SYNTHEIA CORP.

(formerly Veta Resources Inc.)

Management's Discussion and Analysis

For the three-month period ended December 31, 2024 and 2023

SYNTHEIA
CONVERSATIONAL AI SOLUTIONS

This Management's Discussion and Analysis ("MD&A") of financial results is dated February 28, 2025 and reviews the business of Syntheia Corp., formerly Veta Resources Inc. (the "Company"), for the three-month period ended December 31, 2024 and 2023, and should be read in conjunction with the accompanying interim condensed financial statements for the three-month period ended December 31, 2024 and 2023 and the audited annual financial statements and related notes for the years ended September 30, 2024 and 2023.

Forward looking information

Some statements contained in this MD&A constitute forward-looking statements including, without limitation, anticipated developments in the Company's operations in future periods and other events or conditions that may occur in the future. These statements relate to future events or the Company's future performance and are inherently uncertain and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those mentioned herein under heading "RISKS AND UNCERTAINTIES". Management believes that the expectations reflected in those statements are reasonable, but no assurance can be given that these expectations will prove to be correct. It is recommended not to place undue reliance on forward looking statements as the plans, intentions or expectations upon which they are based might not occur.

Although management believes that the expectations represented by such forward-looking statements are reasonable, there is significant risk that the forward-looking statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate.

Forward-looking statements in this MD&A include, but are not limited to:

1. Statements concerning the Company's primary business activities,
2. The Company's intention to seek and acquire products and assets to create shareholder value,
3. The Company's intention to raise additional financing to pursue its activities.

The Company does not undertake to update any forward-looking information provided in this MD&A, except as, and to the extent required by, applicable securities laws. The Company reviews its forward-looking statements on an ongoing basis and updates this information when circumstances require it.

DESCRIPTION OF THE COMPANY

Syntheia Corp. (the "Company" or "Syntheia"), formerly Veta Resources Inc. up to the completion of the Amalgamation, as defined below, was incorporated on August 18, 2006 under the Canada Business Corporations Act. The registered office of the Company is located at 217 Queen Street West, suite 401, Toronto, ON, M5V 0R2.

The Company is an early-stage AI business, dedicated to offering automated solutions across a range of industries through its use of AI technologies.

Private placement, Amalgamation and reverse takeover

On June 27, 2024, Metaworld Corporation entered into a letter of agreement with Veta Resources Inc., providing for the acquisition by Veta Resources Inc. of all of the issued and outstanding securities of Metaworld Corporation in exchange for securities of Veta Resources Inc. The Transaction was carried out by way of a three-corner amalgamation under the laws of the Province of Ontario pursuant to the terms of an amalgamation agreement dated September 24, 2024 among the Company, Metaworld Corporation and 1000994508 Ontario Inc. ("Subco"), a wholly owned subsidiary of the Company. Metaworld Corporation and Subco amalgamated pursuant to the provisions of the *Business Corporations Act* (Ontario) and the resulting entity from the amalgamation has become a wholly-owned subsidiary of the Company known as Syntheia Ltd. As a condition to the closing of the Transaction, on September 19, 2024 the Company changed its name from Veta Resources Inc. to Syntheia Corp. and consolidated its common shares on a 2.017753 to one basis. On November 18, 2024, Syntheia Corp. and Syntheia Ltd. completed a final amalgamation resulting in a single entity, Syntheia Corp.

On October 2, 2024, the Company began trading on the Canadian Securities Exchange under the symbol "SYAI".

In connection with the Amalgamation, the following transactions occurred:

- On May 16, 2024 and on September 16, 2024, Metaworld Corporation completed two tranches of the Concurrent Financing through the issuance of a total of 11,180,533 Subscription Receipts at a price of $0.35 per Subscription Receipt for aggregate gross proceeds of $3,913,187. Each subscription receipt was exchangeable for one common share and one warrant of Metaworld Corporation and ultimately entitled the holder thereof to one common share and one warrant of Syntheia Corp., upon completion of the Amalgamation.

- The holders of Metaworld Corporation's common shares (including those investors in the Subscription Receipts financing) received one common share of Syntheia Corp., in exchange for each outstanding common share of Metaworld Corporation. Following the share exchange, there were 77,933,632 issued and outstanding common shares of Syntheia Corp. of which the common shareholders of the former Metaworld Corporation controlled a majority.

