

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549**

Form 10-Q

QUARTERLY REPORT UNDER TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2018

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 000-53949

Good Gaming, Inc.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction
of incorporation)

37-1902603
(IRS Employer
Identification Number)

415 McFarlan Road, Suite 108
Kennett Square, PA 19348
(Address of principal executive offices and Zip Code)

(888) 295-7279
Registrant's telephone number, including area code

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the last 90 days.

YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (SS 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES 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. See the definitions of "large accelerated filer," "accelerated filer," "non-accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer

Accelerated Filer

Non-accelerated Filer

Smaller Reporting Company

(Do not check if smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES NO

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

As of November 14, 2018, there were 33,178,237 issued and outstanding shares of common stock of the registrant, par value \$0.001.

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FORWARD LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains “forward-looking statements,” within the meaning of the Private Securities Litigation Reform Act of 1995, all of which are subject to risks and uncertainties. Forward-looking statements can be identified by the use of words such as “expects,” “plans,” “will,” “forecasts,” “projects,” “intends,” “estimates,” and other words of similar meaning. One can identify them by the fact that they do not relate strictly to historical or current facts. These statements are likely to address our growth strategy, financial results and product and development programs. One must carefully consider any such statement and should understand that many factors could cause actual results to differ from our forward looking statements. These factors may include inaccurate assumptions and a broad variety of other risks and uncertainties, including some that are known and some that are not. No forward looking statement can be guaranteed and actual future results may vary materially.

These risks and uncertainties, many of which are beyond our control, include, and are not limited to:

- our growth strategies;
- our anticipated future operation and profitability;
- our future financing capabilities and anticipated need for working capital;
- the anticipated trends in our industry;
- acquisitions of other companies or assets that we might undertake in the future;
- current and future competition.

In addition, factors that could cause or contribute to such differences include, but are not limited to, those discussed in this Quarterly Report on Form 10-Q, and in particular, the risks discussed under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” as well as those discussed in other documents we file with the SEC. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

PART 1

Item 1. Financial Statements

Good Gaming, Inc.
Consolidated Balance Sheets
(Expressed in U.S. Dollars)
(Unaudited)

	<u>September 30, 2018</u>	<u>December 31, 2017</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 3,662	\$ 61,037
Prepaid expenses	18,829	-
Due from Affiliate	-	700
Total Current Assets	29,491	61,737
Digital Currencies	27,348	-
Property and Equipment, Net	129,717	10,160
Gaming Software, Net	570,000	750,000
TOTAL ASSETS	\$ 749,556	\$ 821,897
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 160,396	\$ 105,544
Derivative Liability	575,938	570,643
Notes Payable	13,440	13,440
Convertible Debentures, current	50,000	183,065
Due to Related Party- Tri State Phone Distribution, LLC	118,500	-
Notes Payable Related Party- ViaOne Services	1,111,394	838,796
Total Current Liabilities	2,029,668	1,711,488
Total Liabilities	2,029,668	1,711,488
Stockholders' Deficit		
Series A Preferred Stock		
Authorized: 2,000,000 Preferred Shares, With a Par Value of \$0.001 Per Share Issued and Outstanding: 7,500 Shares	8	8
Series B Preferred Stock		
Authorized: 249,999 Preferred Shares, With a Par Value of \$0.001 Per Share Issued and Outstanding: 106,511 and 164,781 Shares, respectively	107	165
Series C Preferred Stock		
Authorized: 1 Preferred Shares, With a Par Value of \$0.001 Per Share Issued and Outstanding: 1 and 1 Shares, respectively	1	1
Series D Preferred Stock		
Authorized: 350 Preferred Shares, With a Par Value of \$0.001 Per Share Issued and Outstanding: 93.062 and 105 Shares, respectively	1	1
Common Stock		
Authorized: 200,000,000 Common Shares, With a Par Value of \$0.001 Per Share Issued and Outstanding: 30,460,826 and 2,881,424 Shares, respectively	30,461	2,881
Additional Paid-In Capital	4,325,080	3,996,373
Accumulated Deficit	(5,635,770)	(4,889,020)

Total Stockholders' Deficit	(1,280,112)	(889,591)
TOTAL LIABILITIES AND STOCKHOLDER'S DEFICIT	<u>\$ 749,556</u>	<u>\$ 821,897</u>

The accompanying notes are an integral part of these consolidated financial statements

Good Gaming, Inc.
Consolidated Statement of Operations
(Expressed in U.S Dollars)
(Unaudited)

	For the Three months ended		For the Nine months ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Revenues	\$ 53,764	\$ 7,588	\$ 111,470	\$ 15,907
Cost of Revenues	40,500	11,643	38,492	82,700
Gross Profit	13,264	(4,055)	72,978	(66,793)
Operating Expenses				
General & Administrative	34,475	54,609	82,773	112,522
Contract Labor	22,785	97,348	82,681	333,487
Payroll Expense	-	-	41,986	-
Depreciation and Amortization Expense	75,939	60,704	205,194	182,048
Professional Fees	109,970	27,027	329,337	78,052
Change in Value of Digital Currencies	3,668	-	3,668	-
Total Operating Expenses	246,837	239,688	745,639	706,109
Operating Loss	(233,573)	(243,743)	(672,661)	(772,902)
Other Income (Expense)				
Gain on Debt Settlement	40,000	-	40,000	-
Interest Income	-	-	-	1,000
Interest Expense	(5,619)	(15,591)	(14,027)	(26,403)
Loss on Stock Conversions	-	-	(75,395)	-
Gain (Loss) on Change in Fair Value of Derivative Liability	(307,905)	292,084	(24,667)	68,168
Total Other Income (Loss)	(273,524)	276,493	(74,089)	42,765
Net Loss	\$ (507,097)	\$ 32,750	\$ (746,750)	\$ (730,137)
Net Loss Per Share, Basic and Diluted	\$ (0.07)	\$.01	\$ (.01)	\$ (0.34)
Weighted Average Shares Outstanding	7,293,597	2,483,454	24,158,309	2,152,198

The accompanying notes are an integral part of these consolidated financial statements

Good Gaming, Inc.
Consolidated Statements of Cash Flows
(Expressed in U.S Dollars)
(Unaudited)

**For the Nine Months Ended
September 30,**

2018 **2017**

Operating Activities		
Net Loss	\$ (746,750)	\$ (730,137)
Adjustment To Reconcile Net Loss to Net Cash Used In Operating Activities		
Depreciation and Amortization	205,194	182,048
Gain on Debt Settlement	(40,000)	
Change In Fair Value Of Derivative Liability	24,667	(68,168)
Changes in operating assets and liabilities		
Due from Affiliate	700	-
Digital Currencies	(27,348)	
Prepaid expenses	(18,829)	-
Accounts Payable and Accrued Liabilities	55,643	37,766
Net Cash Provided By (Used in) Operating Activities	(546,723)	(578,491)
Investing Activities		
Purchase of Property and Equipment	(26,250)	(1,552)
Net Cash Provided By (Used in) Investing Activities	(26,250)	(1,552)
Financing Activities		
Proceeds From Sale Of Series D Preferred Stock	105,000	-
Proceeds from Convertible Debenture	-	18,000
Proceeds from Receipt of Receivable	-	10,500
Due To ViaOne Services	410,598	507,880
Net Cash Provided By (Used In) Financing Activities	515,598	536,380
Change in Cash and Cash Equivalents	(57,375)	(43,663)
Cash and Cash Equivalents, Beginning Of Period	61,037	47,900
Cash and Cash Equivalents, End Of Period	\$ 3,662	\$ 4,237
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ -	\$ -
Cash paid for taxes	\$ -	\$ -
Non-Cash Investing And Financing Activities		
Unpaid Property and Equipment Acquired	\$ 118,500	\$ -
Common Shares Issued for Conversion Of Debt	\$ 293,229	\$ 6,585

