets placed, and the amount of time spent gambling. As a result of the variability in these factors, the actual win rates of sports bets may differ from the theoretical win rates we have estimated and could result in the winnings of the Company's customers exceeding those anticipated. The variability of win rates (hold rates) also has the potential to negatively impact the Company's financial condition, results of operations, and cash flows.

The Company's success also depends in part on its ability to anticipate and satisfy customer preferences in a timely manner. The Company will operate in a dynamic environment characterized by rapidly changing industry and legal standards, and its products will be subject to changing consumer preferences that cannot be predicted with certainty. The Company will need to continually introduce new offerings and identify future product offerings that complement its existing platforms, respond to its customers' needs, and improve and enhance its existing platforms to maintain or increase customer engagement and growth of its business. The Company may not be able to compete effectively unless its product selection keeps up with trends in the digital sports entertainment and gaming industries, or trends in new gaming products.

The Company will rely on information technology and other systems and platforms, and any failures, errors, defects or disruptions in its systems or platforms could diminish its brand and reputation, subject it to liability, disrupt its business, affect its ability to scale technical infrastructure and adversely affect its operating results and growth prospects. The Company's software applications and systems, and the third-party platforms upon which they are made available could contain undetected errors. The Company's technology infrastructure will be critical to the performance of its platform and offerings and to customer satisfaction. The Company devotes significant resources to network and data security to protect systems and data. However, the Company's systems may not be adequately designed with the necessary reliability and redundancy to avoid performance delays or outages that could be harmful to its business. The Company cannot ensure that the measures it takes to prevent or hinder cyber-attacks and protect its systems, data and user information and to prevent outages, data or information loss, fraud and to prevent or detect security breaches, including a disaster recovery strategy for server and equipment failure and back-office systems and the use of third parties for certain cybersecurity services, will provide absolute security. The Company has experienced, and may in the future experience, website disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes, human or software errors and capacity constraints. Such disruptions have not had a material impact on the Company; however, future disruptions from unauthorized access to, fraudulent manipulation of, or tampering with the Company's

computer systems and technological infrastructure, or those of third parties, could result in a wide range of negative outcomes, each of which could materially adversely affect the Company's business, financial condition, results of operations and prospects.

Additionally, the Company's products may contain errors, bugs, flaws or corrupted data, and these defects may only become apparent after their launch. If a particular product offering is unavailable when customers attempt to access it or navigation through the Company platforms is slower than they expect, customers may be unable to place their bets and may be less likely to return to the Company's platforms as often, if at all. Furthermore, programming errors, defects and data corruption could disrupt operations, adversely affect the experience of the Company's customers, harm the Company's reputation, cause customers to stop utilizing the Company platforms, divert resources and delay market acceptance of the Company offerings, any of which could result in legal liability to the Company or harm its business, financial condition, results of operations and prospects.

If the Company's customer base and engagement continue to grow, and the amount and types of offerings continue to grow and evolve, it will need an increasing amount of technical infrastructure, including network capacity and computing power, to continue to satisfy customers' needs. Such infrastructure expansion may be complex, and unanticipated delays in completing these projects or availability of components may lead to increased project costs, operational inefficiencies, or interruptions in the delivery or degradation of the quality of the Company's offerings. In addition, there may be issues related to this infrastructure that are not identified during the testing phases of design and implementation, which may only become evident after the Company has started to fully use the underlying equipment or software, that could further degrade the customer experience or increase its costs. As such, the Company could fail to continue to effectively scale and grow its technical infrastructure to accommodate increased demands.

Failure to Retain or Add Customers

The financial performance of the Company is significantly determined by its success in adding, retaining, engaging and monetizing active customers of its product offerings, in particular high-value, net-depositing customers (primarily recreational players). If people do not perceive VIP's product offerings as enjoyable, reliable, relevant and trustworthy it may be unable to attract or retain customers or otherwise maintain or increase the frequency and duration of their engagement. Any number of factors could potentially negatively affect customer retention, growth and engagement, including if:

- the Company fails to introduce, or delays the introduction of, new products or services (whether developed internally, licensed or otherwise obtained or developed in conjunction with third parties) that customers find engaging or that work with a variety of operating systems or networks, or if it introduces new products or services, including using technologies with which it has little or no prior development or operating experience, or changes to its existing products or services, that are not favorably received by customers;
- customers have difficulty installing, updating or otherwise accessing the Company's product offerings on desktops or mobile devices as a result of actions by it or third parties that it relies on to distribute and deliver its product offerings, or the Company fails to price its product offerings competitively or provide adequate customer service;
- there are decreases in customer sentiment about the quality of the Company's product offerings or concerns related to privacy, safety, security or other factors, or technical or other problems prevent the Company from delivering its product offerings in a rapid and reliable manner or otherwise affecting the customer experience, such as security breaches or failure to prevent or limit spam or similar content;
- new industry standards or games are adopted or customers adopt new technologies where the Company's product offerings may be displaced in favor of other products or services, may not be featured or otherwise available, or may otherwise be rendered obsolete and unmarketable;

- there are adverse changes in the Company's product offerings that are mandated by legislation, regulatory authorities or litigation, including settlements, or the Company does not obtain applicable regulatory or other approvals or renewals of such approvals to offer, directly or indirectly, its product offerings in new or existing jurisdictions;
- the Company adopts policies or procedures related to areas such as customer data and information that are perceived negatively by its customers or the general public;
- the Company elects to focus its customer growth and engagement efforts more on longer-term initiatives, or if initiatives designed to attract and retain customers and engagement are unsuccessful or discontinued, whether as a result of actions by the Company, third parties or otherwise;
- customers increasingly engage with the products or services of the Company's competitors; or
- the Company or other companies in the industries in which it operates are the subject of adverse media reports or other negative publicity.

If the Company is unable to maintain or increase its customer base or engagement, or effectively monetize its customer base's use of its product offerings, its revenue and financial results may be adversely affected. Any decrease in customer retention, growth or engagement could render the Company's products less attractive to customers.

Reliance on Third-Party Networks

The delivery of The Company's offerings and a significant portion of The Company's revenues will be dependent on the continued use and expansion of third-party-owned communication networks, including wireless networks and the Internet. No assurance can be given as to the continued use and expansion of these networks as a medium of communications for The Company.

As it relates to its mobile platforms, the Company will be dependent on the interoperability of such platforms with popular mobile operating systems, technologies, networks and standards that it does not control, such as the Android and iOS operating systems, and any changes, bugs, technical or regulatory issues in such systems, the Company's relationships with mobile partners, manufacturers and carriers, or in their terms of service or policies that degrade the Company's product offerings' functionality, may reduce or eliminate its ability to distribute its product offerings, give preferential treatment to competitive products, limit its ability to deliver high quality product offerings, or impose fees or other charges related to delivering its product offerings. The foregoing may adversely affect its product usage and monetization on mobile devices. If it is difficult or unfavorable for the Company's customers to access and use its product offerings on their mobile devices, or if its customers choose not to access or use its product offerings on their mobile devices or use mobile products that do not offer access to its product offerings, its customer growth and engagement could be harmed, which could adversely affect its results of operation.

In addition, increasing traffic, customer numbers or bandwidth requirements may result in a decline in Internet (or a subset thereof, including mobile Internet) performance and/or Internet reliability. Internet outages or delays or loss of network connectivity may result in partial or total failure of the Company's offerings, additional and unexpected expenses to fund further development or to add programming personnel to complete a development project, loss of revenue which could have a material adverse effect on the Company's prospects, business, financial condition or results of operations.

Litigation

The Company may be subject to litigation claims through the ordinary course of its business operations or otherwise, regarding, among other things, employment matters, tax matters, security of customer and employee personal information, third-party contracts, marketing, intellectual property right infringement, its

current and former operations, and the operations of businesses it may acquire in the future prior to their respective acquisitions. Litigation to defend the Company against claims by third parties, or to enforce any rights that it may have against third parties, may be necessary, which could result in substantial costs and diversion of its resources, causing a material adverse effect on its business, financial condition and results of operations. Given the nature of the Company's business, it may from time to time in the future be, party to various, and at times numerous, legal, administrative, and regulatory inquiries, investigations, proceedings and claims that arise in the ordinary course of business, as well as potential class action lawsuits. Because the outcome of such legal matters is inherently uncertain, if one or more of such legal matters were to be resolved against the Company for amounts in excess of management's expectations or any applicable insurance coverage or indemnification right, or if such legal matters result in decrees or orders preventing it from offering certain features, functionalities, products or services, or requires that it changes its development process or other business practices, its results of operations and financial condition could be materially adversely affected. Any litigation to which the Company may be a party may result in an onerous or unfavourable judgment that may not be reversed upon appeal, or in payments of substantial monetary damages or fines, the posting of bonds requiring significant collateral, letters of credit or similar instruments.

