

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, 2020

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

(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)(Zip Code)

(702) 318-7548

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None.

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 every Interactive Data File required to be submitted 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 such files). Yes No

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised accounting standard provided pursuant to Section 13(a) of the Exchange Act

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 December 11, 2020, there were 21,332,636 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”) and the Private Securities Litigation Reform Act of 1995. 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,” “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. You should read the matters described and incorporated by reference in “Risk Factors” and the other cautionary statements made in this Report, and incorporated by reference herein, as being applicable to all related forward-looking statements wherever they appear in this Report. We cannot assure you that the forward-looking statements in this Report will prove to be accurate and therefore prospective investors are encouraged not to place undue reliance on forward-looking statements.

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

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

GOLDEN MATRIX GROUP, INC Consolidated Balance Sheets

	As of October 31, 2020	As of January 31, 2020
	(Unaudited)	(Audited)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 5,009,996	\$ 1,856,505
Accounts receivable, net	755,553	791,340
Accounts receivable – related parties, net	1,046,280	1,058,874
Total current assets	<u>6,811,829</u>	<u>3,706,719</u>
Total assets	<u>\$ 6,811,829</u>	<u>\$ 3,706,719</u>
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 243,371	\$ 25,621
Accounts payable - related parties	405,313	660,682
Advances from shareholders	1,000	1,000
Accrued interest	123	41,964
Settlement payable - related party – in default	66,803	145,000
Settlement payable - related party	-	145,000
Convertible notes payable, net of discounts	-	30,000
Convertible notes payable, net - in default	-	10,000
Promissory note - related party	-	174,254
Contingent liability	29,988	-
Customer deposits	211,171	-
Total current liabilities	<u>957,769</u>	<u>1,233,521</u>
Total liabilities	<u>\$ 957,769</u>	<u>\$ 1,233,521</u>
Shareholders' equity:		

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, 40,000,000 shares authorized, 20,743,430 and 18,968,792 shares issued and outstanding, respectively	\$ 207	\$ 190
Additional paid-in capital	30,979,575	27,944,652
Accumulated other comprehensive loss	(683)	(683)
Accumulated deficit	(25,125,039)	(25,470,961)
Total shareholders' equity	5,854,060	2,473,198
Total liabilities and shareholders' equity	\$ 6,811,829	\$ 3,706,719

See accompanying notes to consolidated financial statements.

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

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2020	2019	2020	2019
Revenues	\$ 920,696	\$ 362,276	\$ 1,637,951	\$ 812,295
Revenues-related party	570,768	519,569	1,633,702	1,599,526
Cost of goods sold	(619,042)	(32,193)	(1,045,270)	84,311
Gross profit	872,422	849,652	2,226,383	2,496,132
Costs and expenses:				
General and administrative expense	199,103	87,346	414,965	275,309
General and administrative expense- related party	569,823	194,665	1,312,842	398,735
Bad debt expense	-	-	-	168,557
Loss on contingent liability – related party	-	-	-	6,791
Research and development expense	18,671	-	18,671	-
Professional fees	43,215	18,815	110,336	49,378
Total operating expenses	830,812	300,826	1,856,814	898,770
Gain from operations	41,610	548,826	369,569	1,597,362
Other income (expense):				
Interest expense	(1,083)	(16,390)	(10,897)	(53,746)
Interest earned	42	9,286	1,570	17,406
Foreign exchange loss	(10,011)	-	(14,320)	-
Gain on derivative liability	-	4,166	-	984
Total other (expense)	(11,052)	(2,938)	(23,647)	(35,356)
Net income	\$ 30,558	\$ 545,888	\$ 345,922	\$ 1,562,006
Net earnings per common share – basic	\$ 0.00	\$ 0.03	\$ 0.02	\$ 0.08
Net earnings per common share diluted	\$ 0.00	\$ 0.02	\$ 0.01	\$ 0.06
Weighted average number of common shares outstanding – basic	20,267,357	18,968,792	19,426,309	18,954,384
Weighted average number of common shares outstanding –diluted	32,554,229	28,004,614	31,415,294	27,892,724

See accompanying notes to consolidated financial statements.

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GOLDEN MATRIX GROUP, INC.
Consolidated Statement of Shareholders' Equity (Deficit)
(Unaudited)
Nine Months Ended October 31, 2019 and 2020

	Preferred Stock- Series B		Common Stock		Additional Paid-in Capital	Stock Payable	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholder's Equity (Deficit)
	Shares	Amount	Shares	Amount					
Balance at January 31, 2019	1,000	\$ -	18,902,125	\$ 189	\$27,336,340	\$ -	\$ (683)	\$ (27,453,853)	\$ (118,007)
Issuance of shares for services	-	-	66,667	1	27,999	-	-	-	28,000
Fair value of options/warrants issued for services	-	-	-	-	269,828	-	-	-	269,828
Imputed interest	-	-	-	-	12,055	-	-	-	12,055

Gain on extinguishment of debt – related party	-	-	-	-	114,618	-	-	-	114,618
Net income	-	-	-	-	-	-	-	279,323	279,323
Balance at April 30, 2019	<u>1,000</u>	<u>-</u>	<u>18,968,792</u>	<u>\$ 190</u>	<u>\$27,760,840</u>	<u>-</u>	<u>\$ (683)</u>	<u>\$ (27,174,530)</u>	<u>\$ 585,817</u>
Adjustment for settlement of convertible note	-	-	-	-	1	-	-	-	1
Fair value of options/warrants issued for services	-	-	-	-	(293,670)	-	-	-	(293,670)
Imputed interest	-	-	-	-	4,385	-	-	-	4,385
Net income	-	-	-	-	-	-	-	736,795	736,795
Balance at July 31, 2019	<u>1,000</u>	<u>-</u>	<u>18,968,792</u>	<u>\$ 190</u>	<u>\$27,471,556</u>	<u>-</u>	<u>\$ (683)</u>	<u>\$ (26,437,735)</u>	<u>\$ 1,033,328</u>
Fair value of options/warrants issued for services	-	-	-	-	152,872	-	-	-	152,872
Imputed interest	-	-	-	-	4,386	-	-	-	4,386
Net income	-	-	-	-	-	-	-	545,888	545,888
Balance at October 31, 2019	<u>1,000</u>	<u>-</u>	<u>18,968,792</u>	<u>\$ 190</u>	<u>\$27,628,814</u>	<u>-</u>	<u>\$ (683)</u>	<u>\$ (25,891,847)</u>	<u>\$ 1,736,474</u>
Balance at January 31, 2020	<u>1,000</u>	<u>-</u>	<u>18,968,792</u>	<u>\$ 190</u>	<u>\$27,944,652</u>	<u>-</u>	<u>\$ (683)</u>	<u>\$ (25,470,961)</u>	<u>\$ 2,473,198</u>
Fair value of options/warrants issued for services	-	-	-	-	291,056	-	-	-	291,056
Issuance of shares for services	-	-	-	-	-	37,000	-	-	37,000
Imputed interest	-	-	-	-	4,291	-	-	-	4,291
Net income	-	-	-	-	-	-	-	229,739	229,739
Balance at April 30, 2020	<u>1,000</u>	<u>-</u>	<u>18,968,792</u>	<u>\$ 190</u>	<u>\$28,239,999</u>	<u>\$ 37,000</u>	<u>\$ (683)</u>	<u>\$ (25,241,222)</u>	<u>\$ 3,035,284</u>
Fair value of options/warrants issued for services	-	-	-	-	367,569	-	-	-	367,569
Issuance of shares for services	-	-	66,667	-	37,000	(37,000)	-	-	-
Imputed interest	-	-	-	-	3,462	-	-	-	3,462
Reverse split rounding up	-	-	3,639	-	-	-	-	-	-
Net income	-	-	-	-	-	-	-	85,625	85,625
Balance at July 31, 2020	<u>1,000</u>	<u>-</u>	<u>19,039,098</u>	<u>\$ 190</u>	<u>\$28,648,030</u>	<u>-</u>	<u>\$ (683)</u>	<u>\$ (25,155,597)</u>	<u>\$ 3,491,940</u>
Shares issued for cashless exercise of options	-	-	1,177,303	12	(12)	-	-	-	-
Shares issued for private placement	-	-	527,029	5	1,791,858	-	-	-	1,791,863
FV of option/warrants issued for services	-	-	-	-	538,632	-	-	-	538,632
Imputed interest	-	-	-	-	1,067	-	-	-	1,067
Net income	-	-	-	-	-	-	-	30,558	30,558
Balance at October 31, 2020	<u>1,000</u>	<u>-</u>	<u>20,743,430</u>	<u>\$ 207</u>	<u>\$30,979,575</u>	<u>-</u>	<u>\$ (683)</u>	<u>\$ (25,125,039)</u>	<u>\$ 5,854,060</u>

See accompanying notes to consolidated financial statements.

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

	Nine Months Ended	
	October 31,	October 31,
	2020	2019
Cash flows from operating activities:		
Net income	\$ 345,922	\$ 1,562,006
Adjustments to reconcile net income to cash provided by operating activities:		
Unrealized gain on derivative liabilities-note conversion feature	-	(984)
Adjustment for settlement of convertible note	-	1
Fair value of stock option issued for services	164,762	(84,311)
Fair value of shares issued for services	37,000	28,000

Stock based compensation	1,032,495	213,341
Fair value loss on contingent liability-related party	-	6,791
Imputed interest	8,820	20,826
Penalty on convertible notes payable	-	3,500
Bad debt expense	-	168,557
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable, net	35,787	(638,643)
(Increase) decrease in accounts receivable – related party	(397,451)	109,722
(Decrease) increase in accounts payable and accrued liabilities	247,738	(15,361)
Increase in accounts payable – related party	154,676	178,566
Increase in customer deposit	211,171	-
(Decrease) increase in accrued interest	(41,841)	32,920
Net cash provided by operating activities	\$ 1,799,079	\$ 1,584,931
Cash flows from financing activities:		
Proceeds from sale of stock	1,791,863	-
Repayments on settlement payable – related party	(223,197)	-
Repayments on notes payable	(40,000)	-
Repayments on promissory note – related party	(174,254)	(398,313)
Net cash provided by (used in) financing activities	\$ 1,354,412	\$ (398,313)
Net increase in cash and cash equivalents	3,153,491	1,186,618
Cash and cash equivalents at beginning of year	1,856,505	1,118,499
Cash and cash equivalents at end of the quarter	5,009,996	2,305,117
Supplemental cash flows disclosures		
Interest paid	\$ 43,918	-
Tax paid	-	-
Supplemental disclosure of non-cash activities		
Offset of accounts payable with accounts receivable – related party	\$ 410,045	\$ -
Extinguishment of contingent liability – related party	\$ -	\$ 1,031,567
Gain on extinguishment of contingent liability – related party	\$ -	\$ 114,618
Cashless exercise of options	\$ 12	\$ -

See accompanying notes to consolidated financial statements.

