QUANTUM INTERNATIONAL INCOME CORP

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MAY 31, 2017

GENERAL

The following Management Discussion and Analysis ("MD&A") should be read in conjunction with the condensed interim consolidated financial statements (the "Financial Statements") and the notes contained therein of Quantum International Income Corp (the "Company" or "Quantum") for the three months ended May 31, 2017.

The unaudited condensed interim consolidated financial statements are prepared by management and reported in U.S. dollars, in accordance with International Accounting Standard "IAS" 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"). The unaudited condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's 2017 audited consolidated financial statements and the notes thereto, and the 2017 MD&A filed with Canadian regulatory agencies. The documents are available at www.sedar.com.

This MD&A was prepared effective July 27, 2017.

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FORWARD LOOKING INFORMATION

Certain statements contained in this MD&A constitute forward-looking statements and forward-looking information (collectively, "Forward-Looking Statements") and Quantum cautions investors about important factors that could cause Quantum's actual results to differ materially from those expressed, implied or projected in any Forward-Looking Statements included in this MD&A. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will likely result", "are expected to", "expects", "will continue", "is anticipated", "anticipates", "may", "could", "believes", "estimates", "intends", "plans", "forecast", "projection" and "outlook") are not historical facts and may be Forward-Looking Statements that involve projections, estimates, assumptions, known and unknown risks and uncertainties which could cause actual results or outcomes to differ materially from those expressed in such Forward-Looking Statements or otherwise materially inaccurate. No assurance can be given that these expectations or assumptions will prove to be correct and such Forward-Looking Statements included in this MD&A should not be unduly relied upon. These Forward-Looking Statements speak only as of management's beliefs and expectations as of the date of this MD&A. In addition, this MD&A may contain Forward-Looking Statements drawn from or attributed to third party sources. Accordingly, any such statements are qualified in their entirety by reference to the information discussed throughout this MD&A.

In particular, this MD&A contains Forward-Looking Statements regarding anticipated future financial, structural, growth and operating performance of Quantum, including as it pertains to the operations detailed in this MD&A and the deployment of capital into new acquisitions.

Actual results may differ materially due to a number of risks and uncertainties faced by Quantum, including, but not limited to: general economic and business conditions; global financial conditions; the failure of Quantum to identify future acquisition targets; third parties honouring their contractual obligations with Quantum and its subsidiaries; relationships with operating and/or joint venture partners; inaccuracy, incompleteness or omissions in any of the financial and other information upon which management bases its analysis of potential acquisitions; the failure to realize the anticipated benefits of Quantum's current and future acquisitions; factors relating to the healthcare industry, including reliance on third-party payors for revenue; licensing, certification and accreditation risk; healthcare regulatory requirements; dependence on physician relationships; litigation, professional liability claims; insurance coverage limitations and uninsured risks; dependence on key personnel at the Quantum and operations level; competition from other healthcare providers; factors relating to the media content generation and distribution industry, including ability to deliver services in a timely manner; changes in technology, consumer markets or demand for media services; changes in federal, provincial and foreign content laws and regulations; dependence on third party content producers; competition for, among other things, capital, equipment and skilled personnel; the inability to generate sufficient cash flow from operations to meet future obligations; the inability to obtain required debt and/or equity financing for future acquisitions on suitable terms; competition for acquisition targets; seasonality and fluctuations in results; and limited diversification of Quantum's business industries, structures and operations.

Quantum cautions that the list and description of Forward-Looking Statements, risks, assumptions and uncertainties set out above is not exhaustive. Quantum will update the Forward-Looking Statements as required by securities law. All Forward-Looking Statements contained in this MD&A are qualified by these cautionary statements.

Unless otherwise specified in this MD&A, information contained in this MD&A is current as of the date of this MD&A. Unless otherwise specified, all dollar amounts herein refer to U.S. dollars. Additional information on these and other factors that could affect the operations or financial results of Quantum and its subsidiaries are included in disclosure documents filed by Quantum with the securities regulatory authorities, available under Quantum's profile on SEDAR at www.sedar.com.

