

**PIONEER MEDIA HOLDINGS INC.**  
**INTERIM MD&A – QUARTERLY HIGHLIGHTS**  
**FOR THE THREE AND NINE MONTHS ENDED FEBRUARY 28, 2021**

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**Background and Corporate Update**

This Management Discussion and Analysis – Quarterly Highlights (“Quarterly Highlights”) for Pioneer Media Holdings Inc. (the “Company”) is prepared as at April 29, 2021 and should be read in conjunction with the Company’s unaudited condensed interim financial statements for the three and nine months ended February 28, 2021 and in conjunction with its audited financial statements as at and for the year ended May 31, 2020.

The unaudited condensed interim financial statements for the three and nine months ended February 28, 2021, and comparative information presented therein, have been prepared in accordance with International Financial Reporting Standard (“IFRS”) and with International Accounting Standard 34, “Interim Financial Reporting”, as issued by the International Accounting Standards Board (“IASB”).

All dollar figures included therein and in the following Quarterly Highlights are quoted in Canadian dollars. Additional information relevant to the Company’s activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

During fiscal 2021, the Company pursued a listing on the Canadian Securities Exchange (“CSE”) and on April 6, 2021, the Company completed a listing application with the CSE. On April 12, 2021, the Company’s common shares began trading on the CSE under the symbol ‘PNER’.

During fiscal 2020, the Company restructured its business by 1) changing its business from the acquisition and exploration of mineral property assets to an investment issuer with an initial focus on the gaming and eSport sector; 2) disposing of its mineral property interests for nominal consideration and impairing 100% of its exploration and evaluation assets; and 3) amalgamating with Pioneer Acquisition I Inc., a company also in the gaming and eSport sector.

**Forward-Looking Statements**

Certain statements contained in these Quarterly Highlights may constitute forward-looking statements. These statements include statements regarding:

- the ability of the Company to obtain necessary financing;
- the ability of the Company to locate, negotiate and make investments;
- performance of the Company’s business and operations as it relates to its investees;
- the eSports and gaming markets and the profitability thereof;
- the Company’s future liquidity and financial capacity;
- costs, timing and future plans concerning the business and operations of the Company and its investees;
- the Company’s intention to complete its listing of its securities on a stock exchange and all transactions related thereto; and
- results and expectations concerning various and prospective investments of the Company.

Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks have not been fully delineated by the Company at this time, but are expected to include the risks associated with the Company’s proposed new venture of becoming an investment company, such as having no operating history in this sector; the lack of appropriate investment opportunities; the inability to identify, select and acquire successful investments; its inability to generate or obtain funds for future investments; competition from other entities having

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similar investment objectives, including institutional investors and strategic investors; changing economic conditions, financial market volatility, and to other factors that adversely affect the eSport industry; regulations and laws governing electronic commerce and the internet; and dependence upon the efforts, skill and business contacts of key members of management. Readers are cautioned not to place undue reliance on these forward-looking statements.

**Risks and Uncertainties**

The Company is in the early stages of its gaming and eSport investment business. As such, the Company does not have any cash generating assets and is reliant on equity financings in order to maintain operations and participate in any new investments. These additional equity funds may not be available on terms acceptable to the Company. There is no assurance that the Company will identify a business or asset that warrants acquisition or participation.

During the first quarter of 2020, there was a global outbreak of a novel coronavirus identified as “COVID-19”. On March 11, 2020, the World Health Organization declared a global pandemic. In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets.

Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

**Analysis of the Company’s Financial Performance and Condition**

Three months ended February 28, 2021

The Company reported earnings of \$4,726,857 (2019 – loss of \$9,286) and earnings per share of \$0.13 (2020 – \$nil) for the three months ended February 28, 2021. The earnings were comprised the following items:

- The Company reported a gain on fair value changes on investments of \$3,772,702 (2020 – loss of \$1,543) primarily due to the mark-to-market gains of \$3,599,469 of Leaf Mobile Inc., \$158,252 of Guild eSports Plc., and \$17,434 of Blue Star Capital Plc.
- The Company realized a gain on disposition of Eastside Games Inc. (“Eastside”) of \$1,474,308 (2020 - \$nil). Leaf Mobile Inc. acquired all of the common shares of Eastside.
- The Company reported interest and other income of \$242,658 (2020 - \$646) primarily composed of \$94,484 (2020 - \$nil) of cash dividends received from Eastside as well as dividends in kind from Eastside amounting to \$147,556 via the receipt of 655,804 common shares of Leaf Mobile Inc.
- The Company reported an expense of \$577,000 (2020 - \$nil) of deferred income taxes primarily from the gain on fair value changes on investments. The Company accrued \$139,000 (2020 - \$nil) of current tax expense primarily due to the realized gain on the sale of Eastside shares.
- Management fees were \$3,032 (2020 - \$nil) paid to the CFO.
- Office and miscellaneous expenses were \$323 (2020 - \$6) and consisted of 1) rent of \$5,050; 2) website hosting and maintenance of \$2,205; and 3) foreign exchange gain of \$2,454.
- Professional fees were \$43,456 (2020 - \$5,096) and were composed of \$8,975 (2020 - \$1,387) of accounting and audit fees, \$19,086 (2020 - \$3,709) of legal fees, and \$15,395 (2020 - \$nil) of consulting fees. Accounting and audit fees and legal fees are higher during 2021 due to the Company’s work on listing its common

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shares on the CSE. Consulting fees consisted of business investigation costs and services provided by a director of the Company.

