UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)

[X] **QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2019

[ ] TRANSITION REPORT UNDER SECTION 13 or 15(d) OF THE EXCHANGE ACT

For the transition period from __________________ to ___________________

Commission File Number: 333-120120-01

KIDOZ INC.

(Previously Shoal Games Ltd.)

(Exact name of small business issuer as specified in its charter)

ANGUILLA	**98-0206369**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

Hansa Bank Building, Ground Floor, Landsome Road
AI 2640, The Valley, Anguilla, B.W.I

(Address of principal executive offices)

(888) 374-2163

(Issuer's telephone number)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares	KIDZ	Toronto Venture Stock Exchange

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Sections 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company, or an emerging growth company.

Large accelerated filer	[ ]	Accelerated file	[ ]
Non-accelerated filer	[ ]	Smaller reporting company	[X]
		Emerging growth company	[ ]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. Yes [ ] No [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

APPLICABLE ONLY TO CORPORATE ISSUERS The number of outstanding shares of the Issuer's common stock, no par value per share, was 131,124,989 as of November 14, 2019.

KIDOZ INC.
(Previously Shoal Games Ltd.)

QUARTERLY REPORT ON FORM 10-Q
FOR THE PERIOD ENDED SEPTEMBER 30, 2019

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PART I - FINANCIAL INFORMATION

ITEM 1. Financial Statements.

KIDOZ INC. and subsidiaries
(Previously Shoal Games Ltd.)
(Expressed in United States Dollars)

Consolidated Balance Sheets
(Unaudited)

As at		September 30, 2019		December 31, 2018
Assets				
Current assets:				
Cash and cash equivalents	$	812,477	$	641,536
Accounts receivable less allowance for doubtful accounts $53,513 (December 31, 2018 - $27,666) (Note 4)		1,909,315		12,103
Prepaid expenses		127,814		99,739
Total Current Assets		2,849,606		753,378
Equipment, net (Note 5)		25,773		16,255
Goodwill and identified intangible assets (Note 3)		19,591,161		-
Operating lease right-of-use assets (Note 12)		141,137		-
Security deposit		7,597		-
Total Assets	$	22,615,274	$	769,633
Liabilities and Stockholders' Equity				
Current liabilities:				
Accounts payable	$	521,361	$	15,404
Accrued liabilities		193,696		64,937
Accounts payable and accrued liabilities - related party (Note 12)		3,771		10,464
Operating lease liabilities – current portion (Note 12)		21,928		-
Total Current Liabilities		740,756		90,805
Operating lease liabilities, net of current portion (Note 12)		97,422		-
Total Liabilities		838,178		90,805
Commitments (Note 10)				
Stockholders' Equity (Note 9):				
Common stock, no par value, unlimited shares authorized, 131,124,989 shares issued and outstanding (December 31, 2018 - 73,674,703)		48,934,268		26,552,468
Accumulated deficit		(27,181,752)		(25,898,220)
Accumulated other comprehensive income:				
Foreign currency translation adjustment		24,580		24,580
Total Stockholders' Equity		21,777,096		678,828
Total Liabilities and Stockholders' Equity	$	22,615,274	$	769,633

See accompanying notes to the consolidated financial statements.

KIDOZ INC. and subsidiaries
(Previously Shoal Games Ltd.)
(Expressed in United States Dollars)

Consolidated Statements of Operations and Comprehensive Loss
For Periods Ended September 30, 2019 and 2018
(Unaudited)

	Nine Months ended September 30, 2019	Nine Months ended September 30, 2018	Three Months ended September 30, 2019	Three Months ended September 30, 2018
Revenue:				
Ad tech advertising revenue	$ 1,975,523	$ -	$ 1,165,609	$ -
Content revenue	419,747	89,636	105,419	40,942
Total revenue	2,395,270	89,636	1,271,028	40,942
Cost of sales:	1,506,272	-	753,987	-
Total cost of sales	1,506,272	-	753,987	-
Gross profit	888,998	89,636	517,041	40,942
Operating expenses:				
Acquisition of subsidiary (Note 3)	190,228	-	-	-
Depreciation and amortization (Note 5)	11,633	3,988	5,074	1,495
Directors fees	5,500	3,500	1,000	500
General and administrative	414,990	201,190	134,085	51,200
Promissory note accretion and interest (Note 7)	-	37,090	-	-
Salaries, wages, consultants and benefits	569,709	473,110	136,762	143,477
Selling and marketing	276,280	309,479	94,289	36,787
Stock-based compensation (Note 9)	14,945	592,050	5,015	3,574
Content and software development (Note 6)	810,202	743,547	270,441	207,483
Total operating expenses	2,293,487	2,363,954	646,666	444,516
Loss before other income (expense) and income taxes	(1,404,489)	(2,274,318)	(129,625)	(403,574)
Other income (expense):				
Foreign exchange gain (loss)	21,147	1,604	(28,299)	2,697
Interest and other income	1,915	6,125	1,097	3,701
Gain on derivative liability – warrants (Note 7)	-	44,572	-	-
Loss before income taxes	(1,381,427)	(2,222,017)	(156,827)	(397,176)
Income tax recovery (Note 11)	97,895	-	97,895	-
Loss after tax	(1,283,532)	(2,222,017)	(58,932)	(397,176)
Other comprehensive income (loss)	-	-	-	-
Comprehensive loss	$ (1,283,532)	(2,222,017)	(58,932)	(397,176)
Basic and diluted loss per common share	$ (0.01)	$ (0.03)	$ (0.00)	$ (0.01)
Weighted average common shares outstanding, basic	117,867,231	71,584,648	131,124,989	73,674,703
Weighted average common shares outstanding, diluted	117,867,231	71,584,648	131,124,989	73,674,703

See accompanying notes to the consolidated financial statements.

KIDOZ INC. and subsidiaries
(Previously Shoal Games Ltd.)
(Expressed in United States Dollars)

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the periods ended September 30, 2019 and 2018
(Unaudited)

	Nine-Month period Ended September 30, 2019				
	Common stock			Accumulated Other Comprehensive income	
	Shares	Amount	Accumulated Deficit	Foreign currency translation adjustment	Total Stockholders' Equity
Balance, December 31, 2018	73,674,703	$26,552,468	$ (25,898,220)	$ 24,580	$678,828
Acquisition of subsidiary	52,450,286	20,603,655			20,603,655
Private placement	5,000,000	2,000,000	-	-	2,000,000
Share issuance costs	-	(236,800)	-	-	(236,800)
Stock-based compensation	-	4,980	-	-	4,980
Net loss and comprehensive loss	-	-	(826,304)	-	(826,304)
Balance, March 31, 2019	131,124,989	$48,924,303	$ (26,724,524)	$ 24,580	$22,224,359
Stock-based compensation	-	4,950	-	-	4,950
Net loss and comprehensive loss	-	-	(398,296)	-	(398,296)
Balance, June 30, 2019	131,124,989	$48,929,253	$ (27,122,820)	$ 24,580	$21,831,013
Stock-based compensation	-	5,015	-	-	5,015
Net loss and comprehensive loss	-	-	(58,932)	-	(58,932)
Balance, September 30, 2019	131,124,989	$48,934,268	$ (27,181,752)	$ 24,580	$21,777,096

	Nine-Month period Ended September 30, 2018				
	Common stock			Accumulated Other Comprehensive income	
	Shares	Amount	Accumulated Deficit	Foreign currency translation adjustment	Total Stockholders' Equity (Deficiency)
Balance, December 31, 2017	65,169,703	$23,133,400	$ (23,305,389)	$ 24,580	($147,409)
Exercise of Warrants	15,000	6,600	-	-	6,600
Private placement	7,290,000	2,551,500	-	-	2,551,500
Share issuance costs	-	(271,358)	-	-	(271,358)
Stock-based compensation	-	3,693	-	-	3,693
Net loss and comprehensive loss	-	-	(835,368)	-	(835,368)
Balance, March 31, 2018	72,474,703	$25,423,835	$ (24,140,757)	$ 24,580	$1,307,658
Exercise of Warrants	1,200,000	603,435	-	-	603,435
Stock-based compensation	-	584,783	-	-	584,783
Extinguishment of promissory note		(65,955)			(65,955)
Net loss and comprehensive loss	-	-	(989,473)	-	(989,473)
Balance, June 30, 2018	73,674,703	$26,546,098	$ (25,130,230)	$ 24,580	$1,440,448
Stock-based compensation	-	3,574	-	-	3,574
Net loss and comprehensive loss	-	-	(397,176)	-	(397,176)
Balance, September 30, 2018	73,674,703	$26,549,672	$ (25,527,406)	$ 24,580	$1,046,846

See accompanying notes to the consolidated financial statements.