The accompanying notes are an integral part of these consolidated financial statements

Good Gaming, Inc.
Notes to the Consolidated Financial Statements
(expressed in U.S. dollars)

1. Nature of Operations and Continuance of Business

Good Gaming, Inc. (formerly “HDS International Corp.”, the “Company”) was incorporated on November 3, 2008 under the laws of the State of Nevada. The Company is a leading tournament gaming platform and online destination targeting over 250 million esports players and participants worldwide that want to compete at the high school or college level. A substantial portion of the Company’s activities have involved developing a business plan and establishing contacts and visibility in the marketplace and the Company has not generated any substantial revenue to date. Beginning in 2018, the Company began deriving revenue by providing transaction verification services within the digital currency networks of cryptocurrencies.

Consolidation

The accompanying condensed consolidated financial statements include the accounts and operations of the Company and its wholly owned subsidiary, Crypto Strategies Group, Inc. All intercompany accounts and transactions have been eliminated.

Going Concern

These consolidated financial statements have been prepared on a going concern basis, which implies that the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company has generated minimal revenues to date and has never paid any dividends and is unlikely to pay dividends or generate significant earnings in the immediate or foreseeable future. As of September 30, 2018, the Company had a working capital deficiency of \$2,007,177 and an accumulated deficit of \$5,635,770. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability to raise equity or debt financing, and the attainment of profitable operations from the Company’s future business. These factors raise substantial doubt regarding the Company’s ability to continue as a going concern for a period of one year from the issuance of these financial statements. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete consolidated financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. For further information, refer to the audited consolidated financial statements and footnotes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2017.

Reclassifications

None

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions related to the fair values of convertible debentures, derivative liability, stock-based compensation, and deferred income tax asset valuation allowances. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the

accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

Cash Equivalents

The Company considers all highly liquid instruments with maturity of three months or less at the time of issuance to be cash equivalents. Amounts receivable from credit card processors are also considered cash equivalents because they are both short-term and highly liquid in nature.

Intangible Assets

Intangible assets are carried at the purchased cost less accumulated amortization. Amortization is computed over the estimated useful lives of the respective assets, generally five years.

Impairment of Long-Lived Assets

Long-lived assets and certain identifiable intangible assets to be held and used are reviewed for impairment whenever events or changes in circumstance indicate that the carrying amount of such assets may not be recoverable. Determination of recoverability is based on an estimate of undiscounted future cash flows resulting from the use of the asset and its eventual disposition. Measurement of an impairment loss for long-lived assets and certain identifiable intangible assets that management expects to hold and use is based on the fair value of the asset. Long-lived assets and certain identifiable intangible assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

Beneficial Conversion Features

From time to time, the Company may issue convertible notes that may contain an embedded beneficial conversion feature. A beneficial conversion feature exists on the date a convertible note is issued when the fair value of the underlying common stock to which the note is convertible into is in excess of the remaining unallocated proceeds of the note after first considering the allocation of a portion of the note proceeds to the fair value of the warrants, if related warrants have been granted. The intrinsic value of the beneficial conversion feature is recorded as a debt discount with a corresponding amount to additional paid in capital. The debt discount is amortized to interest expense over the life of the note using the effective interest method.

Derivative Liability

From time to time, the Company may issue equity instruments that may contain an embedded derivative instrument which may result in a derivative liability. A derivative liability exists on the date the equity instrument is issued when there is a contingent exercise provision. The derivative liability is recorded at its fair value calculated by using an option pricing model. The fair value of the derivative liability is then calculated on each balance sheet date with the corresponding gains and losses recorded in the statement of operations.

Basic and Diluted Net Loss Per Share

The Company computes net loss per share in accordance with ASC 260, Earnings Per Share, which requires presentation of both basic and diluted earnings per share (EPS) on the face of the income statement. Basic EPS is computed by dividing net loss available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing Diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti-dilutive. At September 30, 2018, the Company had 10,000,000 (2017 – 8,779,119) potentially dilutive shares from outstanding convertible debentures.

Income Taxes

Potential benefits of income tax losses are not recognized in the accounts until realization is more likely than not. Pursuant to ASC 740, the Company is required to compute tax asset benefits for net operating losses carried forward. The potential benefits of net operating losses have not been recognized in these consolidated financial statements because the Company cannot be assured it is more likely than not it will utilize the net operating losses carried forward in future years. Unrecognized tax positions, if ever recognized in the consolidated financial statements, are recorded in the statement of operations as part of the income tax provision. Our policy is to recognize interest and penalties accrued on uncertain tax positions, if any, as part of the income tax provision. The Company has no liabilities for uncertain tax positions. Unrecognized tax positions, if ever recognized in the consolidated financial statements, are recorded in the statement of operations as part of the income tax provision. The Company's policy is to recognize interest and penalties accrued on uncertain tax positions, if any, as part of the income tax provision. The Company has no liabilities for uncertain tax positions.

On March 22, 2017, tax reform legislation known as the Tax Cuts and Jobs Act (the "U.S. Tax Reform Act") was enacted in the United States. The U.S. Tax Reform Act, among other things, reduced the U.S. corporate income tax rate from 35% to 21% beginning in 2018. On March 22, 2017, the SEC staff issued Staff Accounting Bulletin No. 118 ("SAB 118"), which provides guidance on how to account for the effects of the U.S. Tax Reform Act under ASC 740.

Financial Instruments

ASC 820, "Fair Value Measurements" and ASC 825, Financial Instruments, requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. It establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument is categorized within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. It prioritizes the inputs into three levels that may be used to measure fair value:

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's consolidated balance sheet as at September 30, 2018 and 2017 as follows:

Description	Fair Value Measurements at September 30, 2018 Using Fair Value Hierarchy			
	Total	Level 1	Level 2	Level 3
Derivative liability	\$ 575,938	\$ -	\$ -	\$ 575,938
Total	\$ 575,938	\$ -	\$ -	\$ 575,938

Description	Fair Value Measurements at September 30, 2017 Using Fair Value Hierarchy			
	Total	Level 1	Level 2	Level 3
Derivative liability	\$ 160,437	\$ -	\$ -	\$ 160,437
Total	\$ 160,437	\$ -	\$ -	\$ 160,437

The carrying values of all of our other financial instruments, which include accounts payable and accrued liabilities, and amounts due to related parties approximate their current fair values because of their nature and respective maturity dates or durations.

Advertising Expenses

Advertising expenses are included in general and administrative expenses in the consolidated Statements of Operations and are expensed as incurred. The Company incurred \$23,865 in advertising and promotion expenses in the nine months ended September 30, 2018.

Revenue Recognition

The company recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the company expects to receive in exchange for those goods or services. To determine revenue recognition for the arrangements that the company determines are within the scope of Topic 606, the company performs the following five steps: (1) identify the contract(s) with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the entity satisfies a performance obligation. Revenues primarily include revenues from microtransactions which are derived from the sale of virtual goods to the Company's players. Proceeds from the sales of virtual goods directly are recognized as revenues when a player uses the virtual goods.

