

## **CREDENT CAPITAL CORP.**

### **Management Discussion and Analysis For the Three months Ended July 31, 2021 (Expressed in Canadian Dollars)**

This management discussion and analysis of financial position and results of operations (“MD&A”) is prepared as at September 30, 2021, and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended July 31, 2021, of Credent Capital Corp. (“Credent” or the “Company”) with the related notes thereto. Those financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company’s management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Additional information on the Corporation is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Description of Business**

The Company was incorporated under the Business Corporations Act (British Columbia) on March 25, 2011. On, June 28, 2011, the Company completed an Initial Public Offering (“IPO”) to be classified as a Capital Pool Company as defined in the TSX Venture Exchange (“TSX-V”) Policy 2.4. The principal business of the Company is the identification and evaluation of assets or a business and, once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities of its qualifying transaction (“QT”).

On July 5, 2011, the Company’s shares began trading on the TSX-V under the symbol “CCT.P”.

October 7, 2013, the Company announced the transfer of its listing to the NEX Board of the TSX-V (“NEX”) effective October 8, 2013. In connection with the transfer to NEX, a total of 1,100,000 “seed shares” of Credent have been cancelled pursuant to the TSX-V policies so that the average cost of the remaining 1,100,000 seed shares is equal to Credent’s initial public offering price of \$0.10 per share.

Until the completion of a QT, the Company will not carry on any business other than the identification and evaluation of assets or businesses in connection with a potential QT.

On December 30, 2013, the Company signed a non-binding letter of intent (the “Hydro LOI”) with Hydro Power Technologies Inc. (“Hydro Power” or “HPT”), a corporation existing under the laws of Ontario, Canada, which outlines the general terms and conditions pursuant to which the Company and Hydro Power will be willing to complete a transaction that will result in a reverse take-over of the Company by the shareholders of Hydro Power. The Hydro LOI was negotiated at arm’s length and is effective as of December 30, 2013 (the “Transaction”).

As part of the qualifying transaction process, the Company entered into a sponsorship agreement with a qualified sponsor. Per this agreement, the Company is required to pay \$25,000 in sponsorship fees, pay additional related legal fees and issue 50,000 shares of the resulting issuer.

In January 2018 the Company submitted a draft filing statement (the "Filing Statement") to the TSX-V in connection with the Transaction with Hydro Power. Subject to the approval of the TSX-V, the acquisition of HPT is intended to serve as Credent's qualifying transaction.

At August 21, 2019, the Company received a notice from the TSX-V that the Company's file in connection with the proposed QT has been closed. The Company must provide a new complete initial submission in order to reactivate a QT submission.

On May 21, 2020, the Company and Hydro Power Technologies Inc. ("HPT") announced that they had agreed to terminate their business combination agreement the ("Transaction"). The Transaction was originally announced by the Company in its news release dated January 21, 2014. Pursuant to the original LOI, HPT placed \$70,000 with the Company's legal counsel in trust to cover legal expenses in connection with the qualifying transaction. During the year and in advance of the formal termination agreement, the remaining balance in the trust account in the amount of \$49,755 was transferred to the Company and has been recognized as a gain on termination of qualifying transaction.

As at July 31, 2021, the Company had paid \$26,685 in related fees and had prepaid additional sponsorship and legal fees of \$20,425. The balance of the fees and the issuance of the common shares were payable upon submission of the final sponsor report. This agreement was terminated by both parties. The prepaid fees will be held by the qualified sponsor and applied against a new qualifying transaction.

In connection with the termination agreement, the amount due to related parties in the amount of \$131,739 would be transferred to a director of the Company. It would be settled through the issuance of common shares in the Company at \$0.07 per share.

On January 26, 2021, the Company entered into an amalgamation agreement (the "Definitive Agreement") with Good Gamer Corp. (the "Target" or "Good Gamer"), a British Columbia based fantasy sports and Esports real-money gaming platform, and 1285860 B.C. Ltd. (the "Credent Sub"), a wholly owned subsidiary of the Company, whereby Credent will acquire all of the issued and outstanding securities of Good Gamer (the "Proposed Transaction"). The Proposed Transaction will be a reverse takeover of the Company by the Target and its shareholders.

The Company intends the Proposed Transaction to constitute its Qualifying Transaction (the "Qualifying Transaction") under the policies of the TSXV.

## **The Transaction**

The Proposed Transaction will be effected by way of a three-cornered amalgamation among the Company, Good Gamer, and Credent Sub. Pursuant to the Proposed Transaction, holders of the issued and outstanding common shares of the Target (the "Target Shares") will receive one Credent Share for each Target Share held (the "Exchange Ratio"). It is anticipated that approximately 40,414,088 Credent Shares will be issued under the Proposed Transaction (consisting of

30,414,088 currently issued Good Gamer Shares and 10,000,000 Good Gamer Shares issuable on conversion of the Subscription Receipts). Pursuant to the Proposed Transaction, all existing securities convertible into Target Shares shall be exchanged, based on the Exchange Ratio, for similar securities to purchase Credent Shares on substantially similar terms and conditions.

In connection with the Proposed Transaction, Good Gamer completed a private placement of 10,000,000 subscription receipts at a price of \$0.40 per subscription receipt for proceeds of \$4,000,000 (the "Subscription Recipients").