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

NOTE 1 - BASIS OF PRESENTATION AND ACCOUNTING POLICIES

Organization and Operations

Golden Matrix Group, Inc. (“GMGI” or “Company”) was incorporated in the State of Nevada on June 4, 2008, under the name Ixex Resources Corp. The Company’s business at the time was mining and exploration of mineral properties. On September 15, 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’s 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 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 Transition Report for the period from August 1, 2019 to January 31, 2020 on Form 10-KT filed with the SEC on June 8, 2020 (as amended by Amendment No. 1 thereto filed with the SEC on July 15, 2020 and amended by Amendment No. 2 filed with the SEC on October 28, 2020).

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.

Reverse Stock Split

On June 26, 2020, the Company completed a 1-for-150 reverse stock split with respect to the Company’s Common Stock. The reverse stock split had no effect on the par value of the Common Stock. The number of authorized shares was reduced proportionally.

The reason for the reverse stock split was to increase the trading price of the Company’s Common Stock in an effort to meet the requirements to up list the Common Stock on to The NASDAQ Capital Market. As of the date of this Report, the Company has applied for the listing of its Common Stock on the Nasdaq Capital Market, but no such listing has been approved.

For purposes of presentation, the consolidated financial statements and footnotes have been adjusted for the number of post-split shares as if the split had occurred at the earliest period presented.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include contingent liability, stock-based compensation, warrant valuation, accrued expenses and collectability of accounts receivable. The Company evaluates its estimates on an on-going basis and bases its estimates on historical experience and on various other assumptions the Company believes to be reasonable. Due to inherent uncertainties, actual results could differ from those estimates.

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Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The Company currently has no cash equivalents.

Revenues

The Company currently has two distinctive revenue streams.

1. The Company charges gaming operators for the use of its unique IP and technology systems.
2. The Company acquires the third-party gaming content for a fixed cost and resells the content at a margin.

According to Financial Accounting Standards Board (FASB) Topic 606, *Revenue Recognition*, our company recognizes revenues 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.

For the first revenue stream, the Company provides services to the counterparty which include licensing the use of its unique IP and technology systems. The counterparty pays consideration in exchange for those services which include a variable amount depending on the Software Usage. The Company only recognizes the revenue at the month end when the usage occurs and the revenue is based on the actual Software Usage of its customers.

For the second revenue stream, the Company acts as an agent and provides a third-party gaming content which is utilized by the client. The counterparty pays consideration in exchange for the gaming content utilized. The Company only recognizes the revenue at the month end when the usage of the gaming content occurs and the revenue is based on the actual usage of the gaming content.

Earnings Per Common Share

Basic net earnings per Common Share are computed by dividing net earnings available to common shareholders by the weighted-average number of Common Shares outstanding during the period. Diluted net earnings per Common Share are determined using the weighted-average number of Common Shares outstanding during the period, adjusted for the dilutive effect of Common Stock equivalents.

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.

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The following table sets forth the calculation of basic and diluted net earnings per share for the periods ended October 31, 2020 and 2019. All shares and per share amounts have been adjusted for the 1-for-150 reverse stock split which took effect on June 26, 2020:

	For the Three Months Ended October 31,		For the Nine Months Ended October 31,	
	2020	2019	2020	2019
Basic earnings per common share				
Numerator:				
Net income available to common shareholders	\$ 30,558	\$ 545,888	\$ 345,922	\$ 1,562,006
Denominator:				
Weighted average common shares outstanding	20,267,357	18,968,792	19,426,309	18,954,384
Basic earnings per common share	\$ 0.00	\$ 0.03	\$ 0.02	\$ 0.08
Diluted earnings per common share				
Numerator:				
Net income available to common shareholders	\$ 30,558	\$ 545,888	\$ 345,922	\$ 1,562,006
Denominator:				
Weighted average common shares outstanding	20,267,357	18,968,792	19,426,309	18,954,384
Preferred shares	1,000	1,000	1,000	1,000
Warrants/Options	12,285,872	8,979,749	11,987,985	8,882,267
Convertible debt	-	55,073	-	55,073
Adjusted weighted average common shares outstanding	32,554,229	28,004,614	31,415,294	27,892,724
Diluted earnings per common share	\$ 0.00	\$ 0.02	\$ 0.01	\$ 0.06

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.

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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 or 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.

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Stock-Based Compensation

The Stock-based compensation expense is recorded as a result of stock options granted in return for services rendered. For the comparative periods, the share-based payment arrangements with employees were accounted for under FASB Accounting Standards Codification (ASC) 718, while nonemployee share-based payments issued for goods and services are accounted for under ASC 505-50. ASC 505-50 differs significantly from ASC 718. On June 20, 2018, the FASB issued Accounting Standards Update (ASU) 2018-07, which simplifies the accounting for share-based payments granted to nonemployees for goods and services. Under the ASU, most of the guidance on such payments to nonemployees would be aligned with the requirements for share-based payments granted to employees. The Company has adopted the new standard and has made some adjustment with regard to the share-based compensation costs during last fiscal year. Under ASU 2018-07, the measurement of equity-classified nonemployee share-based payments is generally fixed on the grant date, and the options are no longer revalued on each reporting date. The expenses related to the share-based compensation are recognized on each reporting date. The amount is calculated as the difference between total expenses incurred and the total expenses already recognized.

The stock-based compensation of options issued to consultants was recognized as a component of cost of goods sold based on the fact that the stock-based compensation is the direct labor cost associated with running the Company’s GM2 Asset system.

Subsequent Events

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

Recent Issued Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). Under such guidance, lessees are required to recognize all leases (with the exception of short-term leases) on the balance sheet as a lease liability, which is a lessee’s obligation to make lease payments arising from a lease, measured on a discounted basis and a right-of-use asset, which is an asset that represents the lessee’s right to use, or control the use of, a specified asset for the lease term. The new standard was effective for annual reporting periods beginning after December 15, 2018, including interim periods within that reporting period, with early application permitted.

The new standard was adopted using a modified retrospective approach. The Company does not have any lease agreements or have any contracts that contain lease elements.

On June 20, 2018, the FASB issued ASU 2018-07, which simplifies the accounting for share-based payments granted to nonemployees for goods and services. Under the ASU, most of the guidance on such payments to nonemployees would be aligned with the requirements for share-based payments granted to employees.

For public business entities (PBEs), the amendments in ASU 2018-07 are effective for fiscal years beginning after December 15, 2018, including interim periods therein. Early adoption is permitted if financial statements have not yet been issued (for PBEs), but no earlier than an entity's adoption date of ASC 606. If early adoption is elected, all amendments in the ASU that apply must be adopted in the same period. In addition, if early adoption is elected in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period.

The Company has adopted ASU 2018-07 and has adjusted the share-based compensation costs during the last fiscal year. The Company's management believes the new standard can best represent the Company's operating results.

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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.

Impact of COVID-19 Pandemic on Consolidated Financial Statements.

The outbreak of the 2019 novel coronavirus disease ("COVID-19"), which was declared a global pandemic by the World Health Organization on March 11, 2020, and the related responses by public health and governmental authorities to contain and combat its outbreak and spread has severely impacted the U.S. and world economies. Decreased demand for our products and services caused by COVID-19 could have a material adverse effect on our results of operations. Separately, economic recessions, including those brought on by the COVID-19 outbreak may have a negative effect on the demand for our products, services and our operating results. The range of possible impacts on the Company's business from the coronavirus pandemic could include, but are not limited to: (i) changing demand for the Company's products and services; (ii) the closure of, or reduction in the number of persons who may be present in, establishments using the Company's technology (resulting in a decrease in demand for such technology); (iii) travel restrictions and stay at home orders; (iv) recessions and other economic contractions which may decrease the amount of discretionary spending available to consumers and/or the amount such consumers are willing to spend; and (v) increasing contraction in the capital markets. At this time, the Company believes that it is premature to determine the potential impact on the Company's business prospects from these or any other factors that may be related to the coronavirus pandemic.

NOTE 2 - NOTES PAYABLES

Convertible Notes Payable

Convertible notes payable at October 31, 2020 and January 31, 2020 consisted of the following:

	<u>October 31,</u> <u>2020</u>	<u>January 31,</u> <u>2020</u>
Convertible Note #2	-	30,000
Convertible Note #59	-	10,000
Notes payable, principal	\$ -	\$ 40,000

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 was unsecured, interest free and repayable upon demand. The note had a conversion price of \$0.01 per share.

On August 1, 2019, the Company, Pursuant to "Chapter 104 - Uniform Commercial Code—Original Articles, NRS 104.3603 - Tender of payment. NV Rev Stat § 104.3603 (2013)" and other applicable law, issued a Notice of Tender to the Note Holder, Greenshoe LLC, by a registered letter. The Company tendered full payment for the then outstanding balance of the Note, in the amount of \$30,000. Such tender of payment by the Company to Greenshoe LLC was in full discharge of the Company's obligations under the Note #2. The registered letter was returned to sender "Address Unknown".

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Due to the fact that the Company's attempts to locate the Note Holder have been unsuccessful, on June 15, 2020, the Company filed an unclaimed property report and made a payment of \$30,000 to the Nevada State Treasurer's Unclaimed Property Division. The Division accepted the filing and drew the funds from the Company's bank account on June 17, 2020. The Division will hold the \$30,000 in perpetuity and publicly advertise the rightful owners' information in an effort to return the fund. Pursuant to the Nevada's Unclaimed Property program, once the funds are transferred to the Division, the Company is released from any liability for the repayment of the note.

As of October 31, 2020, the principal 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 was unsecured, with an interest rate of 8% per annum, and matured on January 31, 2016. Any principal amount not paid by the maturity date bore interest at 22% per annum.

On April 26, 2016, \$50,000 of the note was assigned to Blackbridge Capital, LLC ("Blackbridge"). Blackbridge failed to meet the terms of the Assignment and Assumption and was therefore in default of their obligations. The Company took legal advice regarding the breach of Blackbridge Capital LLC's obligations. On 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 of \$47,151.

On July 21, 2016, \$25,000 of the note was assigned 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”.

On September 22, 2016, the Company entered into a Cancellation and Release Agreement with Direct Capital Group, Inc. (“Direct”). Pursuant to the terms of the 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 Note and pursuant to the terms of the Asset Purchase Agreement dated February 22, 2016, the Company 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 would release all future claims to subsequent conversions of the Notes and the Company would have no further obligation to Direct under those Convertible Notes and Direct would 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.

On August 1, 2019, the Company, Pursuant to “Chapter 104 - Uniform Commercial Code—Original Articles, NRS 104.3603 - Tender of payment. NV Rev Stat § 104.3603 (2013)” and other applicable law, issued a Notice of Tender to Istvan Elek by a registered letter. The Company tendered full payment for the then outstanding balance of the Note, in the amount of \$12,424. Such tender of payment by the Company to Istvan Elek was in full discharge of the Company’s obligations under the Note #59. The registered letter was received by the counter party but the Company did not receive any responses from Istvan Elek until on August 6, 2020, when the Company received multiple telephone messages from Mr Elek’s attorney.

