STOCK TREND CAPITAL INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the three months ended July 31, 2024, and 2023

(Expressed in Canadian Dollars unless otherwise indicated)

INTRODUCTION

The following Management's Discussion and Analysis ("**MD&A**") is a review of the financial condition and results of operations by the management ("**Management**") of **Stock Trend Capital Inc.** ("Stock Trend" or the "Company") for the three months ended July 31, 2024 (the "**Reporting Period**"). This MD&A is prepared as of September 30, 2024, unless otherwise indicated, and should be read in conjunction with the audited consolidated financial statements for the years ended April 30, 2024, and 2023 and the notes related thereto which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

This MD&A was reviewed by the Audit Committee and, on the Audit Committee's recommendation, approved by the Board of Directors of Stock Trend. All monies are expressed in Canadian dollars unless otherwise indicated. Additional information relevant to the activities of the Company has been filed electronically through the System for Electronic Document Analysis and Retrieval ("**SEDAR**") – http://www.sedar.com.

Management's Responsibility for Financial Statements

The information provided in this MD&A, including the information contained in the Financial Statements, are the responsibility of Management. In the preparation of the accompanying Financial Statements, estimates are sometimes necessary to make a determination of the future values for certain assets or liabilities. Management of the Company believes such estimates have been based on careful judgments and have been properly reflected in the accompanying Financial Statements. Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

Directors, Officers and Management of the Company

As at the date of this report, the directors, officers, and Management of the Company are as follows:

- Anthony Durkacz, Chief Executive Officer (CEO), Director and Chair of the Board of Directors
- Chand Jagpal, Chief Financial Officer (CFO), Director
- Michael Galloro, Director
- Richard Buzbuzian, Director
- Shimmy Posen, Corporate Secretary

Registered and Records Office | Head Office

The registered head office of the Company is located at 301 - 217 Queen St. West, Toronto, Ontario, M5V 0R2

CAUTIONARY NOTE ON FORWARD-LOOKING INFORMATION

Certain information contained in this MD&A constitutes forward-looking information, which is information relating to possible events, conditions or results of operations of the Company, which are based on assumptions about future economic conditions and courses of action, and which are inherently uncertain. All information other than statements of historical fact may be forward-looking information.

Forward-looking information is often, but not always, identified by the use of words such as “seek”, “anticipate”, “budget”, “plan”, “continue”, “estimate”, “expect”, “forecast”, “may”, “will”, “project”, “predict”, “potential”, “target”, “intend”, “could”, “might”, “should”, “believe”, and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information in this MD&A includes, but is not limited to, statements with respect to the Company’s investment approach, objectives and strategy, including its focus on specific sectors; the structuring of its investments and its plans to manage its investments; the Company’s financial performance; and its expectations regarding the performance of certain sectors.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes that the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct. Some of the risks and other factors which could cause results to differ materially from those expressed in forward-looking information contained in this MD&A include, but are not limited to: the nature of the Company’s investments; the available opportunities and competition for its investments; the concentration of its investments in certain industries and sectors; the Company’s dependence on its manager and management team; risks affecting the Company’s investments; global political and economic conditions; investments by the Company in private issuers which have illiquid securities; management of the growth of the Company; exchange rate fluctuations; and other risks and factors discussed in this MD&A under “Risk Factors”.

Although the Company has attempted to identify important factors that could cause actual events or results to differ materially from those described in forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. Readers are cautioned that the foregoing list of risks and factors is not exhaustive. The forward-looking information contained in this MD&A is provided as at the date of this MD&A, based upon the opinions and estimates of management and information available to management as at the date of this MD&A, and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A.

The forward-looking statements contained herein are based on information available as of the date of this MD&A.

DISCUSSION AND ANALYSIS

Nature of Operations and Company Focus

Stock Trend Capital Inc. is an investment issuer listed on the Canadian Securities Exchange (the "CSE"), and primarily focused on investments in the Artificial Intelligence ("AI") industry and the Canadian cannabis industry. Stock Trend intends to focus on investing in private and public entities with strong intellectual property, exceptional management and high growth potential that may be strategically positioned in the market.