BUSINESS OVERVIEW

Quantum International Income Corp ("Quantum" or the "Company") intends to seek opportunities to acquire and grow businesses in order to generate stable distributions for its shareholders, along with capital appreciation. The Company seeks to acquire operating businesses with a proven track record, an opportunity for growth and whose management wishes to continue to operate the business going forward. The Company's investment approach will be to grow through the acquisition of "platform" businesses that are consistent with its business strategy and acquisition criteria and then to continue to build revenues and earnings within these businesses. Potential acquisition targets may be private or public companies in a variety of industries. Acquisition of all or a majority of the ownership of each such business is preferred. Value will be created by seeking out high growth, high margin opportunities where the acquired businesses can maintain and develop the deep knowledge, expertise and understanding of their customers' needs required to deliver superior service and command higher pricing and margins than the competition.

RECENT DEVELOPMENTS

Potential acquisitions in the Georgia gaming market

On March 9, 2017, the Company entered into a letter agreement with a digital skill based gaming terminal operator based in the U.S. State of Georgia dated March 2, 2017 pursuant to which Lucky Bucks, LLC would acquire certain operating assets of the business. The assets to be acquired primarily include gaming terminals and location contracts. The proposed purchase price is expected to be $2.1M.

On March 20, 2017, the Company entered into a letter agreement with a digital skill based gaming terminal operator based in the U.S. State of Georgia dated March 16, 2017 pursuant to which Lucky Bucks, LLC would acquire certain operating assets of the business. The assets to be acquired primarily include gaming terminals and location contracts. The proposed purchase price is expected to be $6.04M.

Share consolidation

On March 17, 2017, the Company completed a share consolidation; each common share holder received one post-consolidation share for every three pre-consolidation shares held. These condensed interim consolidated financial statements retrospectively reflect the impact of the consolidation.

Stock option grant

On May 4, 2017, the Company announced a grant of stock options pursuant to the stock option plan of the Corporation, whereby the Company has granted a total of 2,432,709 stock options to officers, directors and consultants of the Corporation. Each of the stock options granted entitles the holder to purchase one common share of the Corporation at a price of $0.15375 until May 4, 2022.

Acquisitions completed in the Georgia gaming market

On May 18, 2017 Lucky Bucks, LLC, a company controlled by the Company, acquired certain operating assets of Triple 7s Amusement LLC ("Triple 7s") and Lucky Star Amusement, Inc. ("Lucky Star").

The respective purchase price was $4,200,000 in respect of the Triple 7s assets and $1,610,000 in respect of the Lucky Star assets. $4,000,000 of the Triple 7s purchase price was paid on closing of the acquisition, with the remaining $200,000 payable to Triple 7s upon the satisfaction of certain post-closing obligations. These post-closing obligations were satisfied and the remaining amount was paid on May 31, 2017. The total Lucky Star purchase price was paid on closing. In addition to the foregoing cash payments, an additional one-time payment is payable to each of the seller following the closing date if, within six months of the closing date, revenue is generated by assets acquired from the sellers that were not generating revenue as of the closing date.

These acquisitions were financed by a $9.2M term-loan. The financing was provided by an affiliate of Trive Capital pursuant to the financing agreement dated October 21, 2016 to which both the Company and Trive Capital are parties. In connection to the financing, the Company and Trive Capital amended and restated the financing agreement dated May 17, 2017.

In connection with the acquisition financing, the Company issued Trive Capital warrants to purchase 418,600 common shares of the Company at an exercise price of $0.3068 per common share until November 17, 2019. The Company also paid World Equity Group, Inc. ("WEG") $368,000 as consideration for the services provided by WEG in connection with the Company receiving the acquisition financing.

Non-brokered private placement

On May 29, 2017, the Company completed a non-brokered private placement of 3,529,404 units of the Company at a price of CAD$0.17 per unit for aggregate gross proceeds of $600,000. Each unit is comprised of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder thereof to initially purchase one common share of the Company at a price of $0.215 per warrant share at any time on or prior to May 29, 2020.

