Integrity Gaming Corp.
(formerly Poydras Gaming Finance Corp.)

Management Discussion and Analysis

For the Three Months Ended March 31, 2018

The following management discussion and analysis (the "**MD&A**"), prepared as of May 22, 2018 should be read together with the unaudited interim consolidated financial statements for the three months ended March 31, 2018 and related notes attached thereto (the "**Interim Financial Statements**"), which are prepared in accordance with International Accounting Standards 34, Interim Financial Reporting ("IAS 34"), using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are stated in US dollars unless otherwise indicated.

Additional information related to the Company is available for view on the Company's website at www.integritygaming.com and on SEDAR at www.sedar.com.

Forward Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Readers are cautioned not to put undue reliance on forward-looking statements. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These forward-looking statements include statements regarding the timing and amount of estimated future cash flows, capital expenditures, currency fluctuations and the requirements of future capital. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements contained into this report should not be unduly relied upon. These statements speak only as of the date of this report. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- the availability and reasonable terms to finance the Company;
- the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; and
- the ability to attract and retain skilled staff

These forward-looking statements involve risks and uncertainties relating to, among other things, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, actual performance of facilities, equipment and processes relative to specifications and expectations and unanticipated impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors hereinabove. Additional risk factors are described in more detail hereinafter. **Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The forward-looking statements contained in this report are expressly qualified by this cautionary statement.**

Description of Business

Integrity Gaming Corp. (formerly Poydras Gaming Finance Corp.) (on consolidated basis the **"Company**") (TSX-V: IGAM) is a regional slot route operator, providing gaming machines, equipment, and supplies to Tribal casino operators in the United States. The Company is focused on leasing and distributing slot machines, electronic table games, and casino equipment and supplies, often in concert with additional capital for related facility development or renovation. A gaming lease is also known in industry parlance as a "placement agreement" or a "placement" and also sometimes called a "route" when it describes gaming machines placed across several locations. The Company's head office address is at Suite 1430 - 800 West Pender Street, Vancouver, British Columbia, V6C 2V6. The registered and records office address is at Suite 1500 - 1055 West

Georgia Street, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7. The Company's U.S. headquarters are in Mill Valley, California. The Company is listed on the TSX Venture Exchange ("**TSX.V**") under the symbol "IGAM" and on OTCQX over-the-counter market under the symbol "IGAMF".

The Company was founded by a team of experienced industry investors and operators, and its various subsidiaries have been in operation for 20 years. On July 20, 2015, the Company acquired Integrity Gaming, Inc. ("**Integrity Gaming**"), Aurora Gaming, Inc. ("**Aurora Gaming**"), and Integrity Gaming of Kansas, Inc. ("**Kansas**"), (together the "**Integrity Companies**"). Founded in 1997, the Integrity Companies are a leading provider of slot machines to Native American-owned casinos in Oklahoma and Texas. Bolstered by the acquisition of the Integrity Companies, the Company has become one of the largest independent gaming equipment and bingo supply distributors in the tribal gaming market.

Slot Route Operations

The Company's core business is that of a large regional slot route operator and leader in the Tribal gaming market with approximately 2,707 revenue-generating machines across 31 casinos in Oklahoma and Texas as of March 31, 2018. This business is based on a participation-based leasing model that is prevalent in Native American casino gaming markets such as Oklahoma. Under this model, gaming machine suppliers such as the Company provide casino operators with gaming machines for a share of the revenue generated by those machines. In some cases, Tribal gaming operators enter into machine placement agreements on a long-term basis with favorable economic provisions to the equipment supplier, in exchange for an upfront advance of capital either as a one-time fee or as a loan, which is used to fund renovation or development costs associated with the gaming facility where the machines are placed. From the perspective of the Company, the advance of funds is an attractive use of capital because it (i) establishes a placement of the gaming machine for substantially all of its useful life, (ii) supports increased returns on the gaming machines by improving the casino facility that is housing the equipment, and (iii) may grant the Company an option or right of first refusal to supply additional gaming machines. Typical transaction economics generally provide for a two to three year payback of capital with revenue contracts for five to seven years. Though all contracts currently held by the Company are in Oklahoma and Texas, the Company continues to evaluate expansion opportunities into other geographies. The Company also pursues the acquisition of existing placements or routes of gaming machines currently being operated in casinos and other legal gaming venues, through a 'buyout' of existing direct vendor debt or lease contracts from the machine manufacturer or the acquisition of another route operator's gaming machines and contracts.