Intellectual Property may be Insufficient

The Company's success may depend on its ability to obtain trademark protection for the names or symbols under which it markets its product offerings and to obtain copyright protection of its proprietary technologies, other game innovations and creative assets. The Company may not be able to build and maintain goodwill in its trademarks or obtain trademark protection. There can be no assurance that any trademark or copyright will provide competitive advantages for the Company or that its intellectual property will not be successfully challenged or circumvented by competitors.

The Company may also rely on trade secrets and proprietary know-how. Although the Company will generally require its employees and independent contractors to enter into confidentiality and intellectual property assignment agreements, it cannot be assured that the obligations therein will be maintained and honoured. If these agreements are breached, it is unlikely that the remedies available to the Company will be sufficient to compensate it for the damages suffered even if it promptly applies for injunctive relief. Despite confidentiality agreements and other methods of protecting trade secrets, the Company's proprietary information could become known to or independently developed by competitors. If the Company fails to adequately protect its intellectual property and confidential information, its business may be harmed and its liquidity and results of operations may be materially adversely impacted.

Risk of Intellectual Property Infringement or Invalidity Claims

If the registration and enforcement policies regarding the Company's intellectual property portfolios are inadequate to deter unauthorized use or appropriation by third parties, the value of the Company's brands and other intangible assets may be diminished and competitors may be able to more effectively mimic its brands, products, services and methods of operations. Such events could adversely affect the Company's business and financial results. At the same time, the Company has to be mindful of how it will be perceived by its customers and potential customers if it deploys an unduly strict enforcement policy; an overly aggressive position may deter its customers from supporting the brands and therefore damage not only the brands' reputation in the marketplace but also negatively impact financial results.

Moreover, due to the differences in foreign patent, trademark, copyright and other laws concerning proprietary rights, the Company's intellectual property may not receive the same degree of protection in each jurisdiction where it operates. The Company's failure to possess, obtain or maintain adequate protection of its intellectual property rights for any reason in these jurisdictions could have a material adverse effect on its business, results of operations and financial condition.

Furthermore, infringement and other intellectual property claims, with or without merit, can be expensive and time-consuming to litigate, and the Company may not have the financial and human resources to

defend itself against any infringement suits that may be brought against it. Litigation can also distract management from day-to-day operations of the business.

In addition, the Company's future success 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.

The Company may also infringe other intellectual property rights belonging to third parties, such as trademarks, copyrights and confidential information. The infringement of trademarks, copyrights and confidential information involve complex legal and factual issues and the Company's products, branding or associated marketing materials may be found to have infringed existing third-party rights. When any third-party infringement occurs, the Company may be required to stop using the infringing intellectual property rights, pay damages and, if it wishes to keep using the third-party intellectual property, purchase a license or otherwise redesign the product, branding or associated marketing materials to avoid further infringement. Such a license may not be available or may require the Company to pay substantial royalties.

Risk of Failing to Adapt to Changing Technology and Industry Standards

The Company's future success depends on its ability to adapt and enhance its suite of technology and software, such as its platforms, as well as its product offerings. To attract new customers, the Company will need to enhance and improve its platforms, product offerings, features and enhancements to meet customer needs at competitive prices. Such efforts will require adding new functionality and responding to technological advancements or disruptive technologies, which will increase the Company's research and development costs. If the Company is unable to develop technology and products that address customers' needs or enhance and improve its platforms and product offerings in a timely manner, that could have a material adverse effect on its business, revenues, operating results and financial condition. The Company's ability to grow is also subject to the risk of future disruptive technologies. If new and/or disruptive technologies emerge that can deliver online betting and gaming and/or entertainment products and services at lower prices, more efficiently, more conveniently or more securely, such technologies could adversely affect the Company's ability to compete.

VIP ENTERTAINMENT GROUP INC.
Management's Discussion and Analysis

For the Three Month Period Ended March 31, 2022

GENERAL INFORMATION AND CAUTIONARY STATEMENTS

Introduction

The following management's discussion and analysis ("**MD&A**") dated May 24, 2022, provides information concerning the financial condition and results of operations of VIP Entertainment Group Inc. ("**VIP**" or the "**Company**") for the three month period ended March 31, 2022. The following MD&A should be read in conjunction with the Company's Interim Consolidated Financial Statements for the period ended March 31, 2022 and the audited Consolidated Financial Statements for the year ended December 31, 2021 and 2020 and the notes to those financial statements, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

Basis of Presentation

In this MD&A, unless otherwise indicated, all amounts are stated in CAD dollars, which is VIP's functional currency, unless otherwise indicated. Disclosure contained in this MD&A is current to May 24, 2022, unless otherwise noted.

Cautionary Statement Regarding Forward-Looking Information

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation ("**forward-looking information**"). Such forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below and as detailed under *Risks And Uncertainties* in this MD&A.

In some cases, forward-looking information can be identified using forward-looking terminology such as "anticipate", "believe", "expects" or "does not expect", "estimates", "outlook", "prospects"; "projection", "intends", "believes", "should", "will", "would" or the negative of these terms, and similar expressions intended to identify forward looking statements. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein is given as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

COMPANY STRATEGY AND OBJECTIVES

The Company holds a Curacao Gaming License (“**CGL**”), utilized in the business of VIP on the site www.vipbets.com issued by the government of Curacao under license 365/JAZ, sub-license GLH-OCCHKW070390. VIP is an emerging and rapidly growing sports betting operator with the ambition to become a leader in sports betting, casino, and poker activity. As at the date hereof, VIP has deployed software from globally recognized BetConstruct (www.betconstruct.com/about-company), creating a single offering, namely, an online, general betting book with fixed odds to bet on sports, casino, and poker.

In the last three years of operations VIP has seen increases of 250% in player registration, and roughly \$70,750,000 in bets wagered since January 2019.

The early increases were attributed to the Agent/Affiliate approach to introducing the platform to as many new users as possible and continuing to offer the best possible service and support in the industry, along side cash-incentive-bonuses and promotional offers for consistent and loyal users. The impacts of the outbreak of the novel coronavirus (“COVID-19”) and the subsequent global COVID-19 pandemic, resulted in a decrease in revenue over a period as sports were postponed globally, during this time (March 2020 – to the return of sports in September 2020) During this same period, Casino and Poker had an increase, while esports and obscure events in the world which were still available carried revenues over this time. As at the date hereof, the increase in trajectory of new customer registrations to the site has returned to pre-COVID-19 levels and has increased with the successful return of sports and marketing initiatives; however, the increase in new customers, and betting activity from existing customers, during the COVID-19 pandemic has been sustained. The current changes to the regulations surrounding online gaming has effected previous revenue totals, as VIP has chosen to restrict users from certain jurisdictions while it works towards acquiring licensing in these jurisdictions.

Odds and risk management is a critical part of the sports betting experience. Odds are ideally engineered to attract equal interest on both sides of a betting line. To be considered a leader in sports betting, it was essential that the Company have odds that covered as close to 100% of sports events as possible.

VIP has assembled a management team with a proven track record of delivering profitable gaming businesses. The existing structure of the business allows for VIP to add products to its offering where it sees fit - a major long-term asset – and VIP works closely with BetConstruct to ensure they are offering a robust suite of products. All marketing, risk management, fraud, security, and customer support - all the customer facing elements of a sportsbook - are done in-house to ensure a fully end-to-end serviced brand experience. While BetConstruct supplies the software to deploy this suite of products for VIP Bets.

RECENT DEVELOPMENTS

Proposed Qualifying Transaction

On February 16, 2021, the Company entered into a non-binding term sheet with ANC Capital Ventures Inc. (“ANC”). Pursuant to the term sheet, ANC and the Company intend to complete a business combination intended to constitute ANC’s Qualifying Transaction (the “Proposed Transaction”). The Proposed Transaction will result in ANC acquiring all of the issued and outstanding equity shares of the Company (the “VIP Entertainment Shares”) in exchange for 1.16739 (“Exchange Ratio”) common shares of ANC (each, an “ANC Share”). Convertible securities of the Company will be exchanged on the equivalent Exchange Ratio. The Proposed Transaction is subject to, among other things, receipt of the requisite shareholder approval of the Company, final approval of the TSX Venture Exchange (the “Exchange”) and standard closing conditions.

Brokered Equity Financing

On May 9, 2022, VIP completed a brokered private placement (the “Offering”) of subscription receipts of VIP Entertainment (the “Subscription Receipts”) for gross proceeds of \$1,706,500. The financing was priced

at \$0.25 per Subscription Receipt (the “Offering Price”), and each Subscription Receipt shall automatically entitle the holder thereof, without payment of any additional consideration and without further action on the part of the holder, to acquire one unit of VIP (“Unit”) upon the satisfaction of certain escrow release conditions, all in accordance with terms and conditions of a subscription receipt indenture to be entered into by VIP and the Agent, and until such time, no Subscription Receipts may be exercised by the holders thereof.

Each Unit will include one VIP Share and one half of one common share purchase warrant of VIP. Each full warrant is exercisable into one VIP Share at an exercise price of \$0.50 for a period of 24 months following its issuance. Completion of the Minimum Offering is a condition precedent to the completion of the Proposed Transaction. The Units will be exchanged for Resulting Issuer Shares and common share purchase warrants of the Resulting Issuer upon completion of the Proposed Transaction based on the Exchange Ratio.