FINANCIAL REVIEW

INCOME STATEMENT

	May 31, 2017 $	May 31, 2016 $ (Restated)
Revenue		
Gaming revenue	$ 8,771,251	$ -
Location costs	(4,385,626)	-
Revenue after location costs	4,385,625	-
Operating and other expenses		
Fair value loss on derivative liabilities	(40,541)	-
Amortization of property, equipment and intangible assets	(1,099,988)	-
General and administrative expenses (Note 12)	(2,271,227)	(451,848)
Finance costs	(1,395,791)	(28,511)
Gain (loss) on foreign exchange	-	(59,792)
	(4,807,547)	(540,151)
LOSS FROM CONTINUING OPERATIONS BEFORE TAXES	(421,922)	(540,151)
Income taxes		
Current	-	-
NET LOSS FROM CONTINUING OPERATIONS	(421,922)	(540,151)
Gain (loss) from discontinued operations (Note 5 and 6)	-	(414,485)
NET LOSS	(421,922)	(954,636)
Attributable to:		
Owners	(1,804,461)	(945,331)
Non-controlling interest	1,382,539	(9,305)
	(421,922)	(954,636)
Other comprehensive income		
Foreign currency translation reserve	-	3,585
NET LOSS AND COMPREHENSIVE LOSS	(421,922)	(951,051)
Attributable to:		
Owners	(1,804,461)	(942,941)
Non-controlling interest	1,382,539	(8,110)
	$ (421,922)	$ (951,051)
Earnings (loss) per share attributable to owners		
Basic and diluted (Note 13)	(0.03)	(0.03)
Weighted average common shares issued and outstanding (Note 13)	60,811,666	28,910,730

Revenue

Revenue was $8,771,251 for the three month period ended May 31, 2017 and $Nil for the three month period ended May 31, 2016. Revenue generated in the current period was mainly attributable to Lucky Bucks, LLC, an entity that Quantum acquired a controlling interest on October 21, 2016.

General & administrative expenses

	May 31, 2017 $	**May 31, 2016 $**
Professional and advisory fees	1,324,002	134,864
Management fees	-	32,829
Regulatory and filing fees	47,460	23,056
Salaries and benefits	277,732	36,514
Administrative fees	256,324	43,357
Stock based compensation	365,709	181,228
	2,271,227	451,848

The increase in general and administrative expenses compared to the prior period is primarily attributable to the legal, consulting and acquisition costs relating to the Triple 7s and Lucky Star acquisitions as well as management compensation.

Finance costs

The Company incurred finance costs of $1,395,791 for the three months ended May 31, 2017 and $28,511 for the three months ended May 31, 2016. The increase in finance costs is due to the interest paid on the loan from Trive Capital and the amortization of the transaction costs relating to the term loan.

Net Loss

As a result of the foregoing factors, the net loss for the three months ended May 31, 2017 was $421,922 and $954,636 for the three months ended May 31, 2016.

$(1,382,539) and $9,305 of the net loss for the three months ended May 31, 2017 and May 31, 2016 is attributable to non-controlling interest.

Net Comprehensive Loss

Net comprehensive loss for the three ended May 31, 2017 and May 31, 2016 was $421,922 and $951,051 respectively. Net comprehensive loss that is attributable to non-controlling interest for the three months ended May 31, 2017 and May 31, 2016 was $(1,382,539) and $8,110, respectively.

CASH FLOW

CASH FLOW FROM (USED IN)	Three months ended May 31, 2017 $	May 31, 2016 $
Operating activities	208,618	(347,706)
Investing activities	(6,290,623)	-
Financing activities	7,136,368	243,308
Increase (decrease) in cash and cash equivalents	1,054,363	(104,398)

Cash flows from operating activities during the three months ended May 31, 2017 is positive primarily due to the revenue generated from Lucky Bucks, LLC.

