Management Discussion and Analysis
For nine months ended November 30, 2017
Hello Pal International Inc.
Report Dated January 29, 2018

INTRODUCTION

The following management's discussion and analysis of financial condition and results of operations ("MD&A") for the nine months ended November 30, 2017 prepared as of January 29, 2018, should be read in conjunction with the unaudited condensed interim consolidated financial statements for the nine months ended November 30, 2017 and the related notes thereto of Hello Pal International Inc. ("the Company"), together with the audited consolidated financial statements of the Company for the year ended February 28, 2017 as well as the accompanying MD&A for the year then ended.

The referenced consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board and as applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. The accounting policies and methods of computation followed in the preparation of the condensed interim consolidated financial statements are identical to those followed in the preparation of the audited financial statements for the year ended February 28, 2017. All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

The following discussion and analysis may contain forward-looking statements which are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth in the following discussion.

GENERAL

The Company was incorporated under the Company Act of British Columbia on October 2, 1986 and changed its name to Hello Pal International Inc. on May 9, 2016. Prior to May 13, 2016, the Company was listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol "NEO.H". On May 13, 2016, the Company received approval from the TSX-V to have its shares de-listed and received acceptance from the Canadian Securities Exchange ("CSE") to have its shares listed under the symbol "HP". On June 28, 2016, the Financial Industry Regulatory Authority of the United States cleared the Company's Form 211 application for a quotation on OTC Link, and as such, the common shares of the Company now trade under the US symbol "HLLPF".

On May 9, 2016, the Company consolidated its common shares on the basis of one-post consolidation common share of the Company for every 1.5 pre-consolidation common share of the Company. All share numbers and amounts have been retroactively restated for the periods presented in this MD&A.

RECENT HIGHLIGHTS

On June 23, 2017, the Company entered into a promissory note agreement with a shareholder for proceeds of $100,000, bearing an interest rate of 4% per annum, maturing on June 23, 2019.

On July 27, 2017, the Company completed a non-brokered private placement, issuing 8,050,331 units at a price of $0.15 per unit for gross proceeds of $1,207,550. Each unit consists of one common share and one share purchase warrant entitling the holder to purchase one additional common share at an exercise price of $0.20 per share for a period of two years from the date of issuance.

On September 21, 2017, the Company announced the launch of its first companion app, "Travel Pal", targeting the travel sector by encouraging interaction with locals and other travelers within the same geographical area.

On October 3, 2017, the Company released its Moments feature on both the Hello Pal and Travel Pal apps, allowing users to share 'moments' of their lives through different forms of media, audio and text and gain insights about the lives of others.

THE TRANSACTION

On May 13, 2016, the Company completed an asset purchase agreement (the "Transaction") with a private Hong Kong based company ("PrivCo"), whereby the Company agreed to acquire all of the assets that comprise the Hello Pal software application (the "HPI Platform"), in consideration for 25,000,000 post-consolidation common shares of the Company. The Company also issued 2,000,000 post-consolidation common shares for finder's fees. 13,725,000 of these post-consolidation common shares were placed in escrow whereby 10% of the escrowed shares were released on May 13, 2016 and 15% of the escrowed shares are released each six month period thereafter.

The HPI Platform is a proprietary and open social exchange language and learning mobile application and network for use in a whole host of applications – including for language learning and socialization. The HPI Platform enables users' the freedom to speak in their own language regardless of the other person's language they are speaking to. The HPI Platform was launched on the Google Play Store in May 2015, iOS App Store in November 2015 and the Windows platform in 2016.

The shares issued were valued at $3,750,000 using a market value of $0.15 per share, which was determined based on the share issue price of the private placement financing closed on the date of the acquisition in conjunction with the Transaction. Transaction costs, comprised of professional fees of $25,167 and 2,000,000 post-consolidation common shares issued as finder's fees, are included in the consideration paid to acquire the HPI Platform.

DESCRIPTION OF BUSINESS

The Company develops, markets and operates a live interactive social and language exchange platform. The HPI Platform is a proprietary, open social exchange language and learning mobile app and network for use in a whole host of applications, including for language learning and socialization. The proprietary intangible and tangible assets that comprise of the HPI Platform are:

1. ***Backbone Technology.*** A backbone technology (software, content and server) that provides a stable and robust language exchange and chat-drive network allowing anyone to communicate with another person regardless of the language they are speaking in. The HPI Platform social language exchange app ("Hello Pal App") and network was launched on the Google Play store in May 2015, the Apple App store in November 2015 and the Windows platform in 2016.

