

SECURITIES AND EXCHANGE COMMISSION

FORM 10QSB

Optional form for quarterly and transition reports of small business issuers under section 13 or 15(d)

Filing Date: **2004-08-12** | Period of Report: **2004-06-30**
SEC Accession No. **0001144204-04-011583**

([HTML Version](#) on secdatabase.com)

FILER

WINWIN GAMING INC

CIK: **897545** | IRS No.: **841219819** | State of Incorpor.: **DE** | Fiscal Year End: **0630**
Type: **10QSB** | Act: **34** | File No.: **000-21566** | Film No.: **04968577**
SIC: **7990** Miscellaneous amusement & recreation

Mailing Address
2980 S. RAINBOW BLVD.
SUITE 200
LAS VEGAS NV 89146

Business Address
2980 S RAINBOW BLVD.
SUITE 200
LAS VEGAS NV 89146
7022334138

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

FORM 10-QSB

QUARTERLY REPORT
Under Section 13 or 15(d) of
the Securities Exchange Act of 1934

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2004

Commission File No. 000-21566

WINWIN GAMING, INC.

(Exact Name of Small Business Issuer as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

84-1300072

(I.R.S. Employer
Identification No.)

8687 West Sahara, Suite 201, Las Vegas, Nevada 89117

(Address of Principal Executive Offices)

(702) 233-4138

(Registrant's Telephone Number, Including Area Code)

The number of shares outstanding of each of the issuer's classes of common equity, as of August 10, 2004 are as follows:

Class of Securities -----	Shares Outstanding -----
Common Stock, \$0.01 par value	41,439,629

Transitional Small Business Disclosure Format (check one): Yes No

WINWIN GAMING, INC.
(A Development Stage Company)

CONDENSED CONSOLIDATED BALANCE SHEET

JUNE 30, 2004
(UNAUDITED)

ITEM 1. FINANCIAL STATEMENTS

Assets

Current assets	
Cash and cash equivalents	\$ 2,330,593
Property and equipment - net	94,178
Other assets	7,442

Total assets	\$ 2,432,213
	=====

Liabilities and Stockholders' Equity

Current liabilities

Accounts payable and accrued liabilities	\$ 624,509
Convertible debentures payable	375,000
Notes payable	37,500

Total current liabilities	1,037,009
Commitments and contingencies (refer to note 7)	
Stockholders' equity	
Common stock - \$.01 par value, 50,000,000 shares authorized; 41,289,629 shares issued and outstanding	412,896
Additional paid-in-capital	7,868,885
Accumulated deficit from operations	(6,886,577)

Total stockholders' equity	1,395,204

Total liabilities and stockholders' equity	\$ 2,432,213
	=====

The accompanying notes are an integral part of the condensed consolidated financial statements.

2

WINWIN GAMING, INC.
(A Development Stage Company)

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

	Six Months Ended June 30,		Three Months Ended June 30,		Cumulative Amounts Since May 10, 2002 (Inception) June 30, 2004
	2004	2003	2004	2003	
<S>	<C>	<C>	<C>	<C>	<C>
Revenues	\$ 9,512	\$ 6,015	\$ --	\$ 6,015	\$ 16,927
Selling, general and administrative expenses	2,213,772	703,787	1,780,775	340,943	5,352,385
Operating loss	(2,204,260)	(697,772)	(1,780,775)	(334,928)	(5,335,458)
Other income (expenses)					
Reorganization expense	--	(835,820)	--	--	(1,059,372)
Interest expense	(32,207)	(224,105)	(15,678)	(173,086)	(491,747)
Net loss	\$ (2,236,467)	\$ (1,757,697)	\$ (1,796,453)	\$ (508,014)	\$ (6,886,577)
Basic and diluted net loss per share	\$ (.06)	\$ (.08)	\$ (.05)	\$ (.03)	
Weighted average number of common shares	34,723,200	20,803,717	39,912,145	18,547,960	

The accompanying notes are an integral part of the condensed consolidated financial statements.

WINWIN GAMING, INC.
(A Development Stage Company)

CONDENSED CONSOLIDATED STATEMENTS CASH FLOWS

(UNAUDITED)

	Six Months Ended June 30, -----		Cumulative Amounts Since May 10, 2002 (Inception) to June 30, 2004
	2004	2003	
<S>	<C>	<C>	<C>
Cash flows from operating activities			
Net cash used in operations	\$ (1,226,147)	\$ (305,627)	\$ (2,789,611)
	-----	-----	-----
Cash flows from investing activities			
Purchase of equipment	(73,194)	(2,342)	(110,013)
	-----	-----	-----
Cash flows from financing activities			
Proceeds from borrowings	--	--	825,000
Debentures issued	--	--	214,114
Proceeds from the exercise of warrants	--	--	12,500
Proceeds from stock subscriptions receivable	--	--	5,600
Note payable	(40,000)	200,000	(40,000)
Proceeds from stock issuances	3,319,600	124,227	4,213,003
	-----	-----	-----
Net cash provided by financing activities	3,279,600	324,227	5,230,217
	-----	-----	-----
Net increase in cash and cash equivalents	1,980,259	16,258	2,330,593
Cash and cash equivalents - beginning of period	350,334	--	--
	-----	-----	-----
Cash and cash equivalents - end of period	\$ 2,330,593	\$ 16,258	\$ 2,330,593
	=====	=====	=====
Supplemental cash flow information:			
Cash paid during the period for:			
Interest	\$ --	\$ --	\$ --
	=====	=====	=====
Income taxes	\$ --	\$ --	\$ --
	=====	=====	=====
Noncash activities:			
Conversion of debt to equity	\$ 567,573	\$ --	\$ 980,619
	=====	=====	=====
Retirement of debentures - debt to equity	\$ 5,594,987	\$ --	\$ 5,594,987
	=====	=====	=====

The accompanying notes are an integral part
of the condensed consolidated financial statements.

WINWIN GAMING, INC.
(A Development Stage Company)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND NATURE OF OPERATIONS

UNAUDITED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-QSB of Regulation S-B. They do not include all information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. The interim unaudited consolidated financial statements should be read in conjunction with the financial statements for the year ended December 31, 2003, which is included in the Company's Annual Report on Form 10-KSB filed with the Securities and Exchange Commission on April 14, 2004. In the opinion of management, all adjustments considered necessary for a fair presentation, consisting solely of normal recurring adjustments, have been made. Operating results for the six months ended June 30, 2004 are not necessarily indicative of the results that may be expected for the year ending December 31, 2004.

WINWIN GAMING, INC.