In connection with the Offering, the Agent was paid \$25,010 cash commission and 193,280 broker warrants (“Broker Warrants”). Each Broker Warrant is exercisable for one Unit at an exercise price of \$0.25 per Unit for a period of 24 months following the date of issuance of thereof.

The net proceeds of the Offering are expected to be used to advance VIP’s products, marketing and for working capital and general corporate purposes.

On May 9, 2022, VIP also settled \$714,500 in debts through the issuance of 2,858,000 Subscription Receipts.

RESULTS OF OPERATIONS

The following financial data prepared in accordance with IFRS in CAD dollars is presented for the periods ended March 31, 2022 and 2021 and the years ended December 31, 2021 and 2020.

	March 31, 2022	March 31, 2021
Revenue	\$107,018	\$195,661
Direct costs	(22,453)	(63,350)
Gross profit	84,565	132,311
Expenses	(148,863)	(870,958)
Other items	(16,336)	595,283
Net loss for the period	\$(80,634)	\$(143,364)

	December 31, 2021	December 31, 2020
	(audited)	(audited)
Revenue	\$540,451	\$795,853
Direct costs	(151,647)	(213,308)
Gross profit	388,804	582,545
Expenses	(1,638,793)	(674,727)
Other items	549,197	63,843
Net loss for the year	\$(700,792)	\$(28,339)

Three Month Period Ended March 31, 2022

Revenues

For the period ended March 31, 2022, betting revenues amounted to \$107,018 as compared to \$195,661 for the period ended March 31, 2021. Although year over year VIP saw a decrease in total betting revenues during this time, this is largely due to its previously mentioned restrictions on users from certain jurisdictions as the regulatory changes take place. Moving forward, VIP expects to see a return to, or increase in previous revenues as it acquires additional licensing, and users both in its current area of operations, new jurisdictions, and via merger and acquisition.

Direct Cost

For the period ended March 31, 2022 direct costs amounted to \$22,453 as compared to \$63,350 for the period ended March 31, 2021.

The reduction in direct costs is related to a decrease in the total amount of Affiliate Group contracts in place and the number of paid commissions as a result has decreased. VIP has limited its previous number of Affiliates to a select group ensuring a tighter control on costs and commissions related to these Affiliates.

Expenses

For the period ended March 31, 2022, expenses amounted to \$148,863, as compared to \$870,958 for the period ended March 31, 2021. For the period ended March 31, 2022, expenses decreased by \$722,095. In the prior period significant expenses were incurred for consulting fees of \$678,240 (2022 - \$2,400) due to the increase in required services to complete the qualifying transaction.

Net loss for the period

For the period ended March 31, 2022 the net loss amounted to \$80,634 compared to \$143,364 for the period ended March 31, 2021. The Company incurred significant expenses to consulting fees in the prior period ended March 31, 2021, in relation to the qualifying transaction. While the Company has seen a decrease in its net loss over this period, the reduction in revenue due to the limitations the Company has placed on jurisdictions it markets to acquire new users as it positions itself to apply for licensing in these jurisdictions is still present in the current time period. The Company expects to see a continued trend in reducing its net loss as it acquires new licensing, users and sees an increase in revenue due to these efforts as well as an increase in revenue due to potential mergers and acquisitions.

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2022, the Company had working capital deficit of \$621,296. The Company raised additional capital in May 2022 for gross proceeds of \$2,006,500 and settled \$714,500 of debts through the issuance of subscription receipts part of the proposed transaction with ANC to continue to fund the development and growth of the business. Subsequent to the above noted capital raise and debt settlement, the company had a working capital balance of \$1,746,450

OFF BALANCE SHEET ARRANGEMENTS

As at the date of this MD&A, the Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS BETWEEN RELATED PARTIES

Key management personnel are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Company directly and indirectly. Key management personnel include the Company's directors and members of the senior management group.

During the three month period ended March 31, 2022, the Company paid and/or accrued management fees of \$12,500 (2021 - \$12,500) to Randy Jennings, the Chief Executive Officer and a Director of the Company.

During the three month period ended March 31, 2022, the Company paid and/or accrued management fees of \$10,000 (2021 - \$12,000) to Theresa Jennings, a family member of the Chief Executive Officer and Director of the Company.

During the three month period ended March 31, 2022, the Company paid and/or accrued marketing fees of \$Nil (2021 - \$12,500), management fee of \$10,000 (2021 - \$Nil) to Joel Donais, a Director of the Company.

During the three month period ended March 31, 2022, the Company paid and/or accrued management fees of \$10,000 (2021 - \$Nil) and marketing fee of \$Nil (2021 - \$12,000) to Kelly Jennings, a family member of a Director of the Company.

As at March 31, 2022, \$4,660 (December 31, 2021 – \$141 due to the Chief Executive Officer) was due from Randy Jennings, the Chief Executive Officer of the Company.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK EXPOSURES

The Company's financial instruments include cash, amounts due from a related party, accounts payable and accrued liabilities, customer deposits and short term loans. The carrying value of amounts due from a related party, customer deposit and loans payable are reasonable estimates of fair values due to the relatively short periods to maturity and the terms of these instruments.

Financial instruments must be classified at one of three levels within a fair value hierarchy according to the relative reliability of the inputs used to estimate their values. The three levels of the hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities:

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3: Inputs that are not based on observable market data.

The Company does not have any Level 1 financial instruments.

The Company's financial instruments have been classified as follows:

Financial instrument:	Classification:
Cash	Amortized cost
Accounts payable	Amortized cost
Customer deposits	Amortized cost
Short term loans	Amortized cost

Risk exposure and management

The Company is exposed to various financial instrument risks and continuously assesses the impact and likelihood of this exposure. These risks include credit risk, liquidity risk, interest rate risk and currency risk. Where material these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations resulting in financial loss to the Company. The Company's credit risk is primarily attributable to its cash.

Liquidity risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due or can only do so at excessive cost. At March 31, 2022, the Company had working capital deficit of \$621,295 (December 31, 2021 – \$540,311). The Company raised additional capital in May 2022 for gross proceeds of \$2,006,500 and settled \$714,500 of debts through the issuance of subscription receipts part of the proposed transaction with ANC to continue to fund the development and growth of the business. Subsequent to the above noted capital raise and debt settlement, the company had a working capital balance of \$1,746,450

All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company controls and monitors its cash flow on a regular basis, including forecasting future cash flows. To date, the Company's primary source of funding has been operations and the issuance of equity securities for cash, primarily through private placements. The Company will need to obtain additional funding by way of equity to meet its financial obligations.

Interest rate risk

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company does not have any financial instruments that are sensitive to interest rate changes and is therefore not exposed to any interest rate risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company periodically pays operating expenses in foreign currencies, but they are not significant. The Company's exposure to currency risk is minimal due to the nominal amounts of foreign assets and foreign liabilities and insignificant amount of foreign expenses.

CRITICAL ESTIMATES AND JUDGMENTS

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingencies at the date of the Company's financial statements, and revenue and expenses during the reporting period. Actual results could differ from those estimated. Significant estimates in the Company's financial statements include amortisation of intangible assets. By their nature, estimates and assumptions are subject to measurement uncertainty and the effect on the Company's financial statements of changes in estimates in future periods could be significant.

RISKS AND UNCERTAINTIES

Risk Factors Relating to Company

Company has a Limited Operating History

The Company has been operating for five years but has made significant changes to its operations to ensure all players comply with KYC (know your client) protocols that have been increased recently, and therefore the historical results may not reflect the future operations. Regulatory changes are taking place in the industry resulting in the need to acquire additional licensing to operate in certain jurisdictions. VIP continues to evaluate these requirements and applying for licenses in select jurisdictions is a key part of its growth. VIP also realizes the potential for mergers, acquisitions and partnerships to become a key

proponent to growing the company and its revenue, and continues to evaluate these opportunities as they become relevant or available.

Negative Cash Flow from Operations

Historically, the Company had negative cash flows from operating activities. Although the Company anticipates it will have positive cash flows from operating activities in future periods, to the extent that the Company has negative cash flows in any future period, certain of the net proceeds from the financing may be used to fund such negative cash flows from operating activities, if any.

Uncertainty of Company's Future Revenues

Although management is optimistic about the Company's prospects, there is no guarantee that expected outcomes and sustainable revenue streams will be achieved. The Company faces risks frequently encountered by gaming companies. In particular, its growth and prospects depend on its ability to expand its operation and grow its revenue streams, whilst at the same time maintaining effective cost controls. Any failure to expand is likely to have a material adverse effect on the Company's business, financial condition and results.

Global Economic Risk

The ongoing economic slowdown and downturn of global capital markets (in particular as a result of the current outbreak of the novel coronavirus ("**COVID-19**") and the global COVID-19 pandemic) 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 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 business and operations.