2. ***Voice to Voice Exchanges.*** The HPI Platform allows for true to voice-to-voice exchanges, which means that users can speak with each other with their own voice, not just text translations.

3. ***Filtering and Matching.*** Included is filtering and matching abilities, so that users can easily find other people and parties (i.e. pals) that directly suit and meet a user's own defined criteria – e.g. for use as a matching service. Users can filter by native/learning languages, nationality, and other criteria.

4. ***Phrasebooks.*** Phrasebooks that are built for on-line and mobile chat. Users can simply choose a phrase, listen to the professionally recorded audio guide, and repeat the phrase in the foreign language, then they can send it directly to a pal.

<u>Key Features of the HPI Platform</u>
The HPI Platform is designed to deliver a customized learning experience to each user.

Live Chat Feature. A user is able to "chat" in real time with another user in order to learn a new language. A chat may involve voice-to-voice exchange or text with another user. The HPI Platform's voice-to voice technology allows users to speak with their own voice and not simply text translations.

Connecting with a Pal. The proprietary technology of the HPI Platform includes extensive filtering and matching abilities so that users can finder other users, people or parties (ie. "pals") that directly suit and meeting the user's defined criteria. Users are able to filter by language, learned languages and nationality.

Phrasebooks. The HPI Platform has phrasebooks each with over 2,000 phrases. A user can choose a phrase, listen to the recorded audio of the phrase and repeat the phrase. After, the user is able to send their recording of the phrase they learned to another user.

Hello Pal Games. Various games are also offered under the HPI Platform. In addition to enhancing learning, these games also focus on the social aspect of the HPI Platform.

Overall, the HPI Platform has been designed from the ground up to be easy-to-use and has many features that enables users' the freedom to speak and communicate in their own language regardless of the language of the person they are speaking to.

OPERATIONS UPDATE
The Company has continued to improve upon the HPI Platform, rolling out numerous updates including voice and video-calling, 'stickers' and direct notification features. As of the end of December 2017, the Company's HPI Platform has exceeded 3 million registered users and is continuing to experience user growth by building a highly diversified global user base. Other recent improvements include server-side upgrades to provide additional stability to deal with the increasing number of users, as well as features such as the ability to share with friends on social platforms and a friends' list. On September 21, 2017, the Company announced that its programming team in China launched its first companion app, "Travel Pal", a social app targeting worldwide travelers, as well as developing other companion applications. These apps will all be run on the same platform and users will be part of a common Hello Pal user base. On October 3, 2017, the Company announced the release of its Moments feature on both the Hello Pal and Travel Pal apps, allowing users to share 'moments' of their lives through different forms of media, audio and text with other users and gain insights about the lives of others.

Along with a growing technical team the Company is also expanding its team of global Country Representatives who are responsible for public relations and marketing of the HPI Platform in their areas. In conjunction with the Country Reps the Company is embarking on a broad user acquisition and PR campaign. This will be the Company's first major marketing effort and among other initiatives will involve influencer endorsements, targeted online marketing and social media outreach.

The Company's expanding platform will inform and shape the Company's ability to introduce monetization features in the near future. The direct notification feature, included in Version 3.1 of the HPI Platform, was the beginning of such initiatives. The Company has also recently added an Arabic phrasebook to meet the increase in registered users from the Middle East, thereby allowing global users to more easily communicate with Middle East users in Arabic. Language phrasebooks can also be downloaded as separate apps at the IOS and Android stores.

RESULTS OF OPERATIONS

Nine months ended November 30, 2017

The Company recorded a net loss of $1,659,460 ($0.03 per share) for the nine months ended November 30, 2017 as compared to a net loss of $2,198,959 ($0.05 per share) for the nine months ended November 30, 2016.

Variances of note in administrative expenses are:

Accounting and audit of $80,611 (2016 - $38,108), Management and consulting fees of $127,198 (2016 – $94,116), Office and miscellaneous of $147,189 (2016 - $93,412) and Rent of $41,790 (2016 – $28,343) increased during the nine months ended November 30, 2017 compared with 2016, due to an increased level of business activities and operations in Hong Kong and China.

Depreciation of $794,220 (2016 - $309) increased during the nine months ended November 30, 2017 compared with the 2016 fiscal period, primarily due to the amortization of the HPI Platform over its estimated useful life.

Marketing of $77,120 (2016 - $164,117) decreased as a result of a curtailment of marketing activities for promoting the HPI platform to current and potential users.