The Company has distributed gaming machines for a wide range of manufacturers and its current portfolio includes Scientific Games, IGT, Aristocrat, Konami, Aruze, Ainsworth, Everi, AGS, Grand Vision, Gamblit, Bluberi, Pervasive and Lightning machines.

Overall Performance

The Company's leasing revenue increased by 5% from $3,576,719 in Q4 2017 to $3,751,437 in Q1 2018.

The Company's leasing revenue increased by 4% from $3,591,021 in Q1 2017 to $3,751,437 in Q1 2018.

Highlights of activities and results of operations during the three months ended March 31, 2018:

- For the quarter ended March 31, 2018, the Company recorded a net loss of $916,976 or $0.03 loss per share.
- For the quarter ended March 31, 2018, the Company's Adjusted EBITDA was $2,417,734.
- As at March 31, 2018, the Company had total assets of $31,177,731 consisting of $7,231,219 of current assets and $23,946,512 of non-current assets.
- As at March 31, 2018, the Company had total liabilities of $33,310,397 consisting of $3,551,562 of current liabilities and $29,758,835 of non-current liabilities.
- As of March 31, 2018, the Company had participating interests in approximately 2,707 revenue generating machines.

The Company expects to continue to add to its revenues from both new and existing contracts. The Company is also taking steps to evaluate expansion opportunities into other geographies beyond the Oklahoma and Texas markets.

Key Performance Indicators

Key performance indicators that the Company uses to manage its business and evaluate its financial results and operating performance include: revenue, revenue per gaming machine, expenses, net income (loss) and Adjusted EBITDA. The Company evaluates its performance on these metrics by comparing its actual results to management budgets and forecasts.

Non-IFRS Measures

Adjusted EBITDA is a financial measure that does not have a standardized meaning under IFRS. Adjusted EBITDA is defined as earnings before financing costs, income taxes, depreciation, amortization, stock based compensation, unrealized foreign exchange, impairment of loans receivable, impairment of placement fees, gain/loss on settlement of debt, gain/loss on disposal of assets, gain/loss on disposal of BitBoss, finance lease receivable reduction, revaluation adjustment of earn-out liability, revaluation of exit fee liability, employee separation fees and non-recurring costs.

During the current quarter, the Company modified its definition of Adjusted EBITDA by adjusting its earnings by revaluation of exit fee liability. The Company believes that to measure the Company's core business performance and liquidity, and to measure its ability to purchase additional machines, it is important to include this adjustment in determination of Adjusted EBITDA.

As there is no standardized method of calculating Adjusted EBITDA, it may not be directly comparable with similarly titled measures used by other companies. The Company considers Adjusted EBITDA to be a relevant indicator for measuring trends in performance and its ability to generate funds to service its debt and to meet its future working capital and capital expenditure requirements. Adjusted EBITDA is not a generally accepted earnings measure and should not be considered in isolation or as an alternative to net income (loss), cash flows or other measures of performance prepared in accordance with IFRS.

Adjusted EBITDA and reconciliation to net income (loss) is as follows:

	Q1 2018 ($)	Q4 2017 ($)	Q3 2017 ($)	Q2 2017 ($)	Q1 2017 ($)	Q4 2016 ($)
Net Income (loss)	(916,976)	(3,895,783)	(2,022,129)	(1,382,586)	(1,167,084)	(2,935,028)
Adjustments:						
Depreciation of equipment	1,277,063	1,321,685	1,599,168	1,525,644	1,390,548	1,074,475
Amortization of placement fees	441,393	441,393	424,863	449,658	449,658	533,904
Amortization of intangible assets	198,775	200,375	200,642	199,576	198,775	218,337
Income tax expense (recovery)	10,000	3,307	98,199	-	-	(119,904)
Finance lease receivable reduction	525,263	204,521	538,231	308,392	467,486	513,064
Financing costs	932,950	3,882,101	1,163,893	1,145,358	1,140,346	1,153,146
Foreign exchange (gain) loss	(1,897)	299	1,948	(196)	8,466	745
Impairment of placement fees	-	-	-	-	-	1,732,152
Impairment (recovery) of loan receivable	-	-	-	-	-	-
Gain on settlement of debt	-	(194)	(580)	224	(28,380)	-
Loss (gain) on disposal of assets	-	(139,032)	(990)	(23,200)	(108,212)	12,750
Revaluation of earn-out liability	-	-	-	-	-	30,000
Revaluation of exit fee liability (gain)	(105,464)	-	-	-	-	-
Stock based compensation	56,627	89,024	92,691	116,416	92,919	102,272
Employee separation fees	-	-	290,000	-	-	-
Adjusted EBITDA	2,417,734	2,107,696	2,385,936	2,339,286	2,444,522	2,315,913