WinWin Gaming, Inc. (the "Company") a Delaware corporation, formerly called Junum Incorporated ("Junum"), Eurbid.com, Inc., LS Capital Corporation and Lone Star Casino Corporation, was incorporated on December 30, 1992. The Company, while operating under the name Junum Incorporated, was a technology-based financial services company specializing in providing credit management and related services to consumers and small business. On December 31, 2002, the Company amended its certificate of incorporation to change its name from Junum to WinWin Gaming, Inc.

WINWIN, INC.

WinWin, Inc., a Nevada corporation, (the "Operating Subsidiary") was incorporated May 10, 2002. The Operating Subsidiary is a lottery and gaming company with international operations. The Operating Subsidiary offers a complete "turn-key" service providing funding, equipment, training, management, and marketing for lottery and gaming operations worldwide.

WINWIN GAMING, INC.
(A Development Stage Company)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. ORGANIZATION AND NATURE OF OPERATIONS (Continued)

WINWIN ACQUISITION CORP.

WinWin Acquisition Corp., a Nevada corporation, (the "Acquisition Corp.") was incorporated on December 31, 2002. Pursuant to a stock exchange agreement, Acquisition Corp. became a wholly-owned subsidiary of the Company by exchanging 100% of its outstanding common stock for 18,522,853 shares of the Company's common stock. This transaction was effected to facilitate the acquisition of 100% of the Operating Subsidiary.

ACQUISITION OF THE OPERATING SUBSIDIARY; THE SHARE EXCHANGE AND \$5 MILLION DEBENTURE

On March 31, 2003, (the "Acquisition Date") the Company and Acquisition Corp. entered into a stock exchange agreement with the Operating Subsidiary. Pursuant to the stock exchange agreement, the Operating Subsidiary became a wholly-owned subsidiary of Acquisition Corp. and an indirect wholly-owned subsidiary of the Company. The acquisition was effected under the stock exchange agreement when the stockholders of Operating Subsidiary exchanged all of the outstanding capital stock of Operating Subsidiary for 18,522,853 shares of the Company's common stock that was then held by Acquisition Corp. There were approximately 26,000

shares of the Company's common stock outstanding and held by other stockholders on the Acquisition Date.

Since the former stockholders of the Operating Subsidiary owned a majority of the issued and outstanding shares of common stock of the Company after the acquisition, this transaction was accounted for as a recapitalization of the Operating Subsidiary, whereby the Operating Subsidiary is deemed to be the accounting acquirer and has adopted the capital structure of the Company.

In addition to receiving 18,522,853 shares of the Company's common stock in connection with the acquisition, the former stockholders of the Operating Subsidiary also received a \$5 million senior secured debenture (the "Debenture"). On March 19, 2004, the Debenture and related accrued interest of \$418,373 were converted into 100,000 shares of the Company's common stock (refer to note 5).

6

WINWIN GAMING, INC.
(A Development Stage Company)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION AND BASIS OF PRESENTATION

The consolidated financial statements include the accounts of the Operating Subsidiary and its subsidiary Lucky Win Win Cambodia, Inc. prior to the Acquisition Date and the Company and all its subsidiaries after the Acquisition Date. The subsidiaries of Junum Incorporated were inactive and the majority of these subsidiaries have had their corporate charters revoked by the states. These subsidiaries, reported by management as having minimal or no assets or liabilities, are Next Tech, Inc., Voleran, Inc., Junum Intellectual Property Holding Company, Inc., Junum Financial Services, Inc., Junum Company, Inc., and Junum Europe, Ltd. All material intercompany accounts and transactions have been eliminated in consolidation.

CAPITAL RESOURCES AND BUSINESS RISKS ISSUES

The Company's future operations are subject to all of the risks inherent in the establishment of a new business enterprise.

Operations to date have been primarily financed by debt and equity transactions. As a result, future operations are dependent upon the identification and successful completion of permanent equity financing, the continued support of present and future stockholders and, ultimately, the achievement of profitable operations. Additionally, even if the Company continues to raise operating capital, there can be no assurance that the net proceeds will be sufficient to enable it to develop its business to a level where it will generate profits and positive cash flows. These financial statements do not include any adjustments related to recoverability and classification of recorded asset amounts nor to amounts and classification of liabilities that may be necessary should it be unable to continue as a going concern.

The Company may have material obligations owed to taxing authorities and trade creditors, a significant number of which are past due or otherwise in default, that had been incurred by Junum. Several of these parties have filed suit to collect amounts owed to them and have been restructured and will be paid in the future. No assurance can be made that the Company will be successful in repaying or restructuring other obligations, resolving the disputes or managing any litigation that ensues. Failure to successfully satisfy or settle one or more of these obligations would materially impact the Company's financial condition.

As of June 30, 2004, a former subsidiary of Junum, Junum.com, Inc., which was foreclosed in 2002, had liabilities that may be the Company's responsibility. These liabilities include prior year's payroll taxes and the related penalties and interest. The majority of the past due payroll tax amounts may not have been reported to the Internal Revenue Service

(IRS) and due to circumstances beyond the present management's control, the Company has been unable to obtain the necessary payroll records to determine the amount, if any, of these unpaid liabilities, therefore, a range of loss could not be estimated.

7

WINWIN GAMING, INC.
(A Development Stage Company)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CAPITAL RESOURCES AND BUSINESS RISKS ISSUES (Continued)

The Company will seek the assistance of the IRS to resolve this matter in 2004, to determine if the Company is liable as a "Responsible Party" for any payroll taxes that are due for prior years, from Junum.com, Inc.'s payroll.

CONTROL BY PRINCIPAL STOCKHOLDERS

The directors, executive officers and their affiliates or related parties, own beneficially and in the aggregate, the majority of the voting power of the outstanding shares of the common stock of the Company. Accordingly, the directors, executive officers and their affiliates, if they voted their shares uniformly, would have the ability to control the approval of most corporate actions, including increasing the authorized capital stock of the Company and the dissolution, merger or sale of the Company's assets or business.

USE OF ESTIMATES

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

SIGNIFICANT ESTIMATES AND PREACQUISITION CONTINGENT LIABILITIES

Several areas require management's estimates relating to uncertainties for which it is reasonably possible that there will be a material change in the near term. The more significant areas requiring the use of management estimates related to valuation of the Company's liabilities that were deemed acquired by the Operating Subsidiary in the reverse acquisition, valuation of payroll tax and other contingent liabilities and the valuation of the stock warrants and options issued and outstanding.

The Company intends to challenge payment claims for most of the recorded liabilities as well as any claims for unrecorded liabilities. It is reasonably possible that the Company will not actually have to pay a material portion of these recorded liabilities. It is also reasonably possible that the Company will be required to pay claims for unrecorded liabilities, from the identified pre-2001 potential liabilities, plus liabilities as yet unidentified. Such amounts could be material. The range of loss from potential unrecorded liabilities cannot be estimated. The Company has not been presented with any claims from Junum creditors other than some pending legal proceedings (refer to note 6).

