

GOLDEN MATRIX GROUP, INC.

FORM 10-Q (Quarterly Report)

Filed 03/13/18 for the Period Ending 01/31/18

Address	3651 LINDELL ROAD, STE D131 LAS VEGAS, NV, 89103
Telephone	917-775-9689
CIK	0001437925
Symbol	GMGID
SIC Code	1000 - Metal Mining
Industry	Internet Services
Sector	Technology
Fiscal Year	01/31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended January 31, 2018

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 000-54840



Golden Matrix Group, Inc .

(Name of small business issuer in its charter)

Nevada

(State of incorporation)

46-1814729

(I.R.S. Employer Identification No.)

3651 Lindell Road, Ste D131

Las Vegas, NV, 89103

(Address of principal executive offices)

(917) 7759689

(Registrant's telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

(Do not check if a smaller reporting company)

Accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of March 7, 2018 there were 1,557,662,161 shares of the registrant's \$0.00001 par value common stock issued and outstanding.

GOLDEN MATRIX GROUP, INC.*

TABLE OF CONTENTS

	<u>Page</u>
<u>PART I. FINANCIAL INFORMATION</u>	
<u>ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)</u>	4
<u>ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	19
<u>ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	22
<u>ITEM 4. CONTROLS AND PROCEDURES</u>	23
<u>PART II. OTHER INFORMATION</u>	
<u>ITEM 1. LEGAL PROCEEDINGS</u>	24
<u>ITEM 1A. RISK FACTORS</u>	24
<u>ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS</u>	24
<u>ITEM 3. DEFAULTS UPON SENIOR SECURITIES</u>	25
<u>ITEM 4. MINE SAFETY DISCLOSURES</u>	25
<u>ITEM 5. OTHER INFORMATION</u>	25
<u>ITEM 6. EXHIBITS</u>	26

Special Note Regarding Forward-Looking Statements

Information included in this Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (“Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (“Exchange Act”). This information may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Golden Matrix Group, Inc. (the “Company”), to be materially different from future results, performance or achievements expressed or implied by any forward-looking statements. Forward-looking statements, which involve assumptions and describe future plans, strategies and expectations of the Company, are generally identifiable by use of the words “may,” “will,” “should,” “expect,” “anticipate,” “estimate,” “believe,” “intend,” or “project” or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements are based on assumptions that may be incorrect, and there can be no assurance that these projections included in these forward-looking statements will come to pass. Actual results of the Company could differ materially from those expressed or implied by the forward-looking statements as a result of various factors. Except as required by applicable laws, the Company has no obligation to update publicly any forward-looking statements for any reason, even if new information becomes available or other events occur in the future.

** Please note that throughout this Quarterly Report, and unless otherwise noted, the words "we," "GMGI" "our," "us," the "Company," refers to Golden Matrix Group, Inc.*

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

**GOLDEN MATRIX GROUP, INC.
Consolidated Balance Sheets**

	As of January 31, 2018	As of July 31, 2017
	(Unaudited)	
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 6,808	\$ 25,167
Accounts receivable – related party	62,500	62,500
Total current assets	<u>69,308</u>	<u>87,667</u>
TOTAL ASSETS	<u>\$ 69,308</u>	<u>\$ 87,667</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 28,811	\$ 21,093
Accounts payable – related party	376,907	384,984
Advance from shareholders	1,000	1,000
Accrued interest	155,533	147,408
Convertible notes payable, net of discount	50,474	51,776
Convertible notes payable, net– in default	53,229	85,664
Convertible notes payable – related party	795,712	795,712
Derivative liabilities- note conversion features	208,898	136,177
Total Current liabilities	<u>1,670,564</u>	<u>1,623,814</u>
TOTAL LIABILITIES	<u>\$ 1,670,564</u>	<u>\$ 1,623,814</u>
Shareholder's equity (deficit):		
Preferred stock, Series A: \$0.00001 par value; 19,999,000 shares authorized; none outstanding	-	-
Preferred stock, Series B: \$0.00001 par value; 1,000 shares authorized; 1,000 and 1,000 shares issued and outstanding, respectively	-	-
Common stock: \$0.00001 par value; 4,000,000,000 and 2,480,000,000 shares authorized; 779,012,961 and 141,096,983 shares issued and outstanding, respectively	7,790	1,411
Additional paid in capital	25,654,466	25,350,795
Stock payable	-	1,600
Accumulated other comprehensive loss	(683)	(683)
Accumulated deficit	<u>(27,262,829)</u>	<u>(26,889,270)</u>
Total shareholders' deficit	<u>(1,601,256)</u>	<u>(1,536,147)</u>
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIT)	<u>\$ 69,308</u>	<u>\$ 87,667</u>

The accompanying notes are an integral part of these financial statements

GOLDEN MATRIX GROUP, INC.
Consolidated Statements of Operations and Comprehensive Loss
(Unaudited)

	Three months ended		Six months ended	
	January 31,		January 31,	
	2018	2017	2018	2017
Sales – related party	\$ 30,000	\$ 30,000	\$ 60,000	\$ 60,000
Costs and expenses				
Accounting and audit fees	3,000	27,400	15,160	32,400
Amortization expense	23,760	-	23,760	-
G&A expenses	16,989	50,155	26,025	50,299
G&A expenses- related party	54,300	59,702	120,600	132,286
Professional fees	8,963	13,958	17,214	23,902
Total operating expenses	(107,012)	(151,215)	(202,759)	(238,887)
Loss from operations	(77,012)	(121,215)	(142,759)	(178,887)
Other income (expense)				
Gain on extinguishment of debt	-	-	814	806,867
Fair value change of derivative liability	189,513	337,172	(129,888)	1,144,313
Interest on convertible notes	(28,017)	(46,066)	(101,726)	(346,729)
Total other income (expense)	161,496	291,106	(230,800)	1,604,451
Net Income (Loss)	\$ 84,484	\$ 169,891	\$ (373,559)	\$ 1,425,564
Weighted average number of common shares outstanding -Basic	578,931,219	9,935,555	423,403,521	7,472,027
Weighted average number of common shares outstanding -Diluted	2,287,360,616	252,443,800	423,403,521	248,410,283
Net income/(loss) per common share – Basic	<u>\$ 0.00</u>	<u>\$ 0.02</u>	<u>\$ (0.00)</u>	<u>\$ 0.19</u>
Net income/(loss) per common share – Diluted	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ (0.00)</u>	<u>\$ 0.01</u>

The accompanying notes are an integral part of these financial statements

GOLDEN MATRIX GROUP, INC.
Consolidated Statements of Cash Flows
(Unaudited)