The Company's Adjusted EBITDA increased by $310,038 from $2,107,696 in Q4 2017 to $2,417,734 in Q1 2018. The increase in Adjusted EBITDA is mainly due higher lease revenue in Q1 2018 as a result of the deployment of additional revenue generating machines during the current quarter.

Summary of Quarterly Results

The table below summarizes selected unaudited financial data for the Company's last eight quarters. The following information is expressed in USD and is derived from the Company's financial information prepared in accordance with International Accounting Standards 34, Interim Financial Reporting, using accounting policies consistent with IFRS:

	Quarter Ended Mar 31, 2018	Quarter Ended Dec 31, 2017	Quarter Ended Sep 30, 2017	Quarter Ended Jun 30, 2017	Quarter Ended Mar 31, 2017	Quarter Ended Dec 31, 2016	Quarter Ended Sep 30, 2016	Quarter Ended Jun 30, 2016
Total revenue [1]	4,443,280	4,062,627	3,898,110	4,250,547	4,157,374	4,027,458	3,893,546	3,390,891
Avg # machines [1]	2,701	2,622	2,529	2,583	2,656	2,548	2,521	2,435
Net income (loss) [2]	(916,976)	(3,895,783)	(2,022,129)	(1,382,586)	(1,167,084)	(2,935,028)	(2,918,891)	(946,103)
Comprehensive income (loss) [3]	(919,361)	(3,899,407)	(2,024,253)	(1,387,256)	(1,166,611)	(3,519,424)	(2,971,163)	(998,375)
Basic income (loss) per share [4]	(0.03)	(0.11)	(0.06)	(0.04)	(0.03)	(0.08)	(0.08)	(0.03)
Diluted income (loss) per share [4]	(0.03)	(0.11)	(0.06)	(0.04)	(0.03)	(0.08)	(0.08)	0.03)

(1) Increase in revenue between quarters is directly related to the increase in the average number ("Avg #") of gaming machines generating revenue in each quarter. The Company's revenue is also subject to seasonal fluctuation.

(2) Q3 2016 net loss decreased compared with Q2 2016 net loss mainly due to recognition of revaluation adjustment of earn-out liability and revaluation of investment in A&W JV in Q3 2016, and approximately $952,000 increase in accretion expense on financing loan payable in Q3 2016. Q4 2016 net loss increased compared with Q3 2016 net loss mainly due to recognition of $1,732,152 impairment of placement fees related to the placement of 220 machines at a new casino. Decrease in net loss from Q4 2016 to Q1 2017 is mainly due to recognition of $1,732,152 impairment of placement fees in Q4 2016, as compared with $Nil in Q1 2017. Q2 2017 net loss increased compared with Q1 2017 net loss mainly due to increase in depreciation expense by $135,096, decrease in gain on disposal of assets by $41,300 and recognizing $43,712 of gain on disposal of BitBoss in Q1 2017 compared with $Nil in Q2 2017. Increase in net loss from Q2 2017 to Q3 2017 is mainly due to decrease in total revenue by $352,437, increase in operating expense by $138,418, and increase in income tax expense by $98,199. Increase in net loss from Q3 2017 to Q4 2017 is mainly due to the acceleration of accretion expense and $1,884,453 of early repayment fees on MGG loans payable that were refinanced with Prudential loans on December 28, 2017. Decrease in net loss from Q4 2017 to Q1 2018 is mainly due to reduction in financing costs as Q4 2017 included an acceleration of accretion expense and $1,884,453 of early repayment fees on MGG loans payable that were refinanced with Prudential loans in Q4 2017.