The Company is listed on the CSE under the symbol "PUMP", the Frankfurt Stock Exchange under the symbol "WCF" and "WKN:A2PF9C", and the Pink Sheet Market in the USA, under the symbol: "STOCF".

Investment Entity

The Company uses the following criteria, contained within IFRS 10 - *Consolidated financial statements*, to determine if the Company meets the definition of an Investment Entity ("Investment Entity"):

- Obtain funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital
- appreciation, investment income or both; and
- Measures and evaluates the performance of substantially all its investments on a fair value basis.

The Company has evaluated the above criteria and determined that it meets the definition of an Investment Entity. As a result of meeting the definition of an Investment Entity, subsidiaries, which otherwise would have been consolidated, are carried at fair value.

CORPORATE OVERVIEW

Year ended April 30, 2024

On August 1, 2023, the Company entered into a share purchase agreement (the "Acquisition") with YOUNET ("YOUNET"), an arm's length party, for: (i) $250,000 paid in cash upon closing the Acquisition and (ii) the issuance of 27,500,000 common shares in the capital of the Company. In exchange for the consideration, the Company acquired 26,666,667 common shares in the capital of YOUNET. The cost of the YOUNET shares on initial recognition was $816,802, calculated based on the latest YOUNET financing in July 2023, prior to the share exchange, of $0.03 per share and $250,000 cash payment.

The Company also issued 4,545,454 common shares in the capital of the Company as finders' fees, priced on the date of issuance of $0.02 per common share, based on the quoted market price of the Company, which was expensed and included in the statement of loss and comprehensive loss as transaction costs.

YOUNET is a privately held Canadian company developing an artificial intelligence ("AI") platform called Rabbit AI. Rabbit AI is being designed to handle tasks normally done by a personal assistant. Depending on the needs of the user, Rabbit AI may produce written content or responses such as emails, texts, and documents, and is being designed to sift through communications and data to provide replies for its master.

The Company sees the investment in YOUNET as providing the shareholders of the Company with value as the Company looks to diversify into the disruptive AI sector, and specially YOUNET as it is well-positioned to build the technology that targets a highly lucrative established industry using their proprietary AI technology. The Company expects the YOUNET shares acquired to increase in value as YOUNET comes closer to bringing its disruptive technology to the market.

On September 13, 2023, YOUNET announced the beta launch of its pioneering artificial platform, Rabbit AI.

On December 20, 2023, the Company made a strategic investment into MetaWorld Corporation ("Syntheia"), whereby it purchased 1,200,000 units of Syntheia for an aggregate purchase price of $300,000. Each unit comprised of one common share in the capital of Syntheia and one share purchase warrants exercisable for a term of two years at a price of $0.35 per common share.

On December 22, 2023, the Company issued 3,000,000 common shares in the capital of the Company based on a price per common share equal to $0.05 per share. There were no finders' fees.

Three months ended July 31, 2024

During the three months ended July 31, 2024, 2,000,000 stock options with an exercise price of $0.05 expired unexercised. The Company does not have any stock options outstanding to date.

Subsequent to July 31, 2024

On September 17, 2024, the Company provided an update on its investment in Syntheia. On September 16, 2024, Syntheia issued a news release announcing that it has closed the final tranche of its brokered private placement offering of subscription receipts through the issuance of 3,036,334 subscription receipts for gross proceeds of $1,062,716.90. This offering follows the company's first tranche of the financing which closed on May 16, 2024. In the aggregate, Syntheia issued 11,180,533 subscription receipts for total gross proceeds of $3,913,186.55.

On August 27, 2024, the Company provided an update on its investment in Younet. On August 19, 2024, Younet issued a news release announcing that the company has been awarded a support grant by the National Research Council of Canada Industrial Research Assistance Program ("NRC AIRAP"). NRC IRAP is Canada's leading innovation assistance program for small and medium-sized businesses. NRC IRAP's mission is to accelerate the growth of Canadian businesses by providing them with a comprehensive suite of innovation services and funding.

