Legible Inc.

MANAGEMENT DISCUSSION AND ANALYSIS

For the nine months ended September 30, 2023

(Expressed in Canadian dollars)

This Management Discussion & Analysis ("MD&A") of Legible Inc. ("Legible") and its wholly-owned subsidiary Legible Media Inc. ("Legible Media") (collectively, referred to as the "Company") was prepared by management as of November 27, 2023, and was reviewed and approved by the Board of Directors of Legible. The following discussion of performance, financial condition and future prospects should be read in conjunction with the condensed interim consolidated financial statements for the nine months ended September 30, 2023 and the annual audited consolidated financial statements for the year ended December 31, 2022, and the notes thereto (the "Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. This discussion covers the nine-month period ended September 30, 2023, and the subsequent period up to the date of issue of this MD&A.

The Company has prepared this MD&A following the requirements of National Instrument 51-102 ("NI-51-102"). These statements are filed with the relevant regulatory authorities in Canada. All currency amounts are expressed in Canadian dollars, unless otherwise noted.

DESCRIPTION OF BUSINESS and CORPORATE INFORMATION

Legible is an eBook entertainment and media company that has developed a browser-first, globally distributed reading, and publishing platform and browser-based Bookstore that offers a sophisticated and immersive reading experience to anyone with an internet-enabled device anywhere in the world, while solving key challenges faced by readers, publishers, and authors. This includes providing global access to literature without the need for e-readers and apps, improving the capacity to showcase marginalized voices, opening new device-agnostic markets, and innovating new technological tools and digital publishing formats. Legible is positioned to offer delightful, accessible, and immersive reading and listening experiences, a full Membership Plan service, a world-first AI-powered book discovery tool, and a diverse catalogue of compelling media-rich (video, audio, animation, augmented reality) "Living Books" - exclusive and original to Legible - which will create new partnerships and unique publishing opportunities in the industry.

Legible and its wholly-owned subsidiary, Legible Media, were incorporated under the Alberta Business Corporations Act and the British Columbia Business Corporations Act, respectively. Legible's common shares are listed on the Canadian Securities Exchange ("CSE") under the symbol "READ" and trading commenced on December 1, 2021. On January 10, 2022, Legible's common shares commenced trading on the Frankfurt Stock Exchange (FSE) under the trading symbol D0T (D/zero/T). On January 25, 2023, Legible began trading on the U.S. based OTCQB Venture Market under the symbol LEBGF.

BUSINESS HIGHLIGHTS

Latest Developments and Strategy

The Company launched additional products in Q3 2023 designed to drive its revenue streams, in addition to its current offering of a la carte book purchases in the US, Canada, the UK, Ireland, and the rest of the world. These Q3 launches include Legible's mobile and web apps for Android and IOS, now available on all app stores, allowing for offline reading and listening anywhere, anytime. Along with its apps, Legible also launched its audiobook catalogue and its Membership Plan offering, Legible Unbound, which offers unlimited access to audiobook and eBook titles in the Legible subscription catalogue, including Living Books developed by Legible Publishing. All these products are being positioned for large-scale B2C and B2B marketing campaigns in 2024. At the same time, Legible advanced planning with major B2B partners, developing next steps on key large scale business opportunities designed to create and rapidly accelerate sales volume and revenues.

In Q3 2023, Legible continued to solidify the foundations for revenue and brand growth for the rest of the year as follows:

On July 1, Legible launched the first of two monthly Beach Reads Book Clubs as part of its contract with Metrolinx, one of Canada's largest transit authorities, with Dundurn Press providing the free book for July. GO Transit riders selected the book by voting on a choice of three. In mid-July, Legible shared a poll for the August Beach Read, and voters selected the next book, also provided by Dundurn Press, which was subsequently launched on August 1. Legible launched a new book for the quarter on September 1, called *The Blood of my Mother*, provided by Open Road Media. The Book Club complements Legible's presence on GO Transit's entertainment portal, where it provides over 60 eBooks as a combination of "mini-reads" and full books, all of which link to Legible's online bookstore via a bespoke Toronto landing page. This marketing strategy complements the launch of widespread high visibility advertising assets in the Greater Toronto and Hamilton Area on GO trains and GO buses, including a full bus and train wrap, both of which are circulating widely, platform screen ads, in-transit announcements about the Legible offering, and 225 window clings and 225 posters that have been deployed throughout the GO transit network, enabling customers to scan a QR code linking to Legible's website. Additionally, Legible has banner ads placed on the GO Transit Wi-Fi portal, seen by all GO Transit riders accessing the entertainment portal.