KIDOZ INC. and subsidiaries
(Previously Shoal Games Ltd.)
(Expressed in United States Dollars)

Consolidated Statements of Cash Flows
For the nine month periods ended September 30, 2019 and 2018
(Unaudited)

		2019		2018
Cash flows from operating activities:				
Net loss	$	(1,283,532)	$	(2,222,017)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization		11,633		3,988
Accretion of promissory note		-		31,966
Loss on derivative liability – warrants		-		(44,572)
Amortization of right of use assets		53,219		-
Promissory note – accrued interest		-		5,124
Stock-based compensation		14,945		592,050
Changes in operating assets and liabilities:				
Accounts receivable		(360,825)		3,544
Prepaid expenses		(5,822)		(61,551)
Accounts payable and accrued liabilities		161,804		(61,318)
Net cash used in operating activities		(1,408,578)		(1,752,786)
Cash flows from investing activities:				
Acquisition of equipment		(6,278)		(8,720)
Acquisition of subsidiary		183,263		-
Security deposits		(7,597)		-
Net cash provided by (used in) investing activities		169,388		(8,720)
Cash flows from financing activities:				
Private placement, net		1,763,200		2,280,142
Payments on the right of use liability		(75,006)		-
Promissory note		-		(1,923)
Repayment of short-term loan		(278,063)		-
Warrant exercised		-		6,600
Net cash provided by financing activities		1,410,131		2,284,819
Change in cash and cash equivalents		170,941		523,313
Cash and cash equivalents, beginning of period		641,536		478,397
Cash and cash equivalents, end of period	$	812,477	$	1,001,710
Supplementary information:				
Interest paid	$	1,367	$	-
Income taxes paid	$	-	$	-
			$	
Non-cash investing activity - operating lease right-of-use assets	$	(188,784)	$	-
Non-cash investing activity - operating lease liabilities	$	188,784	$	-
Non-cash financing activity – Extinguishment of promissory notes	$	-	$	(65,955)
Non-cash financing activity – settlement of promissory notes through exercise of 1,200,000 warrants	$	-	$	603,435
RECONCILIATION OF CASH AND CASH EQUIVALENTS				
Cash and cash equivalents, beginning of period				
Cash		641,536		478,397
Cash equivalents (Term deposits)		-		-
Total cash and cash equivalents, beginning of period		641,536		478,397
Cash and cash equivalents, end of period				
Cash		774,715		865,400
Cash equivalents (Term deposits)		37,762		136,310
Total cash and cash equivalents, end of period		812,477		1,001,710

See accompanying notes to the consolidated financial statements.

1. Basis of Presentation:

The accompanying unaudited financial statements have been prepared by Kidoz Inc. (previously Shoal Games Ltd.) ("the Company") in conformity with accounting principles generally accepted in the United States of America ("US GAAP") applicable to interim financial information and with the rules and regulations of the United States Securities and Exchange Commission. Accordingly, certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with generally accepted accounting principles have been condensed, or omitted, pursuant to such rules and regulations. In the opinion of management, the unaudited interim consolidated financial statements include all adjustments necessary for the fair presentation of the results of the interim periods presented. All adjustments are of a normal recurring nature, except as otherwise noted below. These unaudited interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the year ended December 31, 2018, included in the Company's Annual Report on Form 10-K, filed March 21, 2019, with the Securities and Exchange Commission. The results of operations for the interim periods are not necessarily indicative of the results of operations for any other interim period or for a full fiscal year.

Continuing operations

These unaudited interim consolidated financial statements have been prepared on the going concern basis, which presumes the realization of assets and the settlement of liabilities in the normal course of operations. The application of the going concern basis is dependent upon the Company achieving profitable operations to generate sufficient cash flows to fund continued operations, or, in the absence of adequate cash flows from operations, obtaining additional financing. The Company has reported losses from operations for the quarters ended September 30, 2019 and 2018, and has an accumulated deficit of $27,181,752 as at September 30, 2019. These material uncertainties raise substantial doubt about the Company's ability to continue as a going concern.

In view of the matters described in the preceding paragraph, recoverability of a major portion of the recorded asset amounts and settlement of the liability amounts shown in the accompanying balance sheets is dependent upon continued operations of the Company, which in turn is dependent upon the Company's ability to succeed in its future operations. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

Management continues to review operations in order to identify additional strategies designed to generate cash flow, improve the Company's financial position, and enable the timely discharge of the Company's obligations. If management is unable to identify sources of additional cash flow in the short term, it may be required to further reduce or limit operations.

(Expressed in United States Dollars)

2. Summary of significant accounting policies:

(a) Basis of presentation:

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") applicable to annual financial information and with the rules and regulations of the United States Securities and Exchange Commission. The financial statements include the accounts of the Company's subsidiaries:

Company	Registered	% Owned
Shoal Media (Canada) Inc.	British Columbia, Canada	100%
Coral Reef Marketing Inc.	Anguilla	100%
Kidoz Ltd.	Israel	100%
Rooplay Media Ltd.	British Columbia, Canada	100%
Rooplay Media Kenya Limited	Kenya	100%
Shoal Media Inc.	Anguilla	100%
Shoal Games (UK) Plc	United Kingdom	99%
Shoal Media (UK) Ltd.	United Kingdom	100%

In addition, there are the following dormant subsidiaries; Bingo.com (Antigua) Inc., Bingo.com (Wyoming) Inc., and Bingo Acquisition Corp.

During the quarter ended March 31, 2019, the Company acquired Kidoz Ltd. a company incorporated under the laws of Israel. (Note 3)

All inter-company balances and transactions have been eliminated in the consolidated financial statements.

(b) Use of estimates:

The preparation of consolidated financial statements in conformity with US GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and recognized revenues and expenses for the reporting periods.

Significant areas requiring the use of estimates include the collectability of accounts receivable, stock-based compensation, the valuation of deferred tax assets, the valuation of the acquisition of Kidoz Ltd. and the estimated interest rate of 12% for the license right of use assets and 4.12% for the rental unit right of use asset. Actual results may differ significantly from these estimates.

2. Summary of significant accounting policies (Continued):

(c) Revenue recognition:

Ad tech advertising revenues is recognized when advertising is served and when collection of the amounts are reasonably assured.

The Company recognizes content revenue in accordance with general revenue recognition accounting guidance, when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable and collection is probable.

The content revenue includes sale of in-game and premium purchases, net of platform fees, in-game advertising, subscriptions. and revenue is recognized when delivery has occurred, and the collection of the amounts are reasonably assured.

(d) Foreign currency:

The consolidated financial statements are presented in United States dollars, the functional currency of the Company and its subsidiaries. The Company accounts for foreign currency transactions and translation of foreign currency financial statements under Statement ASC 830, Foreign Currency Matters. Transaction amounts denominated in foreign currencies are translated at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and liabilities are adjusted at each balance sheet date to reflect the exchange rate at that date. Non-monetary assets and liabilities are translated at the exchange rate on the original transaction date.

Gains and losses from restatement of foreign currency monetary and non-monetary assets and liabilities are included in operations. Revenues and expenses are translated at the rates of exchange prevailing on the dates such items are recognized in earnings.

(e) Software Development Costs:

Software development costs incurred in the research and development of new software products and enhancements to existing software products for external use are expensed as incurred until technological feasibility has been established. After technological feasibility is established, any software development costs are capitalized and amortized at the greater of the straight-line basis over the estimated economic life of the related product or the ratio that current gross revenues for a product bear to the total of current and anticipated future gross revenues for the related product.

If a determination is made that capitalized amounts are not recoverable based on the estimated cash flows to be generated from the applicable software, any remaining capitalized amounts are written off. Although the Company believes that its approach to estimates and judgments as described herein is reasonable, actual results could differ and the Company may be exposed to increases or decreases in revenue that could be material.

(Expressed in United States Dollars)

2. Summary of significant accounting policies (Continued):

(e) Software Development Costs: (Continued)

Total software development costs were $7,527,012 as at September 30, 2019 (December 31, 2018 - $6,716,810).

(f) Equipment:

Equipment is recorded at cost less accumulated depreciation. Depreciation is provided for annually on the declining balance method over the following periods:

Equipment and computers	33.3%
Furniture and fixtures	20.0%

Expenditures for maintenance and repairs are charged to expenses as incurred. Major improvements are capitalized. Gains and losses on disposition of equipment are included in operations as realized.

(g) Stock-based compensation:

The Company recognizes all stock-based compensation as an expense in the financial statements and that such cost be measured at the fair value of the award.

The fair value of each option grant has been estimated on the date of the grant using the Black-Scholes option-pricing model with the following assumptions:

	2019	2018
Expected dividend yield	-	-
Expected stock price volatility	-	109%
Weighted average volatility	-	96%
Risk-free interest rate	-	1.97%
Expected life of options	-	5 years
Forfeiture rate	-	5%

(h) Right of use assets:

The Company determines if an agreement is a lease at inception. The Company evaluates the lease terms to determine whether the lease will be accounted for as an operating or finance lease. Operating leases are included in operating lease right-of-use ("ROU") assets, operating lease liabilities, current portion, and operating lease liabilities, net of current portion in the consolidated balance sheets.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the Company leases do not provide an implicit rate, the

2. Summary of significant accounting policies (Continued):

(h) Right of use assets: (Continued)

Company uses the incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The Company uses the implicit rate when readily determinable. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

A lease that transfers substantially all of the benefits and risks incidental to ownership of property are accounted for as finance leases. At the inception of a finance lease, an asset and finance lease obligation is recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value. Finance lease obligations are classified as either current or long-term based on the due dates of future minimum lease payments, net of interest.