Cash flows used in investing activities consists of $5,810,000 for the Triple 7s and Lucky Star acquisitions. As well, the company spent $480,623 on the acquisition of property and equipment for Lucky Bucks, LLC and location contracts.

Cash flows from financing activities include advances from long-term debt, proceeds from private placement, proceeds from warrants exercised and proceeds from options exercised.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company actively manages its liquidity through cash and equity management strategies. Such strategies include continuously monitoring forecasted and actual cash flows from operating, financing and investing activities, seeking to obtain financing through its existing shareholder and related companies.

The Company’s cash flow is generated from the distributions received from its interest in Lucky Bucks, LLC. Management expects its working capital deficiency will be eliminated by the end of the first quarter of calendar 2018. The Company monitors cash on a regular basis and reviews expenses and overhead to ensure costs and commitments are being paid in a timely manner. Management has worked with and negotiated with vendors to ensure payment arrangements are satisfactory to all parties and that monthly cash commitments are managed within the Company’s operating cash flow capabilities.

Management’s goal is to maintain financial flexibility in order to preserve its ability to meet financial obligations, including debt servicing payments and ultimately dividend payments to shareholders in the future. Management consistently monitors its subsidiaries debt covenants management attempts to deploy capital to provide an appropriate investment return to its shareholders.

Capital Management

The Company manages and adjusts its capital structure based on available funds in order to support its operations and acquisitions. The capital of the Company consists of share capital, warrants and long-term debt. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

As the Company continues to assess and seek to acquire an interest in additional businesses, the Company may continue to rely on capital markets to support continued growth. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company monitors its capital structure and must comply with certain financial covenants related to its long-term debt. The Company intends to manage its capital by operating at a level that provides a conservative margin compared to the limits of its covenants. For the period from March 1, 2017 to May 31, 2017, the Company was in compliance with the financial covenants related to its senior secured first lien term loan.

SELECT QUARTERLY INFORMATION (UNAUDITED)

	Quarter Ended August 31, 2015 $	Quarter Ended November 30, 2015 $	Quarter Ended February 29, 2016 $	Quarter Ended May 31, 2016 $	Quarter Ended August 31, 2016	Quarter Ended November 30, 2016	Quarter Ended February 28, 2017	Quarter Ended May 31, 2017
Net Income (loss) from continuing operations	(4,859,095)	(4,881,504)	(66,873)	(954,636)	(1,587,662)	(1,761,155)	1,187,814	(421,922)
Basic and diluted loss per share	(0.06)	(0.06)	(0.00)	(0.01)	(0.02)	(0.02)	0.02	0.03
Total assets	6,637,708	3,776,136	2,841,392	3,124,530	3,418,451	20,624,539	33,392,618	40,735,186
Total long term liabilities	30,817	28,954	Nil	17,461	11,752	11,116,805	8,925,101	17,383,198
Dividends	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

SEGMENTED INFORMATION

Management has identified the following reportable business segments. Each of these reporting segments are managed separately and their results are based on internal management information that is regularly reviewed by the chief operating decision maker.

The Company’s reportable business segments are:

- Multiple Media Entertainment Inc. (“MME”) – divested on October 17, 2016 *
- Centers for Special Surgery, LLC (“CSS”) – divested on February 28, 2017 *
- Other, including head office expenses and office of the CEO (“Quantum”)
- Lucky Bucks, LLC ("LB") - acquired in fiscal year 2017

* This disclosure is included for the 3 month comparative of May 31, 2016.

Assets of LB are held in the USA, all other assets owned at period end are held in Canada.