On August 10, 2020, Mr. Istvan Elek’s attorney and the Company have reached an agreement regarding the final payment to settle the convertible notes owed to Mr. Elek. The Company agreed to pay Mr. Istvan Elek \$13,242 in total, including \$10,000 of principal and \$3,242 of accrued interest. On August 17, 2020, the Company made the payment to the designated bank account and the convertible note was settled.

As of October 31, 2020, there was no outstanding balance on the note.

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Loans from Shareholders

During the year ended July 31, 2016, the Company received a loan of \$1,000 from Anthony Brian Goodman, the Company’s Chief Executive Officer, to open a new bank account. As of October 31, 2020, the balance of the loan was \$1,000. The loan from the officer is due on demand, unsecured and bears no interest.

Settlement Payable – Related Party

On March 1, 2016, the Company entered into a convertible promissory note with Luxor Capital, LLC, which is wholly-owned by Anthony Brian Goodman, CEO of the Company (“Luxor”) in the amount of \$2,374,712. The promissory note was unsecured, with an interest rate of 6% per annum, and matured on March 1, 2017.

On September 10, 2018, the Company entered into a Settlement Agreement with 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 totaling \$649,414 by converting \$209,414 into common stock at a conversion price of \$0.15 per share, 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 September 10, 2019 and September 10, 2020. As a result, the principal balance of the convertible promissory note was reduced to \$0 and a liability of \$290,000 was transferred to the settlement payable due to this Settlement Agreement. On September 10, 2018, 1,396,094 shares of Common Stock were issued for the conversion of \$209,414.

For the nine months ended October 31, 2020, the Company paid \$223,197 to Luxor against the settlement payable. As of October 31, 2020, the balance of the settlement payable was \$66,803, which was in default. Although Luxor did not charge interest on its loan to the Company, it was treated as an in-kind contribution, as a result, an imputed interest expense of 6% was recorded.

Promissory Note Payable – Related Party

On February 28, 2018, the Company entered into an Asset Purchase Agreement with Luxor. Pursuant to the agreement, the Company purchased certain Intellectual Property and Know-how (the “GM2 Asset”). In exchange for the GM2 Asset, the Company issued 4,166,667 shares of common stock valued at \$187,500 based on the 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, would 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 recorded a contingent liability of \$1,055,312 relating to such obligation. By the end of February 28, 2019, a \$90,873 fair value loss on contingent liability was recognized due to the adjustment on the estimate of the potential future payments of the earn-out note.

Related to the earn-out note, as of February 28, 2019, the Company recorded a contingent liability of \$1,146,185 for the liability due to Luxor. On April 1, 2019, Luxor proposed a 10% discount on the payable amount, and the Company agreed to issue a Promissory Note of \$1,031,567 relating to the Asset Purchase agreement, and \$114,618 of additional paid in capital was recorded for gain on extinguishment – related party. The note bears a 6% annual rate.

Pursuant to the Promissory Note, 20% of the total value was required to be paid on signing the agreement, 40% of the total value was required to be paid on October 1, 2019, and 40% of the total value including any accrued interest was required to be paid on April 1, 2020. The late payment fee would be \$500 per month.

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For the nine months ended October 31, 2020, the Company paid \$214,930 to Luxor against the Promissory Note Payable, including against the principal amount of \$170,254, interest accrued of \$40,676 and late fee payable of \$4,000. As of October 31, 2020, there was no outstanding balance on this note.

NOTE 3 - CONTINGENT LIABILITY

On July 31, 2020, the Company received a penalty in a total amount of \$29,988 from the Office of the Nevada State Treasurer. The reason for the penalty was that the Company failed to report, pay and deliver the \$30,000 unclaimed convertible note to the Unclaimed Property Division within the time prescribed by Nevada Revised Statute 120A.730. The Company was required to pay interest at a rate of 18 percent per annum on the \$30,000 accrued from October 15, 2015 to June 15, 2020. An additional civil penalty of \$200 for each day the report, payment or delivery is withheld or the duty is not performed is also applied, up to a maximum of \$5,000. The Company has applied for the extenuation of the penalty. Per the Office of State Treasurer’s requirement, in order to receive a waiver from accumulated penalties, the Company must apply for the Voluntary Disclosure Agreement Program. The Company has applied for the Program and is waiting for the response from the Office of State Treasurer.

NOTE 4 - CUSTOMER DEPOSITS

The Company has two sources of customer deposits.

One source of deposits is from the Company's new customer participating in the Progressive Jackpot Games. The client will be required to provide the Company with a minimum deposit amount of \$5,000, which will serve as a deposit for the Progressive Contribution Fee. During the tenure of the client's operation, the deposit will not be used to deduct or offset any invoices, and when the client decides not to operate, the deposit will be fully refunded to the client. As of October 31, 2020, a total of \$5,000 of customer deposits is from this source.

The other source of deposits is the payment from customers in advance of any usages of gaming content. As the gaming content is utilized by the customers, revenues are recognized. As of October 31, 2020, a total of \$206,171 of customer deposits is from this source.

NOTE 5 - 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.

Luxor Capital, LLC

On February 22, 2016, the Company entered into an Asset Purchase Agreement with Luxor, which is wholly-owned by Anthony Brian Goodman, CEO of the Company. The Company purchased certain Gaming IP, along with the "know how" of that Gaming IP from Luxor. Pursuant to the Asset Purchase Agreement, 74 shares of Common Stock have been issued to Luxor Capital, LLC and its designated party.

On March 1 2016, the Company issued a convertible promissory note to Luxor. The Company promised to pay to Luxor the principal amount of \$2,874,712 together with any accrued interest at a rate of 6%.

On September 10, 2018, the Company entered into Settlement Agreement and Mutual General Release Agreement (the "Settlement Agreement") with Luxor to release all liabilities relating to the Convertible Note issued on March 1, 2016 (the "Note"), the Company agreed to pay out the remaining balance totaling \$649,414, by converting \$209,414 into Common Stock at a conversion price of \$0.15 per share, and a payment of \$150,000, and by entering into an interest free loan for the remaining balance of \$290,000.

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As of October 31, 2020, the interest free loan consisted of the settlement payable of \$66,803. Although Luxor did not charge interest on this loan, the imputed interest was still recorded.

On February 28, 2018, the Company entered into the Asset Purchase Agreement with Luxor to acquire the GM2 Asset and the related note, as discussed in greater detail above under "NOTE 2 - NOTES PAYABLES" - "Promissory Note Payable".

Anthony Brian Goodman

On February 22, 2016, the Company entered into a Consulting Service Agreement with its Chief Executive Officer, Anthony Brian Goodman. Pursuant to the Agreement, the consulting fee could be settled in shares. On December 12, 2017, the Company issued 518,538 shares of common stock to settle an account payable of \$30,000 owed to Mr. Goodman. On June 18, 2018, the Company issued 166,667 shares of common stock to settle an account payable of \$30,000 owed to Mr. Goodman. As of October 31, 2020, the total consulting fee payable to Mr. Goodman was \$139,350.

On October 26, 2020, the Company entered into an Employment Agreement with Anthony Brian Goodman. Pursuant to the agreement, Mr. Goodman is to receive an annual salary of \$144,000, plus a superannuation of 9.5% of Mr. Goodman's salary. As of October 31, 2020, total wage payable to Mr. Goodman was \$2,769 and the superannuation payable was \$263.

On January 3, 2018, the Company adopted a stock option plan: the 2018 Equity Incentive Plan. Pursuant to this plan, on January 3, 2018 and September 19, 2019, the Company granted options to purchase shares of common stock to Anthony Brian Goodman. More details of the options are covered in "Note 6 – Equity".

Weiting Feng

On February 22, 2016, the Company entered into a Consulting Service Agreement with its Chief Financial Officer, Weiting Feng. Pursuant to the Agreement, the consulting fee could be settled in shares. On December 12, 2017, the Company issued 518,538 shares of common stock to settle an account payable of \$30,000 to Ms. Feng. On June 18, 2018, the Company issued 166,667 shares of common stock to settle an account payable of \$30,000 to Ms. Feng. As of October 31, 2020, the total consulting fee payable to Ms. Feng was \$254,404.

On October 26, 2020, the Company entered into an Employment Agreement with Weiting Feng. Pursuant to the agreement, Ms. Feng is to receive an annual salary of \$120,000, plus a superannuation of 9.5% of Ms. Feng's salary. As of October 31, 2020, total wage payable to Ms. Feng was \$2,308 and the superannuation payable was \$219.

On January 3, 2018, the Company adopted a stock option plan: the 2018 Equity Incentive Plan. Pursuant to this plan, on January 3, 2018 and September 16, 2019, the Company granted options to purchase shares of common stock to Weiting Feng. More details of the options are covered in "Note 6 – Equity".

Thomas E. McChesney

On April 24, 2020, the Board of Directors appointed Mr. Thomas E. McChesney as a member of the Board of Directors of the Company. Mr. McChesney's appointment was effective on April 27, 2020. The Board of Directors agreed to compensate Mr. McChesney \$2,000 per month payable in arrears and to grant Mr. McChesney options to purchase 100,000 shares of common stock in connection with his appointment. As of October 31, 2020, the Company had \$2,000 payable to Mr. McChesney. More details regarding the options are covered in "Note 6 – Equity".

Murray G. Smith

On July 27, 2020, the Board of Directors appointed Mr. Murray G. Smith as a member of the Board of Directors of the Company. Mr. Smith's appointment was effective on August 1, 2020. The Board of Directors agreed to compensate Mr. Smith \$2,000 per month payable in arrears and to grant Mr. Smith options to purchase

100,000 shares of common stock in connection with his appointment. As of October 31, 2020, the Company had \$2,000 payable to Mr. Smith. More details regarding the options are covered in "Note 6 – Equity".

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[Aaron Richard Johnston](#)

On August 13, 2020, the Board of Directors agreed to appoint Mr. Aaron Richard Johnston as a member of the Board of Directors of the Company subject to his acceptance. On August 23, 2020, the Company received Mr. Johnston's acceptance letter. The effective date of appointment was August 23, 2020. The Board of Directors agreed to compensate Mr. Johnston \$2,000 per month payable in arrears and to grant Mr. Johnston options to purchase 100,000 shares of common stock in connection with his appointment. As of October 31, 2020, the Company had \$2,000 payable to Mr. Johnston. More details regarding the options are covered in "Note 6 – Equity".

[Brett Goodman](#)

On May 1, 2020, the Company entered into a consultant agreement with Brett Goodman, the son of the Company's Chief Executive Officer, where Mr. Brett Goodman will provide consulting services assisting the Company with building a Peer to Peer gaming system. The consultant will be paid \$3,000 per month.

[Marla Goodman](#)

Marla Goodman is the wife of Anthony Brian Goodman, the Company's Chief Executive Officer. Marla Goodman owns 50% of Articulate Pty Ltd. (discussed below).