(i) Business Combinations:

When the Company acquires a business, the purchase consideration is allocated to the tangible assets acquired, liabilities assumed, and intangible assets acquired based on their estimated respective fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. Such valuations require the Company to make significant estimates and assumptions, especially with respect to intangible assets. Significant estimates in valuing certain intangible assets include, but are not limited to, future expected cash flows from acquired users, acquired technology, and trade names from a market participant perspective, useful lives and discount rates. The Company's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. During the measurement period, which is one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded to non-operating income (expense) in the consolidated statements of operations.

(j) New accounting pronouncements and changes in accounting policy:

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments". The accounting standard changes the methodology for measuring credit losses on financial instruments and the timing when such losses are recorded. ASU No. 2016-13 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2019. Early adoption is permitted for fiscal years, and interim periods within those years, beginning after December 15, 2018. In November 2018, the FASB

2. Summary of significant accounting policies (Continued):

(j) New accounting pronouncements and changes in accounting policy: (Continued)

issued ASU 2018-19, Codification Improvements to Topic 326, Financial Instruments – Credit Losses ("ASU 2018-19") . ASU 2018-19 clarifies that receivables arising from operating leases are not within the scope of Subtopic 326-20. Instead, impairment of receivables arising from operating leases should be accounted for in accordance with Topic 842, Leases. In April 2019, the FASB issued ASU 2019-04, Codification Improvements to Topic 326, Financial Instruments – Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments, which replaces the "incurred loss" impairment methodology with an approach based on "expected losses" to estimate credit losses on certain types of financial instruments and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates.

The guidance requires financial assets measured at amortized cost to be presented at the net amount expected to be collected. The allowance for credit losses is a valuation account that is deducted from the amortized cost of the financial asset to present the net carrying value at the amount expected to be collected on the financial asset. The Update also modified the accounting for available-for-sale ("AFS") debt securities, which must be individually assessed for credit losses when fair value is less than the amortized cost basis, in accordance with Subtopic 326-30, Financial Instruments—Credit Losses—Available-for-Sale Debt Securities . Credit losses relating to AFS debt securities will be recorded through an allowance for credit losses. The codification improvements in ASU 2019-04 clarify that an entity should include recoveries when estimating the allowance for credit losses. The amendments specify that expected recoveries of amounts previously written off and expected to be written off should be included in the valuation account and should not exceed the aggregate of amounts previously written off and expected to be written off by the entity. In addition, for collateral dependent financial assets, the amendments clarify that an allowance for credit losses that is added to the amortized cost basis of the financial asset(s) should not exceed amounts previously written off. The amendment also clarifies FASB's intent to include all reinsurance recoverables that are within the scope of Topic 944 to be within the scope of Subtopic 326-20, regardless of the measurement basis of those recoverables. The Company is currently evaluating the impact of the amended guidance and has not yet determined the effect of the standard on its ongoing financial reporting.

In January 2017, the FASB issued ASU 2017-04, Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment, which eliminates Step 2 from the goodwill impairment test. The annual, or interim, goodwill impairment test is performed by comparing the fair value of a reporting unit with its carrying amount. An impairment charge should be recognized for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. In

2. Summary of significant accounting policies (Continued):

(j) New accounting pronouncements and changes in accounting policy: (Continued)

addition, income tax effects from any tax deductible goodwill on the carrying amount of the reporting unit should be considered when measuring the goodwill impairment loss, if applicable.

The amendments also eliminate the requirements for any reporting unit with a zero or negative carrying amount to perform a qualitative assessment and, if it fails that qualitative test, to perform Step 2 of the goodwill impairment test. An entity still has the option to perform the qualitative assessment for a reporting unit to determine if the quantitative impairment test is necessary. This guidance is effective for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. Early adoption is permitted. ASU 2017-04 should be adopted on a prospective basis. The Company is in the process of evaluating the potential impact of this new ASU on our condensed consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-13, "Fair Value Measurement: Disclosure Framework (Topic 840) - Changes to the Disclosure Requirements for Fair Value Measurement", which will improve the effectiveness of disclosure requirements for recurring and nonrecurring Level 1, Level 2 and Level 3 instruments in the fair value measurements. The standard removes, modifies, and adds certain disclosure requirements, and is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Company is evaluating the impact this standard will have on the Company's consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-15, Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract, which requires implementation costs in a hosting arrangement that is a service contract to be capitalized consistent with the rules in ASC 350-40, Intangibles—Goodwill and Other—Internal-Use Software. This aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). Costs incurred during the application development stage are to be capitalized and expensed according to their nature, while costs incurred during the preliminary project and post-implementation stages are to be expensed. This ASU also contains guidance with regard to the amortization period, impairment and presentation within the financial statements. The ASU is required to be adopted by the Company during 2020, however early adoption is allowed in an interim period before then, and may be applied retrospectively or prospectively to applicable costs on the Company's condensed consolidated financial statements. The Company is evaluating the impact this ASU will have on its consolidated financial statements and whether to early adopt.

In March 2019, the FASB issued ASU No. 2019-01, Leases (Topic 842) ("ASU 2019-01"), Codification Improvements , which aligned the new leases guidance with existing guidance for fair

2. Summary of significant accounting policies (Continued):

(j) New accounting pronouncements and changes in accounting policy: (Continued)

value of the underlying asset by lessors that are not manufacturers or dealers. As a result, the fair value of the underlying asset at lease commencement is its cost, reflecting any volume or trade discounts that may apply. However, if there has been a significant lapse of time between when the underlying asset is acquired and when the lease commences, the definition of fair value (in ASC 820, Fair Value Measurement) should be applied. More importantly, the ASU also exempts both lessees and lessors from having to provide certain interim disclosures in the fiscal year in which a company adopts the new leases standard. This standard is effective for fiscal years beginning after December 15, 2019. Early adoption is allowed. The Company is evaluating the impact this ASU will have on its consolidated financial statements.

In May 2019, the FASB issued ASU 2019-05, Financial Instruments-Credit Losses (Topic 326) ("ASU 2019-05"). ASU 2019-05 provides entities that have certain instruments within the scope of Subtopic 326-20, Financial Instruments—Credit Losses—Measured at Amortized Cost, with an option to irrevocably elect the fair value option in Subtopic 825-10, Financial Instruments—Overall, applied on an instrument-by-instrument basis for eligible instruments. ASU 2019-05 is effective for the Company's financial statements for annual and interim periods beginning on or after December 15, 2019. The Company does not believe that the adoption of this standard will have a material impact on the Company's consolidated financial position or results of operations.

There have been no other recent accounting standards, or changes in accounting standards, during the period ended September 30, 2019, as compared to the recent accounting standards described in the Annual Report, that are of material significance, or have potential material significance, to us.

(k) Financial instruments:

(i) Fair values:

The fair value of accounts receivable, accounts payable, accrued liabilities, short term loan and accounts payable and accrued liabilities - related party approximate their financial statement carrying amounts due to the short-term maturities of these instruments. Cash is carried at fair value using a level 1 fair value measurement.

In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves.

Fair values determined by Level 3 inputs are unobservable data points for the asset or liability, and included situations where there is little, if any, market activity for the asset. The Company's cash was measured using Level 1 inputs. Stock-based compensation was measured using Level 2 inputs.

(Expressed in United States Dollars)

2. Summary of significant accounting policies (Continued):

(k) Financial instruments: (Continued)

(ii) Foreign currency risk:

The Company operates internationally, which gives rise to the risk that cash flows may be adversely impacted by exchange rate fluctuations. The Company has not entered into any forward exchange contracts or other derivative instrument to hedge against foreign exchange risk.

3. Acquisition of Kidoz Ltd. :

During the quarter ended March 31, 2019, the Company issued 52,450,286 shares for total consideration of $20,603,655 in the acquisition of all the issued and outstanding ordinary and preferred shares in the capital stock of Kidoz Ltd., a company incorporated under the laws of the State of Israel. Kidoz Ltd. is a global kids' content distribution and monetization marketplace. The Company paid a commission of $130,000 and incurred transaction costs of $60,228. The acquisition closed with the effective date of acquisition being February 28, 2019.

The acquisition enables the global reach of Kidoz Ltd.'s content network to be combined with the Company's Rooplay subscription OTT platform.

This acquisition is accounted for as a business combination. On acquisition of Kidoz Ltd., the Company allocated the purchase price to the fair value of the net assets acquired. However, as certain information regarding Kidoz Ltd.'s, intangible assets and resulting goodwill is not yet finalized, these figures are subject to change. The provisional measurements of assets and liabilities may be retrospectively adjusted when new information is obtained until the final measurements are determined within one year of the acquisition date. During the quarter ended September 30, 2019, the provisional measurements have been updated to reflect new information on the fair value of the net assets received.