8

WINWIN GAMING, INC.
(A Development Stage Company)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FAIR VALUE OF FINANCIAL INSTRUMENTS

The recorded amounts of financial assets and liabilities at June 30, 2004 approximate the fair value based on the Company's incremental borrowing rate or due to the relatively short period of time between origination of the instruments and their expected realization. It is not practicable to estimate the fair value of Junum liabilities because these liabilities are expected to be paid over time at some future settled amount.

CONCENTRATION OF CREDIT RISK

Cash in bank accounts is at risk to the extent that it exceeds Federal Deposit Insurance Corporation insured amounts. To minimize risk, the Company places its cash with high quality credit institutions. Substantially all cash is deposited in one prominent U.S. bank.

STOCK OPTION PLANS

On December 5, 2003 the Board of Directors adopted the Company's 2003 Stock Option Plan, which allows the Board of Directors to grant stock options to certain employees, consultants and directors at a price equal to 100% of the fair market value of stock on the date of grant for incentive stock options and as low as 50% of the fair market value for non-statutory options. The stock option plan also permits grants of options to purchase shares of restricted common stock at a minimum price of \$.01 per share. The maximum number of shares that can be granted under the Plan is 5,000,000 shares and the maximum amount of options that can be granted to one individual, can be no more than 2,000,000 shares. The option and vesting periods are determined by the Board of Directors, but can be no more than 10 years after the date of which the option is granted. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model. There were 2,000,000 stock options outstanding at June 30, 2004, under the 2003 Stock Option Plan. The options have an exercise price of \$.83, expire five years after the date of grant, and have a fair market value of \$.77 per option share. The options vest over the 3 year period from the date of issuance.

There were outstanding stock options issued by Junum, but after Junum did several reverse stock splits in 2000 and 2002, the outstanding options under the Junum Stock Option Plan established in 1999, at June 30, 2004 was 1,387. It is remote that these options would be exercised at a future date, due to a weighted average exercise price reported at December 31, 2002 of \$2,550 per share.

WINWIN GAMING, INC.
(A Development Stage Company)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The proforma information at June 30, 2004, giving effect to the above transactions, is as follows:

<TABLE>
<CAPTION>

	Six Months Ended June 30,	
	2004	2003
<S>	<C>	<C>
Net loss	\$ (2,236,467)	\$ (1,757,697)

Deduct: total stock-based
employee compensation
expense determined under

fair value method for all awards,
net of related tax effects

(128,334)

--

Proforma net loss	\$ (2,364,801)	\$ (1,757,697)
Net loss per share:		
Basic and diluted - as reported	\$ (0.06)	\$ (0.08)
Basic and diluted - proforma	\$ (0.07)	\$ (0.08)

</TABLE>

3. LOSS PER SHARE

Basic loss per common share ("LPS") is calculated by dividing net loss by the weighted average number of common shares outstanding during the period. Diluted earnings per common share are calculated by adjusting the weighted average outstanding shares, assuming conversion of all potentially dilutive instruments. No diluted loss per share amounts are disclosed separately because their effect is antidilutive, due to the loss reported by the Company.

The weighted average number of shares outstanding prior to the Acquisition Date has been computed using the shares of the Operating Subsidiary exchanged as of March 31, 2003 plus the outstanding shares of the Company from the date of the reverse acquisition. Common stock equivalents are not included in the diluted loss per share for the periods ended June 30, 2004 and 2003, as they are anti-dilutive.

FOREIGN CURRENCY TRANSLATION

The functional currency for each foreign subsidiary in 2004 was the local currency of the foreign subsidiary. Foreign currency translation and transaction gains or losses were not material in 2004 and 2003.

10

WINWIN GAMING, INC.
(A Development Stage Company)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

4. INCOME TAXES

The Company accounts for income taxes in accordance with the provisions of SFAS No. 109, "Accounting for Income Taxes."

The Company has recorded a full valuation allowance against the deferred tax assets including, the federal and state net operating loss carryforwards as management believes that it is very likely that substantially all of the deferred tax assets will not be realized. The change in the valuation allowance, based on a 30% effective tax rate, in 2004 was an increase of approximately \$671,000.

5. RELATED PARTY STOCK TRANSACTIONS AND OTHER STOCK AND WARRANT TRANSACTIONS

The total number of shares of capital stock authorized to be issued by the Company is 50,000,000 shares of Common Stock, \$.01 par value. Each share of capital stock entitles the holder thereof to one vote at each meeting of the stockholders of the Company.

On April 20, 2004, the Company had issued 1,500,000 shares of its restricted common stock as a signing bonus to a new officer, valued at \$.70 per share at the date of the employment agreement, for an aggregate amount of \$1,125,000. This expense was included in selling, general and administrative expenses for the three month and six month periods ended June 30, 2004.

On April 26, 2004, the Company, in a private placement, issued 4,000,000 shares at \$.50 per share to an investment company, pursuant to Regulation D of the Securities Act, for the aggregate amount of \$2,000,000.

During April 2004, the Company, in a private placement, had issued to 10 investors a total of 2,380,000 shares of its common stock at \$.25 per share, for cash in the aggregate amount of \$595,000.

On June 14, 2004, the Company had issued 25,000 shares of its common stock for consulting services, valued at \$2.05 per share, for an aggregate amount of \$51,250.

On March 19, 2004, the former stockholders of the Operating Subsidiary converted the \$5 million debenture note and accrued interest payable of \$418,313 (refer to note 1), into 100,000 shares of the Company's common stock. On April 1, 2004, one of the Company's directors, forgave \$176,614 of principal and accrued interest under a debenture in exchange for 353,228 shares of common stock and three-year warrants to purchase 353,228 shares of common stock at an exercise price equal to \$0.50 per share. In order to induce the conversion of the debenture immediately, the Company permitted him to convert the debenture at a rate of \$0.50, instead of the \$0.76 price that would have otherwise been applicable to the conversion, and the Company granted the aforementioned warrants.

The Company had common stock warrants outstanding, with various terms and exercise prices, at June 30, 2004, which totalled 6,136,181.

11

WINWIN GAMING, INC.
(A Development Stage Company)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

6. LEGAL PROCEEDINGS

A former Chief Executive Officer, President and director, ("prior CEO") who was the largest stockholder of the Company prior to March 31, 2003, has filed several civil actions against the Company and others in the Superior Court of the State of California for the County of Los Angeles (Central District), and in the County of Orange, California. The complaints allege a breach of an employment contract, unauthorized removal from the board of directors, and other breach of fiduciary duty, breach of covenant of good faith and fair dealing, breach of a \$1 million promissory note, intentional and negligent interference with prospective business and economic advantage, and seek damages in excess of \$3,000,000 and other relief. The Company is vigorously contesting these civil actions.