OVERALL PERFORMANCE

Financial Position

As at July 31, 2024, the Company had cash and cash equivalents of $317,179 (April 30, 2024 - $380,763) to settle current liabilities of $67,464 (April 30, 2024 - $129,842).

Significant changes were noted on the following balance sheet items:

- *Cash and cash equivalents.* $317,179 (April 30, 2024 - $380,763). Cash decreased due to payments relating to operating expenses funded for the period.
- *Sales tax receivable*. $7,525 (April 30, 2024 - $24,573). The change is due to timing of collection of refunds.
- *Prepaid expenses and deposits*. $371 (April 30, 2024 - $1,483). Prepaid expenses and deposits decreased due to a decrease in prepayments for future services.
- *Accounts payable and accrued liabilities*. $67,464 (April 30, 2024 - $129,842). Decrease related to changes in operating activities during the period. The balance includes payables owing to related parties and liabilities related to discontinued operations.
- *Equity*. $1,923,599 (April 30, 2024 - $1,969,982). The decrease is mainly due to the net loss during the three months ended July 31, 2024.

SUMMARY OF QUARTERLY RESULTS

Quarters Ended	Revenue ($)	Net Loss and Comprehensive Loss ($)	Loss per Share ($)
July 31, 2024	-	46,383	0.00
April 30, 2024	-	686,741	0.00
January 31, 2024	-	97,937	0.00
October 31, 2023	-	237,608	0.00
July 31, 2023	-	86,521	0.00
April 30, 2023	-	175,049	0.00
January 31, 2023	-	401,124	0.00
October 31, 2022	-	280,629	0.00

Significant expenses during the quarter ended July 31, 2024, include consulting fees of $12,136.

Significant expenses during the quarter ended April 30, 2024, include the write off the Cannaworld loan receivable of $417,267 and investment of $750,000.

Significant expenses during the quarter ended January 31, 2024, include professional fees of $18,478, director fees of $19,346 and consulting fees of $15,470.

Significant expenses during the quarter ended October 31, 2023, include professional fees of $93,870, director fees of $20,654 and consulting fees of $21,735. Professional fees decreased from prior year period due to fewer corporate transactions and hence reduction in legal and accounting services required.

Significant expenses during the quarter ended July 31, 2023, include professional fees of $42,086, director fees of $20,000 and filing fees of $20,583. There were no remuneration and benefits expense during the period compared to prior year as all employees were terminated.

Significant expenses during the quarter ended April 30, 2023, include professional fees of $188,274, remuneration and benefits of $61,967 and director fees of $32,921. Professional fees increased over the same period last year due to an increase in general corporate legal fees. The remuneration and benefits expense decreased as all employees were terminated in the current quarter.

Significant expenses during the quarter ended January 31, 2023, include consulting fees of $76,250, professional fees of $61,410, remuneration and benefits of $117,405 and change in fair value of investments loss of $60,697. Consulting fees increased over the same period last year due the engagement of additional consultants. Professional fees increased over the same period last year due to an increase in general corporate legal fees.

Significant expenses during the quarter ended October 31, 2022, include consulting fees of $56,033, management fees of $15,000, professional fees of $170,017, remuneration and benefits of $87,862 and change in fair value of investments gain of $53,588. Filing fees increased over the same period last year due to the Proposed COB. Consulting fees increased over the same period last year due the engagement of additional consultants. Management fees decreased over the same period last year due to the resignation of the President.

LIQUIDITY AND CAPITAL RESOURCES

The Company considers the capital that it manages to include share capital, reserves, and deficit, which as of July 31, 2024, is $1,923,599 (April 30, 2024 - $1,969,982). The Company manages and adjusts its capital structure based on the funds needed to support operations and business development. Management does these considering changes in economic conditions and the risk characteristics of the underlying assets.