The Company has estimated the following assets and liabilities were acquired with the acquisition of Kidoz Ltd.

Cash	$	183,263
Accounts receivable		1,536,387
Prepaid expenses		22,253
Equipment		14,873
Accounts payable and accrued liabilities		(466,219)
Short term loan		(278,063)
Goodwill and identified intangible assets		19,591,161
	$	20,603,655

(Expressed in United States Dollars)

4. Accounts Receivable:

The accounts receivable as at September 30, 2019, is summarized as follows:

		September 30, 2019		December 31, 2018
Accounts receivable	$	1,962,828	$	39,769
Provision for doubtful accounts		(53,513)		(27,666)
Net accounts receivable	$	1,909,315		12,103

The Company had bank accounts with the National Bank of Anguilla. During the year ended December 31, 2016, the National Bank of Anguilla filed for chapter 11 protection. The Company expensed the balance on account of $27,666 in fiscal 2016 as a doubtful debt.

5. Equipment

September 30, 2019		Cost		Accumulated depreciation		Net book Value
Equipment and computers	$	142,498	$	123,014	$	19,484
Furniture and fixtures		14,787		8,498		6,289
	$	157,285	$	131,512	$	25,773

December 31, 2018		Cost		Accumulated depreciation		Net book Value
Equipment and computers	$	128,097	$	112,845	$	15,252
Furniture and fixtures		8,037		7,034		1,003
	$	136,134	$	119,879	$	16,255

Depreciation expense was $5,074 (September 30, 2018 - $1,495) for the quarter ended September 30, 2019.

6. Content and software development assets:

Since the year ended December 31, 2014, the Company has been developing software technology and content for our websites. This software technology and content includes the development of Trophy Bingo, a social bingo game, the license and development of Garfield Bingo, a social bingo game, the development of the Rooplay platform and the development of the Rooplay Originals games and the continued development of the Kidoz OS/SDK.

During the period ended September 30, 2019, the Company has expensed the development costs of all its technology as incurred and has expensed the following software development costs.

(Expressed in United States Dollars)

6. Content and software development assets: (Continued)

	Nine Months ended September 30, 2019	Nine Months ended September 30, 2018	Three Months ended September 30, 2019	Three Months ended September 30, 2018
Opening total software development costs	$ 6,716,810	$ 5,768,476	$ 7,256,571	$ 6,304,540
Software development during the period	810,202	743,547	270,441	207,483
Closing total Software development costs	7,527,012	6,512,023	7,527,012	6,512,023

7. Promissory notes:

The Company has issued unsecured promissory notes from shareholders of the Company. The notes were repayable on September 30, 2018. The interest on the notes are 2% per annum, calculated and compounded annually and paid annually. Interest in arrears shall accrue interest. The unpaid principal amount due hereunder may be reduced to zero from time to time without affecting the validity of this note.

The promissory notes are accounted for by discounting the notes in a manner that reflects the entity's borrowing rate when interest cost is recognized in subsequent periods. The Company applied an estimated market rate of 15% to the promissory notes. In doing so, the Company used the discounted cash flow approach to value the present value of the notes. The cash flow stream from the coupon interest payments and the final principal payment were discounted at 15% to arrive at the valuations. The Company used a deemed rate of 15% as the appropriate discount rate after examining the interest rates for similar instruments issued in the same time frame for similar companies without the conversion feature.

On March 31, 2017, the maturity date on the promissory notes was extended to April 1, 2020. The Company treated the change as an extinguishment and reissuance of the notes. The Company recognized a discount on the promissory notes of $94,191 from the extinguishment and reissuance of the notes.

During the quarter ended September 30, 2018, the promissory notes were settled in exchange for the exercise of warrants and the notes were extinguished. Since the extinguishment of the promissory note is with related parties, then in accordance with ASC 470-50-40-2, the extinguishment transactions is in essence a capital transaction. The Company recognized accretion interest and accrued interest of $nil (September 30, 2018 - $18,796).

	September 30, 2019	December 31, 2018
Opening balance	$ -	$ 502,313
Reduction of capital on extinguishment of promissory notes with related parties	-	65,955
Extinguishment of promissory notes to related parties	-	(605,358)
Accrued interest	-	5,124
Interest accretion	-	31,966
Closing balance	$ -	$ -

8. Short term loan

The Company had a short term loan from the Bank Leumi. The loan was secured against the receivables of the Company. The loan had an interest rate of 6.5%. During the quarter ended June 30, 2019, the loan was repaid in full.

9. Stockholders' Equity:

The holders of common stock are entitled to one vote for each share held. There are no restrictions that limit the Company's ability to pay dividends on its common stock. The Company has not declared any dividends since incorporation. The Company's common stock has no par value per common stock.

(a) Common stock issuances:

During the period ended March 31, 2019, the Company closed a TSX Venture Exchange approved private placement financing totaling $2,000,000. The private placement consisted of 5,000,000 common shares priced at $0.40 per share. Pursuant to the private placement the Company paid a commission of $200,000 and incurred share issuance expense of $36,800.

During the period ended March 31, 2019, the Company issued 52,450,286 shares for total consideration of $20,603,655 in the acquisition of all the issued and outstanding ordinary and preferred shares in the capital stock of Kidoz Ltd., a company incorporated under the laws of the State of Israel. (Note 3)

During the period ended September 30, 2018, the related party warrant holders exercised their warrants for 1,200,000 shares at CAD$0.65 (US$0.50) per share through the settlement of the promissory notes, in a non-cash transaction.

During the period ended March 31, 2018, a warrant holder exercised their warrant for 15,000 shares at $0.44 per share raising a total of $6,600.

During the period ended March 31, 2018, the Company closed a TSX Venture Exchange approved private placement financing totaling $2,551,500. The private placement consisted of 7,290,000 common shares priced at $0.35 per share. Pursuant to the private placement the Company paid a commission of $253,750 and incurred share issuance expense of $18,342.

(Expressed in United States Dollars)

9. Stockholders' Equity: (Continued)

(b) Warrants

A summary of warrant activity for the period ended September 30, 2019 are as follows:

	Number of warrants		Weighted average exercise price
Outstanding, December 31, 2017	5,219,163	$	0.48
Granted	-		-
Exercised	(1,215,000)		(0.50)
Expired, unexercised	(4,004,163)		(0.51)
Outstanding December 31, 2018 and September 30, 2019	-	$	-

(c) Stock option plans:

2015 stock option plan

In the year ended December 31, 2015, the shareholders approved the 2015 stock option plan and the 1999, 2001 and the 2005 plans were discontinued. The 2015 stock option plan is intended to provide incentive to employees, directors, advisors and consultants of the Company to encourage proprietary interest in the Company, to encourage such employees to remain in the employ of the Company or such directors, advisors and consultants to remain in the service of the Company, and to attract new employees, directors, advisors and consultants with outstanding qualifications. The maximum number of shares issuable under the Plan shall not exceed 10% of the number of Shares of the Company issued and outstanding as of each Award Date unless shareholder approval is obtained in advance in accordance unless shareholder approval is obtained in advance in accordance. The Board of Directors determines the terms of the options granted, including the number of options granted, the exercise price and their vesting schedule. The maximum term possible is 10 years. Under the 2015 plan we have reserved 10% of the number of Shares of the Company issued and outstanding as of each Award Date.

No options were granted, cancelled or exercised during the three month period ended September 30, 2019. During the nine months ended September 30, 2019, 249,250 options were cancelled.

As at September 30, 2019, there were a total of 3,325,750 stock options (December 31, 2018 – 3,575,000) outstanding. Of the options outstanding at September 30, 2019, a total of 3,210,250 (December 31, 2018 - 3,190,000) were fully vested and a total of 115,500 (December 31, 2018 – 385,000) were issued where 10% vests at the grant date, 15% one year following the grant date and 2% per month starting 13 months after the grant date.

(Expressed in United States Dollars)

9. Stockholders' Equity: (Continued)

(c) Stock option plans: (Continued)

	Number of options		Weighted average exercise price
Outstanding, December 31, 2018	3,575,000	$	0.45
Granted	-		-
Exercised	-		-
Cancelled	(249,250)		(0.42)
Outstanding September 30, 2019	3,325,750	$	0.45

The following table summarizes information concerning outstanding and exercisable stock options at September 30, 2019:

Range of exercise prices per share	Number outstanding	Number exercisable	Expiry date
$ 0.42	770,000	770,000	December 20, 2021
0.42	567,750	452,250	November 8, 2022
0.42	713,000	713,000	June 4, 2023
0.50	1,275,000	1,275,000	June 4, 2023
	3,325,750	3,210,250	

10. Commitments:

The Company leases office facilities in Vancouver, British Columbia, Canada, The Valley, Anguilla, British West Indies and Netanya, Israel. These office facilities are leased under operating lease agreements.

During the quarter ended March 31, 2019, the Company signed a five year lease for a facility in Vancouver, Canada, commencing April 1, 2019 and ending March 2024. This facility comprises approximately 1,459 square feet. The Anguillan operating lease expired on April 1, 2011 but unless 3 month's notice is given it automatically renews for a future 3 months until notice is given.