The Company has filed counter-claims against the prior CEO for fraud and misappropriation of corporate assets, and is seeking damages.

On July 21, 2004, the Appellate Court reversed the trial court decision with respect to the prior CEO removal from the board. The ramifications of such removal with respect to the Company are currently unclear, although the Company believes that it should have no material adverse effect on the Company's events. The Company intends to take all necessary steps to ensure that the decision has no material adverse effect on the past, current or future operations of the Company.

On March 10, 2004 the Company settled a preexisting legal claim against Junum with Valueclick, Inc. The Company is to transfer 27,778 shares of restricted common stock, valued at .90 per share, and pay \$2,500 within 30 days of the settlement date, for a total settlement of \$27,500. This liability was included in accrued liabilities at June 30, 2004.

On January 5, 2004, the Company settled a pre-existing legal claim against Junum.com., Inc. with John Counts. The Company paid John Counts \$60,000 in cash and issued 47,500 shares of its common stock, valued at \$.95 per share on January 5, 2004 for total settlement of \$107,500. This settlement was paid and there was no liability at June 30, 2004.

7. COMMITMENTS AND CONTINGENCIES

At December 31, 2002, the Company transferred its subsidiary Junum.com, Inc., to a senior lender, and had payroll tax and other liabilities. The Company may be held liable for some or all of these liabilities (refer to note 2) as a "Responsible Person" under the IRS rules.

The Company also has rental agreements with a non-related party for the offices occupied by WinWin Shanghai at approximately \$3,500 per month, expiring on September 4, 2005.

On May 27, 2004, the Company entered into a three year lease agreement for office space. The monthly rent is approximately \$6,000 per month, with monthly rent due for the first four months of the lease of \$3,000 per month.

12

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements and information relating to us that are based on the beliefs of our management as well as assumptions made by, and information currently available to, our management. When used in this report, the words "anticipate", "believe", "estimate", "expect", "intend", "plan" and similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. These statements reflect management's current view of us concerning future events and are subject to certain risks, uncertainties and assumptions, including among many others: the risk factors described below under "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations - Risk Factors that May Affect Future Operating Results," our potential inability to raise additional capital, our potential inability to obtain licenses to develop lottery programs in our target markets or to exploit the licenses currently held by us, our potential inability to compete with other lottery companies that may be more experienced and better capitalized than us, changes in domestic and foreign laws, regulations and taxes, changes in economic conditions, uncertainties related to the legal systems in our target markets, including, China's legal system and economic, political and social events in China and other target markets, a general economic downturn, a downturn in the securities markets, Securities and Exchange Commission regulations which affect trading in the securities of "penny stocks," and other risks and uncertainties. Should any of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this report as anticipated, estimated or expected.

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

The following discussion of our financial condition and results of operations should be read in connection with our condensed consolidated financial statements and the notes thereto appearing above.

OVERVIEW

Since the inception of WinWin, Inc., our main operating subsidiary, we have been engaged through such subsidiary in obtaining licenses to operate lotteries and gaming operations throughout the world, including directing and supporting marketing and sales of lottery tickets in several countries. Currently the focus of our operations is lottery operations consultation in the People's Republic of China ("PRC"). The market for instant lottery tickets in the PRC, for example, is several billion US dollars and growing in double digit figures. However, obtaining the right to design and market a new instant lottery game, even in partnership with another local PRC entity is not an easy task. However, we have been thus far successful in pursuing an association directly with the Chinese Government which has recently begun to generate revenues for us. This association has led to the creation of a new instant lottery ticket game tied to a television show marketed under the brand "Slam Dunk". There are several areas where revenues can be generated from our operations. These include television production and commercial time sales, product placement fees, and gross sales of instant lottery tickets in an applicable jurisdiction. Our ability to move forward in the PRC as well as other venues will be dependent on our ability to attract sufficient funds to design, market, promote, broadcast and sell lottery tickets and television programs linked to those tickets.

In evaluating our financial condition and operating performance, we began an initiative to critically reassess our current and long-term business plan and capital requirements. While the validation of our business plan is ongoing, we have identified and begun to implement some of the plan's critical components:

1) We have significantly strengthened our financial position with the receipt of an aggregate of \$ 3,319,600 in new investment financing in the first-half of 2004.

2) We settled two litigations against us for \$135,000, thereby removing a total potential liability in excess of that amount.

3) We converted a \$5,418,373 debenture (principal plus accrued interest) into only 100,000 of our common shares thereby eliminating that liability.

4) We refocused our operational strategy by redirecting much of our resources to the largest lottery market in the world, the PRC.

We believe that our currently available working capital, the aggregate proceeds of our capital raising activities in the first half of 2004 of \$ 3,319,600, should be adequate to sustain our operations at our current levels through for at least the next twelve months. If, however, sufficient funds are not available from our operations at that point, we will need to arrange additional financing or make other arrangements. There can be no assurance that additional financing would be available or, if it is available, that it would be on acceptable terms.

RECENT DEVELOPMENTS

On July 11, 2004, in cooperation with Shanghai Welfare Lottery Issuing Center (SWLIC), a division of the China government Welfare Lottery system, we launched our Slam Dunk instant ticket lottery games in Shanghai, China. The inaugural Slam Dunk tickets include a series of three instant ticket games offering a wide range of prizes designed to appeal to a broad market of players. The initial run of tickets includes 5 million of each game for a total of 15 million tickets. These tickets are currently being distributed and sold in Shanghai. SWLIC is handling all of the distribution and management of retail sales. The Slam Dunk ticket series is tied directly to a Slam Dunk weekly lottery TV game show series which was launched on August 7, 2004 on the Oriental TV Station in Shanghai, China. The Slam Dunk TV game show is produced by Sande Stewart Television Inc., a leading U.S. television game show production company, well known for its production of the Powerball Instant Millionaire game show for 14 different U.S. state lotteries. According to the SWLIC, the Slam Dunk tickets are the first ever to be designed by a U.S. lottery consultant.

AGREEMENT TO PROVIDE WIRELESS ENTERTAINMENT CONTENT IN SHANGHAI

On April 30, 2004, we entered into an agreement with Shanghai VSAT Network Systems Co., Ltd. ("SVC") to provide entertainment related content for mobile phones and other wireless devices throughout Shanghai, China. SVC, one of the largest satellite communications system providers in Shanghai, is positioned to provide lottery-type games for mobile phones and wireless applications throughout the Shanghai metropolitan area (pop. approx. 18M). We anticipate the rollout of the entertainment content for mobile phones from its initial phase in Shanghai, to include other areas throughout China following successful testing of the product mix and consumer response in Shanghai.