Digital Currency Blockchain Mining

The Company derives revenue by providing transaction verification services within the digital currency networks of cryptocurrencies. The Company satisfies its performance obligation at the point in time that which the Company is awarded a unit of digital currency through its participation in the applicable network and network participants benefit from the Company's verification service. In consideration for these services, the Company receives digital currencies which are recorded as revenue, using the closing U. S. dollar price of the related cryptocurrency on the date of receipt. The coins are recorded on the balance sheet at their fair value and re-measured at each reporting date. Revaluation gains or losses, as well as gains or losses on sale of digital currencies are recorded as a component of operating expenses in the statement of operations. Expenses associated with running the cryptocurrency mining business, such as equipment depreciation and electricity cost are recorded as a component of cost of revenues. During the nine months ended September 30, 2018, the Company recognized \$30,016 in revenues and incurred \$63,918 in expenses from providing transaction verification services.

There is currently no definitive guidance in U.S. GAAP or alternative accounting frameworks for the accounting for the production and mining of digital currencies. The Company has exercised significant judgement in determining appropriate accounting treatment for the recognition of revenue for mining of digital currencies. Management has examined various factors surrounding the substance of the Company's operations and the guidance in ASC 606, Revenue from Contracts with Customers, including the transfer of control being the completion and addition of a block to a blockchain and the reliability of the measurement of the digital currency received. In the event authoritative guidance is enacted by the FASB, the Company may be required to change its policies which could result in a change in the Company's consolidated financial statements.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers, which was amended in 2015 and 2016. The new revenue recognition standard relates to revenue from contracts with customers and will supersede nearly all current U.S. GAAP guidance on this topic and eliminate industry-specific guidance.

The underlying principle is to use a five-step analysis of transactions to recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration that is expected to be received for those goods or services. The standard, as amended, is effective for annual periods beginning December 15, 2017. The Company has implemented the ASU and the adoption of the standard did not impact our consolidated financial statements.

The Company has implemented all other new accounting pronouncements that are in effect. These pronouncements did not have any material impact on the consolidated financial statements unless otherwise disclosed, and the Company does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

3. Other Assets

Property and Equipment consisted of the following:

	September 30,	
	2018	2017
Computers and servers	\$ 39,226	\$ 13,440
Bitmining machines	118,500	-
	\$ 157,726	\$ 13,440
Accumulated Depreciation	(28,009)	(2,688)
	\$ 129,717	\$ 10,752

Depreciation expense for the nine months ended September 30, 2018 and 2017 was \$28,009 and \$2,688, respectively.

On February 17, 2016, the Company acquired Good Gaming's assets including intellectual property, trademarks, software code, equipment and other from CMG Holdings Group, Inc. The Company valued the software purchased at \$1,200,000. The software has a useful life of 5 years. During the three months ended March 31, 2018, the Company acquired two additional software servers for \$26,250. Amortization for the nine months ended September 30, 2018 and 2017 was \$180,000 and \$180,000, respectively. The software consisted of the following:

	September 30,	
	2018	2017
Software	\$ 1,200,000	\$ 1,200,000
Accumulated Amortization	(630,000)	(450,000)
	\$ 570,000	\$ 750,000

4. Debt

Convertible Debentures

On April 1, 2015, we entered into a transaction with Iconic whereby Iconic agreed to provide up to \$600,000 through a structured convertible promissory note (the “2015 Iconic Note”), with funds to be received in tranches. The note bears interest of 10% and was due April 1, 2016. The initial proceeds of \$40,000 was received on April 9, 2015, with \$30,000 remitted and delivered to us, \$4,000 retained by Iconic as an original issue discount, and \$6,000 retained by Iconic for legal expenses. On February 17, 2016 as part of a settlement between Iconic and the Company, the 2015 Iconic Note along with a remaining balance of \$8,300 from former JABRO-Asher notes were restructured to a principal amount of \$25,000 with a due date of June 18, 2017 and an interest rate of 0%. Iconic is subject to strict lock-up and leak-out provisions. Additionally, as part of the February 2016 settlement with Iconic, Iconic funded \$100,000 new debentures (the “\$100,000 Convertible Promissory Note”) due August 2018 bearing 0% interest with the lender subject to strict lock-up and leak-out provisions. On June 27, 2017, Iconic’s \$100,000 Convertible Promissory Note issued on February 18, 2016 was amended to reflect an amendment of the conversion price from \$.10 cents to \$.08 cents per share of common stock. On July 5, 2017, Iconic converted \$15,895 of its \$100,000 Convertible Promissory Note. On July 25, 2017, Iconic converted \$18,950 of its \$100,000 Convertible Promissory Note. On January 23, 2018, Iconic converted \$65,155 of its \$100,000 Convertible Promissory Note. Accordingly, the \$100,000 Convertible Promissory Note issued on February 18, 2016 was fully converted into 1,250,001 shares of the Company’s common stock.

On April 15, 2015, the Company issued a convertible debenture with the principal amount of \$100,000 to HGT Capital, LLC (“HGT”), a non-related party. During the quarter ended June 30, 2015, the Company received the first \$50,000 in payment. The remaining \$50,000 payment would be made at the request of the borrower. No additional payments have been made as of September 30, 2018. Under the terms of the debenture, the amount was unsecured and was due on October 16, 2016. The note is currently in default and bears an interest of 22% per annum. It was convertible into shares of common stock any time after the maturity date at a conversion rate of 50% of the average of the five lowest closing bid prices of the Company’s common stock for the thirty trading days ending one trading day prior to the date the conversion notice was sent by the holder to the Company. On September 21, 2018, the Company entered into a modification agreement with HGT with respect to the convertible promissory note which has a balance of \$107,238. Pursuant to such modification agreement, all defaults were waived and it was agreed that such note will convert at a 25% discount to the market rather than the default rate. HGT also agreed to certain sale restrictions which limit the amount of shares that they can sell in any month for the next three months. HGT also agreed to dismiss, with prejudice, the lawsuit that it had filed against the Company.

On June 29, 2017, the Company issued to Iconic a 10% Convertible Promissory Note in the principal amount of \$27,000 (the “2017 Iconic Note”). Upon the execution of such Note, the sum of \$9,000 has been remitted and delivered to the Company. On August 14, 2017, Iconic remitted and delivered to the Company another \$9,000. The Company is only required to repay the amount funded and the Company is not required to repay any unfunded portion of the 2017 Iconic Note. As of March 31, 2018, the Company has received a total \$18,000 of the \$27,000 principal amount. On April 16, 2018, the note was fully converted.

As part of the asset purchase agreement between CMG Holdings Group, Inc. (“CMG Holdings”) and the Company, the Company issued SirenGPS a 0% convertible debenture of \$60,000 that matured in August 2018. The debenture is convertible into the Company’s common stock at a 20% discount to the 20-day moving average of the Company’s common stock after a period of seven months. The debt is subject to strict lock-up and leak-out provisions. SirenGPS has agreed to sell this security to the Company or to an investor of the Company’s choice at face value. Recently, ViaOne Services, LLC, a Texas Limited Liability Corporation (“ViaOne”) purchased this debenture from SirenGPS.