(3) Changes in comprehensive loss reflect the changes in net loss for each quarter plus the impact of foreign currency translation from Canadian functional currency to USD presentation currency of the Canadian parent company.

(4) Basic and diluted loss per share fluctuates from period to period and is impacted by the amount of loss incurred and the number of weighted average number of common shares outstanding.

Results of Operations

<u>Quarter ended March 31, 2018 ("Q1 2018") compared with the quarter ended March 31, 2017 ("Q1 2017")</u>

Net loss for Q1 2018 was $916,976 or $0.03 loss per share compared to $1,167,084 or $0.03 loss per share in Q1 2017. The main reasons for the decrease in net loss for the period are increase in leasing revenue by approximately $160,000, decrease in financing costs by approximately $207,000 and increase in gain on revaluation of exit fee liability of approximately $105,000, which were offset by a decrease in gain on disposal of assets by approximately $108,000 and a decrease in gain on settlement of debt by approximately $28,000.

Significant differences between Q1 2018 and Q1 2017 results of operations are as follows:

Revenue

Q1 2018 leasing revenue was $3,751,437 (Q1 2017 - $3,591,021). The increase in leasing revenue was mainly due to generating revenue from an average of 2,701 gaming machines in Q1 2018 as compared to an average of 2,650 gaming machines in Q1 2017. The Company also generated revenues from sale of casino supplies and equipment of $691,843 (Q1 2017 - $566,353).

Operating Expenses

Operating expenses for Q1 2018 were $2,252,720 (Q1 2017 - $2,268,483). Major components of the operating costs were advertising and promotion of $18,427 (Q1 2017 - $15,849), bad debt expense of $18,831 (Q1 2017 - $1,954 recovery), depreciation of gaming machines of $1,277,063 (Q1 2017 - $1,390,548), amortization of equipment placement fees of $441,393 (Q1 2017 - $449,658), equipment service fees and replacement parts of $337,720 (Q1 2017 - $247,250), gaming commission fees of $91,195 (Q1 2017 - $71,988) and travel of $68,091 (Q1 2017 - $95,144).

General and Administrative Expenses

General and administrative expenses for Q1 2018 were $1,439,193 (Q1 2017 - $1,490,607). Major components of general and administrative costs were consulting expenses of $69,248 (Q1 2017 - $12,000), investor relations expenses of $14,000 (Q1 2017 - $22,926), salaries and benefits of $962,634 (Q1 2017 - $1,040,783), office and administration of $209,960 (Q1 2017 - $219,511), professional fees of $114,000 (Q1 2017 - $89,087), stock based compensation of $56,627 (Q1 2017 - $92,919) and listing, filing and transfer agent fees of $12,724 (Q1 2017 - $13,381).

Amortization of Intangible Assets

Amortization of intangible assets for Q1 2018 was $198,775 (Q1 2017 - $198,775). The Company recognized intangible assets on May 9, 2014, on July 20, 2015 and on August 11, 2016 as a result of the acquisitions of Windy Hill, Integrity Companies and the remaining 50% interest in A&W JV, respectively.

Financing Costs

Financing costs for Q1 2018 were $932,950 (Q1 2017 - $1,140,346). The decrease in financing costs was mainly due to decrease in the accretion of loans payable and interest expense on equipment loans. Significant components of the financing costs were: accretion and interest expense on promissory notes payable of $Nil (Q1 2017 - $9,987), accretion and interest expense on loans payable of $880,560 (Q1 2017 - $1,089,841), and financing costs of $52,390 (Q1 2017 - $40,518).

Accretion and interest expense consists of interest expense and a portion of financing costs that were initially deferred and charged against the loan balance and are now expensed over the term of the loan.

Revaluation of Exit Fee Liability

The Company recorded gain on revaluation of Exit Fee liability for Q1 2018 of $105,464 (Q1 2017 - $Nil). Exit Fee liability is an embedded derivative that has been separated and is measured at fair value through profit and loss every quarter. Exit Fee liability is expected to fluctuate every quarter as it is based on 5% of EBITDA for the last 12 months subject to certain adjustments.

Income Taxes

The Company recorded current income tax expense for Q1 2018 of $10,000 (Q1 2017 - $Nil).

Liquidity and Capital Resources

To date, the Company has financed its operations through debt, equity and internally generated cash flows from leasing revenue.