On July 11, the Company announced that it has partnered with Kartoon Studios, Inc. (NYSE AMERICAN: TOON) ("Kartoon Studios"), the controlling partner of "Stan Lee Universe, LLC," to launch STAN LEE COMICS, a line of digital and print comic books based on never-before-released stories and characters created by Stan Lee. Kartoon Studios selected Legible as a leading online book streaming platform and multimedia publisher to develop and distribute approximately 12 original comic book series, based on Stan Lee's creations, across Legible's broad publishing and reading platform, making them accessible to a global market. Further to this announcement, on September 8, Legible announced that the first product in this series that the Company will publish and distribute in web and print is *Stan Lee's Workforce*.

On July 14, Legible announced a major update to the Open Beta of its LibrarianAI. Major enhancements to the LibrarianAI include seamless discovery, reading, and interaction via precise, personalized recommendations. The LibrarianAI now has improved ability to comprehend complex literary queries, increasing proficiency in providing suggestions based on research topics. Readers can also now save and share LibrarianAI conversation threads via links, and create shareable literary journals, sets of book recommendations, and curriculum reading lists with links to books. LibrarianAI is being installed throughout the Company's products and operations, including the Legible app and Membership program. Legible is championing ethical AI use that honours the rights of publishers and authors on its platform.

On July 18, Legible announced the appointment of Messrs. Michael and David Uslan as Strategic Advisors. Renowned for their contributions to the entertainment and publishing industries, the Uslans bring invaluable expertise that will significantly advance Legible's strategic direction as a world-first, browser-based e-reading platform offering cutting-edge multimedia reading experiences driven by enhanced content, strategic partnerships, and brand expansion. Their input and creative insights will be instrumental as Legible develops never-before-seen Stan Lee properties under its recently announced partnership with Kartoon Studios.

On July 20-23, Legible CEO Kaleeg Hainsworth and COO/CPO Angela Doll attended Comic-Con in San Diego with strategic advisors Michael and David Uslan, Eric Leslie, and Kartoon Studios VP Jon Ollwerther, where they began developing plans for the creative team that will develop the content for the Stan Lee Universe properties to which Legible has secured global publishing and distribution rights.

Kaleeg Hainsworth and EVP Strategic Partnerships Deborah Harford met with LiveOne executives throughout the month of July to advance discussions regarding Legible's audiobook contributions to LiveOne's in-car entertainment options.

In July, the development team continued installation of ONIXEdit, a tool that facilitates ingestion of ePub files. The publishing team onboarded thousands of audiobooks from various publishers, including Blackstone, and signed contracts with several new ones; they also completed ingestion of Macmillan's eBook catalogue. Throughout the quarter, Legible continued onboarding thousands of audiobooks and eBooks from its network of publishers and distributors as well as new partners, completing the ONIXEdit installation in September.

In August, the product development team tested and deployed text to speech functionality for eBooks, accelerating accessibility for readers with print disabilities. Legible partnered with LiveOne subsidiary, PodcastOne, to enable the capacity to make their podcasts available as part of the upcoming app launch, complementing the audiobook and eBook offering. The marketing team developed a detailed marketing campaign plus planned approach to data collection and analytics, which is now being rolled out in incremental stages to support revenue scaling now that the app has launched.

On September 6, Legible announced the appointment of Mr. V.J. Joshi to its strategic advisory. With over three decades of experience in the technology sector, Mr. Joshi, widely known as "VJ", has held executive leadership positions at some of the world's most prominent technology firms. VJ's extensive background includes serving as Executive Vice President of Fortune 100 tech company Hewlett Packard (HP)'s Imaging and Printing Group, which generated one-fifth of global HP revenue and one-third of global HP profits. He has also served as President and CEO for four years at 3D Systems, for seven years as a board member at Yahoo!, and as a director for Wipro, a leading IT and communications firm, and L3Harris.

On September 29, Legible released its app, available in all app stores for Android and iOS, as well as its Legible Unbound Membership Plan: At a competitive monthly fee, Legible Unbound represents a strategic entry into the subscription-based digital content market, featuring:

- *Unlimited Access*: Members have unlimited access to the latest and best in published and recorded content via an extensive curated catalogue of audiobooks and eBooks.
- *AI & Multimedia Content:* Unbound membership includes access to brand-new digital reading entertainment products featuring enriched multimedia content and interactive AI within groundbreaking new eBooks published exclusively by Legible.
- *Stan Lee Comics:* Unbound members will also be offered preferred access to upcoming enriched multimedia comics, based on never-before-seen Stan Lee characters, to which Legible has world-wide exclusive print and digital publishing and distribution rights.
- *Personalized Experience:* Legible Unbound offers attractive perks for the modern reader, including offline reading, the ability to create bookshelves of favourite books, post reviews, and receive monthly tokens for premium content access.