Transfer agent and filing fees of $13,190 (2016 - $40,826) decreased during the nine months ended November 30, 2017 compared with the 2016 fiscal period, as a result of the Company's submitting an application to have its shares listed on the CSE and OTC link as well as expenditures incurred for the Company's AGM that held in June 2016 during the 2016 fiscal period.

Salaries and benefits of $290,372 (2016 – $84,858) and software application costs of $10,852 (2016 – $nil) increased as a result of hiring the programming team to continue improving the HPI Platform and developing new apps.

Share-based payments of $nil (2016 – $1,384,907) decreased as a result of the Company granting 6,400,000 stock options during the nine months ended November 30, 2016 while no stock options were granted during the nine months ended November 30, 2017.

Shareholder communications of $71,732 (2016 – $256,261) decreased as a result of a curtailment of investor relations activities.

Three months ended November 30, 2017
The Company recorded a net loss of $483,606 ($0.01 per share) for the three months ended November 30, 2017 as compared to a net loss of $317,824 ($0.00 per share) for the three months ended November 30, 2016. The increase in net loss for the three months ended November 30, 2017 as compared to the three months ended November 30, 2016 is the result of changes to a number of expenses as noted above under the nine months ended November 30, 2017 and 2016. In particular, depreciation of $269,264 (2016 - $178) and salaries and benefits of $86,843 (2016 - $30,275) increased respectively as a result of amortization on the HPI Platform over its estimated useful life and hiring a programming team to improve the HPI Platform.

QUARTERLY FINANCIAL REVIEW

The following table sets forth selected financial information from the Company's unaudited quarterly financial statements for each of the eight most recently completed quarters. No cash dividends were declared in any of the reported periods.

	THREE MONTHS ENDED			
	Nov 30, 2017 $	**Aug 31, 2017 $**	**May 31, 2017 $**	**Feb 28, 2017 $**
Total assets	3,309,761	3,653,489	3,731,764	4,117,858
Working capital (deficiency)	(237,146)	19,420	(297,837)	100,062
Net loss	(483,606)	(591,758)	(584,096)	(1,351,318)
Net loss per share[(1)]	(0.01)	(0.01)	(0.01)	(0.02)

	THREE MONTHS ENDED			
	Nov 30, 2016 $	**Aug 31, 2016 $**	**May 31, 2016 $**	**Feb 29, 2016 $**
Total assets	4,983,981	5,264,150	5,514,266	6,547
Working capital (deficiency)	142,086	681,457	1,304,465	(202,887)
Net loss	(317,824)	(338,616)	(1,542,519)	(43,508)
Net loss per share[(1)]	(0.00)	(0.00)	(0.04)	(0.01)

[(1)]The basic and fully diluted calculations result in the same value due to the anti-dilutive effect of outstanding stock options and warrants if any.

The net loss increased during the quarter ended May 31, 2016 as a result of the Company granting 6,400,000 stock options resulting in share-based payments of $1,384,907.

The net loss increased during the quarter ended February 28, 2017 primarily due to the amortization of the HPI Platform over its estimated useful life.

Total assets increased during the quarter ended May 31, 2016 as a result of closing the Transaction. The working capital during the quarter ended May 31, 2016 increased compared to the prior quarters, as a result of the net proceeds received from the private placement completed during the quarter.

FINANCING ACTIVITIES

On May 13, 2016, the Company closed a private placement financing of 12,000,000 post-consolidation common shares of the Company at a price of $0.15 per post-consolidation common share for gross proceeds of $1,800,000 (the "Financing"). The proceeds of the Financing have been used to fund the operations of the HPI Platform and for general working capital purposes. In connection with the Financing, the Company incurred legal costs of $13,775, paid finder's fees of $53,848 and issued 375,189 finders' warrants valued at $56,725. Each finder's warrant entitles the holder to purchase one additional common share at an exercise price of $0.25 on or before May 13, 2018.

On September 13, 2016, the Company issued 6,000 common shares pursuant to an exercise of finders' warrants at an exercise price of $0.25 per share for gross proceeds of $1,500.

During the year ended February 28, 2017, the Company received a total of $9,575 from the former President of the Company and a shareholder, which were non-interest bearing loans made to the Company to finance its activities in order to continue its operations. The loans were due on demand, unsecured and had no maturity date. During the year ended February 28, 2017, the Company repaid the outstanding balance of the loans in full.