Recent Financing

On December 28, 2017, the Company closed a one-stop financing arrangement with Prudential Capital Group ("**Prudential**"), consisting of senior and subordinated debt in the amount of $41,000,000, of which $32,000,000 loans were funded at close. Loan proceeds were used to refinance high interest MGG loan, purchase of gaming machines and for general working capital purposes.

Cash

As of March 31, 2018, the Company had cash of $2,214,472, compared with $2,896,080 of cash on December 31, 2017. The decrease in cash is mainly due to payment of approximately $592,000 to acquire gaming equipment and payment of approximately $185,000 in loan principal payments in Q1 2018.

Cash Used in / Generated from Operating Activities

Cash used in operating activities during the three months ended March 31, 2018 was $65,079, compared with $23,614 cash used in operating activities during the three months ended March 31, 2017. Cash generated in operating activities during the three months ended March 31, 2018 consisted of (i) $976,122 of cash generated from revenue net of operating, general and administrative, regulatory compliance and professional fees and (ii) $1,041,201 decrease in cash due to increased non-cash current working capital.

Cash used in operating activities during the three months ended March 31, 2017 consisted of (i) $944,371 of cash generated from revenue net of operating, general and administrative, regulatory compliance and professional fees and (ii) $967,985 decrease in cash due to increased non-cash current working capital.

Cash Used in / Generated from Investing Activities

Cash used in investing activities during the three months ended March 31, 2018 was $414,227, compared with $286,081 of cash generated from investing activities during the three months ended March 31, 2017. Cash used in investing activities during the three months ended March 31, 2018 included acquisitions of $592,571 in new gaming equipment and receiving $418,344 under the finance lease receivable, which was offset by making a $240,000 earn-out payment related to the acquisition of Integrity Companies.

Cash generated from investing activities during the three months ended March 31, 2017 included recovering $38,595 on acquisitions of new gaming equipment, receiving $467,486 under the finance lease receivable, and receiving $20,000 on disposal of BitBoss IP license, which was offset by making a $240,000 earn-out payment related to the acquisition of Integrity Companies.

Cash Used in / Generated from Financing Activities

Cash used in financing activities during the three months ended March 31, 2018 was $202,302 compared with $1,031,858 of cash used in financing activities during the three months ended March 31, 2017. Cash used in financing activities during the three months ended March 31, 2018 included financing costs of $16,841 paid for Prudential loan and principal repayment of $185,461 on loans.

Cash used in financing activities during the three months ended March 31, 2017 included principal repayment of $1,031,858 on MGG loan.

Working Capital

At March 31, 2018, the Company had a working capital of $3,679,657 compared with $3,370,332 working capital as of December 31, 2017.

Recent Financings - Use of Proceeds

Financing	Purpose of the Financing	Actual Use of Proceeds
December 28, 2017 Prudential loan financing of up to $41,000,000	On December 28, 2017, the Company borrowed $32,000,000 from Prudential to repay approximately $27 million of MGG loans, pay approximately $3.8 million of financing costs and to use the rest of the proceeds to buy additional machines and for general working capital purposes. The Company has remaining $9 million loan facility available for additional purchase of gaming machines, for general working capital purposes, and to fund additional growth.	The Company used Prudential loan proceeds as intended.

Liquidity Outlook

The Company's cash position varies based on the performance of the Company's investments and reinvestment of capital into the growth of the business. The Company continues to place additional machines in various casino facilities in Oklahoma and Texas. These new placements are expected to positively impact the Company's revenue and operating cash flow in future periods.

The Company's objective when managing capital is to maximize returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is not subject to externally imposed capital requirements. In managing the Company's capital structure, The Company's management reviews monthly and quarterly financial information and provides regular reports to the board of directors.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Transactions between Related Parties

As of March 31, 2018, the Company's related parties and key management personnel consists of the Company's directors and executive officers.