As at July 31, 2024, the Company had not yet achieved profitable operations and had an accumulated deficit since inception of $60,672,161 (April 30, 2024 - $60,628,742). During the three months ended July 31, 2024, the Company had a net loss and comprehensive loss of $46,383 (2023 - $86,521).

To date, the Company has relied on equity and debt financing to fund its acquisitions. The remaining funds will be used to sustain operations and sustain current acquisitions. Additional funding will be required and could come in the form of equity, debt and or convertible debt; however, there is no assurance that such additional funding will be available when and as needed. The Company's access to sufficient capital will impact its ability to continue operations and fund acquisitions.

Funding Outlook

As at July 31, 2024, the Company may not be able to conduct its operations and meet its financial obligations. Depending on the strategies followed, revenue opportunities, and any future expansion going forward, additional financing will be required. Management is considering different sources of potential funding, including further equity issuances, the issuance of debt, the sale of assets and the exercise of warrants and stock options.

MANAGEMENT OF FINANCIAL RISK AND SENSITIVITY ANALYSIS

The primary goals of the Company’s risk management programs are to ensure that the outcomes of activities involving elements of risk are consistent with the Company’s objectives and risk tolerance. The Company’s investment strategy requires a level of risk in exchange for an above average return on investment. The Company plans to maintain an appropriate risk and reward balance while protecting the Company’s financial operations from events that have the potential to materially impair its financial strength. Balancing risk and reward is achieved through aligning risk tolerance with the Company’s business strategy, diversifying risk, pricing appropriately for risk, mitigating risk through preventative controls and transferring risk to third parties.

The success of the Company is dependent upon its ability to assess and manage all forms of risk that affect its operations. The Company is exposed to many factors that could adversely affect its business, financial conditions or operating results. Developing policies and procedures to identify risk and the implementation of appropriate risk management policies and procedures is the responsibility of senior management and the Board of Directors. The Board directly, or through its committees, reviews and approves these policies and procedures, and monitors their compliance with them through ongoing reporting requirements.

The investment operations of the Company's business involve the purchase and sale of securities and, accordingly, the majority of the Company's assets are currently comprised of financial instruments. The use of financial instruments can expose the Company to several risks, including liquidity, market, interest, credit and currency risks. A discussion of the Company's use of financial instruments and their associated risks is provided below. There has been no change to the Company's risk management policies or processes during the period.

(a) Liquidity risk

Liquidity risk is the risk that the Company will have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether because of a downturn in stock market conditions generally or related to matters specific to the Company, or if the value of the Company's investments declines, resulting in losses upon disposition. The Company generates cash flow primarily from its operational activities and the proceeds from the disposition of its investments, in addition to interest and dividend income earned on its investments. The Company has sufficient investments which are freely tradable and relatively liquid to fund its obligations as they become due under normal operating conditions.

The Company’s financial liabilities include accounts payable and accrued liabilities The carrying amount of these financial liabilities approximate their respective fair values due to their short-term maturities.

Management is not aware of any trends or expected fluctuations that would create any liquidity deficiencies. All the Company's liabilities are due within the next twelve months.

The Company believes that cash flow from continuing operations and existing cash resources will be sufficient to meet the Company's short-term requirements, as well as ongoing operations, and will be able to generate sufficient capital to support the Company's operations in the long-term. However, the Company may procure debt or equity financing from time to time to fund its operations.

(b) Market risk

The Company is exposed to certain market risk that the value of the Company's financial assets will significantly fluctuate due to changes in market prices. The value of the financial assets can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is exposed to market risk in trading its investments, and unfavorable market conditions could result in dispositions of investments at less than favorable prices. Additionally, the Company is required to mark to market its FVTPL investments at the end of each reporting period. This process could result in significant write-downs of the Company's investments over one or more reporting periods, particularly during periods of overall market instability, which would have a significant unfavourable effect on the Company's financial position. The Company manages market risk by having a portfolio which is not singularly exposed to any one issuer or class of issuers. The Company monitors changes in the market on an ongoing basis and adjusts its lending and investing practices and policies when necessary to reduce the impact of the above risks.