The Netanya, Israel operating lease expired on July 14, 2017 but unless 3 month's notice is given it automatically renews for a future 12 months until notice is given. Subsequent to the quarter ended September 30, 2019, the lease was extended for a further 12 months. The Company has accounted for this lease as a short-term lease.

The minimum lease payments under these operating leases are approximately as follows:

2019	$	12,352
2020		41,971
2021		43,073
2022		44,175
2023		45,277
2024		11,388

(Expressed in United States Dollars)

10. Commitments: (Continued)

The Company paid rent expense totaling $22,109 for the quarter ended September 30, 2019 (September 30, 2018 - $7,637).

The Company has a management consulting agreement with T.M. Williams (Row), Inc., an Anguilla incorporated company, and Mr. T. M. Williams. During the year ended December 31, 2014, the Company amended a previous agreement with Mr. T. M. Williams to provide for a consultancy payment of 2.5% of the monthly social bingo business with a minimum of $11,000 and a maximum of $25,000 per month.

During the year ended December 31, 2014, the Company entered into an agreement with Jayska Consulting Ltd. and Mr. J. M. Williams, Chief Executive Officer of the Company for the provision of services of Mr. J. M. Williams as Chief Executive Officer of the Company. The Consulting agreement provides for a consultancy payment of GBP£5,000 per month. In addition, during the year ended December 31, 2014, the Company entered into an agreement with LVA Media Inc. and Mr. J. M. Williams, for the provision of services of Mr. J. M. Williams as Chief Executive Officer of the Company. The Consulting agreement provides for a consultancy payment of 2.5% of the monthly social bingo business with a minimum of $7,500 and a maximum of $25,000 per month.

As at September 30, 2019, the Company had a number of renewable license commitments with large brands, including, Garfield, Moomins, Mr. Men and Little Miss, Mr. Bean, Peter Rabbit, Pororo and the Winx club.

These agreements have commitments to pay royalties on the revenue from the licenses subject to the following minimum guarantee payments:

2019	$	7,379
2020		3,000

The Company expensed the minimum guarantee payments over the life of the agreement and recognized license expense of $16,458 (September 30, 2018 - $9,577) for the quarter ended September 30, 2019 and $44,332 (September 30, 2018 - $22,562) for the nine months ended September 30, 2019 .

11. Income Taxes:

Shoal Games Ltd. is domiciled in the tax-free jurisdiction of Anguilla, British West Indies. However certain of the Company's subsidiaries incur income taxation.

During the quarter ended September 30, 2019, Shoal Media (Canada) Inc., a subsidiary of Kidoz Inc., received the British Columbia Interactive Digital Media Tax Credit of CAD$130,145 ($97,895) for the year ended December 31, 2018 from the British Columbia Provincial Government. The Company recognized this tax credit as a recovery of income tax expense on the statement of operations upon receipt of funds.

12. Right of Use assets:

On January 1, 2019, the Company adopted ASC Topic 842 using the modified retrospective transition method. Topic 842 requires the recognition of lease assets and liabilities for operating leases, in addition to the finance lease assets and liabilities previously recorded on our condensed consolidated balance sheets. Beginning on January 1, 2019, our condensed consolidated financial statements are presented in accordance with the revised policies, while prior period amounts are not adjusted and continue to be reported in accordance with our historical policies. The modified retrospective transition method required the cumulative effect, if any, of initially applying the guidance to be recognized as an adjustment to our accumulated deficit as of our adoption date. As a result of adopting Topic 842, we recognized additional lease assets and liabilities of $5,834 as of January 1, 2019, in relation to the brand licenses we currently hold. There is no discount rate implicit in the license agreement so the Company estimated a 12% the discount rate for the incremental borrowing rate for the licenses as of the adoption date, January 1, 2019.

Effective April 1, 2019, we recognized lease assets and liabilities of $125,474, in relation to the Vancouver office. We estimated a discount rate of 4.12%.

There was no cumulative effect adjustment to our accumulated deficit as a result of initially applying the guidance.

We elected the package of practical expedients permitted under the transition guidance within Topic 842, which allowed us to carry forward prior conclusions about lease identification, classification and initial direct costs for leases entered into prior to adoption of Topic 842. Additionally, we elected to not separate lease and non-lease components for all of our leases. For leases with a term of 12 months or less, our current offices, we elected the short-term lease exemption, which allowed us to not recognize right-of-use assets or lease liabilities for qualifying leases existing at transition and new leases we may enter into in the future.

Our operating leases primarily consist of license agreements for the use of certain brands. These arrangements typically do not transfer ownership of the underlying asset as we do not assume, nor do we intend to assume, the risks and rewards of ownership.

13. Related Party Transactions:

The Company has a liability of $nil (December 31, 2018 - $nil) to a company owned by a current director and officer of the Company for payment of consulting services rendered of $33,000 (September 30, 2018 - $33,000) by the current director and officer of the Company.

The Company has a liability of $2,180 (December 31, 2018 - $1,647) to a current director and officer of the Company for expenses incurred.

The Company has a liability of $nil (December 31, 2018 - $nil) to a company owned by a current director and officer of the Company for payment of consulting services rendered of $18,493 (September 30, 2018 - $19,543) by the current director and officer of the Company.

(Expressed in United States Dollars)

13. Related Party Transactions: (Continued)

The Company has a liability of $nil (December 31, 2018 - $nil) to a company owned by a current director and officer of the Company for payment of consulting services rendered of $22,500 (September 30, 2018 - $22,500) by the current director and officer of the Company.

The Company has a liability of $1,500 (December 31, 2018 - $1,500), to independent directors of the Company for payment of directors' fees. During the quarter ended September 30, 2019, the Company accrued $1,000 (September 30, 2018 - $500) to the independent directors in director fees.

The Company has a liability of $91 (December 31, 2018 - $7,317), to an officer of the Company for payment of consulting services rendered and expenses incurred of $34,085 (September 30, 2018 - $25,588) by the officer of the Company.

The Company has a receivable of $nil (December 31, 2018 - $2,305) from a company of which a former director of the Company is a director.

The related party transactions are in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related party.

14. Segmented information:

Revenue

The Company operates in reportable business segments, the sale of Ad tech advertising and content revenue.

The Company had the following revenue by geographical region.

	Nine Months ended September 30, 2019	Nine Months ended September 30, 2018	Three Months ended September 30, 2019	Three Months ended September 30, 2018
Ad tech advertising revenue				
Western Europe	$ 485,540	$ -	$ 366,262	$ -
North America	1,460,722	-	774,740	-
Other	29,261	-	24,607	-
Total ad tech advertising revenue	$ 1,975,523	$ -	$ 1,165,609	$ -

(Expressed in United States Dollars)

14. Segmented information: (Continued)

	Nine Months ended September 30, 2019	Nine Months ended September 30, 2018	Three Months ended September 30, 2019	Three Months ended September 30, 2018
Content revenue				
Western Europe	$ 62,836	$ 11,391	$ 28,610	$ 2,917
Central, Eastern and Southern Europe	152,572	1,472	52,677	464
North America	135,124	63,201	9,066	33,384
Other	69,215	13,572	15,066	4,177
Total content revenue	$ 419,747	$ 89,636	$ 105,419	$ 40,942
Total revenue				
Western Europe	$ 548,376	$ 11,391	$ 394,872	$ 2,917
Central, Eastern and Southern Europe	152,572	1,472	52,677	464
North America	1,595,846	63,201	783,806	33,384
Other	98,476	13,572	39,673	4,177
Total revenue	$ 2,395,270	$ 89,636	$ 1,271,028	$ 40,942

Equipment
The Company's equipment is located as follows:

Net Book Value	September 30, 2019	December 31, 2018
Anguilla	$ 276	$ 368
Canada	12,359	12,911
Israel	10,907	-
United Kingdom	2,231	2,976
	$ 25,773	$ 16,255

15. Concentrations:

Major customers

During the quarter ended September 30, 2019, the Company sold Ad tech revenue and during the quarter ended September 30, 2019 and 2018, sold content revenue including subscriptions on its site Rooplay, in-app purchases on its social bingo sites, Trophy Bingo and Garfield's Bingo and Rooplay Originals. During the quarter ended September 30, 2019, the Company had two customers (September 30, 2019 - $680,192 and $184,376 respectively) (September 30, 2018 - $nil) who purchased more than 10% of the total revenue. The Company is reliant on the Google App, iOS App and Amazon App Stores to provide a content platform for Rooplay, Trophy Bingo and Garfield's Bingo to be played thereon and certain advertising agencies for the Ad tech revenue.

15. Concentrations: (Continued)

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and accounts receivable. The Company places its cash with high quality financial institutions and limits the amount of credit exposure with any one institution.

The Company currently maintains a substantial portion of its day-to-day operating cash balances at financial institutions. At September 30, 2019, the Company had total cash and cash equivalents balances of $812,477 (December 31, 2018 - $641,536) at financial institutions, where $527,373 (December 31, 2018 - $489,235) is in excess of federally insured limits.