Name / Personal Corporation	Relationship	Nature of Transaction
Peter Macy	Director and CEO	Management salaries, RSUs and stock based compensation
Daniel Davila	Former Director and President	Management salaries, RSUs and stock based compensation
Adam Kniec	CFO	Management salaries, RSUs and stock based compensation
Prakash Hariharan	Director	Director's fees and stock based compensation
Robert Miodunski	Director	Director's fees and stock based compensation
Kim Oishi	Director	Director's fees and stock based compensation
David Danziger	Director	Director's fees and stock based compensation
James Kim	VP Corporate Development and Corporate Secretary	Management salaries, RSUs and stock based compensation

Key management personnel are those persons that have authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly. As of March 31, 2018, the Company's key management personnel consist of the Company's directors and senior management (Chief Executive Officer, President, Corporate Secretary and Chief Financial Officer). The Company incurred fees and expenses in the normal course of operations in connection with the key management and directors. Details are as follows:

Nature of Transactions		March 31, 2018		March 31, 2017
Management salaries and bonuses	$	256,715	$	341,116
Directors' fees		34,250		6,400
Stock based compensation – options		496		14,688
Stock based compensation – RSUs		37,990		56,389
	$	329,451	$	418,593

(a) During the three months ended March 31, 2018, the Company recorded $256,715 (March 31, 2017 - $341,116) of management salaries and accrual of bonuses for the Company's directors and officers and $34,250 (March 31, 2017 - $6,400) of directors' fees for the Company's directors.

(b) As of March 31, 2018, included in accounts payable and accrued liabilities are $72,125 (December 31, 2017 - $46,360) of accrued management bonus payable, $Nil (December 31, 2017 - $3,200) of accrued directors' fees payable, $25,146 management salary payable (December 31, 2017 - $22,958) and $Nil employee separation fees payable (December 31, 2017 - $240,000).

(c) Commitments

As of March 31, 2018, the Company had three employment agreements with the Company's senior management for an initial term of between 3 and 5 years, expiring between May 9, 2019 and June 30, 2019. Employment terms include the following commitments:

(i) basic annual compensation of between $175,000 and $250,000;
(ii) annual bonus equal to a minimum of 40% and a maximum of 75% of the basic annual compensation, subject to successfully achieving certain goals established by Company;
(iii) in case of termination of the employment agreement by the Company without cause, the employee is entitled to receive a severance payment equal to two times basic annual compensation plus two times minimum annual bonus and all unvested stock options will vest immediately.

One of the three employment agreements was terminated subsequent to March 31, 2018, on April 30, 2018, without any financial liabilities to the Company. The above transactions occurred in the normal course of operations, and are measured at the amount of consideration established and agreed to by the related parties.

Critical Accounting Estimates and Use of Judgment

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reported years.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

Change in critical accounting estimates and assumptions made by management may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. Critical estimates include, among others, the useful life and recoverability of property and equipment, the valuation of deferred income tax assets, the classification of leases, amortization of placement fees, the valuation of intangible assets and goodwill and valuation of the exit fee liability.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the review affects both current and future periods.

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. Critical accounting policies which involve judgments or assessments made by management include accounting for leases from equipment manufacturers and leases to casinos, as well as determination of the going concern assumption.

The recoverable amounts of CGUs and individual assets have been determined based on the higher of fair value less costs to sell or value-in-use calculations. The key assumptions the Company uses in estimating future cash flows for recoverable amounts are anticipated residual value of equipment, expected financing revenue from leasing of the equipment and future operating and financing costs. Changes to these assumptions will affect the recoverable amounts of CGUs and individual assets and may then require a material adjustment to their related carrying value.

Impairment of Non-Financial Assets

The recoverable amount of non-financial assets such as gaming equipment, placement fees, intangible assets and goodwill have been determined based on the higher of fair value less costs to sell or value-in-use calculations. The key assumptions the Company uses in estimating future cash flows for recoverable amounts of gaming equipment are anticipated residual value of equipment, estimated useful life of equipment, expected financing revenue from leasing of the equipment and future operating and financing costs. The key assumptions the Company uses in estimating future cash flows for recoverable amounts of other non-financial assets include performance of existing leasing contracts, growth levels experienced in the past, estimated new placements, win per unit on machines, revenue share percentages on lease agreements, and historical data related to costs. Changes to these assumptions will affect the recoverable amount of the non-financial assets and may then require a material adjustment to their related carrying value.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives weight to evidence that can be objectively verified.