The Company's investments include publicly listed entities that are listed on a Canadian and United States stock exchange and private companies. Changes in the fair value of investments designated as FVTPL are reported in the statement of income and comprehensive income.

The following table shows the estimated sensitivity on the statement of loss and comprehensive loss for the three months ended July 31, 2024, from a change in closing price of the Company's investments in common shares of public companies, with all other variables held constant as at July 31, 2024:

Percentage of change in closing price	Change in comprehensive income/loss from % increase in closing price	Change in comprehensive income/loss from % decrease in closing price
10%	851	(851)

The following table shows the estimated sensitivity on the statement of loss and comprehensive loss for the three months ended July 31, 2024, from a change in closing price of the Company's investments in common shares of private companies, with all other variables held constant as at July 31, 2024:

Percentage of change in closing price	Change in comprehensive income/loss from % increase in closing price	Change in comprehensive income/loss from % decrease in closing price
10%	163,333	(163,333)

The following table shows the estimated sensitivity on the statement of loss and comprehensive loss for the three months ended July 31, 2024, from a change in volatility of the Company's investments in warrants, with all other variables held constant as at July 31, 2024:

Percentage of change in volatility	Change in comprehensive income/loss from % increase in volatility	Change in comprehensive income/loss from % decrease in volatility
10%	2,415	(2,415)

The following table shows the estimated sensitivity on the statement of loss and comprehensive loss for the year ended April 30, 2024, from a change in closing price of the Company's investments in common shares of public companies, with all other variables held constant as at April 30, 2024:

Percentage of change in closing price	Change in comprehensive income/loss from % increase in closing price	Change in comprehensive income/loss from % decrease in closing price
10%	1,170	(1,170)

The following table shows the estimated sensitivity on the statement of loss and comprehensive loss for the year ended April 30, 2024, from a change in closing price of the Company's investments in common shares of private companies, with all other variables held constant as at April 30, 2024:

Percentage of change in closing price	Change in comprehensive income/loss from % increase in closing price	Change in comprehensive income/loss from % decrease in closing price
10%	163,333	(163,333)

The following table shows the estimated sensitivity on the statement of loss and comprehensive loss for the year ended April 30, 2024, from a change in volatility of the Company's investments in warrants, with all other variables held constant as at April 30, 2024:

Percentage of change in volatility	Change in comprehensive income/loss from % increase in volatility	Change in comprehensive income/loss from % decrease in volatility
10%	4,798	(4,798)

(c) Interest rate risk

The observable impacts on the fair values and future cash flows of financial instruments that can be directly attributable to interest rate risk include changes in net income from financial instruments whose cash flows are determined with reference to floating interest rates and changes in value of financial instruments whose cash flows are fixed in nature.

Should market interest rates rise, then the fair value of these convertible debentures and term debt may decrease. Conversely, should market interest rates fall, the fair value of these assets may increase. The effect of changes in interest rates on the fair value of these debt instruments is partially muted by the nature of the investments. Convertible debentures placed in early-stage investees are typically less sensitive to changes in market interest rates than non-convertible debt instruments placed in more mature investees. As the convertible debentures have fixed interest rates, the Company is not subject to significant interest rate risk.

(d) Credit risk

Concentration of credit risk may arise from exposures to a single debtor or to a group of debtors having similar characteristics such that their ability to meet their current obligations is expected to be affected similarly by changes in economic or other conditions. Senior management is committed to several processes to ensure that this risk is appropriately mitigated. These include:

• obtaining collateral guarantees;
• the investigation of the creditworthiness of all borrowers;
• the engagement of qualified independent consultants such as lawyers and real estate appraisers, to whom management may reach for professional advice;
• the segregation of duties to ensure that qualified staff are satisfied with all due diligence requirements prior to funding; and
• the prompt initiation of recovery procedures on overdue loans.

(e) Currency risk

Foreign exchange risk exposures arise from transactions and balances denominated in foreign currencies. The Company's foreign currency risk arises primarily with respect to the United States dollar. Fluctuations in the exchange rates between the United States dollar and the Canadian dollar could have a material effect on the Company's business, financial condition, and results of operations. The Company does not engage in any hedging activity to mitigate this risk.