RESULTS OF OPERATIONS

Six month and three month periods ended June 30, 2004 compared to the six month and three month periods ended June 30, 2003

During the six months ended June 30, 2004, we incurred a net loss of \$2,236,467 as compared to a net loss of \$1,757,697 for the six months ended June 30, 2003. The increase in net loss is primarily attributable to stock issued as a signing bonus to a new officer. During the three month period ended June 30, 2004, we incurred a net loss of \$1,796,453 compared with \$508,014 for the three

month period ended June 30, 2003. This increase in net loss is primarily attributable to stock issued to a new officer as a signing bonus. Operating expenses for the six months ended June 30, 2004 increased by \$1,509,985 from the six months ended June 30, 2003. Expenses incurred during the six months of 2004 are related primarily to the signing bonus, professional fees, business development, and public relations expenses. For the three month period ended June 30, 2004, operating expenses increased by \$1,439,832. This increase is primarily related to the issuance of stock to a new officer as a signing bonus, as mentioned above.

Net sales for the first six months of 2004 were \$9,512 as compared to \$6,015 for the prior year. The increase in net sales is attributable to an increase in sales of lottery tickets in our Cambodian operations. For the three month period ended June 30, 2004, net sales were \$0 compared with \$6,015 for the three month period ended June 30, 2003. This decrease in net sales is attributable to the suspension of lottery games in Cambodia.

We had total current assets of \$2,330,593 as of June 30, 2004. Our total assets as of June 30, 2004 were \$2,432,213. We had total current liabilities of \$1,037,009 as of June 30, 2004. Our total stockholders' equity as of June 30, 2004 was \$1,395,204.

We used \$1,226,147 in cash in our operating activities during the first six months of 2004 as compared to \$305,627 during the first six months of 2003. The difference of \$920,520 or a 301% increase is attributable to an increase in losses from operations.

We received \$3,279,600 from financing activities during the first six months of 2004 as compared to \$324,227 during the first six months of 2003. The increase of \$2,955,373 is due to proceeds received from stock issuances.

Liquidity and Capital Resources

We had \$2,330,593 in cash, cash equivalents and short-term investments as of June 30, 2004. As of such date we also had total assets of \$2,432,213. Since inception, we have accumulated a deficit (net loss) of \$6,886,577.

On April 1, 2004, Arthur Petrie, one of our directors, forgave \$176,614 of principal and accrued interest under a debenture in exchange for 353,228 shares of our common stock and three-year warrants to purchase 353,228 shares of our common stock at an exercise price equal to \$0.50 per share. In order to induce Mr. Petrie to convert the debenture immediately, we permitted him to convert the debenture at a rate of \$0.50, instead of the \$0.765 price that would have otherwise been applicable to the conversion and we granted Mr. Petrie the aforementioned warrants.

15

On April 26, 2004, we issued 4,000,000 shares at \$.50 per share to an investment company in a private placement transaction pursuant to Regulation D of the Securities Act, for the aggregate amount of \$2,000,000.

During April 2004, we issued to 10 investors a total of 2,380,000 shares of our common stock at \$.25 per share, for cash in the aggregate amount of \$595,000 in a private placement transaction pursuant to Regulation D of the Securities Act.

We believe that our currently available working capital and the aggregate proceeds of our capital raising activities in the first half of 2004 of \$3,319,600, should be adequate to sustain our operations at our current levels for at least the next twelve months assuming that we make the investments contemplated by our business plan for our Chinese operations. If, however, sufficient funds are not available from our operations at that point, we will need to arrange additional financing or make other arrangements. There can be no assurance that additional financing would be available or, if it is available, that it would be on acceptable terms.

Our financial statements have been prepared on the basis that we will continue as a going concern, which contemplates the realization and satisfaction of our pre existing liabilities and existing liabilities and commitments in the normal course of business.

Operations historically had been primarily financed by stockholder debt and equity transactions. More recently, we have been successful in raising

capital through private placements of our common stock to unrelated accredited investors. Our future operations are dependent upon the identification and successful completion of continuing equity financing transactions, the continued support of shareholders and ultimately, the achievement of profitable operations. Our financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to amounts and classification of liabilities that may be necessary should we be unable to continue as a going concern.

Because of the present development stage status of our current activities and other factors, we expect that we will incur a loss during fiscal year ending December 31, 2004.

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires our management to make assumptions, estimates and judgments that affect the amounts reported in the financial statements, including the notes thereto, and related disclosures of commitments and contingencies, if any. We consider our critical accounting policies to be those that require the more significant judgments and estimates in the preparation of financial statements, including the following: recognition of fair market value of liabilities that for accounting purposes were deemed acquired by WinWin, Inc. from WinWin Gaming, Inc., accounting for expenses in connection with stock options and warrants; and valuation of payroll tax and other contingent liabilities. Management relies on historical experience and on other assumptions believed to be reasonable under the circumstances in making its judgment and estimates. Actual results could differ materially from those estimates. The consolidated financial statements include the accounts of WinWin, Inc., prior to the business combination with WinWin Gaming Inc. and its subsidiaries, including some wholly-owned and majority-owned subsidiaries that were inactive and do not have any assets or liabilities.

16

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any 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 is material to investors.

INFLATION

We believe that inflation has not had a material impact on our results of operations for the quarters ended June 30, 2004 or June 30, 2003.

SEASONALITY

We may experience seasonal variations in revenues and operating costs due to seasonality, however, we do not believe that these variations will be material.

RISK FACTORS THAT MAY AFFECT FUTURE OPERATING RESULTS

You should carefully consider the risks described below before making an investment decision. The risks and uncertainties described below are not the only ones facing our company. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations.

If any of the following risks actually occur, our business, financial condition, or results of operations could be materially adversely affected. In such case, the trading price of our common stock could decline and you could lose all or part of your investment.

Our business is difficult to evaluate because we have a limited operating history.

We have a limited operating history. You must consider the risks and difficulties frequently encountered by early stage companies in new and rapidly evolving markets, particularly those involved in the lottery and gaming

industries. We expect our operating expenses to increase significantly, especially in the areas of development, marketing and promotion.

We have suffered losses since our formation and we anticipate that we will lose money in the foreseeable future. Accordingly, we may not be able to achieve profitable operations.

Our losses from the inception of WinWin Inc. through June 30, 2004 are \$6,886,577. We expect to encounter difficulties as an early stage company in the rapidly evolving lottery and gaming markets. We expect to incur significant operating and capital expenditures and, as a result, we expect significant net losses in the future. We will need to generate significant revenues to achieve and maintain profitability. We may not be able to achieve profitable operations.

17

We have liabilities resulting from predecessor business operations that could have an adverse effect on us.

We are responsible for the liabilities that we incurred as we operated businesses other than our current lottery and gaming business. We are unsure of the extent of these liabilities. These liabilities could adversely affect our financial condition and operations. In addition, we may incur significant costs in connection with defending lawsuits involving such liabilities.