The Company received loans of $61,856 during the nine months ended November 30, 2017 from a company controlled by Kean Li Wong, current President and CEO, which are non-interest bearing, due on demand, unsecured and have no maturity date. During the nine months ended November 30, 2017, the Company repaid $45,000 of the total loans outstanding. The balance outstanding as at November 30, 2017 was $16,856.

On June 23, 2017, the Company entered into a promissory note agreement with a shareholder for proceeds of $100,000, maturing on June 23, 2019. The promissory note is unsecured and bears an interest rate of 4% per annum calculated on the principal balance, and is payable on the maturity date. During the nine months ended November 30, 2017, the Company recorded interest of $1,753. The principal and interest outstanding at November 30, 2017 is $101,753.

On July 27, 2017, the Company completed a non-brokered private placement, issuing 8,050,331 units at a price of $0.15 per unit for gross proceeds of $1,207,550. Each unit consists of one common share and one share purchase warrant entitling the holder to purchase one additional common share at an exercise price of $0.20 per share for a period of two years from the date of issuance. In connection with the private placement, the Company incurred legal and filing fees of $4,618.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and to maintain a flexible capital structure that optimizes the costs of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity as well as cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

To maintain or adjust its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company is dependent on the capital markets as its primary source of operating working capital and the Company's capital resources are largely determined by its ability to compete for investor support of its projects.

The Company is not subject to any capital requirements imposed by a regulator, other than continued listing requirements of the CSE.

As at November 30, 2017, the Company held cash of $16,289 and had a working capital deficiency of $237,146. During the nine months ended November 30, 2017, net cash used in operating activities was $783,662. Net cash provided by financing activities consisted of private placement proceeds of $707,907, proceeds of $100,000 from a promissory note, and net advances from related parties of $29,038. The Company also incurred $16,031 for the purchase of equipment and leasehold improvements at its offices in Vancouver, Canada and $320,722 of software acquisition and development costs as part of investing activities. The Company needs to complete additional financings in order to maintain its current activity levels and to fund ongoing operations. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the future.

The Company's consolidated financial statements have been prepared on the going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. As at November 30, 2017, the Company had not yet achieved profitable operations and had an accumulated deficit of $8,005,144 since inception.

Historically the Company has financed its operations primarily through equity issuances and occasionally through loans from shareholders. The Company currently has insufficient cash to fund is operations for the next twelve months. As a result there is significant doubt about the Company's ability to continue as a going concern. In assessing whether the going concern assumption was appropriate, management took into account all relevant information available about the future, which was at least, but not limited to the twelve months following February 28, 2017.

The Company is currently implementing various financing strategies, including the following:

- During the nine months ended November 30, 2017, the Company completed a non-brokered private placement, issuing 8,050,331 units at a price of $0.15 per unit for gross proceeds of $1,207,550. The Company also received $100,000 from a promissory note agreement.
- The Company has also initiated an internal plan to reduce operating expenses.
- In order to start generating revenues, management believes that the Company needs to reach a threshold level of users for its apps. The Company is currently working on improving the features of the software applications which would be more attractive to users.
- The Company is exploring financing alternatives in order to provide additional capital.

These plans are expected to generate sufficient liquidity to finance operations within the next fiscal year until the monetization aspect of the Company's software applications can begin. The Company believes that based on the financial strength of its existing shareholder base and previous success in raising capital, any shortfall in its operating plan will be met through one or more of the above strategies.

CAPITAL EXPENDITURES

The Company incurred software acquisition and development costs of $320,722 (2016 - $503,444) and purchases of equipment of $16,031 (2016 – $2,500) during the nine months ended

November 30, 2017. The Company does not currently have any capital expenditure commitments.

RELATED PARTY TRANSACTIONS

The Company's related parties consist of the Company's directors, officers and companies associated with them, including Malaspina Consultants Inc., a company owned by Robert McMorran, a director and in which Natasha Tsai, CFO, is an associate. The Company incurred charges to directors and officers, or to companies associated with these individuals during the three and nine months ended November 30, 2017 and 2016 as follows:

	Three months ended November 30		Nine months ended November 30	
	2017	**2016**	**2017**	**2016**
	$	**$**	**$**	**$**
Accounting and corporate secretarial fees (1)	4,935	8,822	26,097	28,523
Salaries capitalized as application development costs (2)	-	18,355	23,329	38,210
Management fees (3)	24,465	26,352	80,415	68,405
Share issue costs (4)	-	-	3,450	5,750
Share-based payment	-	-	-	367,866
	29,400	53,529	133,291	508,754

(1) The charges include accounting and corporate secretarial fees paid to Malaspina Consultants Inc.