	Six months ended	
	January 31,	
	2018	2017
Operating activities:		
Net Income (Loss)	\$ (373,559)	\$ 1,425,564
Adjustment to reconcile net loss to net cash in operating activities		
Amortization expense	70,759	303,170
Fair value of stock option issued for services	23,760	-
Penalty on convertible notes payable	8,000	-
Loss (Gain) from change in fair value of derivative liability	129,888	(1,144,313)
Gain on extinguishment of debt	(814)	(806,867)
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	-	(12,500)
(Increase) decrease in loans receivable	-	-
(Decrease) increase in accounts payable and accrued liabilities	2,718	45,759
(Decrease) increase in accounts payable – related party	51,923	-
(Decrease) increase in accrued interest	30,966	162,688
Net cash provided (used) in operating activities	\$ (56,359)	\$ (26,499)
Investing activities:		
Purchase of intangible assets	-	-
Net cash flows used in investing activities	-	-
Financing activities:		
Proceeds from convertible notes payable	38,000	38,000
Net cash provided by financing activities	38,000	38,000
Change in cash and cash equivalents	(18,359)	11,501
Cash and cash equivalents at the beginning of the period	25,167	2,296
Cash and cash equivalents at the end of the period	\$ 6,808	\$ 13,797
Supplementary disclosure for non-cash investing and financing activities		
Common stock issued for conversion of debt	\$ 224,690	\$ 559,538
Debt discount from derivative liability	\$ 46,000	\$ 38,000
Shares issued for settlement of accounts payable – related party	\$ 60,000	-

The accompanying notes are an integral part of these financial statements

GOLDEN MATRIX GROUP, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 - BASIS OF PRESENTATION AND ACCOUNTING POLICIES

Golden Matrix Group, Inc. (“GMGI” or “Company”) was incorporated in the State of Nevada on June 4, 2008, under the name Ibox Resources Corp. The Company business at the time was mining and exploration of mineral properties. On August 31, 2009, the Company changed its name to Source Gold Corp. in order to reflect the focus of the Company. In April 2016, the Company changed its name to Golden Matrix Group, Inc., reflected the changing direction of the Company business to software technology.

The accompanying unaudited interim consolidated financial statements of Golden Matrix Group, Inc. (“GMGI” or the “Company”) have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission (“SEC”), and should be read in conjunction with the audited financial statements and notes thereto contained in the Company’s annual report for the year ended July 31, 2017 on Form 10-K filed on November 7, 2016.

In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the consolidated financial statements which would substantially duplicate the disclosure contained in the audited consolidated financial statements for the most recent fiscal year ended July 31, 2017 have been omitted.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the balance sheet. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, all highly liquid investments with an original maturity of three months or less are considered to be cash equivalents. The carrying value of these investments approximates fair value.

Revenues

Revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collectability is probable.

Foreign Currency Translation

The Company’s functional currency is the US dollar as a substantial part of the Company’s operations is based in Arizona. IRC’s and NBI’s functional currency is the Canadian dollar. The functional currency of SB and Vulture is the US dollar as its activities are in the USA. The Company uses the United States dollar as its reporting currency for consistency with registrants of the Securities and Exchange Commission (“SEC”).

Assets and liabilities denominated in a foreign currency are translated into US dollar reporting currency at the exchange rate in effect at the balance sheet date and capital accounts are translated at historical rates. Income statement accounts are translated at the average rates of exchange prevailing during the period. Transactions undertaken in currencies other than the functional currency of the entity are translated using the exchange rate in effect as of the transaction date. Any exchange gains and losses are included in other comprehensive loss.

[Table of Contents](#)

Earnings (Loss) Per Common Share

Basic net earnings (loss) per common share are computed by dividing net earnings (loss) available to common shareholders by the weighted-average number of common shares outstanding during the period. Diluted net earnings (loss) per common share is determined using the weighted-average number of common shares outstanding during the period, adjusted for the dilutive effect of common stock equivalents. In periods when losses are reported, the weighted-average number of common shares outstanding excludes common stock equivalents, because their inclusion would be anti-dilutive.

The dilutive effect of outstanding stock options and warrants is reflected in diluted earnings per share by application of the treasury stock method. The dilutive effect of outstanding convertible securities is reflected in diluted earnings per share by application of the if-converted method.

The following is a reconciliation of basic and diluted earnings (loss) per common share for 2018 and 2017:

	For the Three Months Ended January 31,		For the Six Months Ended January 31,	
	2018	2017	2018	2017
Basic earnings (loss) per common share				
Numerator:				
Net income (loss) available to common shareholders	\$ 84,484	\$ 169,891	\$ (373,559)	\$ 1,425,564
Denominator:				
Weighted average common shares outstanding	578,931,219	9,935,555	423,403,521	7,472,027
Basic earnings (loss) per common share	\$ 0.00	\$ 0.02	\$ (0.00)	\$ 0.19
Diluted earnings (loss) per common share				
Numerator:				
Net income (loss) available to common shareholders	\$ 84,484	\$ 169,891	\$ (373,559)	\$ 1,425,564
Denominator:				
Weighted average common shares outstanding	578,931,219	9,935,555	423,403,521	7,472,027
Preferred shares	1,000	1,000	-	1,000
Convertible debt	1,708,428,397	242,507,245	-	240,937,256
Adjusted weighted average common shares outstanding	2,287,360,616	252,443,800	423,403,521	248,410,283
Diluted earnings (loss) per common share	\$ 0.00	\$ 0.00	\$ (0.00)	\$ 0.01

For the six months ended January 31, 2017 the weighted-average number of common shares outstanding excludes common stock equivalents, because their inclusion would be anti-dilutive.

Derivative Instruments

We review the terms of the common stock, warrants and convertible debt we issue to determine whether there are embedded derivative instruments, including embedded conversion options, which are required to be bifurcated and accounted for separately as derivative financial instruments. In circumstances where the host instrument contains more than one embedded derivative instrument, including the conversion option, that is required to be bifurcated, the bifurcated derivative instruments are accounted for as a single, compound derivative instrument.

Table of Contents

Bifurcated embedded derivatives are initially recorded at fair value and are then revalued at each reporting date with changes in the fair value reported as non-operating income or expense. When the equity or convertible debt instruments contain embedded derivative instruments that are to be bifurcated and accounted for as liabilities, the total proceeds received are first allocated to the fair value of all the bifurcated derivative instruments. The remaining proceeds, if any are then allocated to the host instruments themselves, usually resulting in those instruments being recorded as a discount from their face value.

Derivatives are measured at their fair value on the balance sheet. Changes in fair value are recorded in the statement of operation.

Income Taxes

The Company uses the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statements carrying amounts of existing assets and liabilities and loss carry-forwards and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rules on deferred tax assets and liabilities is recognized in operations in the year of change. A valuation allowance is recorded when it is "more likely-than-not" that a deferred tax asset will not be realized.

Comprehensive Loss

The Company is required to report comprehensive loss, which includes net loss as well as changes in equity from non-owner sources.

Fair Value of Financial Instruments

The Company measures its financial assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. A three-tier fair value hierarchy prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). These tiers include:

- Level 1, defined as observable inputs such as quoted prices for identical instruments in active markets;
- Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable, such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and
- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one more significant inputs or significant value drivers are unobservable.

Our financial instruments include cash, accounts payable and accrued liabilities, notes payable, convertible notes payable, advances from shareholder, and derivative liabilities. The carrying values of these financial instruments approximate their fair value due to their short-term nature. The derivative liabilities are stated at their fair value as a level 3 measurement. The Company used a Black-Scholes model to determine the fair values of these derivative liabilities.