We face extensive regulation from gaming and other government authorities.

The lottery and gaming industry is a highly regulated industry and is subject to numerous statutes, rules and regulations administered by the gaming commissions or similar regulatory authorities of each jurisdiction that we operate. Generally, companies that seek to introduce gaming products or concepts into such jurisdictions may be required to submit applications relating to their activities or products (including detailed background information concerning controlling persons within their organization), which are then reviewed for approval. In this regard, we may incur significant expenses in seeking to obtain licenses for our lottery and gaming products and concepts, and no assurance can be given that our games and products will be approved in any particular jurisdiction. The failure to obtain such approval in any jurisdiction in which we may seek to introduce our products or concepts could have a material adverse effect on our business. In addition, any change to the applicable statutes, rules and regulations that restricts or prevents our ability to operate could have an adverse effect on us.

Our operations are subject to intense competition.

There are many companies with substantially more resources than we have that are seeking to develop lotteries in our target markets. Most of our potential competitors have substantially greater capital, marketing and development capabilities and human resources than we have and will likely represent significant competition for us. The foregoing conditions create a rigorous competitive climate for us and increase the risk that we fail to obtain licenses in jurisdictions where we plan to operate lotteries or we are unable to compete successfully with other potential lottery and gaming companies in our target markets.

Our largest target market is in China and there are several significant risks relating to conducting operations in China.

Our largest target market is in China. Therefore, our business, financial condition and results of operations are to a significant degree subject to economic, political and social events in China.

Governmental policies in China could impact our business.

Since 1978, China's government has been and is expected to continue reforming its economic and political systems. These reforms have resulted in and are expected to continue to result in significant economic and social development in China. Many of the reforms are unprecedented or experimental and may be subject to change or readjustment due to a number of political, economic and social factors. We believe that the basic principles underlying the political and economic reforms will continue to be implemented and provide the framework for China's political and economic system. New reforms or the readjustment of previously implemented reforms could have a significant negative

effect on our operations. Changes in China's political, economic and social conditions and governmental policies which could have a substantial impact on our business include:

- * new laws and regulations or new interpretations of those laws and regulations;
- * the introduction of measures to control inflation or stimulate growth;
- * changes in the rate or method of taxation;

18

- * the imposition of additional restrictions on currency conversion and remittances abroad; and
- * any actions which limit our ability to conduct lottery operations in China.

Economic policies in China could negatively impact our business.

The economy of China differs from the economies of most countries belonging to the Organization for Economic Cooperation and Development in various respects, such as structure, government involvement, level of development, growth rate, capital reinvestment, allocation of resources, self-sufficiency, rate of inflation and balance of payments position. In the past, the economy of China has been primarily a planned economy subject to one and five-year state plans adopted by central government authorities and largely implemented by provincial and local authorities. These plans set production and development targets. Since 1978, increasing emphasis had been placed on decentralization and the utilization of market forces in the development of China's economy. Economic reform measures adopted by China's government may be inconsistent or ineffectual, and we may not in all cases be able to capitalize on any reforms. Further, these measures may be adjusted or modified in ways that could result in economic liberalization measures that are inconsistent from time to time, from industry to industry or across different regions of the country. China's economy has experienced significant growth in the past decade. This growth, however, has been accompanied by imbalances in China's economy and has resulted in significant fluctuations in general price levels, including periods of inflation. China's government has implemented policies from time to time to increase or restrain the rate of economic growth, control periods of inflation or otherwise regulate economic expansion. While we may be able to benefit from the effects of some of these policies, these policies and other measures taken by China's government to regulate the economy could also have a significant negative impact on economic conditions in China with a resulting negative impact on our business.

China's entry into the WTO creates uncertainty.

China formally became the 143rd member of the World Trade Organization (WTO), the multilateral trade body, on December 11, 2001. Entry into the WTO will require China to further reduce tariffs and eliminate other trade restrictions. While China's entry into the WTO and the related relaxation of trade restrictions may lead to increased foreign investment, it may also lead to increased competition in China's markets from international companies. The impact of China's entry into the WTO on China's economy and our business is uncertain.

Uncertainty relating to China's legal system could negatively affect us.

China has a civil law legal system. Decided court cases do not have binding legal effect on future decisions. Since 1979, many new laws and regulations covering general economic matters have been promulgated in China. Despite this activity to develop the legal system, China's system of laws is not yet complete. Even where adequate law exists in China, enforcement of contracts based on existing law may be uncertain and sporadic and it may be difficult to obtain swift and equitable enforcement, or to obtain enforcement of a judgment by a court of another jurisdiction. The relative inexperience of China's judiciary in many cases creates additional uncertainty as to the outcome of any litigation. Further, interpretation of statutes and regulations may be subject to government policies reflecting domestic political changes.

You will likely suffer significant dilution. We do not intend to pay any dividends for the foreseeable future.

We will likely need to issue additional shares of our capital stock in the future in order to raise capital to fulfill our business plans and initiatives. Upon the issuance of these shares you will experience dilution in the net tangible book value of your common stock. We have never paid dividends and do not intend to pay any dividends in the foreseeable future.

A limited public market exists for the trading of our securities.

Our common stock is quoted on the NASD Over-the-Counter Bulletin Board. As a result, investors may find it difficult to dispose of, or to obtain accurate quotations of the price of, our securities. This lack of information limits the liquidity of our common stock, and likely will have an adverse effect on the market price of our common stock and on our ability to raise additional capital.

Our stock is a penny stock and there are significant risks related to buying and owning penny stocks.

Rule 15c-9 under the Securities Exchange Act of 1934 imposes additional sales practice requirements on broker-dealers that sell non-Nasdaq listed securities except in transactions exempted by the rule, including transactions meeting the requirements of Rule 506 of Regulation D under the Securities Act and transactions in which the purchaser is an institutional accredited investor (as defined) or an established customer (as defined) of the broker or dealer. For transactions covered by this rule, a broker-dealer must make a special suitability determination for the purchaser and have received the purchaser's written consent to the transaction prior to sale. Consequently, this rule may adversely affect the ability of broker-dealers to sell our securities and may adversely affect your ability to sell any of the securities you own.

The Securities and Exchange Commission regulations define a "penny stock" to be any non-Nasdaq equity security that has a market price (as defined in the regulations) of less than \$5.00 per share or with an exercise price of less than \$5.00 per share, subject to some exceptions. For any transaction by a broker-dealer involving a penny stock, unless exempt, the rules require delivery, prior to any transaction in a penny stock, of a disclosure schedule prepared by the SEC relating to the penny stock market. Disclosure is also required to be made about commissions payable to both the broker-dealer and the registered representative and current quotations for the securities. Finally, monthly statements are required to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks. Our market liquidity could be severely adversely affected by these rules on penny stocks.