The Legible Mobile App: Legible's Mobile App is designed to cater to reader needs and preferences and complement its new Unbound Membership service, with key features including:

- *Always Connected:* The Legible App ensures that users always have access to great reading entertainment, whether online browsing and enjoying reading and listening to selections from the catalogue, or offline revisiting a downloaded favourite book.
- *A Library in Your Pocket:* The power of the Legible platform is condensed into the App, giving users consistent mobile access to everything from age-old classics that have shaped literary history to the latest bestsellers and exclusive content.

- *LibrarianAI Integration:* The App features Legible's proprietary AI-powered book recommendation engine, the LibrarianAI, which offers personalized suggestions based on user reading habits, preferences, and interactions, and provides links to eBooks and audiobooks for instant access on Legible.
- *User-centric Design and Features:* The App's design prioritizes user experience, with fun features such as easy-to-make personalized bookshelves and the ability to rate, and review books.
- *Enhanced Accessibility:* Recognizing the diverse needs of readers, the App is equipped with an array of accessibility features. Its additional car mode ensures that audiobook enthusiasts can safely enjoy listening on the move.
- *Frictionless Access and Purchasing:* Whether users want to buy a new release or access books through Legible Unbound, the process is straightforward, accessible, and user-friendly.

From October 3-4, Legible CEO, Kaleeg Hainsworth attended and presented at the LD MicroCap conference in LA, California, and then on October 5 at the Global Capital Network conference in Newport Beach, California. Strategic Advisor, Eric Leslie, also attended.

From October 18-22, Legible CEO Kaleeg Hainsworth and COO/CPO Angela Doll attended the Frankfurt Book Fair, the world's largest book fair, with Strategic Advisor David Uslan, forging new partnerships with publishers and content creators, and consolidating existing relationships.

On October 25, Legible CEO Kaleeg Hainsworth attended and presented at the Bay Angels conference in Palo Alto, California.

Legible is in the final process of production of its AI-enriched Living Book version of *Animal Farm*, targeted for release in Q4. This first-of-its-kind publication will enable readers to interact with and discuss the unfolding of events with characters from within the book and will be exclusively available to members of Legible's Unbound Membership service. This is the first of a series of AI-powered books that Legible will utilize to showcase to publishers, distributors, and authors around the world how Legible is bringing conventional static eBooks to life by incorporating video, music, animation, and AI as Living Books.

Legible continued to explore revenue generating opportunities in partnership with Get Fresh Ventures through targeted marketing campaigns. Legible continued to work on a new campaign on social media to refresh its brand and message and drive greater awareness across all platforms, and initiated a major update to its data architecture and analysis designed to optimize marketing and sales as product launches roll out in Q4.

Business Approach

Legible seeks to lead the digital publishing industry and gain market share through innovative, twenty-first century publishing and global reading experiences using any browser-enabled device. Legible is on a mission to provide delightful eBook and audiobook experiences to readers worldwide that value immersive entertainment experiences through well-constructed, content-dynamic books while promoting sustainability, accessibility, and global literacy, plus early adoption of world-changing technology advancements including AI.

Outlook

Legible has an opportunity to become a leading commercial enterprise pioneering the development of groundbreaking multimedia reading experiences for all ages that integrate advanced AI-powered discovery tools delivered to anyone anywhere with a smart device and an internet connection. Legible was founded on and remains grounded in the core values of accessibility and sustainability. The Company's research indicates that this approach will open international market opportunities through literacy and education partnerships while providing a home for marginalized languages, cultures, and voices. Many of the Company's customers have an interest in spending money with an organization that makes a positive impact, and Legible's ultimate mission is to improve global access to literacy while removing the need for e-readers that contribute to e-waste and print books that contribute to deforestation. Legible will expand these tools and opportunities to generate revenues and growth.

The Company's primary focus for the coming months is to implement the various revenue streams identified above to increase the Company's user base and generate monthly recurring revenue, as well as consolidate and grow the significant partnerships it has forged. The Company is continuing to raise funds via equity issuances, along with the exercise of outstanding warrants, to clean up its balance sheet and to complete the remaining product development initiatives for market roll-out.