COVID-19 Risk

The Company's business could be significantly and adversely affected by the effects of any widespread global outbreak of contagious disease. A significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn and cancellation of sporting events that could affect demand for the Company's services and likely impact operating results. In particular, the recent outbreak of COVID-19 has had a negative impact on global financial conditions. The Company cannot accurately predict the impact COVID-19 will have on the Company's ability to remain open for business in response to government public health efforts to contain COVID-19 and to obtain financing or third parties' ability to meet their obligations with the Company, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak and the length of travel and quarantine restrictions imposed by governments of affected countries, and future demand of the Company's products and services. If the prevalence of the coronavirus continues to increase (or fears in respect of the coronavirus continue to increase), governments may increase regulations and restrictions regarding the flow of labour or products, and travel bans, and the Company's operations, suppliers, customers and distribution channels, and ability to advance its projects, could be adversely affected. Should any employees or consultants of the Company become infected with COVID-19 or similar pathogens, it could have a material negative impact on the Company's operations and prospects.

Changing Economic Conditions

The demand for entertainment and leisure activities, including sports betting and gaming, more generally, can be highly sensitive to changes in 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 Company's control. Unfavourable changes in general economic conditions, including recessions, economic slowdowns, sustained high levels of unemployment, and increasing fuel or transportation costs or the perception by customers of weak or weakening economic conditions, may reduce customers' disposable income or result in fewer individuals engaging in entertainment and leisure activities, such as sports betting or online gaming. As a result, the Company cannot ensure that demand for its product and service offerings will remain constant. Adverse developments affecting economies throughout the world, including a general tightening of availability of credit, decreased liquidity in certain financial markets, increased interest rates, foreign exchange fluctuations, increased 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, such as sports betting and gaming. Any significant or prolonged decrease in consumer spending on entertainment or leisure activities could adversely affect the demand for the Company's product offerings, reducing its cash flows and revenues. If the Company experiences a significant unexpected decrease in demand for its product offerings, its business may be harmed.

Risks Associated with Acquisitions

As part of the Company's overall business strategy, the Company intends to pursue select strategic acquisitions, which would provide additional product and service offerings, vertical integrations, additional industry expertise and a stronger industry presence in both existing and new jurisdictions. Future acquisitions may expose it to potential risks, including risks associated with: (a) the integration of new operations, services and personnel; (b) unforeseen or hidden liabilities; (c) the diversion of resources from the Company's existing business and technology; (d) potential inability to generate sufficient revenue to offset new costs; (e) the expenses of acquisitions, in particular where cost synergies are not achieved or where significant additional regulatory risk or costs are associated with the entry into new jurisdictions as a result of acquisitions; or (f) the potential loss of or harm to relationships with both employees and existing customers resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

Operational Risks

The Company will be affected by a number of operational risks and the Company may not be adequately insured for certain risks, including labour disputes, catastrophic accidents, fires, blockades or other acts of social activism, changes in the regulatory environment, difficulty obtaining banking and payment processing for companies involved in online gambling, difficulty in obtaining gaming licences for gaming platforms, changing online gaming regulatory environment with previously open markets becoming closed, or adopting prohibitive regulations, markets adopting point of consumption tax regimes that can render some markets less lucrative over time, cost of player acquisition and likelihood to recoup value based on player lifetime values, impact of non-compliance with laws and regulations, natural phenomena, such as inclement weather conditions, floods, earthquakes and ground movements. There is no assurance that the foregoing risks and hazards will not result in personal injury or death, environmental damage, adverse impacts on the Company's operation, costs, monetary losses, potential legal liability, and adverse governmental action, any of which could have an adverse impact on the Company's future cash flows, earnings and financial condition. Also, the Company may be subject to or affected by liability or sustain loss for certain risks and hazards against which the Company cannot insure or which the Company may elect not to insure because of the cost. This lack of insurance coverage could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Cybersecurity Risks

The Company's operations involve the storage and transmission of customer data, including personally identifiable information, and security incidents could result in unauthorized access to, the loss of, or unauthorized disclosure of such information.

The Company has security systems in place and what it deems sufficient security around its system to prevent unauthorized access, it must ensure that it continually enhances security and fraud protection within its platform, and if the Company is unable to do so it may become subject to liability for privacy breaches or consequences that result from any unanticipated incident. As a result of advances in computer capabilities, new discoveries in the field of cryptography or other developments, a compromise or breach of the Company's security precautions may occur. The techniques used to obtain unauthorized, improper, or illegal access to the Company's systems, data or customers' data and to sabotage its system are constantly evolving and may be difficult to detect quickly. An information breach in the Company's system and loss of confidential information such as credit card numbers and related information, or interruption in the operation of the Company applications, could have a longer and more significant impact on the Company's business operations than any hardware failure. A compromise in the Company's security system could severely harm its business by the loss of its customers' confidence in it and thus the loss of their business. The Company may be required to spend significant funds and other resources to protect against the threat of security breaches or to alleviate problems caused by these breaches. However, protection may not be available at a reasonable price, or at all. Any failure to adequately comply with necessary protective measures could result in fees, penalties and/or litigation. Concerns regarding the security of e-commerce and the privacy of customers may also inhibit the growth of the Internet as a means of conducting commercial transactions. This may result in a reduction in revenues and increase operating expenses, which would prevent the Company from achieving profitability.

Difficulty to Forecast

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources involved in the sports betting and gaming industries. A failure in the demand for its services to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations, and financial condition of the Company.

Industry Competition Generally

There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and marketing experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition, and results of operations of the Company. To remain competitive, the Company will require a continued high level of investment in marketing, sales and customer relationship management and support.

Competition in Sports Betting Industry

The industry within which the Company operates is rapidly evolving and intensely competitive, and is subject to changing technology, changes to regulatory requirements, shifting customer needs and frequent introductions of new offerings. The Company's potential competitors include large and established companies as well as other start-up companies. Such competitors may spend more money and time on developing and testing products and services, undertake more extensive marketing campaigns, adopt more aggressive pricing or promotional policies or otherwise develop more commercially successful products or services than the Company, which could negatively impact its business. Furthermore, new competitors, whether licenced or not, may enter the Company's key product and/or geographic markets. There is no assurance that the Company will be able to maintain or grow its position in the marketplace.

As a result of the foregoing, among other factors, the Company will have to continually introduce and successfully market new and innovative technologies, product and service offerings and product and service enhancements to remain competitive and effectively stimulate customer demand, acceptance, and engagement. The process of developing new product and service offerings and systems is inherently complex and uncertain, and new product and service offerings may not be well received by customers, even if well-reviewed and of high quality. Furthermore, the Company may not recover the often-substantial up-front costs of developing and marketing new technologies and product and service offerings, or recover

the opportunity cost of diverting management and financial resources away from other technologies and product or service offerings. Additionally, if the Company cannot efficiently adapt its processes and infrastructure to meet the needs of its product and service offering innovations, its business could be negatively impacted.

Reliance on Third Parties

The Company is reliant to an extent on third parties, including information technology service providers. The Company's success is partially dependent on its ability to attract and retain quality service providers. There can be no assurance that these business relationships will continue to be maintained or that new ones will be successfully formed. A breach or disruption in these relationships or failure to engage third party service providers could be detrimental to the future business, operating results and/or profitability of the Company. Moreover, the Company's financial performance will be significantly determined by its success in adding, retaining, and engaging information technology service providers, which could adversely affect the business of the Company.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train, and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Reliance on Management

The success of the Company will be dependent upon the ability, expertise, judgment, discretion, and good faith of its key executives, including the directors and officers of the Company and a small number of highly skilled and experienced executives and personnel. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results, or financial condition. The competition for highly skilled technical, management and other employees in the Company's industry is high and there can be no assurance that the Company will be able to engage or retain the services of such qualified personnel in the future.

Risks Relating to Insurance

The Company intends to insure its operations in accordance with technology industry practice. However, given the novelty of sports, gaming and associated businesses, such insurance may not be available, uneconomical for the Company, or the nature or level may be insufficient to provide adequate insurance cover. Further, the Company intends to insure against cyber-theft or hacking attacks. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the Company.

Brand development

The brand identity that the Company has developed has significantly contributed to the success of its business. Maintaining and enhancing the VIP brand is critical to expanding the Company's customer base and potential B2B clients. The Company believes that the importance of brand recognition will increase due to the relatively low barrier to entry in the industry. The VIP brand may be negatively impacted by a number of factors, including software malfunctions, and data privacy and security issues. If the Company fails to maintain and enhance its brand, or if the Company incurs excessive expenses in this effort, it could have a material adverse effect on the Company's prospects, business, financial condition, and results of operations. Maintaining and enhancing the VIP brand will depend largely on the Company's ability to

continue to provide high-quality products and services, which the Company may not continue to do successfully.