Stock-Based Compensation

The Company records stock based compensation in accordance with the guidance in ASC Topic 718 which requires the Company to recognize expense related to the fair value of its employee stock option awards. This eliminates accounting for share-based compensation transactions using the intrinsic value and requires instead that such transactions be accounted for using a fair-value-based method. The Company recognizes the cost of all share-based awards on a graded vesting basis over the vesting period of the award.

[Table of Contents](#)

Stock based compensation for non-employees is accounted for using the Stock Based Compensation Topic of the FASB ASC 505. We use the fair value method for equity instruments granted to non-employees and will use the Black-Scholes model for measuring the fair value of options, if issued. The stock based fair value compensation is determined as of the date of the grant or the date at which the performance of the services is completed (measurement date) and is recognized over the vesting periods.

Subsequent Events

The Company evaluated subsequent events through the date these financial statements were issued for disclosure purposes.

Reclassification

Certain prior year amounts have been reclassified for consistency with the current period presentation.

Recent Issued Accounting Pronouncements

In February 2016, a pronouncement was issued that creates new accounting and reporting guidelines for leasing arrangements. The new guidance requires organizations that lease assets to recognize assets and liabilities on the balance sheet related to the rights and obligations created by those leases, regardless of whether they are classified as finance or operating leases. Consistent with current guidance, the recognition, measurement, and presentation of expenses and cash flows arising from a lease primarily will depend on its classification as a finance or operating lease. The guidance also requires new disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. The new standard is effective for annual reporting periods beginning after December 15, 2018, including interim periods within that reporting period, with early application permitted. The new standard is to be applied using a modified retrospective approach. The Company is currently evaluating the impact of the new pronouncement on its financial statements.

In March 2016, the FASB issued ASU No. 2016-09, Compensation - Stock Compensation (Topic 718). The FASB issued this update to improve the accounting for employee share-based payments and affect all organizations that issue share based payment awards to their employees. Several aspects of the accounting for share-based payment award transactions are simplified, including: (a) income tax consequences; (b) classification of awards as either equity or liabilities; and (c) classification on the statement of cash flows. The updated guidance is effective for annual periods beginning after December 15, 2016, including interim periods within those fiscal years. Early adoption of the updates is permitted. Management is currently evaluating the new guidance to determine the impact it will have on our consolidated financial statements.

On November 17, 2016, the FASB issued ASU No. 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash, a consensus of the FASB's Emerging Issues Force (the "Task Force"). The new standard requires that the statement of cash flows explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Entities will also be required to reconcile such total to amounts on the balance sheet and disclose the nature of the restrictions. AUS No. 2016-18 is effective for public business entities for fiscal years beginning after December 15, 2017. The Company does not believe this ASU will have an impact on our results of operation, cash flows, other than presentation, or financial condition.

The Company does not believe that any other recently issued effective pronouncements, or pronouncements issued but not yet effective, if adopted, would have a material effect on the accompanying financial statements.

NOTE 2 - GOING CONCERN

The accompanying unaudited consolidated financial statements of GMGI have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company had a net working capital deficit of \$1,601,256 and \$1,996,341 as of January 31, 2018 and 2017, respectively. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. Without realization of additional capital, it would be unlikely for GMGI to continue as a going concern. GMGI's management plans on raising cash from public or private debt or equity financing, on an as needed basis, and in the longer term, revenues from the gambling business. GMGI's ability to continue as a going concern is dependent on these additional cash financings, and, ultimately, upon achieving profitable operations through the development of its gambling business.

NOTE 3 - CONVERTIBLE NOTES PAYABLES

Convertible notes payable at January 31, 2018 and July 31, 2017 consisted of the following:

	January 31, 2018	July 31, 2017
Promissory Note #2	30,000	30,000
Promissory Note #31- in default	-	9,550
Promissory Note #42 - in default	-	430
Promissory Note #44 - in default	-	4,400
Promissory Note #45 - in default	28,285	28,285
Promissory Note #46 - in default	14,945	33,000
Promissory Note #59 - in default	10,000	10,000
Promissory Note #68-Related party	795,712	795,712
Promissory Note #69	-	33,810
Promissory Note #70	38,000	-
Notes payable, principal	\$ 916,942	\$ 945,187
Debt discount	(17,527)	(12,035)
Total notes payable	<u>\$ 899,415</u>	<u>\$ 933,152</u>

Promissory Note #2

On March 19, 2012, the Company received \$30,000 cash from the issuance of a convertible promissory note in the amount of \$30,000. The promissory note is unsecured, interest free and repayable upon demand.

The note may be converted at the option of the holder into Common stock of the Company. The fixed conversion price is \$0.01 per share. Accordingly the note may be converted into 3,000,000 common shares of the Company.

The Company determined that this Promissory note should be accounted for in accordance with FASB ASC 470-20 which addresses “Accounting for Convertible Securities with Beneficial Conversion Features”. The beneficial conversion feature is calculated at its intrinsic value (that is, the difference between the conversion price \$0.01 and the fair value of the common stock into which the debt is convertible at the commitment date (per share being \$0.08), multiplied by the number of shares into which the debt is convertible. The valuation of the beneficial conversion feature recorded cannot be greater than the face value of the note issued. As of January 31, 2018, debt discount balance \$0 was recorded.

Promissory Note #31

On March 17, 2014, the Company received funding pursuant to a convertible promissory note in the amount of \$26,500. The promissory note is unsecured, bears interest at 8% per annum, and matures on March 17, 2015. The holder has the right after a period of 180 days to convert the balance outstanding into the Company’s common stock at a rate equal to 50% of the lowest closing prices during the ten trading days prior to the conversion date.

Upon the holder’s option to convert becoming active the Company recorded a debt discount and derivative liability of \$42,329 being the fair value of the conversion feature which was determined using the Black-Scholes valuation model. The debt discount is accreted to the statement of operations using the effective interest rate method over the term of the note or to the date of conversion, and the derivative liability is revalued at each reporting date to fair value. Any change in fair value is credited or charged to the statement of operations in the period. Debt discount of the note was amortized to \$0 on May 19, 2015.

During six months ended January 31, 2018, the Company issued 71,464,540 common shares upon the conversion of \$9,550 in principal and \$6,437 in interest. As of January 31, 2018, this note has been fully converted.

[Table of Contents](#)

Promissory Note #42

On June 6, 2014, the Company received funding pursuant to a convertible promissory note in the amount of \$25,000. The promissory note is unsecured, bears interest at 8% per annum, and matures on June 6, 2015. The holder has the right after a period of 180 days to convert the balance outstanding into the Company's common stock at a rate equal to 60% of the lowest closing prices during the ten trading days prior to the conversion date.