The Company entered into a line of credit agreement (“Line Of Credit”) with ViaOne. This Line of Credit dated as of September 27, 2018 (the “Effective Date”), was entered into by and between the Company and ViaOne. The Company had an immediate need for additional capital and has asked ViaOne to make a new loan(s) in an initial amount of \$25,000 on the Effective Date (the “New Loan”). The Company may need additional capital and ViaOne has agreed pursuant to this Line of Credit to provide for additional advances, although ViaOne shall have no obligation to make any additional loans. Any further New Loans shall be memorialized in a promissory note with substantially the same terms as the New Loan and shall be secured by all of the assets of the Company. On or before the Effective Date, the Company may request in writing to ViaOne that it loan the Company additional sums of up to \$250,000 and within five days of such request(s), ViaOne shall have the right, but not an obligation, to make additional loans to the Company and the Company shall in turn immediately issue a note in the amount of such loan. In consideration for making the New Loan, the Company entered into a security agreement whereby ViaOne received a senior security interest in all of the assets of the Company.

5. Derivative Liabilities

The following inputs and assumptions were used to value the convertible debentures outstanding during the nine months ended September 30, 2018 and September 30, 2017:

The projected annual volatility for each valuation period was based on the historic volatility of the Company of 337.2% and 127% at September 30, 2018 and 2017, respectively. The risk free rate was 2.57% and 1.30% at September 30, 2018 and 2017, respectively. The expected life was one year and the dividend yield was 0% for each year.

A summary of the activity of the derivative liability is shown below:

Balance, December 31, 2017	\$	570,643
Conversions		(19,374)
Change in value		24,669
Balance, September 30, 2018		<u>575,938</u>

6. Common Stock

Common Stock Transactions for the Year Ended December 31, 2017:

On January 4, 2017, the Hillwinds Ocean Energy converted 70,000 shares of its common stock to 500 shares of Series B Preferred Stock ("Series B Preferred Shares").

On January 5, 2017, Iconic converted \$6,585 of convertible debt into 65,585 shares of the Company's common stock.

On July 5, 2017, Iconic converted \$15,895 of convertible debt into 198,688 shares of the Company's common stock.

On July 13, 2017, a shareholder converted 1,000 shares of Series B Preferred Shares into 200,000 shares of the Company's common stock.

On July 25, 2017, Iconic converted \$18,950 of convertible debt into 236,875 shares of the Company's common stock.

On August 11, 2017, an investor converted 1,250 Series B Preferred Shares into 250,000 shares of the Company's common stock.

At March 31, 2017, the Company had 21,891,805 shares of common stock reserved for issuance relating to convertible debentures and Series D Preferred Stock.

Common Stock Transactions for the Nine Months Ended September 30, 2018:

On January 8, 2018, Silver Linings Management, LLC converted 15,000 shares of the Company's Series B Preferred Stock into 3,000,000 shares of the Company's common stock.

On January 8, 2018, Britton & Associates converted 5,000 of the Company's Series B Preferred Shares into 1,000,000 shares of the Company's common stock.

On January 9, 2018, ViaOne converted \$200,000 of its convertible note into 8,333,333 shares of the Company's common stock.

On January 12, 2018, SSB Trading converted 10,000 of the Company's Series B Preferred Shares into 2,000,000 shares of the Company's common stock.

On January 12, 2018, CMG Holdings converted 5,605 of the Company's Series B Preferred Shares into 1,211,000 common shares of the Company.

On January 18, 2018, CMG Holdings converted 9,000 of the Company's Series B Preferred Shares into 1,800,000 shares of the

Company's common stock.

On January 23, 2018, Iconic converted \$65,155 of its convertible note into 814,438 shares of the Company's common stock.

On January 26, 2018, Michael Tadin converted 5,000 of the Company's Series B Preferred Shares into 1,000,000 shares of the Company's common stock.

On February 9, 2018, Vik Grover converted 8,665 of the Company's Series B Preferred Shares into 1,733,000 shares of common stock of the Company.

On April 16, 2018, Iconic converted \$18,000 of a convertible note into 1,892,828 shares of the Company's common stock.

On April 13, 2018, RedDiamond Partners, Inc. ("RedDiamond") converted 5 shares of Series D Preferred Stock into 555,556 shares of the Company's common stock.

On April 17, 2018, RedDiamond converted 5 shares of Series D Preferred Stock into 609,756 shares of the Company's common stock.

On April 23, 2018, RedDiamond converted 5 shares of Series D Preferred Stock into 806,452 of the Company's common stock.

On May 9, 2018, RedDiamond converted 5 shares of Series D Preferred Stock into 1,020,408 of the Company's common stock.

On May 23, 2018, RedDiamond converted 5 shares of Series D Preferred Stock into 657,895 of the Company's common stock.

On June 19, 2018, RedDiamond converted 5 shares of Series D Preferred Stock into 1,234,756 of the Company's common stock.

On July 9, 2018, RedDiamond converted 5 shares of Series D Preferred Stock into 1,250,000 of the Company's common stock.

On July 24, 2018, RedDiamond converted 5 shares of Series D Preferred Stock into 1,467,391 of the Company's common stock.

7. Preferred Stock

Our Articles of Incorporation authorize us to issue up to 2,250,000 shares of preferred stock, \$0.001 par value. Of the 2,250,000 shares of authorized preferred stock, the total number of shares of Series A Preferred Stock the Company has the authority to issue is Two Million (2,000,000), par value \$0.001 per share; the total number of shares of Series B Preferred Stock the Company has the authority to issue is Two Hundred Forty Nine thousand Nine Hundred and Ninety Nine (249,999), par value \$0.001 per share; the total number of shares of Series C Preferred Stock the Company has the authority to issue is One (1), par value \$0.001 per share; and the total number of shares of Series D Preferred Stock the Company has the authority to issue is three hundred and fifty (350), par value \$0.001 per share. Our Board of Directors is authorized, without further action by the shareholders, to issue shares of preferred stock and to fix the designations, number, rights, preferences, privileges and restrictions thereof, including dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences and sinking fund terms. We believe that the Board of Directors' power to set the terms of, and our ability to issue, preferred stock will provide flexibility in connection with possible financing or acquisition transactions in the future. The issuance of preferred stock, however, could adversely affect the voting power of holders of common stock and decrease the amount of any liquidation distribution to such holders. The presence of outstanding preferred stock could also have the effect of delaying, deterring or preventing a change in control of our Company.

As of September 30, 2018, we had 7,500 shares of our Series A Preferred Stock issued and outstanding. As of September 30, 2018, we had 106,511 shares of Series B Preferred Stock issued and outstanding. As of September 30, 2018, we had one (1) share of Series C Preferred Stock issued and outstanding. At September 30, 2018, we had 93.062 shares of Series D Preferred Stock issued and outstanding.

The 7,500 issued and outstanding shares of Series A Preferred Stock are convertible into shares of common stock at a rate of 20 shares of common stock for each Series A Preferred Share. The 106,511 issued and outstanding shares of Series B Preferred Stock are convertible into shares of the Company's common stock at a rate of 200 shares of common stock for each Series B Preferred Share. If all of our Series A and Series B Preferred Stock, issued and outstanding as of September 30, 2018 are converted into shares of common stock, the number of issued and outstanding shares of our common stock will increase by 21,302,200 shares.

The one (1) share of Series C Preferred Stock, issued and outstanding, has voting rights equivalent to 51% of all shares entitled to vote and is held by ViaOne, a Company controlled by David Dorwart, the Company's CEO.