The Company has cash and investments in companies denominated in a foreign currency. For the three months ended July 31, 2024, management estimates that if the United States dollar had strengthened or weakened by 10% against the Canadian dollar, assuming all other variables remained constant, net loss for the year would have increased or decreased by approximately $10,793 (2023 - $20,567).

The functional currency of the Company is Canadian dollar. The Company does not hedge its exposure to currency fluctuations. However, management believes that the Company is subject to minimal foreign exchange risk as most transactions incurred are in CAD.

Business Risks

Laws and Regulations are Subject to Change

The constant evolution of laws and regulations affecting the cannabis industry could detrimentally affect the operations of the Company's investment companies. Canadian federal, provincial, and municipal cannabis laws and regulations, along with Canadian securities laws, are broad in scope and subject to changing interpretations. These changes may require the Company's investment companies to incur substantial costs associated with legal and compliance fees and ultimately require them to alter their business plans. Furthermore, violations of these laws, or alleged violations, could disrupt its business and result in a material adverse effect on operations. The Company cannot predict the nature of any future laws, regulations, interpretations or applications, and it is possible that regulations may be enacted that will be directly applicable to the business of its investment companies.

Financial Instrument measurement and valuation.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – inputs to valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The measurement of the Company's financial instruments is disclosed in Note 8 to the Financial Statements. Any financial instrument that is valued using level 2 or 3 inputs will involve estimation uncertainty.

ACCOUNTING POLICIES

For a detailed summary of the Company's significant accounting policies, the readers are directed to Note 3 to the Financial Statements for the year ended April 30, 2024.

Recent accounting pronouncements

At the date of authorization of these financial statements, there were no new standards, amendments, and interpretations to existing IFRS standards that have been published but are not yet effective applicable to the Company.

RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

The Company had the following transactions with related parties during the three months ended July 31, 2024, and 2023:

	2024	2023
	$	$
Management fees	**-**	12,000
Director fees	**-**	20,000
Accounting fees	**5,948**	25,499
	5,948	57,499

As at July 31, 2024, included in accounts payable and accrued liabilities are amounts due to related parties totaling $Nil (April 30, 2024 - $37,256), owing to current directors and CEO/CFO of the Company. These amounts are unsecured, payable on demand, and without interest.

CRITICAL ACCOUNTING ESTIMATES

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For a detailed summary of the Company's significant accounting policies, the readers are directed to Notes 2 and 3 to the Financial Statements for the year ended April 30, 2024.

Although Management attempts to mitigate risks and minimize their effect on the Company's financial performance, there is no guarantee that the Company will be profitable in the future and the Company's common shares should be considered speculative.

The following risks and uncertainties are applicable to the Company's three months ended July 31, 2024.

Change in Laws, Regulations and Guidelines. The operations of the Company's investees are, and may in the future become, subject to various laws, regulations and guidelines relating to the production, manufacture, management, packaging/labelling, advertising, sale, transportation, storage, and disposal of medical or recreational cannabis, including laws and regulations relating to drugs, controlled substances, health and safety, the conduct of operations and the protection of the environment. To the knowledge of Management, all of the Company's investees are currently in compliance with all such laws; however, changes to such laws, regulations and guidelines due to matters beyond the control of the Company may cause adverse effects to its investments.

The Company endeavors to comply with all relevant laws, regulations, and guidelines. To the Company's knowledge, it is in compliance or in the process of being assessed for compliance with all such laws, regulations and guidelines.

Reliance on Management and Key Personnel. The Company believes that its success has depended, and continues to depend, on the efforts and talents of its executives and employees, including its Chief Executive Officer. The Company's future success depends on its continuing ability to attract, develop, motivate, and retain highly qualified and skilled employees. Qualified individuals are in high demand, and the Company may incur significant costs to attract and retain them. In addition, the loss of any of the Company's senior Management or key employees could materially adversely affect its ability to execute its business plan and strategy, and it may not be able to find adequate replacements on a timely basis, or at all. The Company does not maintain key person life insurance policies on any of its employees.