Nine months ended February 28, 2021

The Company reported a loss of \$3,941,848 (2020 – loss of \$184,863) and an earnings per share of \$0.11 (2020 – loss of \$0.03) for the nine months ended February 28, 2021. The earnings were comprised the following items:

- The Company reported a gain on fair value changes on investments of \$2,876,051 (2020 – \$2,128) primarily due to the mark-to-market gains of \$2,097,407 of Guild eSports Plc., \$643,304 of Leaf Mobile Inc., and \$140,058 of Blue Star Capital Plc.
- The Company realized a gain on disposition of Eastside Games Inc. (“Eastside”) of \$1,474,308 (2020 - \$nil). Leaf Mobile Inc. acquired all of the common shares of Eastside.
- The Company reported interest and other income of \$264,899 (2020 - \$881) primarily composed of \$115,414 (2020 - \$nil) of cash dividends received from Eastside as well as dividends in kind from Eastside amounting to \$147,556 via the receipt of 655,804 common shares of Leaf Mobile Inc.
- Impairment of exploration and evaluation assets was \$nil (2020 - \$123,776) pursuant to the change in business and assignment of the Option Agreement.
- The Company reported an expense of \$435,000 (2020 - \$nil) of deferred income taxes primarily from the gain on fair value changes on investments. The Company accrued \$139,000 (2020 - \$nil) of current tax expense primarily due to the realized gain on the sale of Eastside shares.
- Filing and listing fees were \$3,001 (2020 - \$32,385). The higher fees reported in 2020 were incurred for the purposes of attempting to complete the failed IPO.
- Management fees were \$13,082 (2020 - \$nil) paid to the CFO.
- Office and miscellaneous expenses were \$16,319 (2020 - \$1,233) and consisted of 1) rent of \$11,050; 2) website hosting, maintenance and development costs of \$7,305; and 3) foreign exchange gain of \$3,298.
- Professional fees were \$66,378 (2020 - \$22,366) and were composed of \$11,975 (2020 - \$8,312) of accounting and audit fees and \$39,008 (2020 - \$14,054) of legal fees, and \$15,395 of consulting fees (2020 - \$nil). Accounting and audit fees and legal fees are higher during 2021 due to the Company’s work on listing its common shares on the CSE. Consulting fees consisted of business investigation costs and services provided by a director of the Company.

**Liquidity and Changes to Expense Structure**

As at February 28, 2021, the Company’s cash position was \$509,999 (May 31, 2020 - \$96,100) and it had a working capital deficiency of \$259,659 (May 31, 2020 - \$6,211).

Sources of cash for the Company included 1) the issuance of 10,385,000 common shares for proceeds of \$2,019,990; 2) share subscriptions received of \$87,010; and 3) proceeds from disposition of investments of \$306,133; and 4) advances from related parties of \$124,000.

Uses of cash by the Company included 1) \$128,967 for operating activities; and 2) \$2,024,267 for the purchase of investments.

Subsequent to February 28, 2021, the Company 1) issued 1,500,000 common shares for proceeds of \$300,000; 2) announced its intention to raise \$5,000,000 via a non-brokered private placement through the sale of units at \$0.30 per unit. Each unit will consist of one common share and one-half of one common share purchase warrant. Each whole warrant will be exercisable at \$0.50 for a period of 24 months from the date of closing; and 3) spent approximately \$487,000 on new investments.

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The continuing operations of the Company are primarily dependent on its ability to raise future financing.

**Related Party Transactions**

During the nine months ended February 28, 2021:

- 1) The Company paid its CFO \$13,082 (2019 - \$nil) for management fees.
- 2) The Company paid a director \$10,395 (2020 - \$nil) for consulting services.
- 3) A loan in the amount of \$15,000 advanced to a company with a common director was repaid in full in September 2020. The amount was unsecured and non-interest bearing.
- 4) A Company related by a common director loaned the Company \$103,836. The loan was converted into 510,000 common shares on December 15, 2020. The loan was unsecured, non-interest bearing, and due on demand.
- 5) The Company paid \$11,050 (2020 - \$nil) for rent to a company with a common director.
- 6) On February 11, 2021, the Company acquired 500,000 common shares of Shatter eSports Inc. (“Shatter”) for \$100,000. Shatter has directors in common with the Company.
- 7) Subsequent to February 28, 2021, the Company acquired 5,000,000 common shares of NFT Investments Plc (“NFT”) for 50,000 pounds sterling. NFT has directors in common with the Company.