GOLDEN MATRIX GROUP, INC.

FORM 10-Q
(Quarterly Report)

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Address	3651 LINDELL ROAD, STE D131
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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 October 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

Golden Matrix Group, Inc.

(Name of small business issuer in its charter)

Nevada	**46-1814729**
(State of incorporation)	(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	☐	Accelerated filer	☐
Non-accelerated filer (Do not check if a smaller reporting company)	☐	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 November 26, 2018, there were 2,835,318,757 shares of the registrant's $0.00001 par value common stock issued and outstanding.

GOLDEN MATRIX GROUP, INC.

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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
(Unaudited)

	As of October 31, 2018	As of July 31, 2018
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 580,407	$ 446,581
Accounts receivable	10,638	10,005
Accounts receivable – related parties	658,562	362,288
Prepaid expenses	-	1,000
Total current assets	1,249,607	819,874
Total assets	$ 1,249,607	$ 819,874
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable and accrued liabilities	$ 34,175	$ 14,391
Accounts payable – related parties	383,550	376,217
Advances from shareholders	1,000	1,000
Accrued interest	3,393	155,384
Settlement Payable – related parties	210,000	9,302
Convertible notes payable, net of discounts	30,000	30,000
Convertible notes payable, net- in default	10,000	11,929
Convertible notes payable- related party-in default	-	495,712
Contingent liability-related party	1,071,431	1,055,312
Derivative liabilities – note conversion feature	26,667	11,930
Total current Liabilities	1,770,216	2,161,177
Settlement Payable – related parties – long-term	145,000	-
Total non-current liabilities	145,000	-
Total liabilities	$ 1,915,216	$ 2,161,177
Shareholders' 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, 6,000,000,000 shares authorized, 2,835,318,757 and 2,622,904,757 shares issued and outstanding, respectively	28,353	26,229
Additional paid-in capital	27,182,365	26,840,794
Accumulated other comprehensive loss	(683)	(683)
Accumulated deficit	(27,875,644)	(28,207,643)
Total shareholders' deficit	(665,609)	(1,341,303)
Total liabilities and shareholders' deficit	$ 1,249,607	$ 819,874

See accompanying notes to consolidated financial statements.

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

	Three months ended October 31, 2018	Three months ended October 31, 2017
Revenues	$ 633	$ -
Revenues-related party	638,062	30,000
Cost of goods sold	(69,524)	-
Gross profit	569,171	30,000
Costs and expenses:		
G&A expense	78,930	9,036
G&A expense- related party	39,300	66,300
Loss on contingent liability – related party	16,119	-
Professional fees	20,831	20,411
Amortization expenses	57,347	-
Total operating expenses	212,527	95,747
Loss from operations	356,644	$ (65,747)
Other income (expense):		
Interest expense	(7,792)	(73,709)
Gain (loss) on extinguishment of debt	(106)	814
Gain (loss) on derivative liability	(16,747)	(319,401)
Total other income (expense)	(24,645)	(392,296)
Net income (Loss)	$ 331,999	$ (458,043)
Net earnings (loss) per common share – basic	$ 0.00	$ (0.00)
Net earnings (loss) per common share diluted	$ 0.00	$ (0.00)
Weighted average number of common shares outstanding – basic	2,739,971,213	267,874,823
Weighted average number of common shares outstanding – diluted	2,772,534,713	267,874,823

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

	Three months ended October 31,	
	2018	**2017**
Cash flows from operating activities:		
Net income (loss)	$ 331,999	$ (458,043)
Adjustments to reconcile net income (loss) to cash used in operating activities:		
Unrealized gain (loss) on derivative liabilities-note conversion feature	16,747	319,401
Fair value of stock option issued for services	126,871	-
Fair value of shares issued for services	2,100	-
Amortization expense	3,300	57,859
Gain on extinguishment of debt	106	(814)
Fair value loss on contingent liability-related party	16,119	-
Penalty on convertible notes payable	3,300	8,000
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(633)	5,000
(Increase) decrease in accounts receivable – related party	(296,274)	-
(Increase) decrease in Prepaid expense	1,000	-
(Decrease) increase in accounts payable and accrued liabilities	19,784	4,377
(Decrease) increase in accounts payable – related party	7,333	43,278
(Decrease) increase in accrued interest	4,494	-
Net cash provided by (used in) operating activities	234,246	$ (20,942)
Cash flows from financing activities:		
Proceeds from notes payable	-	38,000
Proceeds from settlement agreement	-	-
Repayments on settlement payable	(102,420)	-
Net cash provided by (used in) financing activities	(102,420)	$ 38,000
Net increase in cash and cash equivalents	133,826	17,058
Cash and cash equivalents at beginning of year	446,581	25,167
Cash and cash equivalents at end of year	$ 580,407	$ 42,225
Supplemental disclosure of cash flow information:		
Settlement of derivative liability	$ 5,310	-
Common stock issued for conversion of debt	$ 209,414	$ 158,907
Debt discount from derivative liability	$ 3,300	$ 47,000
Settlement payable	$ 448,012	-