[Articulate Pty Ltd](#)

On April 1, 2016, the Company entered into a Back Office/Service Provider Agreement with Articulate Pty Ltd ("Articulate"), which is wholly-owned by Anthony Brian Goodman, CEO of the Company and his wife Marla Goodman, for consulting services. Pursuant to the agreement, Articulate would receive \$4,500 per month for services rendered and reimbursement of office expenses from the Company. On January 1, 2018, the Company amended the Back Office Agreement, in which Articulate discontinued providing services, however the term of the Back Office Agreement was to continue for an additional 12 months.

On December 1, 2018, the Company entered into an Amendment to Back Office Agreement with Articulate, pursuant to which the compensation payable thereunder increased from \$2,300 per month to \$5,500 per month.

On August 1, 2019, the Company entered into a Second Amendment to Back Office Agreement with Articulate. Based on the increased utilisation of office space, increased use of utilities, and accounting resources, the parties agreed to increase the contribution from \$5,500 per month to \$11,000 per month.

For the nine months ended October 31, 2020, general and administrative expense related to the Back Office Agreement was \$99,000.

On October 31, 2020, the Company and Articulate Pty Ltd reached an agreement, and entered into a memorandum dated as of the same date, to offset accounts payable with accounts receivable. Before the offset, the Company had \$410,045 accounts payable to Articulate and \$1,456,326 of accounts receivable from Articulate. After the offset, the Company had no accounts payable to Articulate and \$1,046,280 of accounts receivable from Articulate.

On March 1, 2018, the Company entered into a License Agreement with Articulate, in which Articulate received a license from the Company to use the GM2 Asset technology, and would pay the Company a usage fee calculated as a certain percentage of the monthly content and software usage within the GM2 Asset system.

Beginning on July 1, 2018, the Company provided system for usage in an additional currency, and a lower usage fee scale was agreed in an Addendum for the additional market.

During the nine months ended October 31, 2020, revenue from Articulate was \$1,633,702. As of October 31, 2020, the Company the Company had a \$1,046,280 receivable from Articulate after the offset described above.

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NOTE 6 - EQUITY

[Preferred Stock](#)

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

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 designating 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 1,000 shares of Series B Voting Preferred Stock previously issued to Santa Rosa Resources were transferred to Luxor pursuant to the terms of a February 22, 2016 Asset Purchase Agreement between Luxor and the Company.

As of October 31, 2020, 19,999,000 Series A preferred shares and 1,000 Series B preferred shares of par value \$0.00001 were designated, of which no Series A shares were issued and outstanding and 1,000 Series B shares were issued and outstanding.

Common Stock

On May 6, 2020, the Company issued 66,667 shares of Common Stock to James Caplan for services, in connection with an Addendum to Corporate Communication and Investor Relations Program entered into on March 20, 2020. The shares were recorded at their market value of \$37,000.

On June 26, 2020, the Company completed a 1-for-150 reverse stock split with respect to the Company's outstanding Common Stock. The reverse stock split had no effect on the par value of the common stock. The number of authorized shares of Common Stock was reduced to 40,000,000. All issued and outstanding shares of Common Stock were reduced at a ratio of 1 share for every 150 shares of Common Stock outstanding. All fractional shares were rounded up to the next whole number. As a result, 3,639 shares of Common Stock were issued due to the rounding up of fractional shares.

From August 14, 2020 to August 20, 2020, the Company offered for purchase to a limited number of accredited and offshore investors up to an aggregate of 900,000 units, each consisting of one share of common stock and one warrant to purchase one share of common stock for \$3.40 per unit. The warrants have an exercise price of \$4.10 per share (and no cashless exercise rights), and are exercisable until the earlier of (a) August 20, 2022, and (b) the 30th day after the Company provides the holder of the warrants notice that the closing sales price of the Company's common stock has closed at or above \$6.80 per share for a period of ten consecutive trading days (the "Ten-Day Period"). The warrants include a beneficial ownership limitation, which limits the exercise of the warrants held by any individual investor in the event that upon exercise such investor (and any related parties of such investor) would hold more than 4.999% of the Company's outstanding shares of common stock (which percentage may be increased to 9.999% with at least 61 days prior written notice to the Company from the investor). On December 7, 2020, the Ten-Day Period was triggered and the holders of the warrants have until the end of the day on January 7, 2021, to exercise such warrants before they expire.

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The Company sold 527,029 Units in total to 11 investors, raising cash of \$1,791,863. The relative fair value of the shares was \$1,034,438 and the relative fair value of the warrants was \$757,425 based on the amount of cash the Company received from the investors. The shares included in the Units purchased have been issued.

During the three months ended October 31, 2020, four consultants exercised their options. As a result, 1,177,303 shares were issued due to exercise of options. More details regarding the options are covered below in "Stock Option Plan".

As of October 31, 2020, 40,000,000 Common Shares of par value \$0.00001 per share were authorized, of which 20,743,430 shares were issued and outstanding.

Stock Option Plan

On January 3, 2018, the Company adopted a stock option plan: the 2018 Equity Incentive Plan. The fair value of stock options was measured using the Black-Scholes option pricing model. The Black-Scholes valuation model takes into consideration the share price of the Company, the exercise price of the option, the amount of time before the option expires, and the volatility of share price. Compensation expense will be charged to operations through the vesting period. The amount of cost will be calculated based on the new accounting standard ASU 2018-07. All shares and prices per share have been adjusted for a 1 share-for-150 shares reverse stock split that took effect on June 26, 2020:

(a) External Consultants:

On January 3, 2018, the Company granted stock options to 9 external consultants, with each of them being granted options to purchase 200,000 shares of Common Stock of the Company with an exercise price of \$0.06 per share, with a vesting period of three years, vesting 33% on each anniversary for three years. The expiration date is June 30, 2021. The fair value of each consultant's option was \$11,877 on the grant date based on the share price of \$0.06 on the granting date, an exercise price of \$0.06 per share, time to maturity of 3.5 years, and stock price volatility of 273%. During the financial year 2018, three of the consultants resigned, and their options were forfeited. During the financial year 2019, another two of the consultants resigned with one-third of their options vested and the remaining two-thirds of their options forfeited. Excepting the forfeited options, the fair value of the stock options above was \$55,425 in total on the grant date. On August 4, 2020, one of the consultants exercised 133,334 options to purchase shares of common stock in a cashless exercise pursuant to which 1,952 shares were surrendered to pay for the aggregate exercise price of the options and 131,382 shares were issued. During the nine months ended October 31, 2020, the amortization expense was \$11,931, which was recorded as cost of goods sold. As of October 31, 2020, 533,336 options were vested without being exercised, 266,664 options were not vested and the unamortized balance was \$2,600.

On March 15, 2018, the Company granted stock options to an external consultant, James Young. The consultant was granted options to purchase 1,400,000 shares of Common Stock of the Company with an exercise price of \$0.06 per share, with a vesting period of three years, vesting 33% on each anniversary for three years. The expiration date is June 30, 2021. The fair value of the option was \$41,209 on the grant date based on the share price of \$0.03 on the granting date, an exercise price \$0.06 per share, time to maturity of 3.5 years, and stock volatility of 263%. On September 1, 2020, options to purchase 933,334 shares of common stock were exercised in a cashless exercise pursuant to which 9,257 shares were surrendered to pay for the aggregate exercise price of the options, and 924,077 shares were issued. During the nine months ended October 31, 2020, the amortization expense was \$11,226, which was recorded as cost of goods sold. As of October 31, 2020, 933,334 options were vested and exercised, 466,666 options were not vested, and the unamortized balance was \$2,255.

On August 3, 2018, the Company granted stock options to an external consultant, Hongfei Zhang. The consultant was granted options to purchase 200,000 shares of Common Stock of the Company with an exercise price of \$0.12 with a vesting period of three years, vesting 33% on each anniversary for three years. The expiration date is June 30, 2021. The fair value of the stock options was \$22,056 on the grant date based on the share price of \$0.12 on the grant date, exercise price of \$0.12, time to maturity of 3.5 years, and stock volatility of 345%. During the nine months ended October 31, 2020, the amortization expense was \$5,547, which was recorded as cost of goods sold. As of October 31, 2020, 133,334 options were vested without being exercised, 66,666 options were not vested, and the unamortized balance was \$5,491.

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On November 28, 2018, the Company granted stock options to an external consultant, Su He. The consultant was granted options to purchase 200,000 shares of Common Stock of the Company with an exercise price of \$0.165 with a vesting period of three years, vesting 33% on each anniversary for three years. The expiration date is May 29, 2022. The fair value of the stock options was \$29,869 on the grant date based on the share price of \$0.165 on the grant date, an exercise price of \$0.165, time to maturity of 3.5 years, and stock volatility of 329%. During the nine months ended October 31, 2020, the amortization expense was \$9,303,

which was recorded as cost of goods sold. As of October 31, 2020, 66,667 options were vested without being exercised, 133,333 options were not vested, and the remaining unamortized balance was \$7,437.

On April 9, 2019, the Company entered into a Consultant Agreement and granted stock options to an external consultant, Marc Mcalister. The consultant was granted options to purchase 100,000 shares of Common Stock of the Company at an exercise price of \$0.33 per share with a vesting period of half a year, vesting 100% on October 9, 2019. The original expiration date was April 9, 2020. On March 26, 2020, the Company passed a Board Resolution to extend the expiration date by 3 months, and on July 1, 2020, the Company passed another Board Resolution to extend the expiration by 6 months. The expiration date was extended to January 9, 2021. The Company recorded a total of \$40 of cost of goods expense due to the exercise period being extended. The fair value of the stock options was \$16,820 on the grant date based on the share price of \$0.33 on the grant date, exercise price of \$0.33, time to maturity of 1 year, and stock volatility of 136%. During the nine months ended October 31, 2020, there was no amortization expense recorded as cost of goods sold. As of October 31, 2020, all the options were vested without being exercised, and there was no remaining unamortized balance.

On April 9, 2019, the Company entered into a Consultant Agreement and granted stock options to an external consultant, Michael Davies. The consultant was granted options to purchase 53,334 shares of Common Stock of the Company with an exercise price of \$0.33 per share, with a vesting period of half a year, vesting 100% on October 9, 2019. The original expiration date was April 9, 2020. On March 26, 2020, the Company passed a Board Resolution to extend the expiration date by 3 months, and on July 1, 2020, the Company passed another Board Resolution to extend the expiration by 6 months. The expiration date was extended to January 9, 2021. The Company recorded a total of \$21 of cost of goods expense due to the exercise period being extended. The fair value of the stock options was \$8,971 on the grant date based on the share price of \$0.33 on the grant date, exercise price of \$0.33, time to maturity of 1 year, and stock volatility of 136%. During the nine months ended October 31, 2020, there was no amortization expense recorded as cost of goods sold. As of October 31, 2020, all the options were vested without being exercised, and there was no remaining unamortized balance.