				May 31, 2016
	Quantum	MME	CSS	Total
	$	$	$	$
Gaming revenue	-	-	-	-
Operating expenses	(451,848)	-	-	(451,848)
Net gain (loss) from operations	(451,848)	-	-	(451,848)
Interest and finance charges	(28,511)	-	-	(28,511)
Gain (loss) on foreign exchange	(59,792)	-	-	(59,792)
Net loss from continuing operations	(540,151)	-	-	(540,151)
Net loss from discontinued operations	-	(27,916)	(386,569)	(414,485)
Total assets	170,196	2,856,682	97,652	3,124,530
Total liabilites	5,038,431	645,527	221,282	5,905,240

			May 31, 2017
	Quantum	LB	Total
	$	$	$
Gaming revenue		8,771,251	8,771,251
Operating expenses	(1,867,381)	(5,889,460)	(7,756,841)
Net gain (loss) from operations	(1,867,381)	2,881,791	1,014,410
Interest and finance charges	(17,837)	(1,377,954)	(1,395,791)
Warrant fair value adjustment	(40,541)	-	(40,541)
Net gain (loss) from continuing operations	(1,925,759)	1,503,837	(421,922)
Total assets	2,607,927	38,127,259	40,735,186
Total liabilites	6,183,544	20,335,137	26,518,681

RELATED PARTY TRANSACTIONS

Key management personnel of the Company include the Chief Executive Officer, the President, Chief Financial Officer and all members of the Board of Directors.

Key management personnel compensation:

	May 31, 2017	May 31, 2016
Management fees paid to corporations controlled by officers	-	(27,171)
Salaries and short term benefits	-	-
Director fees	12,000	6,000
Share based compensation	365,709	181,228
Consulting fees included in professional and advisory fees	844,756	53,151

During the period ended May 31, 2017, the Company incurred consulting fees and reimbursed expenses to a corporation controlled by a director and officer of the Company. These services were incurred in the normal course of operations. As at May 31, 2017, $347,287 was owed relating to these consulting fees (February 28, 2017 – $226,000).

During the period ended May 31, 2017, the Company incurred no consulting fees from an accounting firm which carried out duties of the CFO prior to October 31, 2016. These services were incurred in the normal course of operations for general accounting and financial reporting matters. As at May 31, 2017, $254,939 was owed relating to these consulting fees (February 29, 2017 – $254,939).

During the period ended May 31, 2017, the Company incurred consulting fees from an accounting firm of which carried out duties of the CFO. These services were incurred in the normal course of operations for general accounting and financial reporting matters. All services were made on terms equivalent to those that prevail with arm's length transactions. As at May 31, 2017, $30,144 was owed relating to these consulting fees (February 29, 2017 – $8,529).

During the period ended May 31, 2017, the Company paid rent of $34,897 (May 31, 2016 – 33,683) to a corporation controlled by a director and officer of the Company.

During the period ended May 31, 2016, the Company settled a debt owing to the prior CEO for $7,484. The original debt was $34,655 and the gain on settling the debt is recorded in management fees paid to corporations controlled by officers of the Company.

During the period ended May 31, 2017, total distributions declared by Lucky Bucks Holdco, LLC to its 49% shareholder totaled $1,841,968 of which $591,946 were paid and the remaining balance of $1,250,022 is recorded as a distribution payable. The amount is non-interest bearing, unsecured and due on demand.

As at May 31, 2017, $136,411 is due from the CEO of Lucky Bucks, LLC and 49% shareholder of Lucky Bucks Holdco, LLC. As at May 31, 2017, $27,500 is due from 27th Group, a company controlled by the CEO of Lucky Bucks, LLC and 49% shareholder of Lucky Bucks Holdco, LLC. All amounts due from related parties are non-interest bearing, unsecured and due on demand.

As at May 31, 2017, $38,597 is due from a director of the Company. All amounts due from related parties are non-interest bearing, unsecured and due on demand.

SUBSEQUENT EVENTS

a) Quantum Gaming Corp. (the "Company"), James Boyden and Southern Gaming Consultants Inc. (the "Consultant") on June 27, 2017 formalized an advisory services agreement which is effective October 21, 2016 (the "Advisory Agreement").