For accounting purposes, it has been determined that Veta Resources Inc. was the accounting acquiree and Metaworld Corporation was the accounting acquirer as the shareholders of the former Metaworld Corporation now control Syntheia Corp., based upon the guidance in IFRS 3, *Business Combinations*, to identify the accounting acquirer (refer to Note 4). Since Metaworld Corporation is considered the accounting acquirer, these interim condensed financial statements are prepared as a continuation of the financial statements of Metaworld Corporation. As a result, the comparative information up to date of the Amalgamation included herein is solely that of Metaworld Corporation. For simplicity, transactions undertaken by Metaworld Corporation are referred to as being undertaken by the Company in these interim condensed financial statements.

Going Concern

In the preparation of these interim condensed financial statements, the Company's management is required to identify when events or conditions indicate that significant doubt may exist about the Company's ability to continue as a going concern. Significant doubt about the Company's ability to continue as a going concern would exist when relevant conditions and events indicate that the Company will not be able to meet its obligations as they become due for a period of at least, but not limited to, twelve months from the end of the reporting period. When the Company identifies conditions or events that raise potential for significant doubt about its ability to continue as a going concern, the Company considers whether its plans that are intended to mitigate those relevant conditions or events will alleviate the potential significant doubt.

As of December 31, 2024, has not yet achieved profitable operations, has significant losses from operations over the years and an accumulated deficit of $8,714,790 since inception and expects to incur further losses in the development of its business. Additionally, the Company incurred a net loss and comprehensive loss of $702,386 during the three-month period ended December 31, 2024. The Company plans to raise additional capital; however, the Company may increase or decrease expenditures as necessary to adjust to a changing capital market environment.

The above factors indicate the existence of material uncertainties that may cast significant doubt on the ability of the Company to continue as a going concern.

These interim condensed financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. If management is unsuccessful in securing capital, the Company's assets may not be realized, or its liabilities may be discharged at their carrying amounts, and these differences could be material.

DESCRIPTION OF THE BUSINESS

Syntheia Corp. is a Canadian-based artificial intelligence technology company operating, developing and commercializing conversational AI technology. The Company has developed a Natural Language Processing (NLP) Algorithm which has life like personas.

The Company offers proprietary AI algorithm with humanlike voice and self learning capability, focusing on conversational AI.

The Company offers the following products :

i) AgentNLP : AI-powered call center agent for enterprises call centers that enables immediate call handling;

ii) OrderNLP: A drive-thru solution for restaurants that significantly reduces oder wait times and minimizes human errors;

iii) iVRNLP: AI-powered telephone receptionist for SMBs to enhance customer service by replacing receptionists, reducing costs and increasing efficiency;

iv) Auto AdvisorNLP: 24/7 AI-powered sales and service advisor that improves customer service by replacing BDCs. The technology handles inbound calls, books appointments, provide updates and can be fully integrated with leading ERP systems.

During the three-month period ended December 31, 2024, $210,549 was recorded as intangible assets constituted of the AgentNLP platform development costs.

BASIS OF PRESENTATION

These interim condensed financial statements have been prepared in Canadian dollars on a historical cost basis. Historical cost is generally based upon the fair value of consideration given in exchange for assets. Fair value is the price that would have been received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether the price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in account the characteristics of the asset or liability that market participants would consider when pricing the asset or liability at the measurement date.

The Company’s reporting and functional currency is Canadian dollars, which is the currency of the primary economic environment in which the Company operates.

RESULTS OF OPERATIONS

The Company has not generated any revenues for the three-month period ended December 31, 2024 and 2023. For the three-month period ended December 31, 2024 and 2023:

1. Selling, general and administrative expenses were $702,386 in 2024 vs. $1,459,567 in 2023, a decrease of $757,181 as a result of higher sales and marketing expenses related to investor relations and business development, offset by share-based payments related to options granted of nil in 2024 vs. $825,577 in 2023.

2. Salaries and benefits expenses were $39,230 in 2024 vs. $34,840 in 2023, the difference attributable to a salary raise.

3. Share-based payments were nil in 2024 vs. $825,577 2023, a decrease due to options granted in 2023 vs none in 2024.

4. Professional fees were $34,305 in 2024 vs. $21,302 in 2023, an increase due to more legal fees incurred in 2024 since the Company is now listed on the CSE.

5. Depreciation of the right-of-use asset was $19,712 in 2024 vs. $12,499 in 2023, due to a new lease signed on September 1, 2024.

6. Unrealized loss on investments was nil in 2024 vs. $135,000 in 2023, due to an investment done in December 2023 measured at fair value though profit and loss.