See accompanying notes to consolidated 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 Ibex 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. GMGI has a global presence with offices in Las Vegas Nevada and Sydney Australia. GMGI’s sophisticated social gaming software supports multiple languages including English and Chinese.

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, 2018 on Form 10-K filed on October 29, 2018.

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, which is in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 605, *Revenue Recognition* . According to Topic 605, *Revenue Recognition* , our company recognize revenue with the following steps:

Step 1: Identify the contract with a customer.
Step 2: Identify the separate performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the separate performance obligations in the contract.
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

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.

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 ended October 31,	
	2018	**2017**
Basic earnings (loss) per common share		
Numerator:		
Net income (loss) available to common shareholders	$ 331,999	$ (458,043)
Denominator:		
Weighted average common shares outstanding	2,739,971,213	267,874,823
Basic earnings (loss) per common share	$ 0.00	$ (0.00)
Diluted earnings (loss) per common share		
Numerator:		
Net income (loss) available to common shareholders	$ 331,999	$ (458,043)
Denominator:		
Weighted average common shares outstanding	2,739,971,213	267,874,823
Preferred shares	1,000	-
Convertible Debt	35,562,500	-
Adjusted weighted average common shares outstanding	2,772,534,713	267,874,823
Diluted earnings (loss) per common share	$ 0.00	$ (0.00)

For the three months ended October 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.

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.

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 $665,609 and $1,836,882 as of October 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 October 31, 2018 and July 31, 2018 consisted of the following:

	October 31, 2018	July 31, 2018
Convertible Note #2	30,000	30,000
Convertible Note #46 - in default	-	1,930
Convertible Note #59 - in default	10,000	10,000
Convertible Note #68 - Related party - in default	-	495,712
Notes payable, principal	$ 40,000	$ 537,642
Total notes payable	$ 30,000	$ 30,000
Total notes payable – in default	$ 10,000	$ 507,642

Convertible 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 October 31, 2018, debt discount balance $0 was recorded.

Convertible 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.

On August 28, 2018, the Company entered into Settlement Agreement and Mutual General Release (the "Settlement Agreement") with the note holder whereby the parties agreed to release each other from any, and all liabilities relating to the Convertible Promissory Note (Note 46). In this Settlement Agreement, the Company agreed to pay out the remaining balance of the note Principal $1,930, accrued Interest $154, default Interest and penalty $6,033, totalling $8,118. The Company recorded a loss on settlement of $106. As of October 31, 2018, the balance of this Note was $0.

Convertible 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 October 31, 2018, principal balance of this note was $10,000.

Convertible 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.

On September 10, 2018, the Company entered into Settlement Agreement with Luxor Capital LLC ("Luxor") whereby the parties agreed to release each other from any, and all liabilities relating to the Convertible Promissory Note. Pursuant to the Settlement Agreement, the Company agreed to pay out the remaining balance of the note totalling $649,414 by converting $209,414 into common stock at a conversion price $0.001, by making a payment of $150,000 and by entering into an interest free loan for the balance of $290,000, such loan to be repaid in two equal installments of $145,000 on the 10th September 2019 and 10th September 2020. On September 10, 2018, 209,414,000 shares of common stock were issued for the conversion of $209,414.

As of October 31, 2018, principal balance of this note was $0, settlement payable of this note was $65,000.

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 three months ended October 31, 2018 and 2017, the Company recorded derivative liabilities for embedded conversion features related to convertible notes payable of face value $3,300 and $76,251, respectively. The Company remeasured the fair value of the instruments as of October 31, 2018 and 2017, and recorded an unrealized gain of $16,747 and a loss of $319,401 for the three months ended October 31, 2018 and 2017, respectively. The Company recorded a loss on settlement of derivative liability of $5,310 and $160,440 at October 31, 2018 and 2017, respectively. At October 31, 2018 and 2017, the derivative liability associated with the note conversion features were $26,667 and $442,100, 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:

	October 31, 2018	July 31, 2018
Balance, beginning of period	$ 11,930	$ 136,177
Initial recognition of derivative liability	3,300	95,266
Conversion of derivative liability to Common Stock	-	(224,587)
Mark-to-Market adjustment to fair value	16,747	165,514
Loss on settlement agreement	(5,310)	(160,440)
Balance, end of period	$ 26,667	$ 11,930

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.