   Pursuant to the terms of the Advisory Agreement, the Company will pay the Consultant a monthly fee of US $14,000 to perform certain advisory services to the Company relating to, among other things, sourcing, negotiating and consummating potential transactions, mergers and acquisitions, the provision of required organizational change management assistance and serving as the representative of the Company or an affiliate thereof in licensing and regulatory capacities.

   The Advisory Agreement also contains a cash performance component pursuant to which the Consultant can receive a cash award each time the Company makes a cash distribution to its shareholders by way of a dividend or return of capital (excluding the repayment of debt) once the cumulative aggregate net distribution amounts of all equity distributions to the shareholders of the Company equal a 10% or greater internal rate of return ("IRR") to the shareholders of the Company. The cash award amount is based on the excess of the cumulative net distributions amounts to shareholders over the amounts required to achieve such 10% IRR. Additional amounts equal to 5% of the cumulative aggregate net distribution amounts of all equity distributions to the shareholders of the Company are payable by the Company in excess of the amount required to achieve an IRR of 15 %, 25 % and 35% respectively.

   In addition, a cash payment shall be payable by the Company to the Consultant in the event of a liquidation event, which includes: (i) a share sale which amounts to a change of control of the Company or Quantum International Income Corp.; (ii) a sale of all or substantially all of the assets of the Company or Quantum International Income Corp.; or (iii) an initial public offering of the Company and the amounts which the Consultant can receive on a liquidation event are similar to those set out above.

A termination payment is payable to the Consultant by the Company if: (i) the Advisory Agreement is terminated in certain circumstances; (ii) if James Boyden dies or is disabled; or (iii) the Consultant exercises its right to terminate the Agreement and requires the Company to pay a termination payment or the Company exercises its right to terminate the agreement after October 22, 2018 and make a termination payment. In these situations, if the aggregate net distribution amounts of all equity distributions paid to the Company's shareholders equals a 10% or greater IRR to the shareholders of the Company, an amount equal to 10% of the aggregate net distribution amount for such period in excess of the amount required to achieve a 10% IRR shall be paid by the Company to Consultant. Additional amounts are payable by the Company when the aggregate net distribution amounts of all equity distributions to the shareholders of the Company hit certain thresholds. If the aggregate net distribution amount of all equity distributions paid by the Company equals a 15%, 25% and 35% IRR, or greater, an amount equal to 15%, 20% and 25%, respectively, of the aggregate net distribution amount for such period in excess of the amount required to achieve a 15%, 25% and 35% IRR, as the case may be, shall be paid by the Company to Consultant. No termination payment is payable if the Consultant consummates a change of control transaction or if there is a fundamental breach by the Consultant which includes matters such as if the Consultant were to engage in acts of dishonesty such as fraud, serious misconduct or is in material breach of the standard of care set out in the Advisory Agreement.

b) On June 30, 2017 Lucky Bucks, LLC, a company controlled by the Company, acquired certain operating assets of American Amusement LLC (“AA”) and AM/PM Management, Inc. (“AMPM”).

The respective purchase price was $4.0M in respect of the AA assets and $11.92M in respect of the AMPM assets. The total AA purchase price and total AMPM purchase price was paid on the closing date of the acquisition.

These acquisitions were financed by a $17.1M term-loan with an affiliate of Trive Capital. The financing was provided by the lender pursuant to the financing agreement dated October 21, 2016 to which both the Company and the lender are parties. In connection to the financing, the Company and the lender amended and restated the financing agreement dated June 30, 2017.

In connection with the acquisition financing, the Company issued the lender warrants to purchase 778,050 common shares of the Company at an exercise price of $0.3828 per common share until December 30, 2019. The Company also paid World Equity Group, Inc. ("WEG") $639,000 as consideration for the services provided by WEG in connection with the Company receiving the acquisition financing.