(2) The charges include application development costs paid to Daniel Kou, CTO

(3) The charges include management fees paid to Kean Li Wong, President and CEO, Daniel Kou, CTO and Gunther Roehlig, former President and CEO.

(4) The charges include share issue costs paid to Malaspina Consultants Inc. in connection with the private placement.

Accounts payable and accrued liabilities at November 30, 2017 included $nil due to Daniel Kou, CTO, $21,024 due to KL Wong, President and CEO, and $29,860 due to Malaspina Consultants Inc. Related party transactions are conducted in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

Key management of the Company includes the President, CTO, CFO and the Directors. During the three and nine months ended November 30, 2017, compensation paid to key management consisted of management fees of $24,465 and $80,415 (2016 – $26,352 and $68,405) paid/incurred to Kean Li Wong, Daniel Kou and Gunther Roehlig, application development costs of $nil and $23,3239 (2016 – $18,355 and $38,210) paid to Daniel Kou, and accounting and corporate secretarial fees of $4,935 and $26,097 (2016 – $8,822 and $28,523) and share issue costs of $nil and $3,450 (2016 – $nil and $5,750) paid to Malaspina Consultants Inc., and share-based payments of $nil and $nil (2016 - $nil and $367,866) made to Kean Li Wong, Gunther Roehlig, Natasha Tsai and the Directors.

During the year ended February 28, 2017, the Company received a total of $9,575 from the former President of the Company and a shareholder, which were non-interest bearing loans made to the Company to finance its activities in order to continue its operations. The loans were due on demand, unsecured and had no maturity date. During the year ended February 28, 2017, the Company repaid the outstanding balance of the loans in full.

The Company received loans of $61,856 during the nine months ended November 30, 2017 from a company controlled by Kean Li Wong, President and CEO, which are non-interest bearing, due on demand, unsecured and have no maturity date. During the nine months ended November 30, 2017, the Company repaid $45,000 of the total loans outstanding. The balance outstanding as at November 30, 2017 is $16,856.

Other than as reflected above, there were no other transactions with key management, or compensation paid or payable for their services.

COMMITMENT

On June 1, 2017, the Company entered into a sublease agreement for the use of office premises in Vancouver, BC, Canada in the amount of $2,032 per month from June 1, 2017 until January 31, 2018, $2,571 per month from February 1, 2018 to January 31, 2021, and $2,715 per month from February 1, 2021 to January 31, 2023. The amount of the total lease payments committed is $12,192 for the fiscal year ended February 28, 2018, $30,847 for the fiscal years ended February 28, 2019, February 29, 2020 and February 28, 2021; and $32,577 for the years ended February 28, 2022 and 2023.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The accounting standards that have been issued but not effective are described in the condensed interim consolidated financial statements for the nine months ended November 30, 2017.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

CAPITALIZATION

a) **Authorized**
   Unlimited common shares without par value

b) **Issued and outstanding at January 29, 2018:**
   72,430,309 common shares

c) **Escrow shares:**
   6,176,250 issued and outstanding common shares are held in escrow. 1,372,500 common shares were released on May 13, 2016 with 15% to be released every 6 months thereafter.

d) **Outstanding warrants and options:**

Type of security	Number	Exercise Price	Expiry date
Share purchase warrants	369,189	$ 0.25	May 13, 2018
Share purchase warrants	8,050,331	$ 0.20	July 27, 2019
Stock options	6,400,000	$ 0.15	May 13, 2021

FUTURE OUTLOOK

Further to the release of Travel Pal in 2017, the Company is in the final stages of development of its third companion app, Language Pal, which will specifically focus on the language learning sector. 2018 will also see the introduction of an incentives-based rewards platform which will see users much more incentivized to help each other across all of the Company’s apps, as well as pave the way for gradual monetization of its user base.

DISCLOSURE CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer’s Annual and Interim Filings) (“NI 52-109”), the Chief Executive Officer and Chief Financial Officer of the

Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited condensed interim consolidated financial statements for the nine months ended November 30, 2017 and this accompanying MD&A.

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR at www.sedar.com.

RISKS AND UNCERTAINTIES

The Company is currently subject to financial and regulatory risks. The financial risk is derived from the uncertainty pertaining to the Company's ability to raise capital to continue operations. Regulatory risks include the possible delays in getting regulatory approval for the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings and the introduction of ever more complex reporting requirements, the cost of which the Company must meet in order to maintain its exchange listing.

OTHER INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com.