Recent Accounting Pronouncements

a) Changes in Accounting Policies Adopted

Effective January 1, 2018, the Company adopted the following new or revised accounting pronouncements:

IFRS 2 Classification and Measurement of Share-based Payment Transactions (“IFRS 2”)
The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, share-based payment transactions with a net settlement feature for withholding tax obligations, and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

Adoption of IFRS 2 amendments effective January 1, 2018 was applied prospectively and it did not have a significant impact on the Company’s financial statements because the Company does not have any cash-settled share-based payments or share-based payment transactions with a net settlement feature for withholding tax obligations.

IFRS 9 Financial Instruments (“IFRS 9”)

IFRS 9 addresses classification and measurement of financial assets and liabilities, including impairment of financial assets, and hedge accounting. Under this standard, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The accounting model for financial liabilities is largely unchanged except for the presentation of the impact of own credit risk on financial liabilities designated at fair value through profit or loss. The new general hedge accounting principles under IFRS 9 are aimed to align hedge accounting more closely with risk management.

This new standard does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness, however it is expected to provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship.

Adoption of IFRS 9 effective January 1, 2018 did not have a significant impact on the Company's financial statements. Adoption of IFRS 9 did not result in any adjustments to the carrying value of the Company's financial instruments. Based on the assessment of the credit risk related to the Company's financial instruments, there has been no significant increase in the credit risk since initial recognition of the financial instruments and no additional credit loss was recorded on the date of the initial application of IFRS 9.

IFRS 9 requires financial assets to be classified into three measurement categories on initial recognition;

- Those measured at fair value through profit and loss ("**FVTPL**");
- those measured at fair value through other comprehensive income ("**FVOCI**"); and
- those measured at amortized cost.

Investments in equity instruments are required to be measured by default at fair value through profit or loss. However, there is an irrevocable option for each equity instrument to present fair value changes in other comprehensive income. Measurement and classification of financial assets is generally based on the business model in which a financial asset is managed and the contractual cash flow characteristics of the financial asset. For financial liabilities, the standard retains most of the IAS 39 requirement, except that where the fair value option is taken for financial liabilities, the part of a fair value change relating to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

IFRS 9 introduces a new three-stage expected credit loss model for calculating impairment for financial assets. IFRS 9 no longer requires a triggering event to have occurred before credit losses are recognized. An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments. IFRS 9 also requires additional disclosure requirements about expected credit losses and credit risk.

The Company has assessed the classification and measurement of its financial assets and financial liabilities under IFRS 9 and has summarized the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 as follows:

	Original IAS 39	**New IFRS 9**
Financial Assets		
Cash and cash equivalents	Loans and Receivables	Amortized Cost
Accounts receivable	Loans and Receivables	Amortized Cost
Financial Liabilities		
Accounts payable and accrued liabilities	Amortized Cost	Amortized Cost
Earn out payable	Amortized Cost	Amortized Cost
Exit fee liability	FVTPL	FVTPL
Loans payable	Amortized Cost	Amortized Cost

<u>IFRS 15 Revenue From Contracts With Customers ("IFRS 15")</u>

IFRS 15 contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The new standard applies to contracts with customers. It does not apply to financial instruments or lease contracts, which fall under the scope of other IFRSs.

Adoption of IFRS 15 effective January 1, 2018 did not have a significant impact on the Company's financial statements. The Company has two major types of revenue: (1) leasing of gaming equipment to casinos and (2) sale of casino supplies and equipment.

Leasing of gaming equipment to casinos is out of scope of IFRS 15 as leases will continue to be accounted for under IAS 17 Leases until IFRS 16 Leases becomes effective for the annual period beginning on January 1, 2019. In addition, impairment of finance leases receivable is evaluated under IFRS 9.

The Company recognizes casino supplies and equipment revenue when supplies and equipment are delivered to the customers and casino supplies and equipment revenue is measured at the fair value of the consideration received or receivable. Adoption of IFRS 15 did not impact the Company's revenue recognition policy therefore no adjustments were made in the Company's financial statements upon adoption of this new accounting pronouncement on January 1, 2018.

b) New Accounting Pronouncements Not Yet Effective

There were no new accounting pronouncements relevant to the Company's operations issued subsequent to December 31, 2017. For further details please refer to Note 3 of the annual consolidated financial statements of the Company for the year ended December 31, 2017.