On or immediately prior to the completion of the Proposed Transaction, it is anticipated that: (i) the Company will effect a name change to such name as may be determined by the Target; and (ii) the Company will consolidate the issued and outstanding common shares in the capital of the Company on 1-for-5 basis (the "Credent Shares").

Prior to closing of the Proposed Transaction, the Company is to settle \$84,800 of the \$139,000 corporate indebtedness by issuing 212,000 post-consolidation Credent Shares (the "Debt Conversion"). Upon closing, the 212,000 post-consolidation Credent Shares issued under the Debt Conversion will be held in escrow.

In conjunction with closing of the Proposed Transaction, the Company will issue 1,000,000 common shares and 1,000,000 share purchase warrants to an arm's length party as a finder's fee, subject to TSX-V approval.

The Proposed Transaction is subject to customary conditions set forth in such agreements, and subject to acceptance of the TSX-V.

There are currently a total of 4,250,000 Company Shares issued and outstanding in the capital of the Company. Upon completion of the 1-for-5 consolidation there will be 850,000 post-consolidation shares and 212,000 post-consolidation shares issued for Debt Conversion. Prior to completion of the Proposed Transaction, it is expected that the Company will have an aggregate of 1,062,000 post-consolidation Credent Shares.

## **Results of Operations**

During the three months ended July 31, 2021, the Company recorded a loss of \$5,526 as compared to a loss of \$8,881 in the three months ending July 31, 2020. During fiscal 2021, the Company recorded \$1,500 in professional fees, a decrease of \$455 from \$1,955 in fiscal 2020. Filing fees during fiscal 2021 were \$2,083 as compared to \$4,257 in fiscal 2020. Consulting fees amounted to \$630 during the three months as compared with an expense of \$1,176 last year. There were no other significant variances in expenses during the year.

## Quarterly Information

The following table sets forth selected unaudited financial information prepared by management of the Company:

	Q1-2022	Q4-2021	Q3-2021	Q2-2021	Q1-2021	Q4-2020	Q3-2020	Q2-2020
Revenue	-	-	-	-	-	-	-	-
Net income (loss) for the period	(5,526)	(15,133)	(20,701)	(7,893)	(8,881)	42,116	(5,679)	(15,906)
Net income (loss) per share, basic and diluted	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	0.01	(0.00)	(0.00)

## Liquidity and Capital Resources

As at July 31, 2021, the Company had a working capital deficit of approximately \$21,061 and cash of \$125,799 as compared to a working capital deficit of \$15,535 and cash of \$130,421 at April 30, 2021.

The Company will require additional working capital to meet its primary business objectives over the next 12 months.

Since the Company will not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the funding through future equity issuances and through short-term borrowing in order to fund ongoing operations and to meet its obligations. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

## Related Party Transactions

As at April 30, 2020, \$131,739 was owed to an individual connected with Hydro Power Technologies Inc., which was non-interest bearing, unsecured, and carried no fixed terms of repayment. During the year ended April 30, 2021, the amount was repaid in full.

During the year ended April 30, 2021, the Company received a promissory note of \$139,000 from a company with a common director, and as at July 31, 2021, the balance owing was \$138,200 (April 30, 2021 - \$138,200). The promissory note is non-interest bearing, unsecured, and carries no fixed terms of repayment.

The Company leases office space from a company with a common director. During the three months ended July 31, 2021, the Company paid office rent of \$1,200 (2020 - \$1,260) to this company.

## **ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

An analysis of the material components of the Company's general and administrative expenses is disclosed in the unaudited condensed interim consolidated financial statements for the quarter ended July 31, 2021 to which this MD&A relates.

### **Outstanding Share Data**

As at July 31, 2021, the Company has 4,250,000 common shares outstanding, of which 1,100,000 common shares are subject to escrow provisions.

### **Additional Risk Factors**

#### *Public Health Crises*

Global or national health concerns, including the outbreak of pandemic or contagious diseases, such as COVID-19, may adversely affect the Company. The Company's business, operations and financial condition could be materially adversely affected by the outbreak of epidemics or pandemics or other health crises. The Company expects to experience some short to medium term negative impacts from the COVID-19 outbreak; however, the extent of such impacts is currently unquantifiable, but may be significant. Such impacts include, with respect to its operations, the ability of the Company to access debt or equity capital on acceptable terms or at all.

### **Forward-Looking Statements**

This MD&A contains certain forward-looking statements relating, but not limited to, the Company's operations, anticipated financial performance, business prospects and strategies. Forward-looking information typically contains statements with words such as "may", "will", "should", "expects", "projects", "plans", "anticipates" or similar expressions suggesting future outcomes.

The Company does not have a history of earnings. These statements represent management's expectations or beliefs concerning, among other things, future performance and financial results and various components thereof. Readers are cautioned not to place undue reliance on forward-looking information because it is possible that predictions, forecasts, projections and other forms of forward-looking assumptions will not be achieved by the Company. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, including but not limited to: changes in business strategies; general economic and business conditions; the effects of competition; changes in laws and regulations, including environmental and regulatory laws; and various events that could disrupt operations. Actual performance and financial results in future periods may differ materially from any projections of future performance or results expressed or implied by forward-looking statements.

The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information, whether as a result of new information, future events or otherwise, or the foregoing list of factors affecting such information.