Additional Financing. The continued development of the Company may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of the Company's current business strategy or the Company ceasing to carry on business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of common shares. In addition, from time to time, the Company may enter into transactions to acquire assets or the shares of other companies. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. Debt financings may contain provisions, which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in such an event or prevent the enforcement of security granted pursuant to such debt financing. The Company may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict the Company's ability to pursue its business objectives.

Competition. There can be no assurance that potential competitors of the Company, which may have greater financial and personnel resources than the Company, are not currently developing, or will not in the future develop, products and strategies that are equally or more effective and/or economical as any products or strategies developed by the Company or which would otherwise render the Company's products or strategies obsolete. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company.

Management of Growth. The Company may be subject to growth-related risks, including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Conflicts of Interest. The Company may be subject to various potential conflicts of interest because some of its officers and directors may be engaged in a range of business activities. In addition, the Company's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers and directors.

In addition, the Company may also become involved in other transactions which conflict with the interests of its directors and the officers who may from time-to-time deal with persons, firms, institutions, or Companies with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company. In addition, from time to time, these persons may be competing with the Company for available investment opportunities.

Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, in the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

Unpredictable and Volatile Market Price for Common Shares. The market price for common shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following:

- actual or anticipated fluctuations in the Company's quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which the Company operates;
- addition or departure of the Company's executive officers and other key personnel;
- release or expiration of lock-up or other transfer restrictions on outstanding common shares;
- sales or perceived sales of additional common shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures, or capital commitments by or involving the Company or its competitors;
- operating and share price performance of other companies that investors deem comparable to the Company;
- fluctuations to the costs of vital production materials and services;
- changes in global financial markets and global economies and general market conditions, such as interest rates and pharmaceutical product price volatility;
- operating and share price performance of other companies that investors deem comparable to the Company or from a lack of market comparable companies; and
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the common shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which might result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely affected, and the trading price of the common shares might be materially adversely affected.

Future Sales of Common Shares by Existing Shareholders. Sales of a substantial number of common shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of common shares intend to sell common shares, could reduce the market price of our common shares. Holders of options to purchase common shares will have an immediate income inclusion for tax purposes when they exercise their options (that is, tax is not deferred until they sell the underlying common shares). As a result, these holders may need to sell common shares purchased on the exercise of options in the same year that they exercise their options. This might result in a greater number of common shares being sold in the public market, and fewer long-term holds of common shares by the Management and employees of the Company.

Execution of Strategies. The success of the Company's business depends, in part, on its ability to execute on its strategy and to retain key management and employees. The Company continues to evaluate opportunities that have the potential to support and strengthen its business as part of its ongoing growth strategy. The Company expects to evaluate transactions on an ongoing basis in the future. The Company expects to regularly make non-binding proposals, and it may enter into non-binding, confidential letters of intent from time to time in the future. The Company cannot predict the timing or size of any future transaction(s). To successfully execute on its strategies, the Company may need to raise additional equity and/or indebtedness, which could increase its leverage level. There can be no assurance that the Company will enter into definitive agreements with respect to any contemplated transaction or that any contemplated transaction will be completed. The investigation and negotiation, drafting and execution of relevant agreements, disclosure documents and other instruments will require substantial management time and attention and substantial costs for accountants, attorneys, and others. If the Company fails to complete any transaction for any reason, including events beyond its control, the costs incurred up to that point for the proposed transaction likely would not be recoverable. The Company may actively pursue a number of opportunities simultaneously and may encounter unforeseen expenses, complications and delays, including difficulties in employing sufficient staff and maintaining operational and management oversight.