The initial accounting for the acquisitions is incomplete. Accordingly, a summary of the purchase consideration and the allocation to the fair value of the assets acquired and liabilities assumed have not been disclosed.

c) On July 12, 2017, the company announced that the board of directors of the Company has appointed Chad Williams as a director. The Company further announced a grant of stock options pursuant to the stock option plan of the Company, whereby the Company has granted a total of 3,916,526 stock options to certain officers, directors, and employees of the Company. Each of the stock options granted entitles the holder to purchase one common share of the Company at a price of $0.3525 until July 12, 2022.

OUTSTANDING SHARE DATA

	February 28, 2017	May 31, 2017	July 27, 2017
Common shares outstanding	60,669,629	64,419,031	67,693,351
Warrants outstanding	2,740,160	4,880,832	5,428,883
Share options outstanding	3,497,907	5,888,949	6,761,002
Total	66,907,696	75,188,812	79,883,236

Warrants

- Warrants exercised in the period from June 1, 2017 to July 27, 2017:

Warrant Exercise Date	Number of Common Shares issued on exercise
June 14, 2017	73,333
July 11, 2017	73,333
July 24, 2017	83,333

- On June 30, 2017, pursuant to the Amended and Restated Financing Agreement, Quantum issued the Trive Capital warrants to purchase 418,600 common shares of Quantum International Income Corp. as follows:

Issue Date	Number of Warrants	Exercise Price ($C)	Expires
June 30, 2017	778,050	$0.3828	December 30, 2019

Stock Options

- Options exercised in the period from June 1, 2017 to July 1, 2017:

Option Exercise Date	Number of Common Shares issued on exercise
July 5, 2017	3,044,473

- On July 12, 2017, the Company announced a grant of stock options pursuant to the stock option plan of the Company, whereby the Company has granted a total of 3,916,526 stock options to certain officers, directors, and employees of the Company. Each of the stock options granted entitles the holder to purchase one common share of the Company at a price of $0.3525 until July 12, 2022.

RISK FACTORS

Risks related to the businesses and industries of the Company

General economic conditions

The Company's operating subsidiary operates in the digital skilled-based gaming space in Georgia. The profitability of the Company is therefore dependent on favorable economic conditions to prevail in both countries for its successful operations. Decrease of employment rates in the U.S. could significantly impact potential patient population and thus can negatively impact our business.

Business risks related to operating in the digital skilled-based gaming space

The Company is subject to general business risks inherent in the operation of digital skilled-based gaming terminal locations, notably contract renewal risk, changes in regulation, competition from other operators, capital expenditure requirements, etc. Moreover, there is no assurance that the performance expected to be achieved at LBI will be achieved. Any one of, or a combination of, these factors may adversely affect our business, results of operations and financial condition.

Fluctuations in revenues and payor mix

The Company's digital skill-based gaming terminal business is not significantly affected by variability of payments from third-party payors. The revenue cycle is highly regulated by the Georgia Lottery Corporation and the Company can monitor its weekly cash receipts to the Georgia COAM portal.

Key personnel

The Company's success is largely dependent upon retaining key personnel engaged in the digital skilled-based gaming terminal business. An inability to retain key employees may adversely affect our business, results of operations and financial condition.

Our success also depends on the efforts and abilities of our management, as well as our ability to attract additional qualified personnel to manage operations and future growth. Also, we maintain a key employee life insurance policy on the CEO of Quantum International Income Corp. and are currently assessing the need for additional insurance on other key management personnel or partners. The loss of a member of management, other key employee or partners could have an adverse effect on our business, operating results and financial condition.

Regulatory risks

LBI's operation in the U.S. is subject to state rules and regulations as monitored by the Georgia Lottery Corporation. In April 2013, the Georgia Lottery Corporation statutorily assumed the regulatory duties of compliance and enforcement of Class A and Class B Coin Operated Amusement Machines (COAMs) in Georgia. The COAM Division of the GLC oversees these duties. Strict licensing standards, financial responsibilities, and connection/communication protocols are governed by GLC rules and state law. Awareness and education are the two most important fundamentals for a COAM license holder in today's industry. We believe that LBI is currently in material compliance with all applicable licensing, financial responsibilities and connection/communication protocols. There can be no assurance that LBI will be able to maintain all necessary licenses or certifications in good standing or that it will not be required to incur substantial costs in doing so. The failure to maintain all necessary licenses, certifications and accreditations in good standing, or the expenditure of substantial funds to maintain them, could have an adverse effect on our business, results of operations and financial condition.