Upon the holder's option to convert becoming active the Company recorded a debt discount and derivative liability of \$33,550 being the fair value of the conversion feature which was determined using the Black-Scholes valuation model. The debt discount is accreted to the statement of operations using the effective interest rate method over the term of the note or to the date of conversion, and the derivative liability is revalued at each reporting date to fair value. Any change in fair value is credited or charged to the statement of operations in the period. Debt discount of the note was amortized to \$0 on June 6, 2015.

On October 24, 2017, the Company agreed to settle a dispute regarding a claim by the note holder that GMGI was liable for damages and penalty interest. In this settlement the Company agreed to issue 19,166,672 shares and remit \$5,000 in final settlement of all interest and any damages claimed. The Company recorded a gain on extinguishment of debt \$814. This includes the settlement of Promissory Note #44, below.

Promissory Note #44

On July 2, 2014, the Company received funding pursuant to a convertible promissory note in the amount of \$25,000. The promissory note is unsecured, bears interest at 8% per annum, and matures on July 2, 2015.

Upon the holder's option to convert becoming active the Company recorded a debt discount and derivative liability of \$40,725 being the fair value of the conversion feature which was determined using the Black-Scholes valuation model. The debt discount is accreted to the statement of operations using the effective interest rate method over the term of the note or to the date of conversion, and the derivative liability is revalued at each reporting date to fair value. Any change in fair value is credited or charged to the statement of operations in the period.

On October 24, 2017, the Company agreed to settle a dispute regarding a claim by the note holder that GMGI was liable for damages and penalty interest. In this settlement the Company reached an agreement to issue 31,257,964 shares and remit \$5,000 in final settlement of all interest and any damages claimed. The Company recorded a gain on extinguishment of debt \$814.

During the six months ended January 31, 2018, the Company issued 49,667,010 common shares upon the conversion of \$10,399 in principal and \$2,686 in interest. As of January 31, 2018, this note has been fully converted.

Promissory Note #45

On July 9, 2014, the Company arranged a debt swap for \$75,000 which was transferred to LG Capital Funding, LLC. The promissory note is unsecured, bears interest at 8% per annum and matures on July 9, 2015. The holder has the right after a period of 180 days to convert the balance outstanding into the Company's common stock at a rate equal to 50% of the lowest closing prices during the ten trading days prior to the conversion date.

Upon the holder's option to convert becoming active the Company recorded a debt discount and derivative liability of \$202,937 being the fair value of the conversion feature which was determined using the Black-Scholes valuation model. The debt discount is accreted to the statement of operations using the effective interest rate method over the term of the note or to the date of conversion, and the derivative liability is revalued at each reporting date to fair value. Any change in fair value is credited or charged to the statement of operations in the period. Debt discount of the note was amortized to \$0 on July 9, 2015.

As of January 31, 2018, principal balance of this note was \$28,285. This note is currently in default and has a default interest rate of 16% per annum.

[Table of Contents](#)

Promissory Note #46

On July 9, 2014, the Company received funding pursuant to a convertible promissory note in the amount of \$33,000. The promissory note is unsecured, bears interest at 8% per annum, and matures on July 9, 2015. The holder has the right after a period of 180 days to convert the balance outstanding into the Company's common stock at a rate equal to 50% of the lowest closing prices during the ten trading days prior to the conversion date.

Upon the holder's option to convert becoming active the Company recorded a debt discount and derivative liability of \$130,556 being the fair value of the conversion feature which was determined using the Black-Scholes valuation model. The debt discount is accreted to the statement of operations using the effective interest rate method over the term of the note or to the date of conversion, and the derivative liability is revalued at each reporting date to fair value. Any change in fair value is credited or charged to the statement of operations in the period.

As of January 31, 2018, principal balance of this note was \$14,945. During the six months ended January 31, 2018, the Company issued 222,963,666 common shares upon the conversion of \$18,055 in principal and \$8,489 in interest. This note is currently in default and has a default interest rate of 16% per annum.

Promissory Note #59

On July 31, 2015 the Company entered into a Convertible Promissory Note with Direct Capital Group, Inc. in the sum of \$240,000. The promissory note is unsecured, bears interest at 8% per annum, and matures on January 31, 2016. Any principal amount not paid by the maturity date bears interest at 22% per annum.

On April 26, 2016, \$50,000 was reassigned to Blackbridge Capital, LLC ("Blackbridge"). Blackbridge failed to meet terms of the Assignment and Assumption and were therefore in default of their obligations. The Company took legal advice regarding the breach of Blackbridge Capital LLC's obligations. On the June 2, 2016, the Company's legal counsel, wrote to Blackbridge Capital advising them of the breach and also that the Company had cancelled the remaining balance on the note. The Company recorded a gain on extinguishment of debt \$47,151.

On July 21, 2016, \$25,000 was reassigned to Istvan Elek. At any time the note may be converted at the option of the holder into Common stock of the Company. The conversion price is 50% of the market price, where market price is defined as "the lowest closing price on any day with a fifteen day look back".

A portion of the proceeds from issuance of the convertible debt, equal to the intrinsic value, is allocated to additional paid-in capital. Because the debt is due on demand and is convertible at the date of issuance, the valuation of the beneficial conversion feature is charged to interest expense at the date of issuance.

On July 31, 2015, interest expense relating to the beneficial conversion feature of this convertible note of \$0 was recorded in the financial statements, with a corresponding increase to additional paid in capital.

On September 22, 2016, the Company entered into a Cancellation and Release Agreement with Direct Capital Group, Inc. ("Direct"). In terms of Cancellation and Release Agreement Direct agreed to cancel the convertible promissory note with the Company totaling \$183,157. In consideration for the cancellation of the convertible promissory notes and in terms of the Asset Purchase Agreement dated February 22, 2016, the Company has agreed to transfer ownership of mining claims held in the Company's name. It was also agreed by both the Company and Direct that Direct shall release all future claims to subsequent conversions of the Notes and the Company will have no further obligation to Direct under those Convertible Notes and Direct shall be forever barred from seeking further conversions or claiming obligations of the Company under the Convertible Notes. The Company recorded a gain on extinguishment of debt of \$165,000 related to the agreement.

As of January 31, 2018, principal balance of this note was \$10,000.

[Table of Contents](#)

Promissory Note #68

On March 1, 2016 the Company entered into a convertible promissory note with Luxor Capital, LLC in the amount of \$2,374,712. The promissory note is unsecured, bears interest at 6% per annum, and matures on March 1, 2017.

Upon the holder's option to convert becoming active the Company recorded a debt discount and derivative liability of \$2,330,680 being the fair value of the conversion feature which was determined using the Black-Scholes valuation model. The debt discount is accreted to the statement of operations using the effective interest rate method over the term of the note or to the date of conversion, and the derivative liability is revalued at each reporting date to fair value. Any change in fair value is credited or charged to the statement of operations in the period.

As of January 31, 2018, principal balance of this note was \$795,712. This note is currently in default. The default had no effect on the note's interest rate.

Promissory Note #69

On January 11, 2017 the Company entered into a convertible promissory note with Power Up Lending Group Ltd ("Power Up") in the amount of \$38,000. The promissory note bears interest at 8% per annum, and matures on October 28, 2017. Any principal amount not paid by the maturity date bears interest at 22% per annum.