The Company has concentrations of credit risk with respect to accounts receivable, the majority of its accounts receivable are concentrated geographically in the United States amongst a small number of customers.

As of September 30, 2019, the Company had one customer, totaling $1,296,246 who accounted for greater than 10% of the total accounts receivable. As of December 31, 2018, the Company had three customers, totaling $8,814 who accounted for greater than 10% of the total accounts receivable.

The Company controls credit risk through monitoring procedures and receiving prepayments of cash for services rendered. The Company performs credit evaluations of its customers but generally does not require collateral to secure accounts receivable.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following Management's Discussion and Analysis or Plan of Operation contains forward-looking statements that involve risks and uncertainties, as described below. Kidoz Inc's (previously Shoal Games Ltd.'s) (the "Company", "we", or "us") actual results could differ materially from those anticipated in these forward-looking statements. The following discussion should be read in conjunction with the unaudited interim consolidated financial statements and notes thereto included in Part I - Item 1 of this Quarterly Report, and the audited consolidated financial statements and notes thereto and the Management Discussion and Analysis or plan of Operations included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

FORWARD LOOKING STATEMENTS

All statements contained in this Quarterly Report on Form 10-Q and the documents incorporated herein by reference, as well as statements made in press releases and oral statements that may be made by us or by officers, directors or employees acting on our behalf, that are not statements of historical fact constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause our actual results to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. Readers should consider statements that include the terms "believe," "belief," "expect," "plan," "anticipate," "intend" or the like to be uncertain and forward-looking. In addition, all statements, trends, analyses and other information contained in this report relative to trends in net sales, gross margin, anticipated expense levels and liquidity and capital resources, constitute forward-looking statements. Particular attention should be paid to the facts of our limited operating history, the unpredictability of our future revenues, our need for and the availability of capital resources, the evolving nature of our business model, and the risks associated with systems development, management of growth and business expansion. Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise. All cautionary statements made herein should be read as being applicable to all forward-looking statements wherever they appear. Readers should consider the risks more fully described in our Annual Report on Form 10-K for the year ended December 31, 2018, filed with the Securities and Exchange Commission (the "SEC") and should not place undue reliance on any forward-looking statements.

OVERVIEW

KIDOZ Inc. (TSXV:KIDZ) (previously Shoal Games Ltd.) (the "Company") is a kid-tech software developer and owner of the KIDOZ content discovery network (www.KIDOZ.net), the KIDOZ Kid-Mode Operating System, the Rooplay edu-games platform (www.rooplay.com), and the Rooplay Originals games library. Our solutions help App Developers, leading brands, and OEM manufacturers optimize their mobile presence. For App Developers focused on kids, Kidoz Inc. offers the leading GDPR and COPPA-compliant Ad monetization solution, already used by thousands of kids' games and apps to safely monetize their traffic. For kids' brands, Kidoz Inc. is the leading mobile distribution network for kids 13 and under. The Company's KIDOZ Network enables brands to reach and engage millions of kids and parents on thousands of apps through one focal point. For OEMs and Carriers, the Company's KIDOZ Mode is the official software solution that powers their youth-dedicated products, including custom content libraries, parental control and kid friendly monetization. The Company is managed by an experienced team of technology entrepreneurs who have a long history in advertising technology, video games, enterprise software, mobile software, and Internet products.

Our vision is to create a free and safe Internet for children, by enabling content producers to monetize their apps and video with safe, relevant, and fun advertising. Media budgets continue to shift from Linear TV to digital platforms like KIDOZ as brands seek to engage their customers where kids spend most of their screen time. Digital media buying in the kids' market is constrained by the requirement imposed on companies by regulators for the content to be COPPA compliant (in the US) and GDPR-K compliant (in Europe). The business of Kidoz Ltd. was focused since inception on meeting these stringent requirements, making it one of the most respected and safe kids solution providers in the market. We connect the brands that kids love with the hundreds of millions of kids and families all over the world who enjoy free games, videos and apps on the Internet.

Without a safe advertising eco-system, this content cannot be free. The KIDOZ Safe Ad Network SDK is currently installed in more than 3,500 different apps engaging over 100 million kids a month, making it the most popular children focused mobile solution in the market. KIDOZ employs only contextual targeting and is not using any personal identifiers to target users, unlike most networks in today's sophisticated AdTech market that relies on personal identifiers to optimize campaign targeting. In the past few months, leading developers and publishers such as WildWorks, Budge Studio, PepyPlay, MyTown Games, Educa Studio, SmartStudy, Beansprites and dozens of others have begun to use the KIDOZ Safe Advertising Network.

The number of apps that use KIDOZ has been steadily increasing, due to the high demand for safe advertising systems by parents, regulators, Google, Apple, and app developers themselves. The KIDOZ system was designed from inception to not use any personal identifiers to target users and to have human curation of every campaign that goes live on the network so that no inappropriate ads will ever be seen in a KIDOZ powered app. In May 2019, Google announced that only ten networks globally, including KIDOZ, would be allowed to place ads into children's and family apps. In September 2019, Apple announced that it would enforce even tighter restrictions limiting kids' apps to use Ad networks that rely on contextual targeting only while performing human review of all ad creatives. Apple's restrictions make almost every network or programmatic platform non- compliant for kids' traffic, other than manually moderated networks like KIDOZ.

KIDOZ pursues both business-to-consumer strategies and business-to-business strategies with its Rooplay and KIDOZ product lines. With the Company's direct to consumer strategy, new users of Rooplay are created via paid performance marketing, search engine marketing, word-of-mouth, and from placements in the KIDOZ network. In the Company's business-to-business strategy, KIDOZ representatives sell advertising to premium brands such as Disney, Lego, Crayola, etc. and distribute these ads across the

KIDOZ network. KIDOZ links these two strategies together to create a global content and distribution system.

Finally, regulation at the government level is increasing and positively influencing growth of the KIDOZ Safe Ad Network. COPPA in America and GDPR in Europe have forced advertisers and publishers to ensure their data and advertising methodologies are safe. Regulators in America are considering updating COPPA to further enhance child safety online, and regulators in China, India and other regions are considering similar measures. As KIDOZ is compliant, it benefits from all child-safe advertising regulation.

KIDOZ's other mobile products include the first mobile bingo game to feature a mega-brand; Garfield's Bingo (www.garfieldsbingo.com) live on Facebook Messenger, Android, and iOS; and Trophy Bingo (www.trophybingo.com), live across mobile platforms with over 600,000 installs. Trophy Bingo and Garfield's Bingo are innovative free-to-play mobile games with monetization achieved from in App purchases and short video advertising.

References in this document to "the Company," "we," "us," and "our" refer to Kidoz Inc.

Our executive offices are located at Hansa Bank Building, Ground Floor, Landsome Road, The Valley, AI 2640, The Valley, Anguilla, B.W.I. Our telephone number is (888) 374-2163.

CRITICAL ACCOUNTING POLICIES

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which except for lack of all detailed note disclosures, have been prepared in conformity with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, management evaluates these judgments and estimates, including whether there are any uncertainties as to compliance with the revenue recognition criteria described below, and recoverability of long-lived assets, as well as the assessment as to whether there are contingent assets and liabilities that should be recognized or disclosed for the consolidated financial statements to fairly present the information required to be set forth therein. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We consider the following accounting policies to be both those most important to the portrayal of our financial condition and require the most subjective judgment:

- Revenue recognition;
- Software development

Revenue recognition:

Ad tech advertising revenues is recognized when advertising is served and when collection of the amounts are reasonably assured.

The Company recognizes Content revenue in accordance with general revenue recognition accounting guidance, when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable and collection is probable.

The Content Revenue includes sale of in-game and premium purchases, net of platform fees, in-game advertising, subscriptions. and revenue is recognized when delivery has occurred, and the collection of the amounts are reasonably assured.

Software Development Costs:

Software development costs incurred in the research and development of new software products and enhancements to existing software products for external use are expensed as incurred until technological feasibility has been established. After technological feasibility is established, any software development costs are capitalized and amortized at the greater of the straight-line basis over the estimated economic life of the related product or the ratio that current gross revenues for a product bear to the total of current and anticipated future gross revenues for the related product.

If a determination is made that capitalized amounts are not recoverable based on the estimated cash flows to be generated from the applicable software, any remaining capitalized amounts are written off. Although the Company believes that its approach to estimates and judgments as described herein is reasonable, actual results could differ and the Company may be exposed to increases or decreases in revenue that could be material.

Total software development costs were $7,527,012 as at September 30, 2019 (December 31, 2018 - $6,716,810).