On June 11, 2019, the Company granted stock options to two external consultants, Zhe Yan and Yukun Qiu. Each consultant was granted options to purchase 200,000 shares of Common Stock of the Company with an exercise price of \$0.48 per share, and a vesting period of three years, vesting 33% on each anniversary of the grant, for three years. The expiration date is December 11, 2022. The fair value of the stock options for each consultant was \$75,312 on the grant date based on the share price of \$0.48 on the grant date, exercise price of \$0.48 per share, time to maturity of 3.5 years, and stock volatility of 244%. On September 1, 2020, one of the consultants exercised options to purchase 66,667 shares of common stock in a cashless exercise pursuant to which 5,290 shares were surrendered to pay for the aggregate exercise price of the options and 61,377 shares were issued. During the nine months ended October 31, 2020, the amortization expense was \$37,656 recorded as cost of goods sold. As of October 31, 2020, 66,667 options were vested without being exercised, 266,666 options were not vested, and the remaining unamortized balance was \$80,810.

On March 16, 2020, the Company granted stock options to an external consultant, Jiayi Wu. The consultant was granted options to purchase 200,000 shares of Common Stock of the Company with an exercise price of \$0.465 per share, with a vesting period of two years, vesting 33% for the first two half year periods and 33% for the remaining one year. The expiration date is September 15, 2022. The fair value of the stock options was \$48,060 on the grant date based on the share price of \$0.465 on the grant date, exercise price of \$0.465 per share, time to maturity of 2.5 years, and stock volatility of 88.16%. On September 17, 2020, the consultant exercised options to purchase 66,667 shares of common stock in a cashless exercise pursuant to which 6,200 shares were surrendered to pay for the aggregate exercise price of the options and 60,467 shares were issued. On October 2, 2020, the consultant terminated the consulting agreement with the Company. As such, the unvested options were all forfeited. During the nine months ended October 31, 2020, the amortization expense was \$16,020 recorded as cost of goods sold. As of October 31, 2020, all the vested options were exercised and there were no unvested options and no remaining unamortized balance.

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On March 16, 2020, the Company granted stock options to two external consultants, James Young and Tamzin Cubells. Each consultant was granted options to purchase 100,000 shares of Common Stock of the Company with an exercise price of \$0.465 per share, with a vesting period of two years, vesting 50% on each anniversary of the grant date. The expiration date is March 16, 2024. The fair value of the stock options was \$29,073 for each consultant on the grant date based on the share price of \$0.465 on the grant date, exercise price of \$0.465 per share, time to maturity of 4 years, and stock volatility of 88.16%. During the nine months ended October 31, 2020, the amortization expense was \$18,161 recorded as cost of goods sold. As of October 31, 2020, none of the options were vested, and the remaining unamortized balance was \$39,986.

On June 18, 2020, the Company granted stock options to five external consultants. Each consultant was granted options to purchase 100,000 shares of Common Stock of the Company with an exercise price of \$1.74 per share, with a vesting period of two and a half years, vesting 33% at the end of the first half year and 33% on each anniversary of the grant date, for the next two years. The expiration date is June 18, 2023. The fair value of each of the stock options was \$74,752 on the grant date based on the share price of \$1.74 on the grant date, exercise price of \$1.74, time to maturity of 3 years, and stock volatility of 65.21%. During the nine months ended October 31, 2020, the amortization expense was \$54,856 recorded as cost of goods sold. As of October 31, 2020, none of the options were vested, and the remaining unamortized balance was \$318,904.

The cost of sales related to the options was \$164,762 in total for the nine months ended October 31, 2020.

(b) Directors:

On January 3, 2018, the Company granted stock options to its Chief Financial Officer to purchase 1,400,000 shares of Common Stock of the Company with an exercise price of \$0.06, vesting 33% each half year after the grant. The fair value of the stock options was \$69,615 on August 1, 2018, based on the share price of \$0.06, exercise price of \$0.06, time to maturity of 1 year, and stock volatility of 273%. On September 16, 2019, the Company passed a Board Resolution to extend the expiration date of the options from December 30, 2019 to June 30, 2020. On January 20, 2020, the Company passed a Board Resolution to extend the expiration date by another 12 months, and the expiration date was extended to June 30, 2021. During the nine months ended October 31, 2020, there was no amortization expense recorded due to these options. As of October 31, 2020, the options were fully vested without being exercised, and there was no remaining unamortized balance.

On January 3, 2018, the Company granted stock options to its Chief Executive Officer to purchase 5,400,000 shares of Common Stock of the Company with an exercise price of \$0.066, vesting 33% each half year after the grant date. The fair value of the stock options was \$265,821 on August 1, 2018 based on the share price of \$0.066, exercise price of \$0.066, time to maturity of 1 year, and stock volatility of 273%. On September 16, 2019, the Company passed a Board Resolution to extend the expiration date from December 30, 2019 to June 30, 2020. On January 20, 2020, the Company passed a Board Resolution to extend the expiration date by another 12 months, and the expiration date was extended to June 30, 2021. During the nine months ended October 31, 2020, there was no amortization expense recorded due to these options. As of October 31, 2020, the options were fully vested without being exercised, and there was no remaining unamortized balance.

On September 19, 2019, the Company granted stock options to its Chief Financial Officer to purchase 700,000 shares of Common Stock of the Company with an exercise price of \$0.825 per share, vesting 33% each half year after the grant. The fair value of the stock options was \$332,446 on September 19, 2019 based on the share price of \$0.825, exercise price of \$0.825, time to maturity of 2 years, and stock volatility of 111%. During the nine months ended October 31, 2020, the

amortization expense was \$167,062, which was recorded as stock-based compensation. As of October 31, 2020, 466,667 options were vested without being exercised, 233,333 options were not vested, and the remaining unamortized balance was \$83,795.

On September 19, 2019, the Company granted stock options to its Chief Executive Officer to purchase 2,700,000 shares of common stock of the Company with an exercise price of \$0.9075 per share, vesting 33% each half year after the grant. The fair value of the stock options was \$1,236,381 on September 19, 2019 based on the share price of \$0.825, exercise price of \$0.9075, time to maturity of 2 years, and stock volatility of 111%. During the nine months ended October 31, 2020, the amortization expense was \$621,311, which was recorded as stock-based compensation. As of October 31, 2020, 1,800,000 options were vested without being exercised, 900,000 options were not vested, and the remaining unamortized balance was \$311,636.

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On April 27, 2020, the Company granted stock options to its Director, Thomas McChesney, to purchase 100,000 shares of common stock of the Company with an exercise price of \$0.795 and a vesting period of nine months. The options vest in three installments as follows: 50% on July 27, 2020, 25% on October 27, 2020 and 25% on January 27, 2021. The fair value of the stock options was \$88,171 on April 27, 2020, based on the share price of \$1.26, exercise price of \$0.795, time to maturity of 5 years, and stock volatility of 77.27%. During the nine months ended October 31, 2020, the amortization expense was \$67,087, which was recorded as stock-based compensation. As of October 31, 2020, 75,000 options were vested without being exercised, 25,000 options were not vested, and the remaining unamortized balance was \$21,084.

On August 1, 2020, the Company granted stock options to its Director, Murray Smith, to purchase 100,000 shares of common stock of the Company with an exercise price of \$2.67 and a vesting period of nine months. The options vest in three installments as follows: 50% on November 1, 2020, 25% on February 1, 2020 and 25% on May 1, 2021. The fair value of the stock options was \$206,520 on August 1, 2020, based on the share price of \$3.48, exercise price of \$2.67, time to maturity of 5 years, and stock volatility of 64.79%. During the nine months ended October 31, 2020, the amortization expense was \$68,840, which was recorded as stock-based compensation. As of October 31, 2020, none of the options were vested, and the remaining unamortized balance was \$137,680.

On August 20, 2020, the Company granted stock options to its Director, Aaron Johnston, to purchase 100,000 shares of common stock of the Company with an exercise price of \$2.67 and a vesting period of nine months. The options vest in three installments as follows: 50% on November 1, 2020, 25% on February 1, 2020 and 25% on May 1, 2021. The fair value of the stock options was \$381,688 on August 20, 2020, based on the share price of \$5.54, exercise price of \$2.67, time to maturity of 5 years, and stock volatility of 63.85%. During the nine months ended October 31, 2020, the amortization expense was \$108,195, which was recorded as stock-based compensation. As of October 31, 2020, none of the options were vested, and the remaining unamortized balance was \$273,493.

The stock-based compensation related to options was \$1,032,495 in total for the nine months ended October 31, 2020.

NOTE 7 - CONCENTRATION

At the present time, we are dependent on a small number of direct customers for most of our business, revenues and results of operations.

For the nine months ended October 31, 2020, the aggregate amount of revenues was \$3,271,653. Articulate, a related party, accounted for 50% of such revenues.

As of October 31, 2020, the net amount of accounts receivable was \$1,801,833. Articulate accounted for 58% and Red Label Technology Pty Ltd accounted for 42% of such accounts receivable.

For the nine months period ended October 31, 2020, the total cash received from Articulate was \$1,236,250 which accounted for 44% of total cash received from customers.

The Company maintains strong relationships with existing customers and expects to engage with additional customers in the coming periods.

NOTE 8 – SUBSEQUENT EVENTS

From November 1, 2020 to November 30, 2020, five consultants exercised their options. One consultant made payment for the exercise price and the other four consultants used cashless exercise method. As of December 11, 2020, 589,206 shares have been issued.

On October 28, 2020, the Company entered into a Sportsbook Software Licence and Services Agreement (the “Licence Agreement”) with Amelco UK Limited, a company incorporated in the United Kingdom (“Amelco”), pursuant to which the Company acquired a licence to use Amelco’s Sportsbook and Licensed Application for the purpose of sub-licensing (reselling) the Sportsbook and Licensed Application to the Company’s existing or potential resellers and/or operators. Under the terms of the Licence Agreement, Amelco granted us a limited, non-exclusive, non-transferable and non-assignable (except as provided for in the agreement) licence to use the Sportsbook technology. The agreement contains various representations and warranties of the parties, confidentiality obligations, limitations on liability and limited warranties of Amelco.

On November 18, 2020, the Company entered into a Distribution Agreement (the “Agreement”) with Playtech Software Limited, a company incorporated in the United Kingdom (“Playtech”). The Agreement shall come into force on December 1, 2020 (“Commencement Date”).

Under the terms of the Distribution Agreement, Playtech will have an exclusive licence to GMGI Products and all Intellectual Property Rights, such that Playtech shall be the sole and exclusive distributor of all GMGI Products within the Playtech Distribution Territories (the “Playtech Exclusivity”). GMGI Products include GM-X system, Loyalty System, E-Sports Product and P2P Product. The term of the Playtech Exclusivity shall commence upon the Commencement Date, and continue for a period of 12 months following the date in which the first GMGI Product has been launched by a Sub-licensee of Playtech (the “Initial Playtech Exclusivity Term”). Following the Initial Playtech Exclusivity Term, the Playtech Exclusivity shall automatically renew for additional 12 months’ periods (each, an “Extended Playtech Exclusivity Term”), provided that if the total fees attributable to the GMGI Products distributed by Playtech (in aggregate) at the end of the Initial Playtech Exclusivity Term or any Extended Playtech Exclusivity Term, is less than USD300,000 (“Playtech Exclusivity Threshold”), then GMGI shall be entitled to revoke the Playtech Exclusivity for the subsequent 24 month period.