ITEM 3. CONTROLS AND PROCEDURES

An evaluation was carried out under the supervision and with the participation of our management, including Patrick Rogers, our Chief Executive Officer and Monica Soares, our Acting Treasurer and Principal Financial Officer, of the effectiveness of our disclosure controls and procedures. Disclosure controls and procedures are procedures that are designed with the objective of ensuring that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934, such as this Form 10-QSB, is recorded, processed, summarized and reported within the time period specified in the Securities and Exchange Commission's rules and forms. Based on that evaluation, management concluded that as of June 30, 2004, and as of the date that the evaluation of the effectiveness of our disclosure controls and procedures was completed, our disclosure controls and procedures were effective to satisfy the objectives for which they are intended.

There were no changes in our internal control over financial reporting identified in connection with the evaluation performed that occurred during the fiscal quarter covered by this report that has materially affected or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

No material developments have occurred during the second quarter of 2004 with respect to the legal proceedings disclosed by us in our annual report on Form 10-KSB for the fiscal year ended December 31, 2003.

On July 21, 2004, following the end of our second quarter, a material development occurred in connection with the Coulter litigation as described below.

As previously reported, David B. Coulter ("Coulter"), a former officer and director and a stockholder of Junum Incorporated (the predecessor of WinWin Gaming, Inc.) has filed several civil actions against the Company and others in the Superior Court of the State of California for the County of Los Angeles (Central District), and in the County of Orange, California.

The Los Angeles complaint alleged a breach of an employment contract, breach of fiduciary duty, and various other claims, and sought damages in excess of \$3,000,000 and other relief. All of the allegations in such complaint relate to events that occurred prior to the acquisition of WinWin Inc., our operating subsidiary, and prior to the current Board and management becoming involved with the company. We are vigorously contesting these claims and have filed counter-claims against Coulter for fraud and misappropriation of corporate assets, and we are seeking substantial damages.

The complaint filed in Orange County sought a determination as to the identity of the lawfully appointed directors of the Company. Coulter claimed that pursuant to the certificate of incorporation of the Company only the board of directors could fill vacancies on the board and he challenged a written consent of the stockholders of the Company (the "Written Consent") that authorized Coulter's removal from the board effective October 18, 2002 and the appointment of two new directors. Coulter also claimed that his removal from the board of directors was invalid because it included affirmative votes under a proxy that Coulter claimed went beyond the authority of such proxy. The trial court found that the bylaws permitted the appointment of the two directors by Written Consent and that there was insufficient evidence as to whether the proxy holder had improperly voted for Coulter's removal. Coulter then filed an appeal with the Court of Appeal of the State of California, Fourth Appellate District (Division Three) (the "Appellate Court").

On July 21, 2004, the Appellate Court upheld the appointment of the two directors who were appointed by the Written Consent, but reversed the trial court decision with respect to Coulter's removal from the board. The ramifications of such reversal with respect to the company are currently unclear, although we believe that it should have no material adverse effect on events that occurred subsequent to October 18, 2002. We intend to take all necessary steps to ensure that the decision has no material adverse effect on our past, current or future operations.

21

ITEM 2. CHANGES IN SECURITIES

On April 1, 2004, Arthur Petrie, one of our directors, forgave \$176,614 of principal and accrued interest under a debenture in exchange for 353,228 shares of our common stock and three-year warrants to purchase 353,228 shares of our common stock at an exercise price equal to \$0.50 per share. In order to induce Mr. Petrie to convert the debenture immediately, we permitted him to convert the debenture at a rate of \$0.50, instead of the \$0.765 price that would have otherwise been applicable to the conversion and we granted Mr. Petrie the aforementioned warrants.

On April 20, 2004, we issued 1,500,000 shares of its restricted common stock as a signing bonus to a new officer, valued at \$.70 per share at the date of the employment agreement, for an aggregate amount of \$1,125,000. This stock was issued pursuant to Section 4(2) of the Securities Act in a transaction not involving a public offering.

On April 26, 2004, we issued 4,000,000 shares at \$.50 per share to an investment company, pursuant to Regulation D of the Securities Act, for the aggregate amount of \$2,000,000.

During April 2004, we issued to 10 investors a total of 2,380,000 shares of our common stock at \$.25 per share, for cash in the aggregate amount of \$595,000 in private placement transactions exempt from the registration requirements of the Securities Act pursuant to Regulation D.

On June 14, 2004, we issued 25,000 shares of our common stock for consulting services, valued at \$2.05 per share, for an aggregate amount of \$51,250 pursuant to Section 4(2) of the Securities Act.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On July 28, 2004, holders of 25,216,225 shares of our outstanding common stock representing 61% of our outstanding common stock delivered written consents to our principal executive offices effecting as of such date the removal of all of our directors and the appointment of the following slate of directors: Patrick O. Rogers, John Gronvall, Arthur J. Petrie, Dwight V. Call and Peter Pang.

Reference is made to our current report on Form 8-K that was filed with the SEC on July 28, 2004 for additional disclosure regarding the actions taken by written consent of our stockholders.

22

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

- 10.1 Project Cooperation Agreement, dated April 30, 2004, between Win Win Consulting (Shanghai) Co. Ltd. and Shanghai VSAT Network Systems Co. Ltd.
- 31.1 Certification of Principal Executive Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of Principal Financial Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 32 Certification of Principal Executive Officer and Principal Financial Officer furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K

On July 28, 2004, we filed a current report on Form 8-K under items 5 disclosing certain developments in the Coulter litigation and the appointment of a new slate of directors.

23

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.

WINWIN GAMING, INC.

Date: August 12, 2004

By: /s/ Patrick O. Rogers

Patrick O. Rogers
Chief Executive Officer
Principal Executive Officer

By: /s/ Monica Soares

Monica Soares
Acting Treasurer
Principal Financial Officer

24

EXHIBIT INDEX

Exhibit No. -----	Description -----
10.1	Project Cooperation Agreement, dated 30, 2004, between Win Win Consulting (Shanghai) Co. Ltd. and Shanghai VSAT Network Systems Co. Ltd.
31.1	Certification of Principal Executive Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification of Principal Executive Officer and Principal Financial Officer furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

ADDENDUM TO PROJECT COOPERATION AGREEMENT

Party A: Win Win Consulting (Shanghai) Co. Ltd.

Party B: Shanghai VSAT Network Systems Co. Ltd.