Upon the holder's option to convert becoming active the Company recorded a debt discount and derivative liability of \$61,883 being the fair value of the conversion feature which was determined using the Black-Scholes valuation model. The debt discount is accreted to the statement of operations using the effective interest rate method over the term of the note or to the date of conversion, and the derivative liability is revalued at each reporting date to fair value. Any change in fair value is credited or charged to the statement of operations in the period. During the six months ended January 31, 2018 and 2017, \$12,036 and \$13,524 amortization expense of debt discount was recorded on this note. As of January 31, 2018 and 2017, debt discount of this note was \$0 and \$12,036, respectively.

During the six months ended January 31, 2018, the Company issued 138,259,443 common shares upon the conversion of \$33,810 in principal, \$1,906 in interest and \$1,600 in stock payable. As of January 31, 2018, this note has been fully converted.

Promissory Note #70

On September 7, 2017 the Company entered into a convertible promissory note with Power Up Lending Group Ltd ("Power Up") in the amount of \$38,000. The promissory note bears interest at 8% per annum, and matures on June 15, 2018. Any principal amount not paid by the maturity date bears interest at 22% per annum.

Upon the holder's option to convert becoming active the Company recorded a debt discount and derivative liability of \$67,041 being the fair value of the conversion feature which was determined using the Black-Scholes valuation model. The debt discount is accreted to the statement of operations using the effective interest rate method over the term of the note or to the date of conversion, and the derivative liability is revalued at each reporting date to fair value. Any change in fair value is credited or charged to the statement of operations in the period. During the six months ended January 31, 2018, \$20,472 amortization expense of debt discount was recorded on this note. As of January 31, 2018, debt discount of this note was \$17,528.

As of January 31, 2018, principal balance of this note was \$38,000.

[Table of Contents](#)

NOTE 4 - DERIVATIVE LIABILITIES

Due to the conversion features contained in the convertible notes issued, the actual number of shares of common stock that would be required if a conversion of the notes as further described in Note 6 was made through the issuance of the Company's common stock cannot be predicted, and the Company could be required to issue an amount of shares that may cause it to exceed its authorized share amount. As a result, the conversion feature requires derivative accounting treatment and will be bifurcated from the notes and "marked to market" each reporting period through the income statement. The fair value of the conversion future of the notes was recognized as a derivative liability instrument and will be measured at fair value at each reporting period.

During the six months ended January 31, 2018 and 2017, the Company recorded derivative liabilities for embedded conversion features related to convertible notes payable of face value \$76,252 and \$61,883 respectively. The Company remeasured the fair value of the instruments as of January 31, 2018 and 2017, and recorded an unrealized loss of \$129,888 and a gain of \$1,144,313 for the six months ended January 31, 2018 and 2017, respectively. The Company recorded a loss on settlement of derivative liability of \$1,660 and \$0 as of January 31, 2018 and 2017, respectively. As of January 31, 2018 and 2017, the derivative liability associated with the note conversion features were \$131,759 and \$ 208,954, respectively.

These derivative liabilities have been measured in accordance with fair value measurements, as defined by ASC 820. The valuation assumptions are classified within Level 1 and Level 2 inputs. The following table represents the Company's derivative liability activity for the embedded conversion features discussed above. The following table represents the Company's derivative liability activity for the embedded conversion features discussed above:

	January 31, 2018	July 31, 2017
Balance, beginning of period	\$ 136,177	\$ 1,939,753
Initial recognition of derivative liability	76,251	61,883
Conversion of derivative instruments to Common Stock	(131,759)	(254,306)
Mark-to-Market adjustment to fair value	129,888	(1,611,153)
Loss on settlement agreement	(1,660)	-
Balance, end of period	<u>\$ 208,898</u>	<u>\$ 136,177</u>

NOTE 5 – COMMITMENTS AND CONTINGENCIES

[Legal Proceedings](#)

From time to time, we may be party to litigation or other legal proceedings that we consider to be a part of the ordinary course of our business. We are not involved currently in legal proceedings other than those detailed below that could reasonably be expected to have a material adverse effect on our business, prospects, financial condition or results of operations. We may become involved in material legal proceedings in the future.

NOTE 6 - RELATED PARTY TRANSACTIONS

All related party transactions have been recorded at the exchange value which was the amount of consideration established and agreed to by the related parties.

On February 22, 2016, the Company entered into an Asset Purchase Agreement with Luxor Capital, LLC, which is wholly owned by Anthony Goodman. The Company purchased a Certain Gaming IP, along with the "know how" of that Gaming IP from Luxor. Pursuant to the Asset Purchase Agreement, 11,112 shares of common stock have been issued to Luxor Capital, LLC and its designed party.

Table of Contents

On April 1, 2016, the Company entered into a Back Office / Services Provider Agreement with Articulate Pty Ltd (“Articulate”), which is wholly owned by the director of the Company. Pursuant to the agreement, Articulate would provide accounting, customer supporting, technology, programming and design services, in exchange, the Company would pay \$4,500 per month ending for services rendered plus reimbursement of the Company's expenses. On January 1, 2018, the Company amended the Back Office Agreement, in which Articulate discontinued to provided services, however the term of the Back Office Agreement will continue for a further 12 months for with regard to further co-operation. During six months ended January 31, 2018 and 2017, consulting expense related to this service was \$45,000 and \$54,000, respectively. As of January 31, 2018, the Company has a \$241,127 payable to Articulate.

On June 1, 2016, the Company entered a distribution usage rights agreement with Globaltech Software Services LLC. (“Globaltech”), a company owned by the chief executive officer, the Company agreed to provide the rights of usage to its Credit Management system, Social Gaming systems and Technology. During six months ended January 31, 2018 and 2017, revenue from Globaltech was \$60,000 and \$60,000, respectively. As of January 31, 2018, the Company had a \$62,500 accounts receivable to Globaltech.

On February 22, 2016, the Company entered into a Consulting Service Agreement with its Chief Executive Officer, Anthony Goodman. Pursuant to the Agreement, the consulting fee could be settled in shares. On December 12, 2017, the Company issued 77,780,659 shares of common stock to settle account payable of \$30,000 to Mr. Goodman.

On February 22, 2016, the Company entered into a Consulting Service Agreement with its Financial Executive Officer, Weiting Feng. Pursuant to the Agreement, the consulting fee could be settled in shares. On December 12, 2017, the Company issued 77,780,659 shares of common stock to settle account payable of \$30,000 to Ms.Feng.

NOTE 7 – EQUITY

Preferred Stock

The Company authorized the creation of 20,000,000 shares of it \$0.00001 par value preferred stock.

On August 10, 2015, the Company’s Board of Directors authorized the creation of 1,000 shares of Series B Voting Preferred Stock. The holder of the shares of the Series B Voting Preferred Stock has the right to vote those shares of the Series B Voting Preferred Stock regarding any matter or action that is required to be submitted to the shareholders of the Company for approval. The vote of each share of the Series B Voting Preferred Stock is equal to and counted as 4 times the votes of all of the shares of the Company’s (i) common stock, and (ii) other voting preferred stock issued and outstanding on the date of each and every vote or consent of the shareholders of the Company regarding each and every matter submitted to the shareholders of the Company for approval.