For the distribution of E-Sports and P2P Products, fees payable by Playtech to GMGI are the sum of (i) 6% of the licence fees base and (ii) 50% of the remaining licence fees base which Playtech determines for the fees it charges directly from the applicable Sub-licensee for the distribution of the P2P Product and the E-Sport Product.

For the Loyalty System, licence fee is waived from months 1 to 12 (including) commencing on the Commencement Date. From months 13 and onwards, licence fee is equivalent to 0.25% of the revenue actually collected by Playtech where such revenue is generated solely and exclusively from the games supported on the Loyalty System distributed by Playtech, with a minimum payment of €10,000 per month but up to a maximum amount of €100,000 per month. Playtech shall not be

obligated to distribute the Loyalty System following the initial 12 months commencing on the Commencement Date, and Playtech's decision not to distribute the Loyalty System shall in no event give rise to any liability to Playtech.

Pursuant to the Distribution Agreement, GMGI will have a non-exclusive licence to distribute the Playtech Games within GMGI Distribution Territories. Playtech Games include casino, poker, live-dealer and sports-betting games.

Fees payable by GMGI to Playtech from the distribution of the Playtech Games are the sum of (i) 8% of the licence fees base and (ii) 50% of the remaining licence fees base which Playtech determines for the fees charged directly from the applicable Sub-licensee for the distribution of the applicable Playtech Games.

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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 and nine months ended October 31, 2020. This discussion and analysis should be read in conjunction with our audited financial statements and notes thereto included in our Transition Report for the period from August 1, 2019 to January 31, 2020 on Form 10-KT filed with the SEC on June 8, 2020 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," "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. See also "Special Note Regarding Forward-Looking Statements", above.

This information should be read in conjunction with the interim unaudited financial statements and the notes thereto included in this Quarterly Report on Form 10-Q, and the audited financial statements and notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in Transition Report for the period from August 1, 2019 to January 31, 2020 on Form 10-KT filed with the SEC on June 8, 2020.

Certain capitalized terms used below and otherwise defined below, have the meanings given to such terms in the footnotes to our consolidated financial statements included above under "Part I - Financial Information" – "Item 1. Financial Statements".

In this Quarterly Report on Form 10-Q, we may rely on and refer to information regarding the industries in which we operate in general from market research reports, analyst reports and other publicly available information. Although we believe that this information is reliable, we cannot guarantee the accuracy and completeness of this information, and we have not independently verified any of it.

Unless the context otherwise requires and for the purposes of this Report only:

- "Exchange Act" refers to the Securities Exchange Act of 1934, as amended;
- "SEC" or the "Commission" refers to the United States Securities and Exchange Commission; and
- "Securities Act" refers to the Securities Act of 1933, as amended.

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Where You Can Find Other Information

We file annual, quarterly, and current reports, proxy statements and other information with the SEC. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC like us at <http://www.sec.gov> (our filings can be found at <https://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0001437925>). Copies of documents filed by us with the SEC are also available from us without charge, upon oral or written request to our Secretary, who can be contacted at the address and telephone number set forth on the cover page of this Report and are also available on our website at <https://goldenmatrix.com/investors-overview/sec-filings/> which website includes information we do not desire to incorporate by reference into 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's 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's business to focus on software technology.

Beginning in June 2020, the Company launched an additional revenue stream which is distinctive to its other revenue streams. Historically the Company charged gaming operators for the use of its unique IP and technology systems. Revenues derived from such charges were based on the usage of the proprietary systems by the clients and generated revenues with high margins.

During June and July 2020, the Company contracted with certain clients to offer third party gaming content and as such became a distributor and reseller of this gaming content. The Company acquires the third-party gaming content for a fixed cost and resells the content at a margin. The margin on the new revenues is

substantially lower than the historical revenues and expected to be around 25%.

The Company believes that there is a significant opportunity to scale this new revenue stream with low related expenses and no capital expenditures and also to expand its global reach. The new revenue stream is highly scalable i.e., the running and support costs relative to the incremental revenues are low, and will reduce exponentially as a percentage of revenues as revenues grow. The Company will strive to roll out this new product offering to its existing client base and expects to scale up its revenues as a result.

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. We believe that the unique technology, the Company's location, focused resources and experience in this market provide the Company with a distinct advantage over other companies located in other parts of the world and having limited experience in Asia.

Novel Coronavirus (COVID-19)

In December 2019, a novel strain of coronavirus, which causes the infectious disease known as COVID-19, was reported in Wuhan, China. The World Health Organization declared COVID-19 a "Public Health Emergency of International Concern" on January 30, 2020 and a global pandemic on March 11, 2020. In March and April, many U.S. states and local jurisdictions began issuing 'stay-at-home' orders. The range of possible impacts on the Company's business from the coronavirus pandemic could include: (i) changing demand for the Company's products and services; (ii) rising bottlenecks in the Company's supply chain; and (iii) increasing contraction in the capital markets. At this time, the Company believes that it is premature to determine the potential impact on the Company's business prospects from these or any other factors that may be related to the coronavirus pandemic; however, it is possible that COVID-19 and the worldwide response thereto, may have a material negative effect on our operations, cash flows and results of operations.

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Currently we believe that we have sufficient cash on hand, and availability to raise additional funding, or borrow additional funding, as needed, to support our operations for the foreseeable future; however, we will continue to evaluate our business operations based on new information as it becomes available and will make changes that we consider necessary in light of any new developments regarding the pandemic.

The future impact of COVID-19 on our business and operations is currently unknown. The pandemic is developing rapidly and the full extent to which COVID-19 will ultimately impact us depends on future developments, including the duration and spread of the virus, as well as potential seasonality of new outbreaks.

Results of Operations

Three months ended October 31, 2020, compared to the three months ended October 31, 2019.

Revenues

The Company currently has two distinctive revenue streams.

Historically, the Company charged gaming operators for the use of its unique IP and technology systems. Revenues derived from such charges were based on the usage of the systems by the clients. During the three months ended October 31, 2020, the Company generated \$706,062 of revenues from its unique IP and technology systems, including \$570,768 from Articulate, a related party. During the three months ended October 31, 2019, the Company generated \$881,845 of revenues from its IP and technology systems, including \$519,569 which was from Articulate.

Since June 2020, the Company has contracted with certain clients to offer third party gaming content and as such become a reseller of this gaming content. During the three months ended October 31, 2020, \$785,402 of revenues were derived from the reselling of gaming content. During the three months ended October 31, 2019, there were no revenues from the reselling of gaming content.

Cost of goods sold

The Company currently has two distinctive cost of goods sold.

Historically, the Company only recognized the value of stock options granted to consultants under the 2018 Equity Incentive Plan as cost of goods sold. This recognition was based on the fact that the stock options directly contributed to the revenue generated by the Company's GM2 Asset. During the three months ended October 31, 2020 and 2019, cost of goods sold due to the amortization of options was \$75,934 and \$32,193, respectively. The increase in the cost of goods sold was due to the options issued during this financial year.

From June 2020, due to the reselling of the gaming content, the cost of usage of the third-party content is recognised as a cost of goods sold. During the three months ended October 31, 2020, \$543,108 of costs were recognised. During the same period last year, there were no such costs.

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General and administrative expenses

During the three months ended October 31, 2020 and 2019, general and administrative expenses were \$199,103 and \$87,346, respectively. General and administrative expenses consisted primarily of advertising and promotion expenses, travel expenses, website maintenance expenses, and administrative expenses. The increase of general and administrative expenses was mainly due to the marketing compensation granted to one of the Company's customers. As per the Company's Software Services Agreement with the customer, if the customer reaches a certain amount of usage, the customer is granted marketing compensation.

General and administrative expenses – Related party

During the three months ended October 31, 2020 and 2019, general and administrative expenses from related parties were \$569,823 and \$194,665, respectively. General and administrative expenses from related parties consisted primarily of amortization expenses due to stock options granted to Directors, back office expenses, consulting expenses and salary expenses payable to the Company's CEO and CFO. The components of general and administrative expenses from related parties are as follows:

	Three months ended October 31	
	2020	2019
Stock based compensation	\$ 462,698	\$ 120,679
Back office expense	33,000	33,000
Consulting & salary expense	74,125	40,986
Total	<u>\$ 569,823</u>	<u>\$ 194,665</u>

The increase in amortization expense for the three months ended October 31, 2020, compared to the prior period, was due to the stock options granted to three Independent Directors during this financial year, under the 2018 Equity Incentive Plan.

The increase in consulting expense was due to the increasing number of Directors and consulting services provided by Mr. Brett Goodman, a consultant, and the son of our CEO, who has been engaged to assist the Company with building Peer to Peer gaming system.

Research and development expense

During the three months ended October 31, 2020, the research and development expense was \$18,671. The research and development expense was incurred in connection with the building of the Company's Proprietary Peer to Peer gaming system. During the same period last year, there was no research and development expense.

Professional fees

During the three months ended October 31, 2020 and 2019, professional fees were \$43,215 and \$18,815, respectively. Professional fees consisted primarily of SEC filing fees, legal fees, transfer agent service fees and accounting and audit fees. The increase in professional fees was mainly due to the recent corporation actions relating to the Company's NASDAQ uplisting application, which is still in review, and which increased the legal service fees for the current period compared to the prior period.

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Interest expense

During the three months ended October 31, 2020 and 2019, interest expense was \$1,083 and \$16,390, respectively. The decrease of interest expense was mainly due to the decrease in the outstanding balance of notes payable.

Interest income

During the three months ended October 31, 2020 and 2019, interest income was \$42 and \$9,286, respectively. The interest income was from the Wells Fargo Saving account which the Company opened in February 2019.

Foreign exchange gain (loss)

During the three months ended October 31, 2020 and 2019, foreign exchange loss was \$10,011 and \$0, respectively. The foreign exchange loss was due to foreign currency invoices the Company received from its supplier.

Unrealized gain (loss) on derivative liabilities - Note Conversion Feature

The Company had no unrealised loss on derivative liabilities for the three months ended October 31, 2020, and had an unrealised gain on derivative liabilities of \$4,166 for the three months ended October 31, 2019. On January 31, 2020, the Company settled all the outstanding derivative liabilities.

Net income

The Company had net income of \$30,558 and \$545,888 for the three months ended October 31, 2020 and 2019, respectively. The decrease of net income was primarily due to an increase in cost of goods sold as a result of options granted to consultants, stock based compensation, and other expenses, as discussed in greater details above.

Nine months ended October 31, 2020 compared to the nine months ended October 31, 2019.

Revenues

During the nine months ended October 31, 2020, the Company generated \$2,075,696 revenues from its unique IP and technology systems, of which, \$1,633,702 was from Articulate, a related party. During the nine months ended October 31, 2019, the Company generated \$2,411,821 revenues from its IP and technology systems, of which, \$1,599,526 was from Articulate.