Risks Factors Related to Regulation of the Company's Business

Sports Betting Industry is Heavily Regulated

The Company and its officers, directors, major shareholders, key employees and business partners will generally be subject to the laws and regulations relating to online gaming of the jurisdictions in which the Company may conduct business, as well as the general laws and regulations that apply to all e-commerce businesses, such as those related to privacy and personal information, tax and consumer protection. These laws and regulations vary from one jurisdiction to another and future legislative and regulatory action, court decisions or other governmental action, which may be affected by, among other things, political pressures, attitudes, and climates, as well as personal biases, may have a material impact on the Company's operations and financial results. In particular, some jurisdictions have introduced regulations attempting to restrict or prohibit online gaming, while others have taken the position that online gaming should be licenced and regulated and have adopted or are in the process of considering legislation to enable that to happen. Even where a jurisdiction purports to licence and regulate online gaming, the licencing and regulatory regimes can vary considerably in terms of their business-friendliness and at times may be intended to provide incumbent operators with advantages over new licencees. As such, some "liberalized" regulatory regimes are considerably more commercially attractive than others.

Regulatory regimes imposed upon gaming providers vary by jurisdiction. Typically, however, most regulatory regimes include the following elements:

- a requirement for gaming license applicants to make detailed and extensive disclosures as to their beneficial ownership, their source of funds, the probity and integrity of certain persons associated with the applicant, the applicant's management competence and structure and business plans, the applicant's proposed geographical territories of operation and the applicant's ability to operate a gaming business in a socially responsible manner in compliance with regulation;
- interviews and assessments by the relevant gaming authority intended to inform a regulatory determination of the suitability of applicants for gaming licenses;
- ongoing reporting and disclosure obligations, both on a periodic and ad hoc basis in response to material issues affecting the business;
- the testing and certification of software and systems, generally designed to confirm such things as the fairness of the gaming products offered by the business, their genuine randomness and ability to accurately generate settlement instructions and recover from outages;
- the need to account for applicable gaming duties and other taxes and levies, such as fees or contributions to bodies that organize the sports on which bets are offered, as well as contributions to the prevention and treatment of problem gaming; and
- social responsibility obligations.

Any gaming licence may be revoked, suspended or conditioned at any time, and the industry has recently experienced significantly more enforcement actions, particularly in the United Kingdom, where the Gambling Commission has issued fines against numerous operators for regulatory failings. The loss of a gaming licence in one jurisdiction could trigger the loss of a gaming licence or affect the Company's eligibility for such a licence in another jurisdiction, and any of such losses, or potential for such loss, could cause the Company to cease offering some or all of its product offerings in the impacted jurisdictions. The Company may be unable to obtain or maintain all necessary registrations, licences, permits or approvals, and could incur fines or experience delays related to the licencing process, which could adversely affect its operations.

The determination of suitability process may be expensive and time-consuming. The Company's delay or failure to obtain gaming licences in any jurisdiction may prevent it from distributing its product offerings, increasing its customer base and/or generating revenues. A gaming regulatory body may refuse to issue or renew a gaming licence if the Company, or one of its directors, officers, employees, major shareholders or business partners: (a) are considered to be a detriment to the integrity or lawful conduct or management of gaming; (b) no longer meet a licensing or registration requirement; (c) have breached or are in breach of a condition of licensure or registration or an operational agreement with a regulatory authority; (d) have made a material misrepresentation, omission or mis-statement in an application for licensure or registration or in reply to an inquiry by a person conducting an audit, investigation or inspection for a gaming regulatory authority; (e) have been refused a similar gaming licence in another jurisdiction; (f) have held a similar gaming licence in that province, state or another jurisdiction which has been suspended, revoked or cancelled; or (g) has been convicted of an offence, inside or outside of a particular jurisdiction that calls into question the honesty or integrity of the Company or any of its directors, officers, employees or associates.

Additionally, the Company's product and service offerings must be approved in most regulated jurisdictions in which they are offered and will likely need to undergo third party testing by a certified testing lab. Such testing can be costly and time consuming, and this process cannot be assured or guaranteed. Obtaining these approvals is a time-consuming process that can be extremely costly. A developer and provider of online gaming products may pursue corporate regulatory approval with regulators of a particular jurisdiction while it pursues technical regulatory approval for its product offerings by that same jurisdiction. It is possible that after incurring significant expenses and dedicating substantial time and effort towards such regulatory approvals, the Company may not obtain either of them. If the Company fails to obtain the necessary gaming licence in a given jurisdiction, it would likely be prohibited from distributing and providing its product offerings in that particular jurisdiction altogether. If the Company fails to seek a licence, does not receive a licence, or receives a suspension or revocation of a licence in a particular jurisdiction for its product offerings (including any related technology and software) then it cannot offer the same in that jurisdiction and its gaming licences in other jurisdictions may be impacted. Furthermore, some jurisdictions require licence holders to obtain government approval before engaging in some transactions, such as business combinations, reorganizations, stock offerings and repurchases. The Company may not be able to obtain all necessary gaming licences in a timely manner, or at all. Delays in regulatory approvals or failure to obtain such approvals may also serve as a barrier to entry to the market for the Company's product offerings. If the Company is unable to overcome the barriers to entry, it will materially affect its results of operations and future prospects.

There can be no assurance that legally enforceable prohibiting legislation will not be proposed and passed in jurisdictions relevant or potentially relevant to the Company's business to prohibit, legislate or regulate various aspects of the Internet, e-commerce, payment processing, or the online gaming industries. Compliance with any such legislation may have a material adverse effect on the Company's business, financial condition and results of operations.

Complex and Evolving Regulatory Environment for Online Gaming Industry

In addition to regulations governing online gaming, the Company will be subject to a variety of laws and regulations domestically and abroad that involve the Internet, e-commerce, privacy and protection of data and personal information, rights of publicity, acceptable content, intellectual property, advertising, marketing, distribution, data and information security, electronic contracts and electronic communications, competition, protection of minors, consumer protection, unfair commercial practices, product liability, taxation, economic or other trade prohibitions or sanctions, securities law compliance and online payment and payment processing services. The Company may introduce new products or services, expand its activities in certain jurisdictions, or take other actions that may subject it to additional laws, regulations or other government scrutiny. For example, the Company will handle, collect, store, retrieve, transmit and use confidential, personal information relating to its customers and personnel for various business purposes, including marketing and financial purposes.

These laws, regulations and legislation, along with other applicable laws and regulations, which in some cases can be enforced by private parties or government entities, are constantly evolving and can be subject

to significant change. As a result, the application, interpretation, and enforcement of these laws and regulations, including pre-existing laws regulating communications and commerce in the context of the Internet and e-commerce, are often uncertain, particularly in the rapidly evolving industry in which the Company operates, and may be interpreted and applied inconsistently across jurisdictions and inconsistently with its future policies and practices.

Legislators and regulators also look beyond online gaming regulations specifically to implement restrictive measures on online gaming. In certain jurisdictions, this has included restrictions on payment processing, internet blocking, account and identity verification requirements, and similar measures. Such regulations, if not appropriately mitigated, could materially adversely affect the Company's business, results of operations or financial condition.

In addition, such restrictive measures may impact the ability or desire of third-party suppliers, including payment processors, to provide services to the Company globally or in certain jurisdictions. A supplier could require the Company, as a condition of its continued use of the supplier's products and services, to restrict access from customers in certain jurisdictions. Such third-party restrictions could affect the manner in which the Company provides its products or services in certain jurisdictions and adversely affect its financial results due to, among other things, the potential need to determine whether to change suppliers, which may not be on as favorable terms, or comply with the supplier's requested restrictions.

Social Responsibility Concerns

Public opinion can significantly influence the regulation of online gaming. A negative shift in the perception of online gaming by the public or by politicians, lobbyists or others could affect future legislation or regulation in different jurisdictions. Among other things, such a shift could cause jurisdictions to abandon proposals to legalize online gaming, thereby limiting the number of new jurisdictions into which the Company could expand. Negative public perception could also lead to new restrictions on or to the prohibition of online gaming in jurisdictions in which the Company may operate.

In addition, concerns with safer betting and gaming could lead to negative publicity, resulting in increased regulatory attention, which may result in restrictions on the Company's future operations. If the Company had to restrict its future marketing or product offerings or incur increased compliance costs, this could have a material adverse effect on its business, results of operations, financial condition and prospects. The Company will likely face scrutiny related to environmental, social, governance and responsible gaming activities, and its reputation and the value of its brands can be materially adversely harmed if it fails to act responsibly in a number of areas, such as environmental, supply chain management, climate change, diversity and inclusion, workplace conduct, responsible gaming, human rights, philanthropy and support for local communities. Any harm to the Company's reputation could impact employee engagement and retention, and the willingness of future customers and the Company's partners to do business with it, which could have a material adverse effect on its business, results of operations and cash flows.

The Company may be subject to regulatory investigations

From time to time, the Company may receive formal and informal inquiries from government authorities and regulators, including securities authorities, tax authorities and gaming regulators, regarding its compliance with laws and other matters. Violation of existing or future regulatory orders or consent decrees could subject the Company to substantial monetary fines and other penalties that could negatively affect its financial condition and results of operations. In addition, it is possible that future orders issued by, or inquiries or enforcement actions initiated by, government or regulatory authorities could cause the Company to incur substantial costs, expose it to unanticipated civil and criminal liability or penalties, or require it to change its business practices in a manner materially adverse to its business.