On August 10, 2015, the Company filed a Certificate of Designation with the Nevada Secretary of State creating the 1,000 shares of Series B Voting Preferred Stock

On August 14, 2015, the Company issued 1,000 shares of Series B Voting Preferred Stock to Santa Rosa Resources, representing 100% of the total issued and outstanding shares of the Company’s Series B Voting Preferred Stock.

On April 3, 2016, the Company cancelled 1,000 shares of Series B Voting Preferred Stock to Santa Rosa Resources and a new certificate issued in the name of Luxor Capital LLC in the amount of 1,000 Series B shares.

As of January 31, 2018, 19,999,000 Series A preferred shares and 1,000 Series B preferred shares of par value \$0.00001 were authorized, of which 0 Series A shares were issued and outstanding, 1,000 Series B shares were issued and outstanding.

Common Stock

The Company authorized the creation of 4,000,000,000 shares of its \$0.00001 par value common stock.

On October 15, 2015, the Company effectuated a 1 for 2,000 reverse stock split, thereby reducing the issued and outstanding shares of common stock from 3,472,433,130 prior to the reverse split to 1,736,217 following the reverse split. An additional 1,043 shares were issued due to no fractional shares used as a result of the reverse stock split.

On November 6, 2015, the Company purchased all data and rights to the “We Buy Gold” website from Santa Rosa Resources. The Company issued 223 shares of common stock on November 6, 2015 and 223 shares of common stock on December 7, 2015, with a total value equal to \$1,800,000.

Table of Contents

On March 9, 2016, the Company's Board of Directors approved 1 for 1,500 reverse split for the Company's authorized, issued and outstanding shares of common stock. The reverse stock split was effective on April 7, 2016 upon approval of shareholders holding a majority of the voting stock.

On December 5, 2016, the Company's Board of Directors approved 1 for 150 reverse split for the Company's authorized, issued and outstanding shares of common stock, reducing the number of authorized shares to 19,866,667. The reverse stock split was effective on January 9, 2017 upon approval of shareholders holding a majority of the voting stock. On January 17, 2017, the authorized number of shares of common stock was increased to 2,480,000,000.

On September 14, 2017, the Company's Board of Directors approved to increase the Company's authorized common shares from 2,480,000,000 to 4,000,000,000 shares with no change to the Company's class of Preferred Stock.

On December 12, 2017, the Company issued 77,780,659 shares of common stock to settle account payable of \$30,000 to Mr. Goodman.

On December 12, 2017, the Company issued 77,780,659 shares of common stock to settle account payable of \$30,000 to Ms. Weiting Feng.

During the six months ended January 31, 2018, the Company issued 482,354,660 shares of common stock for the conversion of various convertible notes of \$71,754 in principal, \$19,518 in interest and \$1,600 in stock payable (see Note 4).

During the six months ended January 31, 2018, the Company issued 155,561,318 shares of common stock for settlement of \$60,000 accounts payable.

As of January 31, 2018, 4,000,000,000 common shares of par value \$0.00001 were authorized, of which 779,012,961 shares were issued and outstanding.

Stock Option Plan

On January 3, 2018, the Company granted a stock option plan: the 2018 Equity Incentive Plan. The stock option was granted at the fair value of the grant date using the Black-Scholes option pricing model, and revalued at each reporting period end and amortized at the greater value of vested or straight-line amortization. The compensation expense will be charged to operations through the vesting period.

The Company granted stock options to 9 external consultants, each of them was granted to purchase 30,000,000 shares of common stock of the Company at exercise price of \$0.0004 with exercise period of three years, vesting 33% each anniversary for three years. The fair value of the stock option was \$108,000 in total on the grant date.

The Company granted stock options to its Chief Financial Officer to purchase 210,000,000 shares of common stock of the Company at exercise price of \$0.00044 with exercise period of one and a half years to an officer, vesting 33% each half year. The fair value of the stock option was \$83,808 on the grant date.

The Company granted stock options to its Chief Executive Officer to purchase 810,000,000 shares of common stock of the Company at exercise price of \$0.00044 with exercise period of one and a half years to an officer, vesting 1/3 each half year for one and a half years. The fair value of the stock option was \$323,225 on the grant date.

As of January 31, 2018, none of the stock options were vested; \$23,760 amortization expense was recorded related to the 2018 Equity Incentive Plan.

[Table of Contents](#)

NOTE 8 – CONCENTRATION

The Company’s revenues for the six months ended January 31, 2018 were from one related party. As of January 31, 2018, the aggregate accounts receivable due from this related party was \$62,500.

NOTE 9 – SUBSEQUENT EVENTS

On February 28, 2018, the Company entered an Asset Purchase Agreement with Luxor Capital LLC (“Luxor”), which is wholly owned by the Company’s Chief Executive Officer Anthony Goodman, pursuant to which the Company agree to purchase certain Intellectual Property and Know-how (the “GM2 Asset”). The GM2 Asset purchased is expected to lead to new clients and incremental revenues by allowing the Company to offer unique IP to Social Gaming Clientele.

On March 1 2018, the Company entered into a License Agreement with Articulate Pty Ltd. (“Articulate”), an affiliate of Mr. Goodman. Pursuant to the License Agreement, Articulate will receive a license from the Company to use the GM2 Asset technology. Articulate will pay the Company a usage fee calculated as a certain percentage of the monthly content and software usage within the GM2 Asset system.

On March 2, 2018, the Company reaffirmed its operator service agreement with Game Sparks Technologies Limited (“Gamesparks”), now a wholly owned division of Amazon.com Inc (“Amazon”). Whilst there have been certain delays in fully launching the Social Gaming Platform, GameSparks confirmed that it has long shared Amazon’s passion for helping developers create amazing gaming experiences, so it’s a natural fit. Being part of Amazon means GameSparks will continue to grow the service, as well as explore new ways to unlock the power of Amazon to help build, operate, and monetize our products.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION OR PLAN OF OPERATION

The following discussion and analysis summarizes the significant factors affecting our consolidated results of operations, financial condition and liquidity position for the six months ended January 31, 2018. This discussion and analysis should be read in conjunction with our audited financial statements and notes thereto included in our Annual Report on Form 10-K for our year-ended July 31, 2017 and the consolidated unaudited financial statements and related notes included elsewhere in this filing. The following discussion and analysis contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward looking statements, including without limitation, statements related to our plans, strategies, objectives, expectations, intentions and adequacy of resources. Investors are cautioned that such forward-looking statements involve risks and uncertainties including without limitation the following: (i) our plans, strategies, objectives, expectations and intentions are subject to change at any time at our discretion; (ii) our plans and results of operations will be affected by our ability to manage growth; and (iii) other risks and uncertainties indicated from time to time in our filings with the Securities and Exchange Commission.