During the nine months ended October 31, 2020, \$1,195,957 of revenues were derived from the reselling of gaming content. During the nine months ended October 31, 2019, there were no revenues from the reselling of gaming content.

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Cost of goods sold

The Company recognized the value of stock options granted to consultants under the 2018 Equity Incentive Plan as cost of goods sold. This recognition was based on the fact that the Stock Options directly contributed to the revenue generated by the Company's GM2 Asset. During the nine months ended October 31, 2020 and 2019, cost of goods sold due to the amortization of options was \$164,762 and \$(84,311), respectively. The negative cost of goods sold during last year was due to the adoption of new accounting standard ASU 2018-07, in which the Company is not required to re-value options at each reporting date and the Company made an adjustment to revalue the previous costs.

Recently due to the reselling of the gaming content, the cost of usage of the third-party content is recognised as cost of goods sold. During the nine months ended October 31, 2020, \$880,508 of costs were recognised. During the same period last year, there were no such costs.

General and administrative expenses

During the nine months ended October 31, 2020 and 2019, general and administrative expenses were \$414,965 and \$275,309, respectively. General and administrative expenses consisted primarily of advertising and promotion expenses, travel expenses, website maintenance expenses, and administrative expenses. The increase of general and administrative expenses was mainly due to the marketing compensation granted to one of the Company's customers. As per the Company's Software Services Agreement with the customer, if the customer reaches a certain amount of usage, the customer is granted marketing compensation.

General and administrative expenses – Related party

During the nine months ended October 31, 2020 and 2019, general and administrative expenses from related parties were \$1,312,842 and \$398,735, respectively. General and administrative expenses from related parties consisted primarily of amortization expenses due to stock options granted to Directors, back office expenses, consulting expenses and salary expenses payable to our CEO and CFO. The components of general and administrative expenses from related parties are as follows:

	Nine months ended October	
	31	
	2020	2019
Stock based compensation	\$ 1,032,495	\$ 213,341
Back office expense	99,000	66,000
Consulting & salary expense	181,347	119,394
Total	<u>\$ 1,312,842</u>	<u>\$ 398,735</u>

The increase of amortization expense was due to the stock options granted to Mr. Anthony Brian Goodman, CEO and Ms. Weiting Feng, CFO, on September 19, 2019, and options granted to the three Independent Directors during this financial year, under the terms of the 2018 Equity Incentive Plan.

The increase of back office expense was due to the Second Amendment to Back Office Agreement with Articulate which the Company entered into on August 1, 2019. Pursuant to the amendment, both parties agreed that the back office expense increased from \$5,500 per month to \$11,000 per month beginning in August 2019.

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The increase of consulting expense was due to the increasing number of Directors and consulting services provided by Mr. Brett Goodman, a consultant, and the son of our CEO, who has been engaged to assist the Company with building Peer to Peer gaming system.

Bad debt expense

During the nine months ended October 31, 2020, there were no bad debt expenses. During the same period last year, bad debt expenses were \$168,557. The Company recognised an allowance for doubtful debts for accounts receivable from Red Label Technology Pty Ltd on July 31, 2019.

Loss on contingent liability – Related party

During the nine months ended October 31, 2020, there was no loss on contingent liability to related party. During the nine months ended October 31, 2019, the loss on contingent liability was \$6,791. The loss on contingent liability was a result of an Asset Purchase Agreement entered into on February 28, 2018, with Luxor, which is wholly-owned by the Company's Chief Executive Officer, Anthony Brian Goodman. Pursuant to the Asset Purchase Agreement, the Company purchased certain Intellectual Property and Know-how (the "GM2 Asset") and agreed that 50% of the revenues generated by the GM2 Asset during the 12-month period of March 1, 2018 to February 28, 2019 would be paid to Luxor. During the fiscal year ended July 31, 2018, the Company estimated a number for the acquisition cost at \$1,242,812. The acquisition cost during the fiscal year ended July 31, 2019 was an adjustment to the estimated number.

Research and development expense

During the nine months ended October 31, 2020, the research and development expense was \$18,671. The research and development expense was incurred in connection with the building of the Company's Proprietary Peer to Peer gaming system. During the same period last year, there was no research and development expense.

Professional fees

During the nine months ended October 31, 2020 and 2019, professional fees were \$110,336 and \$49,378, respectively. Professional fees consisted primarily of SEC filing fees, legal fees, transfer agent service fees and accounting and audit fees. The increase in professional fees was mainly due to the corporate actions during this financial year including the change of fiscal year, stock reverse split and NASDAQ application, which increased the legal service fees and auditing expenses.

Interest expense

During the nine months ended October 31, 2020 and 2019, interest expense was \$10,897 and \$53,746, respectively. The decrease in interest expense was mainly due to the decrease in the outstanding balance of notes payable.

Interest income

During the nine months ended October 31, 2020 and 2019, interest income was \$1,570 and \$17,406, respectively. The interest income was from the Wells Fargo Saving account which the Company opened in February 2019.

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Foreign exchange gain (loss)

During the nine months ended October 31, 2020 and 2019, foreign exchange loss was \$14,320 and \$0, respectively. The foreign exchange loss was due to foreign currency invoices the Company received from its supplier.

Unrealized gain (loss) on derivative liabilities - Note Conversion Feature

The Company had no unrealised loss on derivative liabilities for the nine months ended October 31, 2020, and had an unrealised gain on derivative liabilities of \$984 for the nine months ended July 31, 2019. On January 31, 2020, the Company settled all the outstanding derivative liabilities.

Net income

The Company had net income of \$345,922 and \$1,562,006 for the nine months ended October 31, 2020 and 2019, respectively. The decrease of net income was primarily due to an increase in cost of goods sold as a result of options granted to consultants, stock-based compensation, and other expenses, as discussed in greater details above.

Liquidity and Capital Resources

The Company had \$5,009,996 of cash on hand at October 31, 2020 and total assets of \$6,811,829 (all of which were current assets). The Company had total working capital of \$5,854,060 as of October 31, 2020. The Company had total liabilities (which were all current liabilities) of \$957,769 as of October 31, 2020, which included \$66,803 of settlement payable to Luxor, a related party, \$405,313 of accounts payable to related parties, \$243,371 of accounts payable and accrued liabilities, and \$211,171 of customer deposits.

See Note 2 to the unaudited financial statements above for a description of outstanding notes payable; Note 4 to the unaudited financial statements for a description of customer deposits; and Note 5 to the unaudited financial statements for a description of related party transactions.

We do not currently have any additional commitments or identified sources of additional capital from third parties or from our officers, directors or majority stockholders. Additional financing may not be available on favorable terms, if at all.

In the future, we may be required to seek additional capital by selling additional debt or equity securities, or otherwise be required to bring cash flows in balance when we approach a condition of cash insufficiency. The sale of additional equity or debt securities, if accomplished, may result in dilution to our then stockholders. Financing may not be available in amounts or on terms acceptable to us, or at all. In the event we are unable to raise additional funding and/or obtain revenues sufficient to support our expenses, we may be forced to scale down our operations, which could cause our securities to decline in value.

Cash flows from operating activities include net income adjusted for certain non-cash expenses, and changes in operating assets and liabilities. Significant non-cash expenses for the period include stock-based compensation and imputed interest.

The Company generated cash from operating activities of \$1,799,079 during the nine months ended October 31, 2020 due primarily to \$345,922 of net income, and non-cash expenses relating to stock-based compensation (including options issued for services and stock issued for services) which were \$1,234,257 during the nine months ended October 31, 2020.

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The Company generated cash from operating activities of \$1,584,931 in the nine months ended October 31, 2019 due primarily to \$1,562,006 of net income, and \$168,557 of bad debt expense, offset by a net of (\$332,796) in changes in operating assets and liabilities during the nine months ended October 31, 2019.

During the nine months ended October 31, 2020, cash provided by financing activities was \$1,354,412 which was primarily due to the sales of equity securities in August, 2020 in a private placement as discussed in "Note 6 – Equity". During the nine months ended October 31, 2019, cash used in financing activities was \$398,313, which was due to the repayment of Promissory Note owed to Luxor.

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

Pursuant to Item 305(e) of Regulation S-K (§ 229.305(e)), the Company is not required to provide the information required by this Item as it is a "smaller reporting company," as defined by Rule 229.10(f)(1).

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Exchange Act Rules 13(a)-15(e) and 15(d)-15(e)) as of October 31, 2020. This evaluation was carried out by our Principal Executive Officer and our Principal Financial Officer. Based on that evaluation, our Principal Executive Officer and our Principal Financial Officer concluded that, as of October 31, 2020, our disclosure controls and procedures were not effective to provide reasonable assurance that information required to be disclosed in our reports filed with the Commission pursuant to the Exchange Act, is

recorded properly, processed, summarized and reported within the time periods specified in the rules and forms of the Commission and that such information is accumulated and communicated to our management, including our CEO and CFO, to allow timely decisions regarding required disclosures, due to the presence of material weaknesses in internal control over financial reporting as discussed below.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. Management has identified the following material weaknesses, which have caused management to conclude that, as of October 31, 2020, our disclosure controls and procedures were not effective:

1. Insufficient personnel resources within the accounting function to segregate the duties over financial transaction processing and reporting and to allow for proper monitoring controls over accounting.
2. The Company did not establish a formal written policy for the approval, identification and authorization of related party transactions.

Remediation Plan to Address the Material Weaknesses in Internal Control over Financial Reporting

Moving forward, the Company plans to add sufficient knowledgeable accounting personnel to properly segregate duties and to affect a timely, accurate preparation of the financial statements. And the Company will develop and maintain adequate written policies and procedures to identify, approve and authorize related party transactions.

Changes in Internal Control over Financial Reporting

We regularly review our system of internal control over financial reporting to ensure we maintain an effective internal control environment. There were no changes in our internal control over financial reporting that occurred during the period covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Although we may, from time to time, be involved in litigation and claims arising out of our operations in the normal course of business, we are not currently a party to any material legal proceeding. In addition, we are not aware of any material legal or governmental proceedings against us, or contemplated to be brought against us.

ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors previously disclosed in Part I, Item 1A of the Company's Transition Report on Form 10-KT/A for the transition period from August 1, 2019 to January 31, 2020, filed with the Commission on October 28, 2020 (the "Form 10-KT"), under the heading "Risk Factors", and investors should review the risks provided in the Form 10-KT prior to making an investment in the Company. The business, financial condition and operating results of the Company can be affected by a number of factors, whether currently known or unknown, including but not limited to those described in the Form 10-KT, under "Risk Factors", which risk factors from the Form 10-KT are incorporated by reference in this Item 1A. Risk Factors, any one or more of which could, directly or indirectly, cause the Company's actual financial condition and operating results to vary materially from past, or from anticipated future, financial condition and operating results. Any of these factors, in whole or in part, could materially and adversely affect the Company's business, financial condition, operating results and stock price.