On April 1, 2016, the Company entered into a Services Agreement with Articulate Pty Ltd, which is wholly owned by the director of the Company, for consulting services. Pursuant to the agreement Articulated would receive $4,500 per month ending for services rendered plus reimbursement of the Company's expenses. The agreement may be terminated by either party upon 30 days written notice. During three months ended October 31, 2018 and 2017, general and administrative expense related to this service was $39,300 and $66,300, respectively. As of October 31, 2018, the Company has a $219,472 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 three months ended October 31, 2018 and 2017, revenue from Globaltech was $30,000 and $30,000, respectively. As of October 31, 2018, the Company had a $50,500 accounts receivable to Globaltech.

On February 28, 2018, the Company entered into an Asset Purchase Agreement with Luxor Capital, LLC(" Luxor"), which is wholly owned by Company's Chief Executive Officer Anthony Goodman. Pursuant to the Asset Purchase Agreement, the Company purchased certain Intellectual Property and Know-how (the "GM2 Asset"), in exchange, the Company issued 625,000,000 shares of common stock valued at $187,500 on the date of issuance, and an Earnout Note Payable calculated at 50% of the revenues generated by the GM2 Asset during the 12-month period of March 1, 2018 to February 28, 2019 to Luxor. The Earnout Note lead to a contingent liability of $1,071,431 as of October 31, 2018. The GM2 Asset 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 (the "License Agreement") with Articulate Pty Ltd. ("Articulate"), which is wholly owned by Anthony Goodman. Articulate received a license from the Company to use the GM2 Asset technology. Articulate would pay the Company a usage fee calculated as a certain percentage of the monthly content and software usage within the GM2 Asset system. During the three months ended October 31, 2018, revenue from Articulate was $608,062. As of October 31, 2018, the Company had a $608,062 accounts receivable to Articulate.

On September 10, 2018, the Company entered into Settlement Agreement with Luxor Capital LLC ("Luxor") whereby the parties agreed to release each other from any, and all liabilities relating to the Convertible Promissory Note. Pursuant to the Settlement Agreement, the Company agreed to pay out the remaining balance of the note totalling $649,414 by converting $209,414 into common stock at a conversion price $0.001, by making a payment of $150,000 and by entering into an interest free loan for the balance of $290,000, such loan to be repaid in two equal instalments of $145,000 on the 10th September 2019 and 10th September 2020. On September 10, 2018, 209,414,000 shares of common stock were issued for the conversion of $209,414. As of October 31, 2018, the Company had a $65,000 settlement payable to Luxor.

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 October 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 6,000,000,000 shares of its $0.00001 par value common stock.

During the three months ended October 31, 2018, the Company issued 209,414,000 shares of common stock for the conversion of various convertible notes of $209,414 in principal.

During the three months ended October 31, 2018, the Company issued 3,000,000 shares of common stock to Joshua Ramsdell for services, in regarding to the Consulting Services Agreement entered on June 7, 2018 . The shares have been recorded at their market value of $2,100.

As of October 31, 2018, 6,000,000,000 common shares of par value $0.00001 were authorized, of which 2,835,318,757 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. As of October 31, 2018, two of the external consultant has resigned, their option were forfeited.

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.

On March 15, 2018, the Company granted stock options to an external consultants, James Young. The consultant was granted to purchase 210,000,000 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 $82,943 on the grant date.

On May 8, 2018, the Company granted stock options to an external consultants, Siu Kei Ho. The consultant was granted to purchase 75,000,000 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 $28,516 on the grant date.

As of October 31, 2018, none of the stock options were vested; $327,468 amortization expense was recorded related to the 2018 Equity Incentive Plan. $126,871 amortization expense was recorded during the three months ended October 31, 2018.