Financial Instruments and Other Instruments

As of March 31, 2018, the Company's financial instruments consist of cash, accounts receivable, accounts payable, loans payable and exit fee payable. The carrying values of cash, accounts receivable and accounts payable approximate their respective carrying values due to their short-term maturities. The fair value of the loans payable approximate their carrying values as at March 31, 2018 because the underlying market rate did not change significantly.

The Company's risk exposures and the impact on its financial instruments are summarized below:

<u>Credit risk</u>

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. During any financial quarter, a small number of customers account for a significant percentage of the Company's revenue. As a result of its customer concentration, the Company is subject to credit risk if one or more customers fail to make payments. The Company is continuously monitoring credit quality of loans, finance leases and other receivables and impairment losses are recorded when there is objective evidence that recorded amounts are not fully recoverable.

<u>Liquidity risk</u>

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due.

The Company's common shares are puttable by the holders at any time for fair value, under certain limited conditions. This can result in unforeseen liquidity constraints on the Company if the shareholders decide to redeem their shares.

The Company manages liquidity risk through ongoing management and forecasting of cash flows, budgeting, and financings of equity and debt. Cash flow forecasting is performed to monitor cash requirements and inform capital management decisions. Such forecasting takes into account current and potential returns on investments and the Company's business expansion expectations.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of March 31, 2018, the Company had cash of $2,214,472 which was insufficient to settle current liabilities of $3,551,562. However, the Company is expecting its revenue to continue to increase as a result of existing and new machine placements. In addition, the Company just completed new financing to increase business growth and to improve liquidity.

The following table summarizes amounts and maturity dates of the Company's contractual obligations as of March 31, 2018:

	2018 $	2019 $	2020 $	2021 $	2022 $	2023 $	Total $
Accounts payable and accrued liabilities	2,374,245	-	-	-	-	-	2,374,245
Exit Fee liability	-	-	-	-	-	793,843	793,843
Loans payable *	3,476,163	4,818,647	5,237,133	5,074,588	13,959,428	15,949,111	48,515,070
Office and warehouse leases	19,668	-	-	-	-	-	19,668
	5,870,076	4,818,647	5,237,133	5,074,588	13,959,428	16,742,954	51,702,826

* Including future interest expense repayments

Market concentration

A significant portion of the Company's revenues is currently derived from contracts with four Indian tribes. No assurances can be given that any of such contracts will be renewed upon the expiration of their term or that, if renewed, the terms and conditions thereof will be favorable to the Company. A failure to renew such contracts upon terms favorable to the Company or the cancellation of a significant number of such contracts would have a material adverse effect upon the Company's business and results of operations.

Interest rate risk

As of March 31, 2018, the Company had Prudential Senior Loan payable with a carrying value of $17,135,043, with a face value of $17,825,000, and with a variable annual interest rate of LIBOR plus 5.50% (effective interest rate of 8.34% as of March 31, 2018). LIBOR rates fluctuate over time, new loan agreements may be entered into in the future or existing loans may be renewed at new interest rates, therefore the Company is subject to interest rate risk.

Outstanding Share Data

The following table summarizes the maximum number of common shares potentially outstanding as at March 31, 2018 and as of the date of this MD&A if all share purchase options and restricted share units were converted to common shares:

	As of March 31, 2018	**As of date of this MD&A**
Common shares	35,048,928	35,048,928
Share purchase options	1,880,000	2,179,000
Restricted share units	2,000,000	1,545,000
Fully diluted	38,928,928	38,*772,928*

Risks and Uncertainties

Details of the risks and uncertainties related to the Company’s business are set out in the Company’s Short Form Prospectus dated June 24, 2015 under the heading “Risk Factors” which is available on www.SEDAR.com.

Corporate Directory

Trading Symbols: “IGAM” on TSX-V Exchange and “IGAMF” on OTCQX over-the-counter market

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Daniel Davila – Former President and Director
David Danziger – Director and non-executive Chairman
Prakash Hariharan - Director
Robert Miodunski - Director
Kim Oishi - Director
Adam Kniec - CFO
James Kim - Vice President of Corporate Development & Corporate Secretary

<u>Audit Committee</u>
Prakash Hariharan (Chairman)
David Danziger
Robert Miodunski

<u>Compensation Committee</u>
Robert Miodunski (Chairman)
Prakash Hariharan
Kim Oishi

<u>Corporate Governance Committee</u>
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