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

There have been no sales of unregistered securities during the quarter ended October 31, 2020 and from the period from November 1, 2020 to the filing date of this report, which have not previously been disclosed in the Company's Quarterly Report on Form 10-Q for the quarter ended July 31, 2020, except as set forth below:

On August 4, 2020, a consultant exercised 133,334 options to purchase shares of common stock in a cashless exercise pursuant to which 1,952 shares were surrendered to the Company to pay for the aggregate exercise price of the options and 131,382 shares were issued.

On September 1, 2020, options to purchase 933,334 shares of common stock were exercised in a cashless exercise by a consultant pursuant to which 9,257 shares were surrendered to the Company to pay for the aggregate exercise price of the options, and 924,077 shares were issued.

On September 1, 2020, a consultant exercised options to purchase 66,667 shares of common stock in a cashless exercise pursuant to which 5,290 shares were surrendered to the Company to pay for the aggregate exercise price of the options and 61,377 shares were issued.

On September 17, 2020, a consultant exercised options to purchase 66,667 shares of common stock in a cashless exercise pursuant to which 6,200 shares were surrendered to the Company to pay for the aggregate exercise price of the options and 60,467 shares were issued.

On November 4, 2020, a consultant exercised options to purchase 133,334 shares of common stock for cash, pursuant to which \$8,000 aggregate exercise price of the options was paid to the Company and 133,334 shares were issued.

On November 9, 2020, a consultant exercised options to purchase 133,334 shares of common stock in a cashless exercise pursuant to which 1,318 shares were surrendered to the Company to pay for the aggregate exercise price of the options and 132,016 shares were issued.

On November 16, 2020, a consultant exercised options to purchase 133,334 shares of common stock in a cashless exercise pursuant to which 1,276 shares were surrendered to the Company to pay for the aggregate exercise price of the options and 132,058 shares were issued.

On November 16, 2020, a consultant exercised options to purchase 66,667 shares of common stock in a cashless exercise pursuant to which 5,104 shares were surrendered to the Company to pay for the aggregated exercise price of the options and 61,563 shares were issued.

On November 29, 2020, a consultant exercised options to purchase 133,334 shares of common stock in a cashless exercise pursuant to which 3,099 shares were surrendered to the Company to pay for the aggregated exercise price of the options and 130,235 shares were issued.

We claim an exemption from registration provided by Section 3(a)(9) of the Securities Act for such cashless exercises, as the securities were exchanged by us with our existing security holders in a transaction where no commission or other remuneration was paid or given directly or indirectly for soliciting such exchange.

We claim an exemption from registration provided by Section 4(a)(2) and/or Rule 506(b) of Regulation D of the Securities Act for the above cash warrant exercise. As the shares were acquired for investment only and not with a view towards, or for resale in connection with, the public sale or distribution thereof. The shares were offered without any general solicitation by the Company or its representatives. The shares have not been registered under the Securities Act and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act and any applicable state securities laws.

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ITEM 3. DEFAULTS UPON SENIOR SECURITIES

The Company has no senior securities outstanding.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

The following information was required to be disclosed in a Current Report on Form 8-K during the period covered by this Form 10-Q, but was inadvertently not timely reported by the Company. Instead of filing such information on a separate Current Report on Form 8-K, we have elected to make the following disclosures in this Quarterly Report on Form 10-Q under Item 1.01:

Item 1.01 Entry into a Material Definitive Agreement.

On October 31, 2020, the Company and Articulate Pty Ltd reached an agreement, and entered into a memorandum dated as of the same date, to offset accounts payable with accounts receivable. Before the offset, the Company had \$410,045 of accounts payable to Articulate and \$1,456,326 of accounts receivable from Articulate. After the offset, the Company had no accounts payable to Articulate and \$1,046,280 of accounts receivable from Articulate.

ITEM 6. EXHIBITS

See the Exhibit Index following the signature page to this Quarterly Report on Form 10-Q for a list of exhibits filed or furnished with this report, which Exhibit Index is incorporated herein by reference.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GOLDEN MATRIX GROUP, INC

Dated: December 11, 2020

/s/ Anthony Brian Goodman

Anthony Brian Goodman

Its: President and Chief Executive Officer
(Principal Executive Officer and Principal
Accounting/Financial Officer)

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EXHIBIT INDEX

Exhibit Number	Description of Exhibit	Filed/ Furnished Herewith	Incorporated by Reference			
			Form	Exhibit	Filing Date	File Number
3.1	Articles of Incorporation Since Formation		10-KT/A	3.1	10/28/2020	000-54840
3.2	Certificate of Designation of Series B Voting Preferred Stock filed with the Nevada Secretary of State on August 10, 2015		10-KT/A	3.2	10/28/2020	000-54840
3.3	Certificate of Change (1 for 150 reverse stock split) filed with the Secretary of State of Nevada on April 27, 2020		10-Q/A	3.2	10/28/2020	000-54840
3.4	Certificate of Correction (correcting Certificate of Change filed with the Secretary of State of Nevada on April 27, 2020) filed with the Secretary of State of Nevada on October 26, 2020		8-K	3.2	10/28/20	000-54840
3.5	Bylaws of the Company		S-1	3.2	10/7/2008	333-153881
10.1	Asset Purchase Agreement, by and between Golden Matrix Group, Inc. and Luxor Capital LLC, dated February 28, 2018		8-K	10.1	3/2/2018	000-54840
10.2	License Agreement, by and between Golden Matrix Group, Inc. and Articulate Pty. Ltd., dated March 1, 2018		8-K	10.2	3/2/2018	000-54840
10.3*	Promissory Note between Golden Matrix Group, Inc. and Luxor Capital, LLC, dated April 1, 2019		10-KT/A	10.3	10/28/2020	000-54840

10.4*	License Agreement between Golden Matrix Group, Inc. and Red Label Technology Pte Ltd, dated July 1, 2018	10-KT/A	10.4	10/28/2020	000-54840
10.5*	Cancellation of Distribution Usage Rights Agreement between Golden Matrix Group, Inc. and Globaltech Software Services, Inc. dated June 1, 2016	10-KT/A	10.5	10/28/2020	000-54840
10.6*	April 1, 2016, Back Office/Service Provider Agreement between Golden Matrix Group, Inc. and Articulate Pty Ltd	10-KT/A	10.6	10/28/2020	000-54840
10.7*	January 1, 2018 Addendum to April 1, 2016, Back Office/Service Provider Agreement between Golden Matrix Group, Inc. and Articulate Pty Ltd	10-KT/A	10.7	10/28/2020	000-54840
10.8*	December 1, 2018 Amendment to April 1, 2016, Back Office/Service Provider Agreement between Golden Matrix Group, Inc. and Articulate Pty Ltd	10-KT/A	10.8	10/28/2020	000-54840
10.9*	August 1, 2019 Second Amendment to April 1, 2016, Back Office/Service Provider Agreement between Golden Matrix Group, Inc. and Articulate Pty Ltd	10-KT/A	10.9	10/28/2020	000-54840
10.10*	November 1, 2019 Second Addendum to April 1, 2016, Back Office/Service Provider Agreement between Golden Matrix Group, Inc. and Articulate Pty Ltd	10-KT/A	10.10	10/28/2020	000-54840
10.11***	Consulting Services Agreement dated February 22, 2016, between the Company and Brian Anthony Goodman	10-KT/A	10.11	10/28/2020	000-54840
10.12***	Consulting Services Agreement dated February 22, 2016, between the Company and Weiting Feng	10-KT/A	10.12	10/28/2020	000-54840
10.13***	Golden Matrix Group, Inc. 2018 Equity Incentive Plan	10.1	S-8	10/15/2019	333-234192
10.14	Form of Subscription Agreement (August 2020 Private Offering)	8-K	10.1	8/27/2020	000-54840
10.15	Form of Common Stock Purchase Warrant (August 2020 Private Offering)	8-K	10.2	8/27/2020	000-54840
10.16***	Consultant Agreement with Brett Goodman dated May 1, 2020	10-Q/A	10.3	10/28/2020	000-54840
10.17***	Employment Agreement between Golden Matrix Group, Inc. and Anthony Brian Goodman dated October 26, 2020	8-K	10.1	10/28/20	000-54840
10.18***	Employment Agreement between Golden Matrix Group, Inc. and Weiting Feng dated October 26, 2020	8-K	10.2	10/28/20	000-54840
10.19#	Sportsbook Software Licence and Services Agreement dated October 21, 2020 (and effective October 28, 2020), by and between Golden Matrix Group, Inc. and Amelco UK Limited	8-K	10.1	11/2/20	000-54840
10.20	Distribution Agreement effective November 18, 2020, by and between Golden Matrix Group, Inc. and Playtech Software Limited	8-K	10.1	11/23/20	000-54840
10.21*	October 31, 2020, Memorandum between Golden Matrix Group, Inc. and Articulate Pty Ltd				☒
31.1*	Certification of Principal Executive and Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act				☒
32.1**	Certification of Principal Executive and Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act				☒
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 herewith.

** Furnished Herewith.

*** Indicates management contract or compensatory plan or arrangement.

Certain confidential portions of this Exhibit were omitted by means of marking such portions with brackets (“[****]”) because the identified confidential portions (i) are not material and (ii) would be competitively harmful if publicly disclosed.

MEMORANDUM

Saturday October 31, 2020

Purpose

The purpose of this Memorandum is to clarify that both parties in this Memorandum agree to offset Accounts payable with Accounts receivable.

Background

As of October 31, 2020, Golden Matrix Group, Inc. has an accounts receivable of \$1,456,325.60 from Articulate Pty Ltd and an accounts payable of \$410,045.31 to Articulate Pty Ltd.

To avoid the transaction expenses to settle the accounts payable, both parties agree that it is beneficial for both parties to offset the accounts payable with accounts receivable.

Therefore, after the offsetting, Golden Matrix Group, Inc. has no accounts payable to Articulate Pty Ltd., and the remaining accounts receivable from Articulate will be \$1,046,280.29.

Golden Matrix Group, Inc.

By: 
Chief Financial Officer: Weiting Feng

Articulate Pty Ltd

By: 
Director: Anthony B Goodman

CERTIFICATION

I, Anthony Brian Goodman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended October 31, 2020, 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 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 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 my 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: December 11, 2020

/s/ Anthony Brian Goodman

Anthony Brian Goodman

Chief Executive Officer

(Principal Executive Officer and Principal Financial/Accounting Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Golden Matrix Group, Inc. on Form 10-Q for the quarter ended October 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Anthony Brian Goodman, Principal Executive Officer and Principal Financial/Accounting Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief: (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

December 11, 2020

/s/ Anthony Brian Goodman

Anthony Brian Goodman
Chief Executive Officer
(Principal Executive Officer and
Principal Financial/Accounting Officer)

The foregoing certification is not deemed filed with the Securities and Exchange Commission for purposes of Section 18 of the Securities Exchange Act of 1934, as amended ("Exchange Act"), and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filing. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.