In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “could,” “expects,” “plans,” “intends,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” or “continue” or the negative of such terms or other comparable terminology. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of such statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. We are under no duty to update any of the forward-looking statements after the date of this Report.

Overview

Golden Matrix Group, Inc. (“GMGI” or “Company”) was incorporated in the State of Nevada on June 4, 2008, under the name Ibox Resources Corp. The Company business at the time was mining and exploration of mineral properties. In October 2009, the Company changed its name to Source Gold Corp. remaining in the business of acquiring exploration and development stage mineral properties. In April 2016, the Company changed its name to Golden Matrix Group, Inc., changing the direction of the Company business to focus on software technology.

On October 15, 2015, the Company effectuated a 1 for 2,000 reverse stock split, thereby reducing the issued and outstanding shares of common stock from 3,472,433,130 prior to the reverse split to 1,736,217 following the reverse split.

On February 18, 2016, Edward Aruda, our Chief Executive Officer, Secretary, Treasurer and Director tendered his resignation as CEO, Secretary and Treasurer. On April 8, 2016 Edward Aruda announced his resignation as a Director of the Company. Mr. Aruda’s resignation was not due to any disagreement on any matter relating to the operations, policies, or practices of the Company. Also on February 18, 2016, the Board of Directors appointed Mr. Anthony Brian Goodman Chief Executive Officer, President, Secretary, Treasurer, and Chairman of the Board of Directors, and appointed Ms. Weiting Feng as Chief Financial Officer and Director of the Company.

On February 22, 2016, the Company entered into an Asset Purchase Agreement with Luxor Capital, LLC, a Nevada limited liability corporation. The Company purchased a certain Gaming IP, along with the “know how” of that Gaming IP from Luxor. In consideration for the purchase, the Company agreed to issue 11,112 shares of the Company’s Common Stock and a Convertible Promissory Note in the amount of \$2,374,712. On February 26, 2016, 11,112 shares were issued to Luxor Capital, LLC.

[Table of Contents](#)

On March 9, 2016, the Company's Board of Directors approved 1 for 1,500 reverse split for the Company's issued and outstanding shares of common stock. The reverse stock split was effective on April 7, 2016 upon approval of shareholders holding a majority of the voting stock.

On April 1, 2016, the Company entered a Back Office / Services Provider Agreement with Articulate Pty Ltd (“Articulate”), to assist the Company in developing, marketing, and supporting services.

On April 22, 2016, the Company entered an operator services agreement with Game Sparks Technologies Limited (“Gamesparks”), to assist the Company in developing and providing a social online gaming platform.

On May 25, 2016, the Company entered into a Cancellation and Release Agreement with the Note Holders, whom held notes pursuant to agreements made with previous management, in the amount totaling \$2,693,697, and in exchange for the return of mining claims held by the Company.

On June 1, 2016, the Company entered a distribution usage rights agreement with Globaltech Software Services LLC. (“Globaltech”), the Company agreed to provide the rights of usage to its Credit Management system, Social Gaming systems and Technology. This agreement not only brings operating revenue to the Company, but also solidifies the expertise in the social gaming market.

On September 22, 2016, the Company entered into a Cancellation and Release Agreement with the Note Holders, whom held notes pursuant to agreements made with previous management, in the amount totaling \$709,336, and in exchange for the return of mining claims held by the Company. The Company no longer has any mining Assets. All Mining Claims and Assets were disposed of, or transferred in exchange of the cancellation of Convertible Notes held by various Note Holders.

On January 9, 2017, the Company effectuated a 1 for 150 reverse stock split, thereby reducing the issued and outstanding shares of common stock to 10,164,065 following the reverse split. The authorized number of shares of common stock was increased to 2,480,000,000 and effective on January 17, 2017.

On January 11, 2017, the Company entered into a convertible promissory note with Power Up Lending Group Ltd (“Power Up”) for \$38,000. The note bears interest at 8% and matures on October 28, 2017.

On September 7, 2017, the Company entered into a convertible promissory note with Power Up Lending Group Ltd (“Power Up”) for \$38,000. The note bears interest at 8% and matures on June 15, 2018.

On September 14, 2017, the Company’s Board of Directors approved to increase the Company’s authorized common shares from 2,480,000,000 to 4,000,000,000 shares with no change to the Company’s class of Preferred Stock.

On October 24, 2017, the Company entered into a Note Settlement and Termination Agreement with Union Capital, LLC to settle a dispute regarding a claim by the note holder that GMGI was liable for damages and penalty interest. In this settlement the Company agreed to issue 19,166,672 shares and remit \$5,000 in final settlement of all interest and any damages claimed. The Company recorded a gain on extinguishment of debt \$814.

On January 3, 2018, the Company adopted a “2018 Equity Incentive Plan” to attract and retain the best available personnel, to provide incentive to certain individuals providing to the Company and to promote the success of the Company’s business and thereby enhance long-term shareholder value.

Plan of Operation

GMGI has developed and acquired unique valuable technology that provides a social online gaming platform for operators.

Whilst there are a number of companies that provide similar products for social online gaming operators, the Company has unique IP and is focused on the Asian market. The unique technology, company’s location, focused resources and experience in this market provide the Company with a distinct advantage over other company’s located in other parts of the world and having limited experience in Asia.

Results of Operations

Three months ended January 31, 2018 compared to the three months ended January 31, 2017.

Revenues

We generated \$30,000 revenues during the three months ended January 31, 2018 compared to \$30,000 for the three months ended January 31, 2017. Revenues for the three months ended January 31, 2018 and 2017 were related to the social online gaming systems provided to customers.

General and administrative Expenses

During the three months ended January 31, 2018 and 2017, general and expense were \$83,252 and \$151,215 respectively. The increase in general and administrative expense was primarily a result of the increasing on the compensation expense of the stock options. General and administrative expenses primarily consist of office expenses and consulting fees.

Interest Expense

During the three months ended January 31, 2018 and 2017, interest expense was \$28,017 and \$46,066 respectively. The decrease of interest expense was mainly due to the cancellation on convertible debt.

Amortization Expense

During the three months ended January 31, 2018 and 2017, amortization expense was \$23,760 and \$0 respectively. The increasing of amortization expense was due to the stock options granted in the 2018 Equity Incentive Plan.

Unrealized Gain (Loss) on Derivative Liabilities - Note Conversion Feature

Unrealized gain on derivative liabilities - note conversion feature was \$189,513 for the three months ended January 31, 2018 compared to \$ 337,172 for the three months ended January 31, 2017. The change was primarily resulted from the fluctuation of the Company's stock price.

Net Loss

We had net profit of \$84,484 and \$169,891 for the three months ended January 31, 2018 and 2017, respectively. The decrease of net profit in 2018 was as a result of the items discussed above.

Six months ended January 31, 2018 compared to the six months ended January 31, 2018.

Revenues

We generated \$60,000 revenues during the six months ended January 31, 2018 compared to \$60,000 for the six months ended January 31, 2017. Revenues for the six months ended January 31, 2018 and 2017 were related to the social online gaming systems provided to customers.