The 93.062 issued and outstanding shares of Series D Preferred Stock as of September 30, 2018 are convertible into shares of common stock at a rate of 125% of the conversion amount at a price that is the lower of 110% of the volume weighted average prices ("VWAP") of the common stock on the closing date, the VWAP of the common stock on the conversion date or the VWAP of the common stock on the date prior to the conversion date. Series D Preferred Stock is convertible beginning 6 months from the issue date. At September 30, 2018, 93.062 shares of Series D Preferred Stock issued and outstanding was eligible to be converted to the Company's common stock. The Company agreed to redeem 46.531 of the remaining 93.062 shares over the next 3 months and cancel such shares without conversion.

The 93.062 issued and outstanding shares of Series D Preferred Stock are no longer entitled to cumulative dividends at a rate of 5% of the face value of shares, or the number of shares multiplied by 1,000 as of September 21, 2018 as a result of the agreement discussed immediately below.

On September 21, 2018, RedDiamond modified the agreement with the Company. RedDiamond and the Company agreed that the Preferred Shares shall convert into Common Stock (the "Conversion Shares") at the lower of the Fixed Conversion Price (\$.06) or at the VWAP which shall be defined as the average of the five (5) lowest closing prices during the 20 days prior to conversion; for the avoidance of doubt, RedDiamond has not waived its right to the 25% Conversion Premium as defined in the COD. The Company shall have the obligation to redeem 46.531 of the Preferred Shares (which represents 50% of the Preferred Shares Owned by RedDiamond) at 110% of the Stated Value of \$46,531 by making three equal payments of \$17,061.37 on October 15, 2018, November 15, 2018 and December 15, 2018. The Preferred Shares shall not be entitled to a dividend going forward. On October 15, 2018, the Company made the first installment payment of \$17,061.37 to Red Diamond.

All of the Series A, B, C and D Preferred Stock have a liquidation preference to the common stock of the Company.

8. Warrant

In connection with the \$100,000 convertible debenture issued to HGT, the Company issued HGT a warrant to purchase 100,000 shares of the Company's common stock at \$1.00 per share. This warrant was not exercised as of September 30, 2018, is exercisable through April 15, 2020 and had a remaining life of 1.54 years as of September 30, 2018. The intrinsic value of the warrant at September 30, 2018 was zero as the exercise price exceeded the closing stock price.

9. Related Party Transactions

On or around April 7, 2016, Silver Linings Management, LLC funded the Company \$13,439.50 in the form of convertible debentures secured by certain high-powered gaming machines purchased from XIDAX. Such note bears interest at a rate of 10% per annum payable in cash or kind at the option of the Company and became mature on April 1, 2018, and is convertible into Series B Preferred shares at the option of the holder at any time. Such note remained outstanding as of the date of this quarterly report and the holder and the Company were negotiating the terms to extend the note.

On November 30, 2016, ViaOne purchased a Secured Promissory Note in a maximum initial principal amount of \$150,000 issued by the Company to ViaOne. As additional advances were made by ViaOne to the Company, the principal amount of the Secured Promissory Note increased to \$225,000 and \$363,000 by amendments dated January 31, 2017 and March 1, 2017, respectively.

On May 5, 2017, ViaOne delivered a default notice to the Company pursuant to Section 6 of the Note Purchase Agreement but subsequently extended the due date of the Secured Promissory Note and increased the funding amount to a maximum of One Million (\$1,000,000) dollars. After giving the Company a fifteen (15)-day notice period to cure the default under the Stock Pledge Agreement dated November 30, 2016 entered by and among the Company, CMG and ViaOne ("Pledge Agreement"), ViaOne took possession of the Series C Preferred Stock, which was subject of the Pledge Agreement.

The Secured Promissory Note as amended increased from time to time due to additional advances provided to the Company by ViaOne.

On September 1, 2017, the Company executed an amended Employee Services Agreement with ViaOne, which stipulated that ViaOne would continue providing to the Company services relating to the Company's human resources, marketing, advertising, accounting and financing for a monthly management fee of \$25,000. The accrued monthly management fees in the amount of \$325,000 at September 30, 2018, are convertible by ViaOne into the Company's common stock at rate of 125% of the accrued fees at a conversion price of (i) \$0.05 per share; or (ii) the VWAP of the common stock on the 14th day of each month if the 14th of that month is a trading day. In the event the 14th day of a month falls on a Saturday, Sunday, or a trading holiday, the VWAP of the Company's common stock will be valued on the last trading day before the 14th day of the month.

On September 27, 2018, the Company and ViaOne, entered into a Line of Credit Agreement (the "Agreement"), pursuant to which the Company issued a secured promissory note with the initial principal amount of \$25,000 to ViaOne in exchange for a loan of \$25,000 (the "Initial Loan Amount"). In accordance with this Agreement, the Company may request ViaOne to provide loans of up to \$250,000, including the Initial Loan Amount, and ViaOne has the right to decide whether it will honor such request. The Initial Loan Amount shall become due on September 30, 2019 (the "Maturity Date") and bears an interest rate of 8.0% per annum. The unpaid principal and interest of the Promissory Note after the Maturity Date shall accrue interest at a rate of 18.0% per annum. The principal amount of the Promissory Note may increase from time to time up to \$250,000 in accordance with the terms and conditions of the Agreement. In connection with the Agreement and Promissory Note, the Company and ViaOne executed a security agreement dated September 27, 2018 whereby the Company granted ViaOne a security interest in all of its assets, including without limitation cash, inventory, account receivables, real property and intellectual properties, to secure the repayment of the loans made pursuant to the Agreement and Promissory Note.

At September 30, 2018, the total amount owed by the Company to ViaOne was \$1,111,394.

The Company's Chairman and Chief Executive Officer is the Chairman of ViaOne.

Prepaid expenses consist of an insurance policy with a Company controlled by the Company's Chairman and Chief Executive Officer.

10. Income Taxes

The Company has a net operating loss carried forward of \$2,199,802 available to offset taxable income in future years which commence expiring in fiscal 2030.

The significant components of deferred income tax assets and liabilities at September 30, 2018 and 2017 are as follows:

	2018	2017
Net Operating Loss Carryforward	\$ 2,199,802	\$ 1,203,424
Valuation allowance	(2,199,802)	\$ (137,581)
Net Deferred Tax Asset	\$ -	\$ -

The income tax benefit has been computed by applying the weighted average income tax rates of the United States (federal and state rates) of 21% and 35%, respectively, to the net loss before income taxes calculated for each jurisdiction. The tax effect of the significant temporary differences, which comprise future tax assets and liabilities, are as follows:

	2018	2017
Income tax recovery at statutory rate	\$ (124,460)	\$ (64,212)
Valuation allowance change	(124,460)	\$ (64,212)
Provision for income taxes	\$ -	\$ -

11. Commitments and Contingencies

HGT had filed a lawsuit against the Company, claiming breach of contract due to a default on a \$50,000 junior loan made by HGT to HDS International Corp., our predecessor, in 2015. The Company retained counsel to represent it on this matter and responded with affirmative defenses in the Supreme Court of New York. Oral argument on HGT's motion for summary judgment was held on May 31, 2018. The Court reserved the decision. On September 21, 2018, the Company entered into a modification agreement with HGT with respect to the convertible promissory note which has a balance of \$107,238. Pursuant to such modification agreement, all defaults were waived and it was agreed that such note will convert at a 25% discount to the market rather than the default rate. HGT also agreed to certain sale prohibitions which limit the amount of shares that they can sell in any month for the next three months. HGT also dismissed, with prejudice, the lawsuit that it had filed against the Company.