RESULTS OF OPERATIONS

Revenue

Total revenue, net of platform fees to Apple, Google and Amazon and withholding taxes, for the quarter ended September 30, 2019, increased to $1,271,028, an increase from revenue of $40,942 for third quarter of 2018 and an increase from revenue of $818,286, in the second quarter of 2019. Ad Tech advertising revenue increased to $1,165,609 for the quarter ended September 30, 2019, an increase from ad tech advertising revenue of $579,052 in the second quarter of 2019. Content revenue increased to $105,419 for the quarter ended September 30, 2019, an increase from revenue of $40,942 in the third quarter of 2018 and a decrease from revenue of $239,234, in the second quarter of 2019. The increase in total revenue compared to the second quarter of fiscal 2019 and the third of fiscal 2018, is due to acquisition of Kidoz Ltd and the strong demand for kid safe advertising generated by the introduction of strong regulations worldwide.

Sales and marketing expenses

Sales and marketing expenses were $94,289 for the quarter ended September 30, 2019, an increase of 156% over expenses of $36,787 in the third quarter of fiscal 2018 and a decrease of 1% from selling and marketing expenses of $95,639 in the second quarter of fiscal 2019. This increase in sales and marketing expenses in the quarter ended September 30, 2019, compared to the third quarter of fiscal 2018 is due to the acquisition of Kidoz Ltd. in the quarter ended March 31, 2019. Selling and marketing expenses principally include sales staff and the publishing services and user acquisition costs to acquire players.

We expect to incur increased sales and marketing expenses to employ sales staff to selling the Ad tech advertising revenue and to grow the Ad tech advertising revenue and to bring new players to Rooplay; our Rooplay Originals; and our bingo games. There can be no assurances that these expenditures will result in increased traffic or significant additional revenue.

General and administrative expenses

General and administrative expenses consist primarily of premises costs for our offices, legal and professional fees, and other general corporate and office expenses. General and administrative expenses increased to $134,085 for the quarter ended September 30, 2019, an increase from costs of $51,200 for the third quarter of fiscal 2018 and a decrease of 23% from costs of $174,977 in the second quarter of 2019. The increase in general and administrative expenses compared to the third quarter of fiscal 2018, is due to the acquisition of Kidoz Ltd. The decrease in general and administrative expenses compared to the second quarter of fiscal 2019 is due to the completion of reorganization costs incurred with the acquisition of Kidoz Ltd. and the change in name to Kidoz Inc. incurred in the second quarter of fiscal 2019.

We expect to continue to incur general and administrative expenses to support the business, and there can be no assurances that we will be able to generate sufficient revenue to cover these expenses.

Salaries, wages, consultants and benefits

Salaries, wages, consultants, and benefits decreased to $136,762 for the quarter ended September 30, 2019, a decrease of 5% compared to salaries, wages, consultants, and benefits of $143,477 in the third quarter of 2018 and a decrease of 5%, over salaries, wages, consultants, and benefits of $144,284 in the second quarter of 2019. This decrease compared to the second quarter of fiscal 2019 and the third quarter of fiscal 2018, is due to a reduction of staff and lower consulting charges.

Depreciation and amortization

Equipment is depreciated using the declining balance method over the useful lives of the assets, ranging from three to five years. Depreciation and amortization increased to $5,074 during the quarter ended September 30, 2019, an increase over costs of $1,495 during the same quarter in the prior year and an decrease over costs of $4,811 in the second quarter of 2019. This increase in depreciation and amortization compared to the third of fiscal 2018, is due to the acquisition of Kidoz Ltd. and acquisitions of equipment.

Content and software development

The Company does not capitalize its development costs. The Company expensed $270,441 in content and software development costs during the quarter ended September 30, 2019, an increase of 30% in content and software development costs compared to content and software development costs of $207,483 expensed during the third quarter of fiscal 2018 and a decrease of 5% in content and software development costs of $285,304 expensed during the second quarter of 2019. The decrease compared to the second quarter of fiscal 2019 and the third of fiscal 2018, is due to the acquisition of Kidoz Ltd.

Stock-based compensation expense

During the quarter ended September 30, 2019, the Company incurred non-cash stock compensation expenses of $5,015 from the issuance of stock options granted in the third quarter of fiscal 2018, an increase compared to stock-based compensation expense $3,574 in the third quarter of fiscal 2018 and an increase compared to stock-based compensation expense $4,950 in the second quarter of fiscal 2019 . This increase compared to the third quarter of fiscal 2018 and the second quarter of fiscal 2019 is due to stock options granted in the second quarter of fiscal 2018. The options are issued to consultants and employees as per the Companies 2015 Stock Option Plan.

Acquisition of subsidiary

During the quarter ended March 31, 2019, the Company acquired Kidoz Ltd. and incurred finder's fee of $130,000 and legal expenses of $60,228.

Net loss and loss per share

The net loss after taxation for the quarter ended September 30, 2019, amounted to ($58,932), a loss of ($0.00) per share, compared to a net loss of ($397,176) or ($0.01) per share in the quarter ended September 30, 2018 and net loss of ($398,296), or ($0.00) per share in the second quarter of fiscal 2019. This decrease in total loss for the quarter compared to the second quarter of fiscal 2019 and the third quarter of fiscal 2018 is due to an increase in revenue and Shoal Media (Canada) Inc., a subsidiary of Kidoz Inc., received the British Columbia Interactive Digital Media Tax Credit of CAD$130,145 ($97,895) for the year ended December 31, 2018 from the British Columbia Provincial Government. The Company recognized this tax credit as a recovery of income tax expense.

LIQUIDITY AND CAPITAL RESOURCES

We had cash of $812,477 and working capital of $2,108,850 at September 30, 2019. This compares to cash of $641,536 and working capital of $662,573 at December 31, 2018.

During the quarter ended September 30, 2019, we used cash of ($160,306) in operating activities compared to cash used in operating activities of ($437,850) in the same period in the prior year and compared to using cash of ($650,438) in the second quarter of 2019.

Net cash used by financing activities was ($75,007) in the quarter ended September 30, 2019, This compares to cash used by financing activity of $nil in the same period in the prior year and cash used by financing activities of ($131,541) in the second quarter of fiscal 2019 from the repayment of the short term loan.

Our future capital requirements will depend on a number of factors, including costs associated with the further development of the Ad tech advertising business, the further development of the content platform including, Rooplay; Rooplay Originals; Shoal.js; Garfield's Bingo and Trophy Bingo; the cost of marketing and player acquisition costs for Rooplay; Rooplay Originals; Garfield's Bingo and Trophy Bingo, the development of new products, the acquisition of new companies and the success of Rooplay; Rooplay Originals; Garfield's Bingo and Trophy Bingo.

ITEM 4 Controls and Procedures

(a) Evaluation of disclosure controls and procedures.

As required by Rule 13a-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Company carried out an evaluation under the supervision and with the participation of the Company's management, including the Co-Chief Executive Officers and the Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures as of September 30, 2019. In designing and evaluating the Company's disclosure controls and procedures, the Company and its management recognize that there are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their desired control objectives. Additionally, in evaluating and implementing possible controls and procedures, the Company's management was required to apply its reasonable judgment. Furthermore, in the course of this evaluation, management considered certain internal control areas, in which we have made and are continuing to make changes to improve and enhance controls. Based upon the required evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that as of September 30, 2019, the Company's disclosure controls and procedures were effective (at the "reasonable assurance" level mentioned above) to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

From time-to-time, the Company and its management have conducted and will continue to conduct further reviews and, from time to time put in place additional documentation, of the Company's disclosure controls and procedures, as well as its internal control over financial reporting. The Company may from time to time make changes aimed at enhancing their effectiveness, as well as changes aimed at ensuring that the Company's systems evolve with, and meet the needs of, the Company's business. These changes may include changes necessary or desirable to address recommendations of the Company's management, its counsel and/or its independent auditors, including any recommendations of its independent auditors arising out of their audits and reviews of the Company's financial statements. These changes may include changes to the Company's own systems, as well as to the systems of businesses that the Company has acquired or that the Company may acquire in the future and will, if made, be intended to enhance the effectiveness of the Company's controls and procedures. The Company is also continually striving to improve its management and operational efficiency and the Company expects that its efforts in that regard will from time to time directly or indirectly affect the Company's disclosure controls and procedures, as well as the Company's internal control over financial reporting.

(b) Changes in internal controls.

There were no significant changes in the Company’s internal controls or other factors that could significantly affect the Company’s internal controls subsequent to the date of their evaluation.

PART II - OTHER INFORMATION

ITEM 1. Legal Proceedings

We are not currently a party to any legal proceeding and was not a party to any other legal proceeding during the quarter ended September 30, 2019. We are currently not aware of any other legal proceedings proposed to be initiated against the Company. However, from time to time, we may become subject to claims and litigation generally associated with any business venture.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the period ended March 31, 2019, the Company closed a TSX Venture Exchange approved private placement financing totaling $2,000,000. The private placement consisted of 5,000,000 common shares priced at $0.40 per share. Pursuant to the private placement the Company paid a commission of $200,000 and incurred share issuance expense of $36,800.

During the period ended March 31, 2019, the Company issued 52,450,286 shares for total consideration of $20,603,655 in the acquisition of all the issued and outstanding ordinary and preferred shares in the capital stock of Kidoz Ltd., a company incorporated under the laws of the State of Israel.

ITEM 3. Defaults Upon Senior Securities

Not applicable.