Risks Factors Related to the Company's Industry

Success of Sports Betting Products not Guaranteed

The sports betting industry is characterized by elements of chance. Although each sports bet generally performs within a defined statistical range of outcomes, actual outcomes may vary for any given period. In addition to the element of chance, win rates (hold percentages) may also (depending on the game involved) be affected by the spread of limits and factors that are beyond the Company's control, such as a customer's skill, experience and behavior, the mix of games played, the financial resources of customers, the volume of bets placed, and the amount of time spent gambling. As a result of the variability in these factors, the actual win rates of sports bets may differ from the theoretical win rates we have estimated and could result in the winnings of the Company's customers exceeding those anticipated. The variability of win rates (hold rates) also has the potential to negatively impact the Company's financial condition, results of operations, and cash flows.

The Company's success also depends in part on its ability to anticipate and satisfy customer preferences in a timely manner. The Company will operate in a dynamic environment characterized by rapidly changing industry and legal standards, and its products will be subject to changing consumer preferences that cannot be predicted with certainty. The Company will need to continually introduce new offerings and identify future product offerings that complement its existing platforms, respond to its customers' needs, and improve and enhance its existing platforms to maintain or increase customer engagement and growth of its business. The Company may not be able to compete effectively unless its product selection keeps up with trends in the digital sports entertainment and gaming industries, or trends in new gaming products.

The Company will rely on information technology and other systems and platforms, and any failures, errors, defects or disruptions in its systems or platforms could diminish its brand and reputation, subject it to liability, disrupt its business, affect its ability to scale technical infrastructure and adversely affect its operating results and growth prospects. The Company's software applications and systems, and the third-party platforms upon which they are made available could contain undetected errors. The Company's technology infrastructure will be critical to the performance of its platform and offerings and to customer satisfaction. The Company devotes significant resources to network and data security to protect systems and data. However, the Company's systems may not be adequately designed with the necessary reliability and redundancy to avoid performance delays or outages that could be harmful to its business. The Company cannot ensure that the measures it takes to prevent or hinder cyber-attacks and protect its systems, data and user information and to prevent outages, data or information loss, fraud and to prevent or detect security breaches, including a disaster recovery strategy for server and equipment failure and back-office systems and the use of third parties for certain cybersecurity services, will provide absolute security. The Company has experienced, and may in the future experience, website disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes, human or software errors and capacity constraints. Such disruptions have not had a material impact on the Company; however, future disruptions from unauthorized access to, fraudulent manipulation of, or tampering with the Company's computer systems and technological infrastructure, or those of third parties, could result in a wide range of negative outcomes, each of which could materially adversely affect the Company's business, financial condition, results of operations and prospects.

Additionally, the Company's products may contain errors, bugs, flaws or corrupted data, and these defects may only become apparent after their launch. If a particular product offering is unavailable when customers attempt to access it or navigation through the Company platforms is slower than they expect, customers may be unable to place their bets and may be less likely to return to the Company's platforms as often, if at all. Furthermore, programming errors, defects and data corruption could disrupt operations, adversely affect the experience of the Company's customers, harm the Company's reputation, cause customers to stop utilizing the Company platforms, divert resources and delay market acceptance of the Company offerings, any of which could result in legal liability to the Company or harm its business, financial condition, results of operations and prospects.

If the Company's customer base and engagement continue to grow, and the amount and types of offerings continue to grow and evolve, it will need an increasing amount of technical infrastructure, including network capacity and computing power, to continue to satisfy customers' needs. Such infrastructure expansion may be complex, and unanticipated delays in completing these projects or availability of components may lead to increased project costs, operational inefficiencies, or interruptions in the delivery or degradation of the quality of the Company's offerings. In addition, there may be issues related to this infrastructure that are not identified during the testing phases of design and implementation, which may only become evident after the Company has started to fully use the underlying equipment or software, that could further degrade the customer experience or increase its costs. As such, the Company could fail to continue to effectively scale and grow its technical infrastructure to accommodate increased demands.

Failure to Retain or Add Customers

The financial performance of the Company is significantly determined by its success in adding, retaining, engaging and monetizing active customers of its product offerings, in particular high-value, net-depositing customers (primarily recreational players). If people do not perceive VIP's product offerings as enjoyable, reliable, relevant and trustworthy it may be unable to attract or retain customers or otherwise maintain or increase the frequency and duration of their engagement. Any number of factors could potentially negatively affect customer retention, growth and engagement, including if:

- the Company fails to introduce, or delays the introduction of, new products or services (whether developed internally, licensed or otherwise obtained or developed in conjunction with third parties) that customers find engaging or that work with a variety of operating systems or networks, or if it introduces new products or services, including using technologies with which it has little or no prior development or operating experience, or changes to its existing products or services, that are not favorably received by customers;
- customers have difficulty installing, updating or otherwise accessing the Company's product offerings on desktops or mobile devices as a result of actions by it or third parties that it relies on to distribute and deliver its product offerings, or the Company fails to price its product offerings competitively or provide adequate customer service;
- there are decreases in customer sentiment about the quality of the Company's product offerings or concerns related to privacy, safety, security or other factors, or technical or other problems prevent the Company from delivering its product offerings in a rapid and reliable manner or otherwise affecting the customer experience, such as security breaches or failure to prevent or limit spam or similar content;
- new industry standards or games are adopted or customers adopt new technologies where the Company's product offerings may be displaced in favor of other products or services, may not be featured or otherwise available, or may otherwise be rendered obsolete and unmarketable;
- there are adverse changes in the Company's product offerings that are mandated by legislation, regulatory authorities or litigation, including settlements, or the Company does not obtain applicable regulatory or other approvals or renewals of such approvals to offer, directly or indirectly, its product offerings in new or existing jurisdictions;
- the Company adopts policies or procedures related to areas such as customer data and information that are perceived negatively by its customers or the general public;
- the Company elects to focus its customer growth and engagement efforts more on longer-term initiatives, or if initiatives designed to attract and retain customers and engagement are unsuccessful or discontinued, whether as a result of actions by the Company, third parties or otherwise;

- customers increasingly engage with the products or services of the Company's competitors; or
- the Company or other companies in the industries in which it operates are the subject of adverse media reports or other negative publicity.

If the Company is unable to maintain or increase its customer base or engagement, or effectively monetize its customer base's use of its product offerings, its revenue and financial results may be adversely affected. Any decrease in customer retention, growth or engagement could render the Company's products less attractive to customers.

Reliance on Third-Party Networks

The delivery of The Company's offerings and a significant portion of The Company's revenues will be dependent on the continued use and expansion of third-party-owned communication networks, including wireless networks and the Internet. No assurance can be given as to the continued use and expansion of these networks as a medium of communications for The Company.

As it relates to its mobile platforms, the Company will be dependent on the interoperability of such platforms with popular mobile operating systems, technologies, networks and standards that it does not control, such as the Android and iOS operating systems, and any changes, bugs, technical or regulatory issues in such systems, the Company's relationships with mobile partners, manufacturers and carriers, or in their terms of service or policies that degrade the Company's product offerings' functionality, may reduce or eliminate its ability to distribute its product offerings, give preferential treatment to competitive products, limit its ability to deliver high quality product offerings, or impose fees or other charges related to delivering its product offerings. The foregoing may adversely affect its product usage and monetization on mobile devices. If it is difficult or unfavorable for the Company's customers to access and use its product offerings on their mobile devices, or if its customers choose not to access or use its product offerings on their mobile devices or use mobile products that do not offer access to its product offerings, its customer growth and engagement could be harmed, which could adversely affect its results of operation.

In addition, increasing traffic, customer numbers or bandwidth requirements may result in a decline in Internet (or a subset thereof, including mobile Internet) performance and/or Internet reliability. Internet outages or delays or loss of network connectivity may result in partial or total failure of the Company's offerings, additional and unexpected expenses to fund further development or to add programming personnel to complete a development project, loss of revenue which could have a material adverse effect on the Company's prospects, business, financial condition or results of operations.

Litigation

The Company may be subject to litigation claims through the ordinary course of its business operations or otherwise, regarding, among other things, employment matters, tax matters, security of customer and employee personal information, third-party contracts, marketing, intellectual property right infringement, its current and former operations, and the operations of businesses it may acquire in the future prior to their respective acquisitions. Litigation to defend the Company against claims by third parties, or to enforce any rights that it may have against third parties, may be necessary, which could result in substantial costs and diversion of its resources, causing a material adverse effect on its business, financial condition and results of operations. Given the nature of the Company's business, it may from time to time in the future be, party to various, and at times numerous, legal, administrative, and regulatory inquiries, investigations, proceedings and claims that arise in the ordinary course of business, as well as potential class action lawsuits. Because the outcome of such legal matters is inherently uncertain, if one or more of such legal matters were to be resolved against the Company for amounts in excess of management's expectations or any applicable insurance coverage or indemnification right, or if such legal matters result in decrees or orders preventing it from offering certain features, functionalities, products or services, or requires that it changes its development process or other business practices, its results of operations and financial condition could be materially adversely affected. Any litigation to which the Company may be a party may

result in an onerous or unfavourable judgment that may not be reversed upon appeal, or in payments of substantial monetary damages or fines, the posting of bonds requiring significant collateral, letters of credit or similar instruments.