12. Acquisition

On March 21, 2018, the Company announced the acquisition of Crypto Strategies Group, Inc. for consideration of \$500. The Company intends to diversify its business and enter into the cryptocurrency market through such acquisition. As the acquisition was between the entities under common control with the Company, the assets and liabilities were recorded at their carrying amount on the date of transfer. On the date of transfer, Crypto Strategies Group, Inc. had no asset or liabilities.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Cautionary Statements

This Quarterly Report on Form 10-Q ("Form 10-Q") may contain "forward-looking statements," as that term is used in federal securities laws, about Good Gaming, Inc. ("GMER," "we," "our," "us," the "Company," "management") and its financial condition, results of operations and business. These statements include, among others:

- statements concerning the potential benefits that we may experience from our business activities and certain transactions we contemplate or have completed; and
- statements of GMER's expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts. These statements may be made expressly in this Form 10-Q. You can find many of these statements by looking for words such as "believes," "expects," "anticipates," "estimates," "opines," or similar expressions used in this Form 10-Q. These forward-looking statements are subject to numerous assumptions, risks and uncertainties that may cause GMER's actual results to be materially different from any future results expressed or implied by GMER in those statements. The most important facts that could prevent GMER from achieving its stated goals include, but are not limited to, the following:
 - (a) volatility or decline of our stock price;
 - (b) potential fluctuation of quarterly results;
 - (c) failure of GMER to achieve revenues or profits;
 - (d) inadequate capital to continue or expand our business, and inability to raise additional capital or financing to implement our business plans;
 - (e) decline in demand for GMER's products and services;
 - (f) rapid adverse changes in markets;
 - (g) litigation with or legal claims and allegations by outside parties against us, including but not limited to challenges to our intellectual property rights; and
 - (h) insufficient revenues to cover operating costs.

There is no assurance that GMER will be profitable, be able to successfully develop, manage or market its products and services, be able to attract or retain qualified executives and personnel, be able to obtain customers for its products or services, additional dilution in outstanding stock ownership may be incurred due to the issuance of more shares, warrants and stock options, the exercise of outstanding warrants and stock options, or the conversion of convertible promissory notes, and other risks inherent in GMER's businesses.

Because the statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by the forward-looking statements. GMER cautions you not to place undue reliance on the statements, which speak only as of the date of this Form 10-Q. The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that GMER or persons acting on its behalf may issue. GMER does not undertake any obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this Form 10-Q, or to reflect the occurrence of unanticipated events.

Overview

The Company was incorporated on November 3, 2008 under the laws of the State of Nevada, to engage in certain business services. Our goal is to become a leading tournament gaming provider as well as an online destination, targeting over 250 million esports

players and participants worldwide that want to compete at the high school or college level. We are a developmental stage business, have generated limited revenues to date and have a history of operating losses.

The Good Gaming platform was established in early 2014 by its founding members who recognized the need that millions of gamers worldwide desired to play games at competitive levels. The founders recognized that there was no structure or organization on a large scale for amateur gamers while professional esports was quickly establishing itself.

Good Gaming is effectively building the business infrastructure for the rapidly growing esports industry, similar to the high school and college athletic industry. Good Gaming is designed to be the gateway for amateur esports athletes to compete at the semi-professional level, improve their gaming skills, and interact with veteran gamers globally in a destination site and social networking framework.

Good Gaming differs from the professional level of the esports industry by focusing on more than approximately 250 million gamers that fall below the professional level but are above the casual level, classified as “amateurs.” Good Gaming distinguishes itself from its direct and indirect competitors by being the first company to offer multi-game, multi-console services at the amateur esports level. The Company is not exclusive to any particular hardware or software vendor.

On May 4, 2016, the Company announced that it had completed its first closed public beta testing of their 2.0 tournament platform to determine the functionality, speed, ease of use, and accuracy of the system and is preparing to enter into full-blown production.

On February 18, 2016, the Company, formerly HDS International Corp., acquired the assets of Good Gaming, Inc. from CMG Holdings Group, Inc. (OTCQB: CMGO). On that date, the Company's former CEO, Paul Rauner, resigned. The Company appointed Vikram Grover to the positions of CEO and Director of the board of directors (the "Board"). Vikram Grover is a former Wall Street analyst and investment banker with more than 20 years of experience in telecommunications, media and technology. In addition, David Dorwart was elected by the majority shareholders to the Company's Board. Mr. Dorwart is the Co-Founder and Chairman of Assist Wireless, Inc., a provider of lifeline wireless services to tens of thousands of subscribers primarily in the Midwest.

In March 2017, the Company began exploring potential partnerships with various franchise opportunities related to both LAN centers and Virtual Reality centers. Financial analysis and research on these opportunities is ongoing.

On June 27, 2017 the Board of Directors of the Company appointed David B. Dorwart, 59 years old, as the Company's Chief Executive Officer. On June 21, 2017, Mr. Dorwart was appointed to serve as the Chairman of the Board of Directors. David B. Dorwart, Chairman and CEO of Good Gaming, Inc., brings over 31 years of start-up entrepreneurship and executive level management to the Company. Mr. Dorwart was a CoFounder and CEO of dPi Teleconnect, a prepaid wireless provider, for 10 years. During his tenure, he grew the company from a start-up to \$75 million in revenues before selling the company. Over the last 9 years, he has been involved with several other successful projects including Assist Wireless, Brooklet Energy Distribution, PayGo Distributors and Britton & Associates. He is currently the Chairman and CoFounder of ViaOne, a company which specializes in wireless communications and provides intricate multi-faceted services for start-up companies utilizing industry experts. By virtue of their ownership of this Series C Preferred Stock, ViaOne is the Company's principal stockholder.

On June 27, 2017, the Company also bolstered its Board of Directors with executive level professionals by adding two seasoned individuals listed below who specialize in organization and finance as well as the branding and marketing of established and emerging organizations which are poised to show significant growth.

Domenic Fontana, age 38, is currently Sr. Vice President of ViaOne and a new board member. He is an experienced CPA and financial executive who has worked in progressively more advanced executive roles throughout his career. Having worked at Verizon, Ebay and now ViaOne over the last 13 years, he has developed extensive knowledge of executive level management and the telecommunications industry. He has worked in all aspects of Finance, Accounting, Treasury, and Operations.

Jordan Majkszak Axt, a new board member, age 37, is a results-producing marketing professional with over 14 years of experience in developing marketing and branding strategies. He has been consistently noted by executives, colleagues, and journalists for his specific expertise in bringing products and services online with a comprehensive digital go-to-market strategy. He previously held executive level positions as Director of Marketing for ProfitPoint Inc. and Clutch Holdings LLC. He is currently a Senior Director of Marketing of ViaOne where he develops all marketing and customer acquisition strategies for 14 consumer facing brands.

On July 10, 2017, the Company's Board of Directors elected David Dorwart as its CEO. Additionally, the Board of Directors approved the election of Domenic Fontana and Jordan Axt to the Company's Board of Directors.

On August 8, 2017, the Board of Directors of the Company accepted Vikram Grover's resignation as the Treasurer of the Company and as a member of the Board, effective immediately.

On August 8, 2017, the Board of the Company accepted Barbara Laken's resignation as the Secretary of the Company and as a member on the Board, effective immediately.