ITEM 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted to the shareholders during the period.

ITEM 5. Other Information

None

ITEM 6. Exhibits and reports on Form 8-K
Exhibits

The following instruments are included as exhibits to this Report. Exhibits incorporated by reference are so indicated.

Exhibit Number	Description
4.4	Convertible Debenture between the Company and unrelated parties dated July 2, 2002. (b)
4.5	Common Stock Purchase Warrant between the Company and unrelated parties dated July 2, 2002. (b)
10.2	Asset Purchase Agreement by and between Bingo, Inc. and Progressive Lumber, Corp. dated January 18, 1999. (a)
10.24	Amended Consulting Agreement dated February 28, 2002, between the Company, T.M. Williams (Row), Ltd., and T.M. Williams. (c)
10.32	Code of Business Conduct and Ethics dated December 22, 2006. (d)
10.33	Amended Consulting Agreement dated June 16, 2010, between the Company, T.M. Williams (Row), Ltd., and T.M. Williams. (e)
10.37	Amended Consulting Agreement dated August 1, 2013, between the Company, T.M. Williams (Row), Ltd., and T.M. Williams. (f)
10.38	Consulting Agreement dated January 1, 2014, between the Company, Jayska Consulting Ltd., and J.M. Williams. (f)
10.39	Consulting Agreement dated January 1, 2014, between the Company, LVA Media Inc., and J.M. Williams. (f)
10.41	Consulting Agreement dated January 1, 2014, between the Company, Bromley Accounting Services Limited, and H. W. Bromley. (f)
10.42	Share Purchase Agreement for the purchase of Kidoz Ltd. (g)
31.1	Certificate of Co-Chief Executive Officer pursuant to the Securities Exchange Act Rules 13a-15(e) and 15d -15(e) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 dated November 14, 2019.
31.2	Certificate of Co-Chief Executive Officer pursuant to the Securities Exchange Act Rules 13a-15(e) and 15d -15(e) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 dated November 14, 2019.
31.3	Certificate of Chief Financial Officer pursuant to the Securities Exchange Act Rules 13a-15(e) and 15d -15(e) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 dated November 14, 2019.
32.1	Certification from the Co-Chief Executive Officer of Kidoz Inc. (Previously Shoal Games Ltd.) pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 dated November 14, 2019.
32.2	Certification from the Co-Chief Executive Officer of Kidoz Inc. (Previously Shoal Games Ltd.) pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 dated November 14, 2019.
32.3	Certification from the Chief Financial Officer of Kidoz Inc. (Previously Shoal Games Ltd.)pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 dated November 14, 2019.

(a) Previously filed with the Registrant's registration statement on Form 10 on June 9, 1999.
(b) Previously filed with the Company's quarterly report on Form 10-Q for the period ended September 30, 2002, on November 14, 2002.
(c) Previously filed with the Company's quarterly report on Form 10-Q for the period ended September 30, 2002, on August 14, 2002.

(d) Previously filed with the Company's report on Form 8-K on December 26, 2006.
(e) Previously filed with the Company's report on Form 8-K on June 17, 2010.
(f) Previously filed with the Company's report on Form 8-K on March 24, 2014.
(g) Previously filed with the Company's report on Form 8-K on March 12, 2019.

Reports on Form 8-K.

There were no Form 8-K filed by the Company during the quarter ended September 30, 2019.

Reports Subsequent to the quarter ended September 30, 2019.

There were no reports subsequent to the quarter ended September 30, 2019.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 14, 2019	**SHOAL GAMES LTD.** (Registrant)
Date: November 14, 2019	*/S/ J.M. Williams* J. M. Williams, Co-Chief Executive Officer (Principal Executive Officer)
Date: November 14, 2019	*/S/ E. Ben Tora* E. Ben Tora, Co -Chief Executive Officer (Principal Executive Officer)
Date: November 14, 2019	*/S/ H. W. Bromley* H.W. Bromley, Chief Financial Officer (Principal Accounting Officer)

EXHIBIT 31.1

CERTIFICATIONS

I, J. M. Williams, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kidoz Inc. (previously Shoal Games Ltd.);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Kidoz Inc. (previously Shoal Games Ltd.) as of, and for, the periods presented in this quarterly report;
4. Kidoz Inc.'s (previously Shoal Games Ltd.) other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Kidoz Inc. (previously Shoal Games Ltd.), including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of Kidoz Inc.'s (previously Shoal Games Ltd.) disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of September 30, 2019, covered by this quarterly report based on such evaluation; and

   (d) Disclosed in this report any change in Kidoz Inc.'s (previously Shoal Games Ltd.) internal control over financial reporting that occurred during Kidoz Inc.'s (previously Shoal Games Ltd.) most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, Kidoz Inc.'s (previously Shoal Games Ltd.) internal control over financial reporting; and
5. Kidoz Inc.'s (previously Shoal Games Ltd.) other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Kidoz Inc.'s (previously Shoal Games Ltd.) auditors and the audit committee Kidoz Inc.'s (previously Shoal Games Ltd.) board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Kidoz Inc.'s (previously Shoal Games Ltd.) ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Signed: /S/ J. M. Williams ***Date:*** November 14, 2019

J. M. Williams,
Co-Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATIONS

I, E. Ben Tora, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kidoz Inc. (previously Shoal Games Ltd.);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Kidoz Inc. (previously Shoal Games Ltd.) as of, and for, the periods presented in this quarterly report;
4. Kidoz Inc.'s (previously Shoal Games Ltd.) other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Kidoz Inc. (previously Shoal Games Ltd.), including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of Kidoz Inc.'s (previously Shoal Games Ltd.) disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of September 30, 2019, covered by this quarterly report based on such evaluation; and

   (d) Disclosed in this report any change in Kidoz Inc.'s (previously Shoal Games Ltd.) internal control over financial reporting that occurred during Kidoz Inc.'s (previously Shoal Games Ltd.) most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, Kidoz Inc.'s (previously Shoal Games Ltd.) internal control over financial reporting; and

5. Kidoz Inc.'s (previously Shoal Games Ltd.) other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Kidoz Inc.'s (previously Shoal Games Ltd.) auditors and the audit committee Kidoz Inc.'s (previously Shoal Games Ltd.) board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Kidoz Inc.'s (previously Shoal Games Ltd.) ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Signed: /S/ E. Ben Tora ***Date:*** November 14, 2019

E. Ben Tora,
Co- Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.3

CERTIFICATIONS

I, H. W. Bromley, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kidoz Inc. (previously Shoal Games Ltd.);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Kidoz Inc. (previously Shoal Games Ltd.) as of, and for, the periods presented in this quarterly report;
4. Kidoz Inc.'s (previously Shoal Games Ltd.) other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Kidoz Inc. (previously Shoal Games Ltd.), including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of Kidoz Inc.'s (previously Shoal Games Ltd.) disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of September 30, 2019, covered by this quarterly report based on such evaluation; and
   (d) Disclosed in this report any change in Kidoz Inc.'s (previously Shoal Games Ltd.) internal control over financial reporting that occurred during Kidoz Inc.'s (previously Shoal Games Ltd.) most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, Kidoz Inc.'s (previously Shoal Games Ltd.) internal control over financial reporting; and
5. Kidoz Inc.'s (previously Shoal Games Ltd.) other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Kidoz Inc.'s (previously Shoal Games Ltd.) auditors and the audit committee Kidoz Inc.'s (previously Shoal Games Ltd.) board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Kidoz Inc.'s (previously Shoal Games Ltd.) ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Signed*:** /S/ H. W. Bromley ***Date: November 14, 2019

H.W. Bromley,
Chief Financial Officer
(Principal Accounting Officer)

EXHIBIT 32.1

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

In connection with the Quarterly Report of Kidoz Inc. (previously Shoal Games Ltd.) (the "Company") on Form 10-Q for the period ended September 30, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, J. M. Williams, Co-Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

a) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

b) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ J.M. Williams
J. M. Williams
Co-Chief Executive Officer
November 14, 2019

A signed original of this written statement required by Section 906 has been provided to Kidoz Inc. (previously Shoal Games Ltd.) and will be retained by the company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

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

In connection with the Quarterly Report of Kidoz Inc. (previously Shoal Games Ltd.) (the "Company") on Form 10-Q for the period ended September 30, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, E. Ben Tora, Co-Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

c) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

d) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ E. Ben Tora
E. Ben Tora
Co-Chief Executive Officer
November 14, 2019

A signed original of this written statement required by Section 906 has been provided to Kidoz Inc. (previously Shoal Games Ltd.) and will be retained by the company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.3

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

In connection with the Quarterly Report of Kidoz Inc. (previously Shoal Games Ltd.) (the "Company") on Form 10-Q for the period ended September 30, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, H. W. Bromley, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

a) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
b) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ H. W. Bromley
H. W. Bromley
Chief Financial Officer
November 14, 2019

A signed original of this written statement required by Section 906 has been provided to Kidoz Inc. (previously Shoal Games Ltd.) and will be retained by the company and furnished to the Securities and Exchange Commission or its staff upon request.