NOTE 8 – CONCENTRATION

The Company's major revenues for the three months ended October 31, 2018 were predominately from two related parties. As of October 31, 2018, the aggregate amount due from these two related party was $638,062 or approximately 99.9% of total revenues. Pursuant to the company's strategic partnership agreement to gain revenue from technical service usage fee, the agreement remains in full force indefinitely since 2016. In addition, the new license agreement with Articulate Pty Ltd, in 1st March, will also help the Company to gain constant revenue.

NOTE 9 – ACQUISITION OF BUSINESS

On February 28, 2018, the company entered into an Asset Purchase Agreement with Luxor Capital, LLC. Pursuant to the agreement the company purchased certain Intellectual Property and Knowhow (the "GM2 Asset"), which were valued at $0 due to the fact that this was a related party acquisition and the prior entity's cost basis was $0 in the assets. In exchange for the GM2 asset, the company issued 625,000,000 shares of common stock valued at $187,500 based on closing market price on the date of the agreement as well as an earn-out payment which states that the Company, on or before April 30, 2019, will issue an earn-out note calculated at 50% of the revenues generated by the GM2 Asset system during the 12-month period of March 1, 2018 to February 28, 2019.

During the period ended July 31, 2018, the Company record a contingent liability of $1,055,312. As of October 31, 2018,a $16,119 fair value loss on contingent liability was recorded due to the adjustment on the estimate the potential future payments of the earn-out note.

Related to the earn-out note, as of October 31, 2018, the Company recorded a contingent liability of $1,071,431 for the potential liability due to Luxor; see Note 10. A description of the manner by which the earnout note was valued is set forth at Note 3.

The acquisition was accounted for as a business combination. Based upon its analysis of the above facts, the Company determined that the acquisition of the GM2 System was also a related party transaction. Accordingly, the asset acquired was recorded on the cost basis at the time of the acquisition with the total cost being recorded to compensation expense.

The assets acquired and liabilities assumed were comprised of the following:

Contingent liability as of July 31, 2018	$	1,055,312
Fair value loss on contingent liability		16,119
Total liabilities assumed as of October 31, 2018		1,071,431
Net fair value loss on contingent liability – related party	$	16,119

NOTE 10 – CONTINGENT LIABILITY

The Company recorded a contingent liability to reflect the earn-out note calculated at 50% of the revenues generated by the GM2 Asset system starting from March 1, 2018 till February 28, 2019. The estimated potential obligation with this agreement was recorded at a fair value of $1,071,431, as of October 31, 2018, based upon the actual and projected revenues from these assets. However, it is not possible for the Company to estimate the potential future payments exactly until after February 28, 2019; therefore, this amount will be adjusted quarterly to ensure that the value is as accurate as possible until the final amount is known.

NOTE 11 – SUBSEQUENT EVENTS

On November 5, 2018, the Company's Board of Directors approved an increase to executive base salaries in terms of the 'Consulting Services Agreements' dated 22nd February 2016, item 3, minimum Base Salary Increase of 10%, effective November 1, 2018.

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 three months ended October 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, 2018 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 Ibex 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 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.

On April 1, 2016, the Company entered a services 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 March 2, 2018, the Company reaffirmed its operator service agreement with 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.

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 totalling $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 totalling $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 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.

On February 28, 2018, the Company entered into an Asset Purchase Agreement with Luxor Capital, LLC(" Luxor"), which is wholly owned by Company's Chief Executive Officer Anthony Goodman. Pursuant to the Asset Purchase Agreement, the Company purchased certain Intellectual Property and Know-how (the "GM2 Asset"), in exchange, the Company issued 625,000,000 shares of common stock, and an Earnout Note calculated at 50% of the revenues generated by the GM2 Asset during the 12-month period of March 1, 2018 to February 28, 2019 to Luxor. The GM2 Asset 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 (the "License Agreement") with Articulate Pty Ltd. ("Articulate"), which is wholly owned by Anthony Goodman. 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 July 1, 2018, the Company entered into a License Agreement with Red Label Technology Pty Ltd ("Red label Tech"), the Company agreed to provide interactive gaming technology, online marketing systems and customer relation management systems. Red label Tech received a license from the Company to use a unique system in incorporating social gaming content, social gaming management and marketing solution to support B2B business.

On September 10, 2018, the Company entered into Settlement Agreement with Luxor Capital LLC ("Luxor") whereby the parties agreed to release each other from any, and all liabilities relating to the Convertible Promissory Note. Pursuant to the Settlement Agreement, the Company agreed to pay out the remaining balance of the note totalling $649,414 by converting $209,414 into common stock at a conversion price $0.001, by making a payment of $150,000 and by entering into an interest free loan for the balance of $290,000, such loan to be repaid in two equal instalments of $145,000 on the 10th September 2019 and 10th September 2020.