7. A net loss and comprehensive loss of $702,386 in 2024 vs. $1,594,567 in 2023 was incurred.

BALANCE SHEET HIGHLIGHTS

For the three-month period ended December 31, 2024 and the year ended September 30, 2024:

1. Cash was $298,990 as at December 31, 2024 vs. $2,301,125 as at September 30, 2024. The difference is due to payment of accounts payables as well as the net loss of the period.

2. Sales tax recoverable was $353,677 as at December 31, 2024 vs. $271,961 as at September 30, 2024.

3. Prepaid expenses were $477,082 as at December 31, 2024 vs. $641,881 as at September 30, 2024, due to marketing and investor relation expenses paid before September 30, 2024 for services to be rendered during the current year.

4. Current assets were $1,144,749 as at December 31, 2024 vs. $3,229,967 as at September 30, 2024, with the difference mainly attributable to the cash decrease.

5. Total assets were $4,690,103 as at December 31, 2024 vs. $6,583,708 as at September 30, 2024.

6. Current liabilities were $427,286 as at December 31, 2024 vs. $1,624,010 as at September 30, 2024, with the difference primarily attributable to the decrease of the account payables.

7. Non-current liabilities were $143,591 as at December 31, 2024 vs. $165,943 as at September 30, 2024.

8. Share capital was $9,823,163 as at December 31, 2024 and as at September 30, 2024.

9. Reserves were $2,910,252 as at December 31, 2024 vs. $2,910,397 as at September 30, 2024, the variation attributable to warrants expired during the period.

10. Deficit was $8,714,790 as at December 31, 2024 vs. $8,012,549 as at September 30, 2024, the variation attributable to the net loss for the three-month period ended September 30, 2024.

SUMMARY OF QUARTERLY RESULTS *(quarterly financial information available post October 1, 2023 only)*

	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
	$	$	$	$	$
Selling, general and administrative expenses	702,386	892,906	569,907	340,335	1,459,567
Operating loss	(702,386)	(892,906)	(569,907)	(340,335)	(1,459,567)
Net loss and comprehensive loss	(702,386)	(3,785,512)	(569,907)	(340,335)	(1,594,567)
Loss per share – basic and diluted	(0.009)	(0.065)	(0.011)	(0.006)	(0.028)

ISSUED AND OUTSTANDING SHARE DATA

	December 31, 2024		September 30, 2024	
	Number	**Amount**	**Number**	**Amount**
		$		**$**
Balance, beginning of the period	**77,933,632**	**9,823,163**	**48,873,499**	**4,665,728**
Private placements	**-**	**-**	**16,560,133**	**3,378,189**
Cost of issuance	**-**	**-**	**-**	**(1,033,254)**
Issuance of shares – reverse acquisition	**-**	**-**	**12,500,000**	**2,812,500**
Balance, end of the period	**77,933,632**	**9,823,163**	**77,933,632**	**9,823,163**

As at February 28, 2025, the Company has the following outstanding shares, warrants and options:

	February 28, 2025		
	Number of shares	**Warrants**	**Options**
Balance, December 31, 2024	**77,933,632**	**17,474,051**	**7,750,000**
Balance, February 28, 2025	**77,933,632**	**17,474,051**	**7,750,000**

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2024, the Company had $298,990 in current assets, comprised of cash, sales tax recoverable, prepaid expenses and investments.

At December 31, 2024, the Company had a working capital of $616,862 comprised of cash ($298,990), sales tax recoverable ($353,677), prepaid expenses ($477,082) and investments ($15,000) which is offset by accounts payable and other liabilities ($427,286) and current lease liability ($100,601).

The Company incurred a net loss and comprehensive loss for the three-month period ended December 31, 2024 of $702,386 and had an accumulated a deficit of $8,714,790.

As the Company is still in its development phase working on developing markets, the Company will likely operate at a loss until its business becomes established, and the Company will require additional financing in order to fund future operations and expansion plans. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

As at December 31, 2024, the contractual obligations of the Company are:

	Total	Less than a year	1-5 years	Greater than 5 years
	$	$	$	$
Contractual obligation				
Accounts payable and other liabilities	**427,286**	**427,286**	**-**	**-**
Lease liability	**278,400**	**120,533**	**157,867**	**-**
Total, contractual obligations	**705,686**	**547,819**	**157,867**	**-**

The Company's ability to secure any required financing to sustain operations will depend in part upon prevailing capital market conditions and business success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to management. If additional financing is raised by issuance of additional shares from treasury, control may change, and shareholders may suffer dilution. If adequate funds are not available, or are not available on acceptable terms, the Company may be required to scale back its current business plan or cease operations.