On August 9, 2017, the Company announced a strategic review of its business, which prompted improvements to its business model and a reduction in expenses designed to accelerate its move to free cash flow generation.

On August 29, 2017, Eric Brown was appointed as the Chief Operating Officer.

In September 2017, the Company began focusing on its Minecraft server by enhancing the development staff and launched an offering of microtransactions after it saw the opportunity to generate revenue without adding a great deal of overhead expenses. The initial offering of microtransactions exceeded revenue expectations and the Company has continued to expand the Minecraft server offerings.

The Company also began pursuing the acquisition of additional Minecraft servers that were already established to begin scaling this effort.

On March 21, 2018, the Company acquired Crypto Strategies Group, Inc. for consideration of \$500. The Company intends to diversify its business and enter into the cryptocurrency market through such acquisition.

Technology

In 2016, the Company completed its 2.0 tournament platform and thereafter ran dozens of robotic internal test tournaments and held numerous free-to-play tournaments on large scales with its partner The Syndicate, the owner of the world's longest running online gaming guild that has 1,200 members worldwide. Good Gaming conducted two closed public beta tournaments of hundreds of participants in May 2016 in order to fully vet the system. After making roughly 100 fixes and changes to the system, it now runs smoothly. The system is designed to scale to 512,000 concurrent competitors. The Company has updated the system to handle team tournaments, which will further expand its opportunity to popular titles that have tens of millions of active players, and has recently launched titles that have the potential for cross-platform play among Gaming PC, Microsoft Xbox and Sony PlayStation.

In 2017, the Company ran hundreds of tournaments on a regular basis with a dedicated customer base of over 30,000 members. Additionally, the Company expanded its website by offering content relevant to the member base with information relating to game play strategy and game news. This generated nearly 100,000 unique visits per month. In an effort to monetize that traffic, the Company employed the use of Google display advertising and tested a subscription model. After careful evaluation of the Company's strategy, management decided to move away from free tournaments and custom content and focus on growing and monetizing our Minecraft server, which has grown substantially in popularity. This decision was a result of comprehensive competitive analysis and evaluations made in how the esports industry was shifting in its space. Tournaments and custom content are currently suspended while the Company grows revenue and focuses on expanding its efforts with Minecraft. The Company is also aggressively evaluating several business models and acquisition opportunities to resume its previous success as it is related to tournaments.

Business Strategy

In the past, our management team's strategy was to be a full-service company endeavoring to provide best in class tournaments, the best platform on which they are played, and content that is all about the esports world. We have looked at this strategy and have changed the way we view our business.

It's our ambition and strategy to be great at providing a place for amateurs to play. By focusing on what the gaming universe needs, it allows us to focus on the promotion of teams, leagues and competition. We intend to begin with local servers and expand organically from there. We recognize there are millions of players who desire to compete within the gaming community.

Minecraft is another business strategy. We have a well-established server and will continue to devote resources to developing and acquiring other Minecraft assets. We feel that we have learned how to monetize our Minecraft server and will be able to continue to grow and have it as a meaningful part of our business strategy.

In our evaluation of our current business model, we have decided not to pursue the operation as a tournament platform. We feel there are too many great platforms that allow complete integration via APIs to run our tournaments. These companies have spent and continued spending millions of dollars establishing their platforms. It's what they do very well and they rely on companies such as Good Gaming to run and host tournaments.

We previously developed our own codes and have a platform that is suitable to handle tournaments but needs some improvement to be commercially ready. In fact, it's this platform that we have used up to now to run our Hearthstone tournaments. Although it is functional, the challenge is that it costs too much capital to maintain and improve the platform. At this point, it's an asset we have and we may try to monetize at some point.

We cannot provide any assurance that our focus on hosting the esports tournaments will be successful and profitable in the future or at all.

RESULTS OF OPERATIONS

Our auditors have issued a going concern opinion on the financial statements for the year ended December 31, 2017. This means that our auditors believed there was substantial doubt that we could continue as an ongoing business for the next twelve months from the date of issuance of this going concern opinion unless we obtained additional capital. We generated little revenue in the past. We have completed the development of our website, sourced out suppliers of materials for our products and sourced out customers to buy our products. Accordingly, before our operations can generate substantial revenue, we need to raise cash from sources other than operations. Our other source for cash at this time is investments by others in our company and the revenue we generate from the sales of our products. We need to raise funds to continue our project and build our operations.

Plan of Operation – Milestones

We are at the early stage of our new business operations. Over the next twelve months, our primary target milestones include:

1. Continue to achieve substantial growth within our Minecraft division. We expect this to be a profitable center for us.
2. Launch an in-person gaming product. We expect to launch this product in the fourth quarter of 2018 and anticipate substantial growth by the end of the year.

3. Continue to evaluate opportunities which have synergies to our existing business line.
4. Anticipate sustainable financial profitability this year.

Limited operating history and need for additional capital

There is limited historical financial information about us upon which to base an evaluation of our performance relating to our new business direction. We have generated little revenue. We cannot guarantee we will be successful in our business operations. Our business is subject to risks inherent in the establishment of a new business enterprise, including limited capital resources and possible cost overruns due to price and cost increases in services and products.

Results of Operations

Three Months ended September 30, 2018 compared to three months ended September 30, 2017

- **Operating Revenues**

We generated \$53,764 in revenue in the three months ended September 30, 2018 and \$7,588 in revenue in the three months ended September 30, 2017, which reflects a change of 46,176 or 609%. Such increase in revenues in the compared periods was primarily caused by the sale of microtransactions.

- **Operating Expenses and Net Loss**

Operating expenses for the three months ended September 30, 2018 were \$246,837 compared with \$239,688 for the three months ended September 30, 2017. The increase in operating expenses was attributed to the increase in professional fees and depreciation and amortization expense offset by decreases in and contract labor and general and administrative expenses.

During the three months ended September 30, 2018, the Company recorded a net loss of \$507,097 compared with a net income of \$32,750 for the three months ended September 30, 2017. The change in net loss was attributed to the increase in revenues and the decrease in the change in value of the Company's derivative liabilities.

Nine Months ended September 30, 2018 compared to nine months ended September 30, 2017

- **Operating Revenues**

We generated \$111,470 in revenue in the nine months ended September 30, 2018 and \$15,907 in revenue in the nine months ended September 30, 2017, which reflects an increase of \$95,563 or 601%. Such increase in revenues in the compared periods was primarily caused by the sale of in-game purchases.

- **Operating Expenses and Net Loss**

Operating expenses for the nine months ended September 30, 2018 were \$745,639 compared with \$706,109 for the nine months ended September 30, 2017. The increase in operating expenses was attributed to an increase in professional fees for day to day operations offset by a decrease in contract labor.

During the nine months ended September 30, 2018, the Company recorded a net loss of \$746,750 compared with a net loss of \$730,137 for the nine months ended September 30, 2017. The increase in net loss was attributed to the increase in revenues and the decrease in the change in value of the Company's derivative liabilities.

- **Liquidity and Capital Resources**

As of September 30, 2018, the Company's cash balance consisted of \$3,662 compared to cash balance of \$4,237 as of September 30, 2017. The decrease in the cash balance was attributed to the repayment of financing that we received for day-to-day activities. As of September 30, 2018, the Company had \$749,556 in assets compared to total assets of \$825,164 as at September 30, 2017. The decrease of \$75,608 in assets was attributable to the amortization of the assets purchased during the acquisition of Good Gaming, Inc.