Future Acquisitions or Dispositions. Material acquisitions, dispositions and other strategic transactions involve a number of risks, including: (i) potential disruption of the Company's ongoing business, (ii) distraction of management, (iii) the Company may become more financially leveraged, (iv) the anticipated benefits and cost savings of those transactions may not be realized fully or at all or may take longer to realize than expected, (v) increasing the scope and complexity of the Company's operations, and (vi) loss or reduction of control over certain of the Company's assets. Additionally, the Company may issue additional equity interests in connection with such transactions, which would dilute a shareholder's holdings in the Company.

The presence of one or more material liabilities of an acquired company that are unknown to the Company at the time of acquisition could have a material adverse effect on the business, results of operations, prospects and financial condition of the Company. A strategic transaction may result in a significant change in the nature of the Company's business, operations, and strategy. In addition, the Company may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into the Company's operations.

The Company cannot guarantee that it will achieve synergies and cost savings in connection with future acquisitions. The Company cannot guarantee that there will be attractive acquisition opportunities at reasonable prices, that financing will be available or that it can successfully integrate acquired businesses into existing operations. The Company's inability to effectively manage the integration of its completed and future acquisitions could prevent it from realizing expected rates of return on an acquired business and could have a material and adverse effect on the Company's financial condition, results of operations or liquidity.

Information Technology Systems and Cyber Security Risks. The Company is susceptible to operational, financial and information security risks resulting from cyber-attacks and/or technological malfunctions. Successful cyber-attacks and/or technological malfunctions affecting the Company, or its service providers can result in, among other things, financial losses, the inability to process transactions, the unauthorized release of customer information or confidential information and reputational risk.

The Company has not experienced any material losses to date relating to cybersecurity attacks, other information breaches or technological malfunctions. However, there can be no assurance that the Company will not incur such losses in the future. As cybersecurity threats continue to evolve, the Company may be required to use additional resources to continue to modify or enhance protective measures or to investigate security vulnerabilities.

Additional issuance of Company Shares will Result in Dilution. The Company plans to issue additional securities in the future in connection with its planned acquisitions, offerings, and financing transactions, which will dilute a shareholder's holdings in the Company. The Company's articles permit the issuance of an unlimited number of common shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The Board of Directors has discretion to determine the price and the terms of further issuances. The Company cannot predict the effect that future issuances and sales of its securities will have on the market price of its common shares. Issuances of a substantial number of additional securities of the Company, or the perception that such issuances could occur, may adversely affect prevailing market prices for the common shares. With any additional issuance of the Company's securities, investors will suffer dilution to their voting power and the Company may experience dilution in its revenue per share.

Shareholders Have Little or No Rights to Participate in the Company's Affairs. Except for the limited rights of shareholders under applicable laws, the day-to-day decisions regarding the management of the Company's affairs will be made exclusively by the Board of Directors and its officers. Shareholders will have little or no control over the Company's future business and investment decisions, its business, and its affairs. The Company may also retain other officers and agents to provide various services to the Company, over which the shareholders will have no control. There can be no assurance that the Board of Directors, officers, or its other agents will effectively manage and direct the affairs of the Company.

Dividends. Holders of the Company shares will not have a right to dividends on such shares unless declared by the Board of Directors. The Company has not paid dividends in the past, and it is not anticipated that the Company will pay any dividends in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings. The declaration of dividends is at the discretion of the Board of Directors, even if the Company has sufficient funds, net of its liabilities, to pay such dividends, and the declaration of any dividend will depend on the Company's financial results, cash requirements, future prospects and other factors deemed relevant by the Board of Directors.

Costs of Maintaining a Public Listing. As a public company there are costs associated with legal, accounting, and other expenses related to regulatory compliance. Securities legislation and the rules and policies of the CSE require listed companies to, among other things, adopt corporate governance and related practices, and to continuously prepare and disclose material information, all of which add to a company's legal and financial compliance costs. The Company may also elect to devote greater resources than it otherwise would have on communication and other activities typically considered important by publicly traded companies.

OUTSTANDING SHARES

As at the date of this report, the Company had 660,242,026 shares and nil warrants and options issued and outstanding.

OFF-BALANCE SHEET ARRANGEMENT

To the best of Management's knowledge, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.