The Company's ability to continue as a going concern is dependent upon the continued financial support of shareholders and lenders, its ability to attain profitable operations and generate funds therefrom and/or its ability to continue to obtain equity or debt capital to obtain the necessary financing sufficient to meet current and future obligations.

FINANCIAL INSTRUMENTS

Short-term financial instruments, comprising cash, are carried at amortized cost which, due to their short-term nature, approximates their fair value. The investments are carried at fair value through profit and loss. The Company does not acquire, hold or issue derivative financial instruments for trading purposes and the Company presently has no established credit facility.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any special purpose entities, nor is it a party to any transactions or arrangements that would be excluded from the statement of financial position.

RELATED PARTY TRANSACTIONS

The Company defines key management as the Company's Directors and Officers of the Company.

Compensation awarded to key management includes the following:

	Three-months ended December 31, 2024 $	Three months ended December 31, 2023 $
Consulting fees paid or accrued to current and former directors and officers:		
Richard Buzbuzian, director	**51,000**	58,500
Tony Di Benedetto, director and CEO	**51,000**	58,500
Paul Di Benedetto, CTO	**51,000**	58,500
Veronique Laberge, CFO	**22,500**	22,500
Rent to a Company controlled by a director (*Tony Di Benedetto*)	**22,400**	14,464
Share-based payments – options	**-**	707,637
Total compensation to key management	**197,900**	920,101

On December 20, 2023, 1,200,000 common shares were issued to a corporation which has a common director (Richard Buzbuzian) with the Company, for gross proceeds of $300,000.

Balances owed to key management include the following:
As at December 31, 2024, included in accounts payable and accrued liabilities is $72,923 ($449,831 as at September 30, 2024) with respect to finder's fees, rent and expenses reimbursement owed to former directors and officers.

CRITICAL ACCOUNTING ESTIMATES

The Company's significant accounting judgements and estimates are described in Note 2 of these interim condensed financial statements for the three-month period ended December 31, 2024 and 2023:

Going concern
The evaluation of the Company's ability to continue as a going concern, to raise additional financing in order to cover its operating expenses and its obligations for the upcoming year requires significant judgment-based assumptions including the probability that future events are considered reasonable according to the circumstances. Please refer to Note 1 for further information.

Intellectual Property
Significant estimates and judgements are made in testing the intellectual property for impairment. Management uses estimates or exercises judgment in assessing indicators of impairment, defining a cash generating unit ("CGU"), forecasting future revenue, and in determining other key assumptions such as revenue multipliers used for assessing fair value (less cost of disposal).

Intangible asset

In determining whether or not the criteria for capitalizing the development costs of its platform are met, the Company used its judgment to demonstrate that the requirements were met. The Company believes that some of them are easily justifiable, because the platform is ready to be commercialized. Significant judgments are linked to the evaluation of expenses attributable to the asset during its development in relation to the maintenance costs of its functional part and the technical feasibility of additional functionalities.

Calculation of share-based payments

The Company measures the cost of share-based payments by reference to the fair value of the equity instrument or underlying equity instrument at the date on which they are granted. Estimating fair value for share-based payments requires management to determine the most appropriate valuation model for a grant, which is dependent on the terms and conditions of each grant. The Black-Scholes option pricing model is used to determine the fair value for the stock options and warrants and utilizes assumptions such as stock price, volatility and expected life of the option or contractual life of the warrant. Details of the assumptions used are included in Note 12.

Inputs when using Black-Scholes valuation model

The estimates used in determining warrant fair values include input variables, including volatility of the Company's stock price, forfeiture rates, estimated lives, and the risk-free interest rate.

CHANGES IN ACCOUNTING POLICIES

The Company's significant accounting policies are described in Note 3 of the audited financial statements for the year ended September 30, 2024.

RISKS AND UNCERTAINTIES

The Company is subject to a number of risks and uncertainties that could significantly affect the Company's financial condition and performance. This list of risk factors may not be exhaustive as the Company operates in a rapidly changing business environment and new risk factors emerge from time to time. The Company cannot predict such risk factors, nor can the Company assess the impact, if any, of such risk factors or uncertainties on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those projected in any forward-looking statements. Accordingly, neither shareholders of the Company nor purchasers of securities of the Company should rely on forward-looking statements as a prediction of actual results. If any of these risks actually occur, the Company's business, results of operations, financial position and cash flows could be adversely affected. In any such case, the market value of the Company's common shares could decline, and investors may lose all or part of their investment.