Acquisition strategy and concentration risk

The Company currently owns an interest in one digital skill-based gaming business (LBI). Therefore, all of the risks are currently concentrated in a single business. LBI owns terminals installed in various locations across the state of Georgia so the risks are diversified. The Company will continue to execute on its aggressive growth strategy through acquisitions in the Georgia digital skill-based gaming space. Failure to identify suitable acquisition targets and negotiate attractive consideration and acceptable financing terms may adversely affect the Company's performance. As of June 28, 2017 LBI closed two acquisitions of other digital skill-based gaming businesses in Georgia.

Future growth depends on the ability to locate and secure financially attractive targets that meet the acquisition strategy of the Company, as well as the ability of accessing funds through capital markets to finance the transaction. Failure to identify suitable acquisition targets and negotiate attractive consideration and acceptable financing terms my adversely affect the Company's performance.

Any failure to successfully integrate our businesses and businesses we acquire could adversely affect our business, and we may not realize the full benefits of the strategic acquisitions.

Our ability to realize the anticipated benefits of the strategic acquisitions will depend, to a large extent, on our ability to successfully integrate our business and the businesses we acquire. Integrating and coordinating certain aspects of the operations and personnel of multiple businesses and managing the expansion in the scope of our operations and financial systems involve complex operational, technological and personnel-related challenges. The potential difficulties, and resulting costs and delays, relating to the integration of our business and the strategic acquisitions include:

- the difficulty in integrating newly acquired businesses and operations in an efficient and effective manner;
- the challenges in achieving strategic objectives, cost savings and other benefits expected from acquisitions;
- the diversion of management's attention from the day-to-day operations;
- additional demands on management related to the increased size and scope of our company following the acquisitions; and
- challenges in keeping existing customers and obtaining new customers.

There is no assurance that we will successfully or cost-effectively integrate our business and the businesses we acquire. In addition, the integration process may cause an interruption of, or loss of momentum in, the activities of our combined business. If management is not able to effectively manage the integration process or if any significant business activities are interrupted as a result of the integration process, our business could suffer and our results of operations and financial condition may be harmed. Even if the businesses are successfully integrated, we may not realize the full benefits of the strategic acquisitions, including anticipated synergies, cost savings or growth opportunities, within the expected timeframes or at all.

In addition, we have incurred, and may incur additional, significant integration and restructuring expenses to realize synergies. However, many of the expenses that will be incurred are, by their nature, difficult to estimate accurately. These expenses could, particularly in the near term, exceed the savings that we expect to achieve from elimination of duplicative expenses and the realization of economies of scale and cost savings. Although we expect that the realization of efficiencies related to the integration of the businesses may offset incremental transaction and merger-related costs over time, we cannot give any assurance that this net benefit will be achieved in the near term, or at all. Any of these matters could materially adversely affect our businesses or harm our financial condition, results of operations and prospects.

Our business is geographically concentrated, which subjects us to greater risks from changes in local or regional conditions.

We currently conduct our business solely in Georgia. Due to this geographic concentration, our results of operations and financial condition are subject to greater risks from changes in local and regional conditions, such as:

- changes in local or regional economic conditions and unemployment rates;
- adverse weather conditions and natural disasters (including weather or road conditions that limit access to our properties)
- changes in local and state laws and regulations, including laws and regulations
- a decline in the number of residents in or near, or visitors to, our locations; and
- changes in the local or regional competitive environment.

As a result of the geographic concentration of our business, we face a greater risk of a negative impact on our business, financial condition, results of operations and prospects in the event that any of the geographic areas in which we operate is more severely impacted by any such adverse condition, as compared to other areas in the United States.