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 October 31, 2018 compared to the three months ended October 31, 2017.

Revenues

We generated $638,695 worth of related and third revenues during the three months ended October 31, 2018 compared to $30,000 for the three months ended October 31, 2017. The increase of the revenue was mainly due to the increase of software usage fees arising from License Agreement with Articulate Pty Ltd, a related party.

Cost of goods sold

During the three months ended October 31, 2018 and 2017, cost of goods sold were $69,524 and $0, respectively. The increase was due to the consulting expense on the stock options granted to consultants in the 2018 Equity Incentive Plan, which directly contributed to the revenue generating GM2 asset.

General and administrative Expenses

During the three months ended October 31, 2018 and 2017, general and expense were $118,230 and $75,336 respectively. The increase in general and administrative expense was primarily a result of the increasing on travel expense, and advertising and promotion expense. General and administrative expenses primarily consist of office expenses, advertising and promotion expense , and consulting fees.

Compensation Expense – Acquisition Cost - Related Party

During the three months ended October 31, 2018 and 2017, loss on contingent liability - related party expense was $16,119 and $0. The increase in General and Administrative Acquisition Cost was a result of an Asset Purchase Agreement entered into on February 28, 2018, with Luxor Capital, LLC(" Luxor"), which is wholly owned by Company's Chief Executive Officer Anthony Goodman. Pursuant to the Asset Purchase Agreement, the Company purchased certain Intellectual Property and Know-how (the "GM2 Asset").

Professional fees

During the three months ended October 31, 2018 and 2017, professional fees were $20,831 and $20,411, respectively. The decrease in professional fees was primarily a result of the decrease in auditing fees. Professional fees consisted primarily of SEC filing fees, legal fees and accounting and audit fees.

Amortization Expense

During the three months ended October 31, 2018 and 2017, amortization expenses were $57,347 and $0, respectively. The increasing of amortization expense was due to the stock options and warrants granted in the 2018 Equity Incentive Plan.

Interest Expense

During the three months ended October 31, 2018 and 2017, interest expense was $7,792 and $73,709 respectively. The decrease of interest expense was mainly due to settlement agreements.

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

Unrealized loss on derivative liabilities - note conversion feature was $16,747 and $319,401 for the three months ended October 31, 2018 and 2017, respectively. The change was primarily resulted from the fluctuation of the Company's stock price.

Gain (Loss) on extinguishment of debt

During the three months ended October 31, 2018, loss on extinguishment of debt was $106 compared with a gain of $814 during the three months ended October 31, 2017. The change primarily resulted from Settlement Agreement and Mutual General Release signed on August 28, 2018 with LG Capital LLC, and Settlement Agreement entered on September with Luxor Capital LLC on September, 2018.

Net Income (Loss)

We had an income of $331,999 and a net loss of $458,043 for the three months ended October 31, 2018 and 2017, respectively. The increase of net income in 2018 was as a result of the items discussed above.

Liquidity and Capital Resources

The Company had $580,407 in cash at October 31, 2018.

During the three months ended October 31, 2018 and 2017, cash provided by operating activities was $234,246 and cash used in operating activities was $20,942, respectively. The change in the amounts of cash used for operating activities was primarily due to the payment received from customers.

During the three months ended October 31, 2018, cash used in financing activities was $102,420 compared to cash provided in financing activities of $38,000 for three months ended October 31, 2017. The change in the amounts of cash provided for financing activities was primarily due to the settlement of convertible notes.

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, 2018, 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 October 29, 2018 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 September 10, 2018, the holder of a convertible note converted $209,414 of principal into 209,414,000 shares of common stock.

On October 1, 2018, the Company issued 3,000,000 shares to Joshua Ramsdell regarding to the Consulting Services Agreement entered on June 7, 2018.

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 *Sarbanes-Oxley Act of 2002*
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 *Sarbanes-Oxley Act of 2002*
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: November 26, 2018		*/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: November 26, 2018		*/s/ Anthony Goodman*
	By:	**Anthony Goodman**
	Its:	Chief Executive Officer
Dated: November 26, 2018		*/s/ Weiting Feng*
	By:	**Weiting Feng**
	Its:	Chief Financial Officer

EXHIBIT 31.1

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: November 26, 2018

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

EXHIBIT 32.1

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 October 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: November 26, 2018

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