Market Risk for Securities

There can be no assurance that an active trading market for the shares of the Company will be established and sustained and the market price for the shares could be subject to wide fluctuations. Factors such as government regulation, interest rates, share price movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the Company's securities. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

Speculative Nature of Investment Risk

An investment in the shares of the Company carries a high degree of risk and should be considered as a speculative investment. The Company has no history of earnings, limited cash reserves, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future.

Liquidity and Future Financing Risk

The Company will likely operate at a loss until its business becomes established and the Company will require additional financing in order to fund future operations and expansion plans. The Company's ability to secure any required financing to sustain operations will depend in part upon prevailing capital market conditions and business success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to management. If additional financing is raised by issuance of additional shares from treasury, control may change and shareholders may suffer dilution. If adequate funds are not available, or are not available on acceptable terms, the Company may be required to scale back its current business plan or cease operations.

Additional financing may not be available on acceptable terms, or at all. Domestic and international capital markets have been experiencing heightened volatility and turmoil, making it more difficult to raise capital through the issuance of equity securities. Furthermore, as a result of the recent volatility in the capital markets, the cost and availability of credit has been and may continue to be adversely affected by illiquid credit markets and wider credit spreads. Concern about the stability of the markets generally and the strength of counterparties specifically has led many lenders and institutional investors to reduce, and in some cases cease to provide, funding to borrowers. To the extent the Company can raise additional capital through the sale of equity securities or issue securities in connection with another transaction, the ownership position of existing stockholders could be substantially diluted. If additional funds are raised through the issuance of preferred stock or debt securities, these securities are likely to have rights, preferences and privileges senior to shares and may involve significant fees, interest expense, restrictive covenants and the granting of security interests in the Company's assets. Fluctuating interest rates could also increase the costs of any debt financing. Raising capital through a licensing or other transaction involving the Company's intellectual property, could require the Company to relinquish valuable intellectual property rights and thereby sacrifice long-term value for short-term liquidity.

The Company's failure to successfully address ongoing liquidity requirements would have a substantially negative impact on its business. If the Company is unable to obtain additional capital on acceptable terms when needed, it may need to take actions that adversely affect its business, stock price and ability to achieve cash flow in the future, including possibly surrendering its rights to some technologies or product opportunities, delaying clinical trials or curtailing or ceasing operations.

Going-Concern Risk

These interim condensed financial statements have been prepared on a going concern basis, which contemplates the realization of assets and discharge of liabilities at their carrying values in the ordinary course of operations for the foreseeable future. As the Company is still in its development phase working on developing markets, the Company will likely operate at a loss until its business becomes established, and the Company will require additional financing in order to fund future operations and expansion plans. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Dividend Risk

The Company has not paid dividends in the past and does not anticipate paying dividends in the near future. The Company expects to retain earnings to finance further growth and, where appropriate, retire debt.

Share Price Volatility Risk

The Company being listed on the Canadian Securities Exchange ("CSE"), external factors outside of the Company's control, such as announcements of quarterly variations in operating results, revenues and costs, and sentiments toward stocks, may have a significant impact on the market price of the shares. Global stock markets, including the CSE, have experienced extreme price and volume fluctuations from time to time. There can be no assurance that an active or liquid market will develop or be sustained for the shares.

General Business Risks

Tax Risk

The Company is subject to various taxes including, but not limited to the following: Canadian income tax; goods and services tax; provincial sales tax; land transfer tax; and payroll tax as well as taxes in jurisdictions in which it operates. The Company's tax filings will be subject to audit by various taxation authorities. While the Company intends to base its tax filings and compliance on the advice of its tax advisors, there can be no assurance that its tax filing positions will never be challenged by a relevant taxation authority resulting in a greater than anticipated tax liability.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, and accounts receivable. Cash consists of cash on hand deposited with reputable financial institutions which is closely monitored by management. Management believes credit risk with respect to financial instruments included in cash and accounts receivable is minimal. The Company's maximum exposure to credit risk as at June 30, 2024 is the carrying value of its cash.

Interest rate risk

Interest rate risk consists of a) the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, and b) to the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities. The Company is not exposed to any significant interest rate price risk.

OTHER MD&A REQUIREMENTS

Additional information related to the Company is filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR+) at www.sedarplus.com.