As of September 30, 2018, the Company had total liabilities of \$2,029,668 compared with total liabilities of \$1,170,245 as of September 30, 2017. The increase of \$859,423 in liabilities was attributable to an increase in financing and in derivative liabilities.

Working Capital

	September 30, 2018	September 30, 2017
Current Assets	\$ 22,491	\$ 4,237
Current Liabilities	2,029,668	1,170,246
Working Capital (Deficit)	\$ (2,007,177)	\$ (1,166,009)

- **Cash flow from Operating Activities**

During the nine months ended September 30, 2018, the Company used \$546,723 of cash for operating activities compared to the use of cash in an amount of \$578,491 for operating activities during the nine months ended September 30, 2017. The decrease in the amount of \$31,768 in the use of cash for operating activities was attributed to the net decrease in derivative liabilities.

- **Cash flow from Investing Activities**

During the nine months ended September 30, 2018, the Company had \$26,250 in cash used in investing activities compared to \$1,552 for the nine months ended September 30, 2017. The increase of \$24,698 in cash used in investing activities was due to the Company's purchase of two servers in the nine months ended September 30, 2018.

- **Cash flow from Financing Activities**

During the nine months ended September 30, 2018, the Company received \$515,598 of proceeds from financing activities compared to \$536,380 during the nine months ended September 30, 2017. The decrease of \$20,782 in proceeds from financing activities was due to the decrease in financing needs.

Going Concern

We have not attained profitable operations and are dependent upon obtaining financing to pursue any extensive acquisitions and activities. As such, there is substantial doubt about our ability to continue as a going concern for a period of one year from the issuance of these financial statements without further financing.

Off-Balance Sheet Arrangements

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to stockholders.

Future Financings

We will continue to rely on equity sales of our preferred stock in order to continue to fund our business operations. Issuances of additional shares will result in dilution to existing stockholders.

There is no assurance that we will achieve any additional sales of the equity securities or arrange for debt or other financing to fund our operations and other activities.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not required for smaller reporting companies.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure

Based on the evaluation of our disclosure controls and procedures (as defined in Rule 13a-15e under the Securities Exchange Act of 1934 the “Exchange Act”), our principal executive officer and principal financial officer have concluded that as of the end of the nine-month period ended September 30, 2018 covered by this quarterly report on Form 10-Q, such disclosure controls and procedures were not effective due to the lack of segregation of duties and lack of a formal review process that includes multiple levels of review to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms because of the identification of a material weakness in our internal control over financial reporting which we view as an integral part of our disclosure controls and procedures. The material weakness relates to the lack of segregation of duties in financial reporting, as our financial reporting and accounting functions were performed by an external consultant with no oversight by a professional with accounting expertise. Our Chief Executive Officer and Chief Financial Officer did not possess accounting expertise and our company does not have an audit committee. This weakness was due to the Company’s lack of working capital to hire additional staff. Subsequently, with the completion of transition in the management and Board, the financial management will be lead by a certified public accountant with extensive accounting experience who follows the standards of U.S. generally accepted accounting principles and internal controls procedures to ensure the faithful representation of the financial statements, including the results of operations, financial position, and cash flows of the reporting entity.

Changes in Internal Control over Financial Reporting

Except as noted above, there have been no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15 or 15d-15 that occurred during our third quarter of 2018 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal proceedings

HGT filed a lawsuit against the Company, claiming breach of contract due to a default on a \$50,000 junior loan made by HGT to HDS International Corp., our predecessor, in 2015. The Company has retained counsel to represent it on this matter and responded with affirmative defenses in the Supreme Court of New York. Oral argument on HGT's motion for summary judgment was held on May 31, 2018. The Court reserved the decision. The Company vigorously contested this action. On September 21, 2018, the Company entered into a modification agreement with HGT with respect to HGT's convertible promissory note. As part of this modification agreement, HGT dismissed, with prejudice, the lawsuit that it had filed against the Company.

Item 1–A. Risk factors

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

Item 2. Unregistered sales of equity securities and use of proceeds

On April 16, 2018, Iconic converted \$18,000 of a convertible note into 1,892,828 shares of the Company's common stock.

On April 13, 2018, RedDiamond Partners, Inc. ("RedDiamond") converted 5 shares of Series D Preferred Stock into 555,556 shares of the Company's common stock.

On April 17, 2018, RedDiamond converted 5 shares of Series D Preferred Stock into 609,756 shares of the Company's common stock.

On April 23, 2018, RedDiamond converted 5 shares of Series D Preferred Stock into 806,452 of the Company's common stock.

On May 9, 2018, RedDiamond converted 5 shares of Series D Preferred Stock into 1,020,408 of the Company's common stock.

On May 23, 2018, RedDiamond converted 5 shares of Series D Preferred Stock into 657,895 of the Company's common stock.

On June 19, 2018, RedDiamond converted 5 shares of Series D Preferred Stock into 1,234,756 of the Company's common stock.

On July 9, 2018, RedDiamond converted 5 shares of Series D Preferred Stock into 1,250,000 of the Company's common stock.

On July 24, 2018, RedDiamond converted 5 shares of Series D Preferred Stock into 1,467,391 of the Company's common stock.

The issuances referenced above were made in reliance on an exemption from registration set forth in Section 4(2) of the Securities Act, as amended.

Except the issuances as listed herein, there were no unregistered sales of equity securities that have not been disclosed on the Company's current reports during the three months ended September 30, 2018.

Item 3. Defaults upon senior securities

None.

Item 4. Mine safety disclosures

Not Applicable.

Item 5. Other information

Not applicable.

31.1	Certification pursuant to Section 302 of the Sarbanes–Oxley Act of 2002
31.2	Certification pursuant to Section 302 of the Sarbanes–Oxley Act of 2002
32.1	Certification pursuant to Section 906 of the Sarbanes–Oxley Act of 2002
32.2	Certification pursuant to Section 906 of the Sarbanes–Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

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

Good Gaming, Inc.
(the "Registrant")

November 16, 2018

BY: /s/ David B. Dorwart
David B. Dorwart
Principal Executive Officer

CERTIFICATION PURSUANT TO SARBANES–OXLEY ACT OF 2002

I, David B. Dorwart, certify that:

1. I have reviewed this Quarterly Report on Form 10–Q of Good Gaming, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer 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 the registrant, 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 the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the Audit Committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

November 16, 2018

By: */s/ David B. Dorwart*

David B. Dorwart
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION PURSUANT TO SARBANES–OXLEY ACT OF 2002

I, Domenic Fontana, certify that:

1. I have reviewed this Quarterly Report on Form 10–Q of Good Gaming, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer 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 the registrant, 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 the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the Audit Committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

November 16, 2018

By: */s/ Domenic Fontana*

Domenic Fontana

Chief Financial Officer

(Principal Financial and Accounting Officer)

CERTIFICATION PURSUANT TO SECTION 906
OF THE SARBANES–OXLEY ACT OF 2002

I, David B. Dorwart, Chief Executive Officer of Good Gaming, Inc. (the “Company”), certify, pursuant to Section 906 of the Sarbanes–Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

1. the Quarterly Report on Form 10–Q of the Company for the period ended September 30, 2018 (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 16, 2018

By: */s/ David B. Dorwart*

David B. Dorwart
Chief Executive Officer
(Principal Executive Officer)