Intellectual Property may be Insufficient

The Company's success may depend on its ability to obtain trademark protection for the names or symbols under which it markets its product offerings and to obtain copyright protection of its proprietary technologies, other game innovations and creative assets. The Company may not be able to build and maintain goodwill in its trademarks or obtain trademark protection. There can be no assurance that any trademark or copyright will provide competitive advantages for the Company or that its intellectual property will not be successfully challenged or circumvented by competitors.

The Company may also rely on trade secrets and proprietary know-how. Although the Company will generally require its employees and independent contractors to enter into confidentiality and intellectual property assignment agreements, it cannot be assured that the obligations therein will be maintained and honoured. If these agreements are breached, it is unlikely that the remedies available to the Company will be sufficient to compensate it for the damages suffered even if it promptly applies for injunctive relief. Despite confidentiality agreements and other methods of protecting trade secrets, the Company's proprietary information could become known to or independently developed by competitors. If the Company fails to adequately protect its intellectual property and confidential information, its business may be harmed and its liquidity and results of operations may be materially adversely impacted.

Risk of Intellectual Property Infringement or Invalidity Claims

If the registration and enforcement policies regarding the Company's intellectual property portfolios are inadequate to deter unauthorized use or appropriation by third parties, the value of the Company's brands and other intangible assets may be diminished and competitors may be able to more effectively mimic its brands, products, services and methods of operations. Such events could adversely affect the Company's business and financial results. At the same time, the Company has to be mindful of how it will be perceived by its customers and potential customers if it deploys an unduly strict enforcement policy; an overly aggressive position may deter its customers from supporting the brands and therefore damage not only the brands' reputation in the marketplace but also negatively impact financial results.

Moreover, due to the differences in foreign patent, trademark, copyright and other laws concerning proprietary rights, the Company's intellectual property may not receive the same degree of protection in each jurisdiction where it operates. The Company's failure to possess, obtain or maintain adequate protection of its intellectual property rights for any reason in these jurisdictions could have a material adverse effect on its business, results of operations and financial condition.

Furthermore, infringement and other intellectual property claims, with or without merit, can be expensive and time-consuming to litigate, and the Company may not have the financial and human resources to defend itself against any infringement suits that may be brought against it. Litigation can also distract management from day-to-day operations of the business.

In addition, the Company's future success 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.

The Company may also infringe other intellectual property rights belonging to third parties, such as trademarks, copyrights and confidential information. The infringement of trademarks, copyrights and confidential information involve complex legal and factual issues and the Company's products, branding or associated marketing materials may be found to have infringed existing third-party rights. When any third-

party infringement occurs, the Company may be required to stop using the infringing intellectual property rights, pay damages and, if it wishes to keep using the third-party intellectual property, purchase a license or otherwise redesign the product, branding or associated marketing materials to avoid further infringement. Such a license may not be available or may require the Company to pay substantial royalties.

Risk of Failing to Adapt to Changing Technology and Industry Standards

The Company's future success depends on its ability to adapt and enhance its suite of technology and software, such as its platforms, as well as its product offerings. To attract new customers, the Company will need to enhance and improve its platforms, product offerings, features and enhancements to meet customer needs at competitive prices. Such efforts will require adding new functionality and responding to technological advancements or disruptive technologies, which will increase the Company's research and development costs. If the Company is unable to develop technology and products that address customers' needs or enhance and improve its platforms and product offerings in a timely manner, that could have a material adverse effect on its business, revenues, operating results and financial condition. The Company's ability to grow is also subject to the risk of future disruptive technologies. If new and/or disruptive technologies emerge that can deliver online betting and gaming and/or entertainment products and services at lower prices, more efficiently, more conveniently or more securely, such technologies could adversely affect the Company's ability to compete.

SCHEDULE "F"
AUDIT COMMITTEE CHARTER OF THE RESULTING ISSUER

This audit committee charter (the "Charter") has been adopted by the board of directors (the "Board") in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Resulting Issuer. Nothing in this Charter is intended to restrict the ability of the Board or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

PART 1

Purpose: The purpose of the Committee is to:

- (a) significantly improve the quality of the Resulting Issuer's financial reporting;
- (b) assist the Board to properly and fully discharge its responsibilities;
- (c) provide an avenue of enhanced communication between the Board and external auditors;
- (d) enhance the external auditor's independence;
- (e) increase the credibility and objectivity of financial reports; and
- (f) strengthen the role of the outside members of the Board by facilitating in depth discussions between Members, management and external auditors.

1.1 Definitions

"accounting principles" has the meaning ascribed to it in National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

"Affiliate" shall have the meaning ascribed thereto in the Instrument;

"audit services" means the professional services rendered by the Resulting Issuer's external auditor for the audit and review of the Resulting Issuer's financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

"Board" means the board of directors of the Resulting Issuer;

"Charter" means this audit committee charter;

"Committee" means the committee established by and among certain members of the Board for the purpose of overseeing the accounting and financial reporting processes of the Resulting Issuer and audits of the financial statements of the Resulting Issuer;

"Control Person" means any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of the Resulting Issuer so as to affect materially the control of the Resulting Issuer, or that holds more than 20% of the outstanding voting shares of the Resulting Issuer, except where there is evidence showing that the holder of those securities does not materially affect control of the Resulting Issuer;

"executive officer" means an individual who is:

- (a) a chair of the Resulting Issuer;

- (b) a vice-chair of the Resulting Issuer;
- (c) a president of the Resulting Issuer;
- (d) a vice-president in charge of a principal business unit, division or function including sales, finance or production;
- (e) an officer of the Resulting Issuer or any of its subsidiary entities who performs a policy-making function in respect of the Resulting Issuer; or
- (f) any other individual who performs a policy-making function in respect of the Resulting Issuer;

"financially literate" has the meaning set forth in Section 1.3;

"immediate family member" means a person's spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the person or the person's immediate family member) who shares the individual's home;

"independent" has the meaning set forth in Section 1.2;

"Instrument" means National Instrument 52-110 – *Audit Committees*;

"MD&A" has the meaning ascribed to it in NI 51-102;

"Member" means a member of the Committee;

"NI 51-102" means National Instrument 51-102 *Continuous Disclosure Obligations*;

"non-audit services" means services other than audit services;

1.2 Meaning of Independence

1. A Member is independent if the Member has no direct or indirect material relationship with the Resulting Issuer, all as determined in accordance with the Instrument.
2. For the purposes of subsection 1, a material relationship means a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a Member's independent judgement.

1.3 Meaning of Financial Literacy -- For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Resulting Issuer's financial statements.

PART 2

2.1 Audit Committee – The Board has hereby established the Committee for, among other purposes, compliance with the Instrument.

2.2 Relationship with External Auditors – The Resulting Issuer will henceforth require its external auditor to report directly to the Committee and the Members shall ensure that such is the case.

2.3 Committee Responsibilities

1. The Committee shall be responsible for making the following recommendations to the Board:
 - (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Resulting Issuer; and
 - (b) the compensation of the external auditor.
2. The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Resulting Issuer, including the resolution of disagreements between management and the external auditor regarding financial reporting.

This responsibility shall include:

- (a) reviewing the audit plan with management and the external auditor;
 - (b) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;
 - (c) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
 - (d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
 - (e) reviewing audited annual financial statements, in conjunction with the report of the external auditor, and obtaining an explanation from management of all significant variances between comparative reporting periods;
 - (f) reviewing the post-audit or management letter, containing the recommendations of the external auditor, and management's response and subsequent follow up to any identified weakness;
 - (g) reviewing interim unaudited financial statements before release to the public;
 - (h) reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report, the annual information form and management's discussion and analysis;
 - (i) reviewing any evaluation of internal controls by the external auditor, together with management's response;
 - (j) reviewing the terms of reference of the internal auditor, if any;
 - (k) reviewing the reports issued by the internal auditor, if any, and management's response and subsequent follow up to any identified weaknesses; and
 - (l) reviewing the appointments of the Chief Financial Officer and any key financial executives involved in the financial reporting process, as applicable.
3. The Committee shall pre-approve all non-audit services to be provided to the Resulting Issuer or its subsidiary entities by the issuer's external auditor.

4. The Committee shall review the Resulting Issuer's financial statements, MD&A and annual and interim earnings press releases before the Resulting Issuer publicly discloses this information.
5. The Committee shall ensure that adequate procedures are in place for the review of the Resulting Issuer's public disclosure of financial information extracted or derived from the Resulting Issuer's financial statements, and shall periodically assess the adequacy of those procedures.
6. When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Policy 31, and the planned steps for an orderly transition.
7. The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in the National Instrument, on a routine basis, whether or not there is to be a change of auditor.
8. The Committee shall, as applicable, establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees and consultants of the issuer of concerns regarding questionable accounting or auditing matters.
9. The Committee shall establish, periodically review and approve the Resulting Issuer's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer.
10. The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.