General and administrative Expenses

During the six months ended January 31, 2018 and 2017, general and expense were \$178,999 and \$238,887 respectively. The decrease in general and administrative expense was primarily a result of the decreasing in development costs. General and administrative expenses primarily consist of office expenses and consulting fees.

Interest Expense

During the six months ended January 31, 2018 and 2017, interest expense was \$101,726 and \$346,729 respectively. The decrease of interest expense was mainly due to the cancellation on convertible debt.

Amortization Expense

During the six months ended January 31, 2018 and 2017, amortization expense was \$23,760 and \$0 respectively. The increasing of amortization expense was due to the stock options granted in the 2018 Equity Incentive Plan.

Unrealized Gain (Loss) on Derivative Liabilities - Note Conversion Feature

Unrealized loss on derivative liabilities - note conversion feature was \$129,888 for the six months ended January 31, 2018 compared to a gain of \$1,144,313 for the six months ended January 31, 2017. The change was primarily resulted from the fluctuation of the Company's stock price.

Gain on extinguishment of debt

During the six months ended January 31, 2018 and 2017, gain on extinguishment of debt was \$814 and \$806,867 respectively. The change primarily resulted from the Settlement Agreement signed on October 24, 2017, and the Cancellation and Release agreement signed on September 22, 2016.

Net Loss

We had net loss of \$373,559 and a net profit of \$1,425,564 for the six months ended January 31, 2018 and 2017, respectively. The decrease of net profit in 2018 was as a result of the items discussed above.

Liquidity and Capital Resources

The Company had \$6,808 in cash at January 31, 2018.

During the six months ended January 31, 2018, cash used in operating activities was \$56,359 compared to \$26,499 provided for the six months ended January 31, 2017. The change in the amounts of cash used for operating activities was primarily due to the grant of the stock options.

During the six months ended January 31, 2018, cash provided by financing activities was \$38,000 compared to \$38,000 for six months ended January 31, 2017.

Material Events and Uncertainties

Our operating results are difficult to forecast. Our prospects should be evaluated in light of the risks, expenses and difficulties commonly encountered by comparable development stage companies.

There can be no assurance that we will successfully address such risks, expenses and difficulties.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by our company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Our management carried out an evaluation under the supervision and with the participation of our Principal Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 ("Exchange Act"). Based upon that evaluation, our Principal Executive Officer and Principal Financial Officer have concluded that our disclosure controls and procedures were not effective as of July 31, 2017, due to the material weaknesses resulting from the Board of Directors not currently having any independent members and no director qualifies as an audit committee financial expert as defined in Item 407(d)(5)(ii) of Regulation S-K, and controls were not designed and in place to ensure that all disclosures required were originally addressed in our financial statements. Please refer to our Annual Report on Form 10-K as filed with the SEC on November 7, 2017 for a complete discussion relating to the foregoing evaluation of Disclosures and Procedures.

Changes in Internal Control over Financial Reporting

Our management has also evaluated our internal control over financial reporting, and there have been no significant changes in our internal controls or in other factors that could significantly affect those controls subsequent to the date of our last evaluation.

The Company is not required by current SEC rules to include, and does not include, an auditor's attestation report. The Company's registered public accounting firm has not attested to Management's reports on the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company has no known legal disputes at this time.

ITEM 1A. RISK FACTORS

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

1. Quarterly Issuances:

On November 7, 2017, the holder of a convertible note converted \$2,160 of principal and \$979 of interest into 20,923,733 shares of common stock.

On November 21, 2017, the holder of a convertible note converted \$2,259 of principal and \$1,037 of interest into 21,975,200 shares of common stock.

On December 4, 2017, the holder of a convertible note converted \$2,361 of principal and \$1,098 of interest into 23,057,200 shares of common stock.

On December 12, 2017, the Company issued 77,780,659 shares of common stock to settle \$30,000 of accounts payable with Mr. Brian Goodman.

On December 12, 2017, the Company issued 77,780,659 shares of common stock to settle \$30,000 of accounts payable with Ms. Weingting Feng.

On January 2, 2018, the holder of a convertible note converted \$2,165 of principal and \$1,034 of interest into 31,989,800 shares of common stock.

On January 9, 2018, the holder of a convertible note converted \$2,270 of principal and \$1,091 of interest into 33,611,000 shares of common stock.

On January 17, 2018, the holder of a convertible note converted \$2,380 of principal and \$1,152 of interest into 35,323,200 shares of common stock.

On January 29, 2018, the holder of a convertible note converted \$2,490 of principal and \$1,219 of interest into 37,086,600 shares of common stock.

2. Subsequent Issuances:

On February 6, 2018, the holder of a convertible note converted \$2,605 of principal and \$1,284 of interest into 38,890,800 shares of common stock.

On February 14, 2018, the holder of a convertible note converted \$2,730 of principal and \$1,355 of interest into 40,852,800 shares of common stock.

On February 14, 2018, the Company issued 625,000,000 shares of common stock to Luxor Capital LLC (“Luxor”), pursuant to the Asset Purchase Agreement, to purchase certain Intellectual Property and Know-how (the “GM2 Asset”).

On March 6, 2018, the holder of a convertible note converted \$4,910 of principal and \$2,481 of interest into 73,905,600 shares of common stock.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

The Company has no senior securities outstanding.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Number	Exhibit Description
3.1	Articles of Incorporation of Golden Matrix Group, Inc. *
3.2	Bylaws of Golden Matrix Group, Inc. *
31.1	Certificate of principal executive officer and principal accounting officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the <i>Sarbanes-Oxley Act of 2002</i>
32.1	Certificate of principal executive officer and principal accounting officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the <i>Sarbanes-Oxley Act of 2002</i>
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed with the SEC on the October 7, 2008 as part of our Registration of Securities on Form S-1.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GOLDEN MATRIX GROUP, INC

Dated: March 12, 2018

By: /s/ Anthony Goodman
Anthony Goodman
President, Chief Executive Officer,
Secretary, Treasurer and Chairman

Pursuant to the requirements of the Exchange Act, this report has been signed below by the following persons on behalf of the Company and in the capacities and on the dates indicated.

Dated: March 12, 2018

By: /s/ Anthony Goodman
Anthony Goodman - Its: Chief Executive Officer

Dated: March 12, 2018

By: /s/ Weiting Feng
Weiting Feng - Its: Chief Financial Officer

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Anthony Goodman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Golden Matrix Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the consolidated financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 12, 2018

By: /s/ Anthony Goodman

Anthony Goodman
President, Chief Executive Officer,
Secretary, Treasurer and Chairman

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Anthony Goodman, Chief Executive Officer of Golden Matrix Group, Inc. (the "Company"), certify, pursuant to 18 U.S.C. Section 1350 adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Quarterly Report on Form 10-Q of the Company for the period ended January 31, 2018 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) the information contained in the Report fairly presents, in all material respects, the consolidated financial condition and results of operations of the Company.

Dated: March 12, 2018

By: /s/ Anthony Goodman

Anthony Goodman
President, Chief Executive Officer,
Secretary, Treasurer and Chairman