- I. This is an Addendum dated May 8, 2004 to the Project Cooperation Agreement ("Addendum") dated April 30, 2004 with respect to the joint development and expansion of major markets for lottery sales and distribution in the People's Republic of China ("PRC") with new wireless technology.
- II. This Addendum hereby specifically addresses and focuses on wireless platform for the delivery of lottery sales and entertainment content, as well as other commercial applications where streaming video capabilities would be a technological and economic advantage.
- III. Party B represents that it has access to certain wireless carriers in the PRC that have agreed to carry its welfare lottery related content on an exclusive basis for the wireless/mobile environment in the PRC. Party B also represents that same carriers have agreed to also carry other entertainment and commercial content, on a non-exclusive but preferential basis in exchange for payment at favorable rates.
- IV. Party A represents that it has access to and can license or sublicense to the cooperation or joint venture company if so established certain advanced video streaming technologies ("Technology") that would be useful and preferable for carrying high quality video content to a mobile/wireless environment efficiently and inexpensively.
- V. The Parties desire to also cooperate on exploiting the PRC market for such Technology have also agreed to share the revenue from such operation on the same basis as indicated in the Project Cooperation Agreement for VLT's, to wit: 70% for Party A and 30% Party B, but in no event shall Party B's interest be diluted beyond 15% should a joint venture company be established to formalize this cooperation between the parties.

With the intent to be legally bound, the parties hereby execute this Agreement as of the date first set forth above.

Win Win Consulting (Shanghai) Co. Ltd.

/s/

Authorized representative:

Shanghai VSAT Network Systems Co. Ltd.

/s/

Authorized representative:

PROJECT COOPERATION AGREEMENT

Party A: Win Win Consulting (Shanghai) Co. Ltd.

Party B: Shanghai VSAT Network Systems Co. Ltd.

I. This is a Project Cooperation Agreement ("Agreement") with respect to the joint development and expansion of major markets for lottery sales and distribution in the People's Republic of China ("PRC"). In consideration of the mutual benefits to be derived from this cooperation, the Parties hereby agree as follows:

A. Party A shall provide its proprietary lottery ticket sales system technology (equipment and software for selected games), along with its proprietary back-up system for management and accounting ("Win Win System") to China Welfare Lottery for review, inspection and approval. Video Lottery Terminal ("VLT") equipment and software will be licensed to China Welfare Lottery ("CWL") pursuant to a separate agreement between Party A and CWL on separate financial terms.

B. If Party A's Win Win System is accepted or adopted by CWL, Party B agrees to operate as Party A's technical support team in the PRC to provide operation maintenance service to Party A's Win Win System, as well as to assist in the development of new technologies in accordance to the special needs of the PRC market. If cooperation between the parties is smooth and effective, the two Parties shall consider transfer of such operation exclusively to a joint venture company to be established and invented by the two Parties.

- C. Party B shall utilize its influence on China Welfare System and its technology platform to promote the application of Party A's Win Win System within the PRC. Party A shall be responsible for all the promotion expenses, including equipment installation and maintenance expenses related to the implementation of Party A's Win Win System. Party B shall be responsible for overseeing and ensuring the installation and maintenance of equipment comprised of the Win Win System.
- D. The two Parties may execute such addenda to this Agreement as needed which shall set forth in greater detail the specifics of the cooperation between the Parties. (VLT, wireless sales, etc.)
- E. In consideration of Party A's major investment in the project development expenses, Party B agrees that the revenue from this cooperation shall be shared on the basis of a 70/30 split with 70% for Party A and 30% for Party B. Profit for the future joint venture company (if the Parties elect to so establish such an entity) shall be split in accordance with the Parties share of investment. Party B's 30% profit from the cooperation shall be transferable into the future joint venture company as its initial capital contribution, equivalent to 30% equity in the joint venture company, with Party A owning 70% of the equity. If additional capital investment is needed from Party A after establishment of the joint venture company, then Party B's equity will be diluted, but in no event shall its equity be lower than 15%.

II. General Provisions

- A. This Agreement is executed by authorized representatives from both parties on 30th (date), April (month), 2004 in the Shanghai District, China.
- B. This Agreement shall be governed by the laws of the People's Republic of China. Any dispute arising out of this Agreement shall be settled in accordance with the rules of the China International Economic & Trading Arbitration Association in Shanghai, PRC. The parties hereto execute this agreement with the intent to be legally bound. Both the English version and the Chinese version of this Agreement shall be given equal weight in interpreting the intent of the parties.
- C. This Agreement, and the rights and obligations stemming from such an agreement, shall be assignable and transferable by Party A to another entity under the direction and control of Party A. This Agreement shall have a duration of ten (10) years, ending on the tenth anniversary of the effective date of this Agreement. Unless written notice is received by the renewing party clearly stating that the non-renewing party has no intention to renew this Agreement

at least 180 days prior to the tenth anniversary of the effective date of this Agreement, this Agreement shall automatically renew on substantially the same terms and conditions for an additional ten-year term.

- D. This Agreement shall remain in full force and effect during its entire duration and any renewals thereof unless it is cancelled or terminated by either party with cause, or unless its continuation is in violation of Chinese Law and Regulations.

With the intent to be legally bound, the parties hereby execute this Agreement as of the date first set forth above.

Win Win Consulting (Shanghai) Co. Ltd.

/s/

Authorized representative:

Shanghai VSAT Network Systems Co. Ltd.

/s/

Authorized representative:

CERTIFICATION

I, Patrick O. Rogers, certify that:

I have reviewed this quarterly report on Form 10-QSB of WINWIN GAMING, INC.;

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;

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 small business issuer as of, and for, the periods presented in this report;

The small business issuer's 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)) for the small business issuer 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 small business issuer, 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) Evaluated the effectiveness of the small business issuer'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

(c) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer'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 small business issuer'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.

Date: August 12, 2004

/S/ PATRICK O. ROGERS

Patrick O. Rogers
Principal Executive Officer

CERTIFICATION

I, Monica Soares, certify that:

I have reviewed this quarterly report on Form 10-QSB of WINWIN GAMING, INC.;

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;

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 small business issuer as of, and for, the periods presented in this report;

The small business issuer's 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)) for the small business issuer 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 small business issuer, 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) Evaluated the effectiveness of the small business issuer'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

(c) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer'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 small business issuer'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.

Date: August 12, 2004

/S/ MONICA SOARES

Monica Soares

Principal Financial Officer

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

The undersigned, Patrick O. Rogers, the Chief Executive Officer and Monica Soares, the Acting Treasurer and Secretary of WINWIN GAMING, INC. (the "Company"), DO HEREBY CERTIFY that:

1. The Company's Quarterly Report on Form 10-QSB for the quarter ended June 30, 2004 (the "Report"), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

2. Information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

IN WITNESS WHEREOF, each of the undersigned has executed this statement this 12th day of August, 2004.

/s/ Patrick O. Rogers

Patrick O. Rogers
Chief Executive Officer
(Principal Executive Officer)

/s/ Monica Soares

Monica Soares
Acting Treasurer and Secretary
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to WinWin Gaming, Inc. and will be retained by WinWin Gaming, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.