2.4 De Minimis Non-Audit Services – The Committee shall satisfy the pre-approval requirement in subsection 2.3(3) if:

- (a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Resulting Issuer and its subsidiary entities to the issuer's external auditor during the fiscal year in which the services are provided;
- (b) the Resulting Issuer or the subsidiary entity of the Resulting Issuer, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
- (c) the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

2.5 Delegation of Pre-Approval Function

1. The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(3).
2. The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 1 must be presented to the Committee at its first scheduled meeting following such pre-approval.

PART 3

3.1 Composition

1. The Committee shall be composed of a minimum of three Members.
2. Every Member shall be a director of the issuer.
3. The majority of Members shall be independent.
4. Every audit committee member shall be financially literate.

PART 4

4.1 Authority – Until the replacement of this Charter, the Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties,
- (b) set and pay the compensation for any advisors employed by the Committee,
- (c) communicate directly with the internal and external auditors; and
- (d) recommend the amendment or approval of audited and interim financial statements to the Board.

PART 5

5.1 Disclosure in Information Circular -- If management of the Resulting Issuer solicits proxies from the security holders of the Resulting Issuer for the purpose of electing directors to the Board, the Resulting Issuer shall include in its management information circular the disclosure required by Form 52-110F2 (*Disclosure by Venture Issuers*). If the Resulting Issuer is not required to send a management information circular to its security holders, it must provide the disclosure required by Form 52-110F2 in its annual information form or annual MD&A.

PART 6

6.1 Meetings

1. Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.
2. Opportunities shall be afforded periodically to the external auditor, the internal auditor, if any, and to members of senior management to meet separately with the Members.
3. Minutes shall be kept of all meetings of the Committee.

SCHEDULE “G” INSIDER TRADING AND REPORTING POLICY

The purpose of the Insider Trading and Reporting Policy (the “**Policy**”) is to summarize the insider trading restrictions to which directors, officers and certain employees and consultants are subject under applicable securities legislation, and to set forth a policy governing investments in the securities of VIP Entertainment Technologies Inc. (the “**Company**”) and the reporting thereof which is consistent with the applicable legislation.

This Policy is not intended to discourage investment in the Company's securities. Rather, it is intended to highlight the obligations and the restrictions imposed on insiders by relevant securities legislation.

1. Summary of Legislation

Securities legislation prohibits any person in a “special relationship” with the Company from either:

- purchasing or selling the Company's shares with the knowledge of a material fact or material change concerning the Company that has not been generally disclosed; or
- informing (or “**tipping**”), other than when necessary in the course of business, another person or Company of a material fact or material change concerning the Company before the material fact or material change has been generally disclosed. A material change to the business or affairs of the Company or a material fact is one which would reasonably be expected to have an effect on the market price or value of any securities of a reporting issuer. A material change is specifically defined to include any decision by a board of directors to implement a material change, as well as any decision made to implement such a change by senior management, if Board of Director approval is probable.

This prohibition applies to persons who are deemed to have a “special relationship” with the Company, which include:

- directors, officers, employees and consultants of the Company; and
- persons or companies who learn of a material fact or material change concerning the Company.

While the penalties for a breach of this prohibition vary among jurisdictions, a breach may render you personally liable to prosecution and, upon conviction, to a fine not exceeding five million dollars or five years in jail, or both. Further, you may be subject to civil actions at the instance of all or any of security holders, the companies whose securities were traded, and regulators.

You should note that any person who is associated with you, including any member of your family, your spouse or any person living with you, is also deemed to be a person in a special relationship with the Company, and is subject to the same legal obligations and duties.

2. Trading Prohibitions

In light of the foregoing, all directors, officers, employees and consultants of the Company, as well as anyone else who qualifies as an insider under applicable securities laws, will be subject to the following prohibitions relating to investments in the Company's securities and securities of other public issuers:

- If one has knowledge of a material fact or material change related to the affairs of the Company or any public issuer involved in a transaction with the Company which is not generally known, no purchase or sale may be made until the information has been generally disclosed to the public and the blackout periods set forth below have expired;

- If one has knowledge of a material fact or material change related to the affairs of the Company or any public issuer involved in a transaction with the Company which is not generally known, no recommendation or encouragement to another person or company to purchase or sell may be made until the information has been generally disclosed to the public and the blackout periods set forth below have expired.
- Knowledge of a material fact or material change must not be conveyed to any other person other than in the necessary course of business until the information has been generally disclosed to the public and the blackout periods set forth below have expired;
- Engaging, at any time, in any transactions including hedging strategies, equity monetization transactions, transactions using short sales, puts, calls, exchange contracts, derivatives, and other types of financial instruments (including, but not limited to, prepaid variable forward contracts, equity swaps, collars, and exchange funds), and limited recourse loans to the directors or executives secured by securities of the Company (including common share, options, performance share units, deferred share units, and restricted share units) is not permitted; and
- Trading is prohibited in the event that the Company has provided notice of a pending material fact or material change until the information has been generally disclosed to the public and the blackout periods set forth below have expired.

For purposes of this Policy, public issuer includes any issuer, whether a Company or otherwise, whose securities are traded in a public market, whether on a stock exchange or “over the counter”.

The above prohibitions and the insider reporting obligations provided below applies equally to the trading or exercising of options to acquire shares or other securities of the public issuer.

3. Insider Reporting Obligations

A person or Company who becomes a “reporting insider” of the Company must file an insider report within 10 days of the date of becoming a “reporting insider”. In addition, a “reporting insider” whose direct or indirect beneficial ownership of or control or direction over securities of the Company changes, must file an insider report of the change within 5 days of the date of the change.

National Instrument 55-104 *Insider Reporting Requirements and Exemptions* (“**NI 55-104**”) defines a “reporting insider” to include, among others, an insider of the issuer if the insider is:

- the CEO, CFO or COO and each director of the issuer, of a significant shareholder of the issuer or of a major subsidiary of the issuer;
- a person or company responsible for a principal business unit, division or function of the issuer;
- a significant shareholder of the issuer; and
- any other insider that in the ordinary course receives or has access to information as to material facts or material changes concerning the issuer before the material facts or material changes are generally disclosed and directly or indirectly, exercises, or has the ability to exercise, significant power or influence over the business, operations, capital or development of the issuer.

It is each insider's personal responsibility to determine if they are a “reporting insider” as defined in NI 55-104 and should review the complete definition of such term in NI 55-104 in making such determination. It is each reporting insider's responsibility to ensure that all requisite insider trading reports are filed with the

appropriate securities commissions within the statutory time limits.

A copy of the insider report may be obtained from the Company and is required to be filed electronically on SEDI.

4. Blackout Periods

In order to ensure uniform compliance with securities legislation, the Company has made the following provision for blackout periods during which restricted persons, directors, officers, employees and consultants who are routinely in possession of undisclosed material information, are prohibited from trading in the Company's securities.

Periodic, Regular Disclosure (Quarterly and Annual Financial Results)

- For each quarter, the blackout period is the seven days immediately preceding the day of the Board or Audit Committee meeting at which the financial statements are to be reviewed and/or approved and terminating at the end of the business day following the release.
- Financial results release dates are approximate and will vary on a yearly basis.

5. Unscheduled Developments

Unscheduled developments are significant corporate acquisitions, divestitures, contract negotiations, asset write downs, or other transactions that will generally result in a material change in the affairs of the Company.

- The blackout period begins as soon as management is aware of the development and has communicated such development to the Insiders and continues until the news has adequately disseminated in the market for twenty-four hours following the news release, unless otherwise determined by the Board.
- If you are unsure whether or not you may trade in a given circumstance, you should contact the President, Chief Financial Officer or General Counsel to determine if the particular information is or is not material.

CERTIFICATE OF THE COMPANY

This amended and restated Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the Company as required by the securities legislation of the Province of Ontario.

DATED: May 25, 2022

(signed) "*John Randolph Clifford*"

John Randolph Clifford
Chief Executive Officer

(signed) "*John Randolph Clifford*"

John Randolph Clifford
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "*Jimmy James Sekora*"

Jimmy James Sekora
Director

(signed) "*Leonidas Karabelas*"

Leonidas Karabelas
Director

CERTIFICATE OF VIP ENTERTAINMENT GROUP INC. AND THE PROMOTER

This amended and restated prospectus constitutes full, true and plan disclosure of all material facts relating to the securities previously issued by VIP Entertainment Group Inc. as required by the securities legislation of Ontario.

DATED: May 25, 2022

(signed) "Randy Reginald Jennings"

Randy Reginald Jennings
Chief Executive Officer

(signed) "Randy Reginald Jennings"

Randy Reginald Jennings
In the Capacity as Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "Randy Reginald Jennings"

Randy Reginald Jennings
Director

(signed) "Joel Donais"

Joel Donais
Director

THE PROMOTER

(signed) "Randy Reginald Jennings"

Randy Reginald Jennings