RESULTS OF OPERATIONS

FINANCIAL RESULTS for the THREE MONTHS ENDED SEPTEMBER 30, 2023

For the three months ended September 30, 2023, the Company recorded a net loss of $1,588,740, or $0.01 per share, compared with a net loss of $3,475,557, or $0.03 per share, for the three months ended September 30, 2022. Operating expenses for the three months ended September 30, 2023 decreased to $1,591,601, compared with $2,353,650 for the comparative period in 2022. Activities were reduced significantly across the organization due to the lack of adequate funding and with negligible revenues being generated. Key changes from Q3 2022 to Q3 2023, include the following:

- **Revenues** – marginally decreased to $10,356 (2022 - $11,612), which is comprised of Legible Publishing Services' ("LPS") revenues of $10,223 (2022 - $11,332) and eBook sales of $133 (2022 - $280).

- **Cost of sales** - were $7,495 (2022 - $5,112), which included LPS production costs of $7,410 (2022 - $4,921) and royalties paid to publishers of $85 (2022 - $191).

- **Amortization** - decreased to $1,773 (2022 - $153,811) primarily due to the impairment of intangible assets in the latter part of 2022 that reflected the Company's ongoing assessment of the intangible assets future benefit along with decreased depreciation of computer equipment on a small work force.

- **Consultants** - increased to $245,239 (2022 - $25,000) primarily due to development work regarding LibrarianAI integrating ChatGPT, the incorporation of AI technologies within the Company's main site, and the continued enhancement of the Company's AI tool designed to assist users in discovering their perfect read; business growth advisory; development of data analytics infrastructure; business development work focused on North America, UK, and Europe; capital markets advisory, and quality control work on upcoming product releases. Work also continued with Branded Entertainment, LLC regarding insights and strategies on how to best penetrate international markets and the comic book industry, and prospective business opportunities for the Company.

- **Directors' fees** - remained at $18,000 (2022 - $18,000). Although the Company accrued directors' fees for standing independent directors, these will continue to be converted into equity.

- **General and administrative** - increased to $93,873 (2022 - $38,846) predominantly due to directors' and officers' liability, commercial general liability, and cyber security insurance premiums; attendance that included presentations at investor conferences, both in-person and virtual, and applicable travel expenses; and licensing fees with a cutting-edge technology company that enhances the visual appeal and layout of digital books across all electronic devices.

- **Interest** - decreased to $74,566 (2022 - $1,039,959) due to the credit facility, promissory notes, bridge loans, and convertible debentures. The previous year comparative included the payment in shares of interest paid in advance regarding the issuance of convertible debentures, in addition to the fair market value using Black-Scholes valuation that pertained to the issuance of associated warrants.

- **Investor relations** - decreased to $62,142 (2022 - $349,153). The Company engaged parties, on a condensed basis, to continue to build support for the business within the investment community through increased communications with brokerage firms, institutions, portfolio managers, and the retail public. In addition, news release communications, OTCQB maintenance fees, media relations, and market liquidity services were included.

- **Marketing** - increased to $74,536 (2022 - $nil). Costs were incurred in the quarter that pertained to the Metrolinx partnership which included content and strategy for the GO READ marketing programs. Work continued with Get Fresh Ventures to strategize on ways to develop and scale revenues that will be implemented through targeted marketing campaigns and advancing plans for promotion of the Metrolinx partnership and quarterly Book Club as the Company confirms further funding.

- **Professional fees** - increased to $98,645 (2022 - $50,927) due to an audit accrual, tax filings, US trademark work, costs associated with the Company being public, and on-going corporate matters.

- **Salaries, wages, and benefits** - decreased to $346,422 (2022 - $369,999) due to reduced statutory obligations from maximum thresholds being reached and a senior developer shifted to part-time hours. The staff complement remains at 11 employees, 9 of which are full-time.

- **Share-based compensation** - the Company uses stock options as a means for employee, director, officer, consultant and advisor compensation, retention, and incentives. During the three months ended September 30, 2023, the Company recorded an expense of $393,320 (2022 - $235,190) for stock options granted to directors, officers, employees, consultants, and advisors.

- **Software development** – increased to $98,299 (2022 - $nil) as the Company invested in development of its mobile and web apps for Android and IOS, which allows for offline reading and listening anywhere, and anytime of its eBooks and audiobooks library.

- **Software subscriptions and hosting fees** - increased to $78,538 (2022 - $63,780) primarily due to increased storage charges for audiobooks; the procurement of new software for improved data analytics; the implementation of a cloud-based tool that optimizes book metadata management processes and efficiently manages the Company's book catalogue; and included, ongoing website hosting fees; multiple software applications supporting the operations platform; data integrity protection; and cybersecurity monitoring.

- **Transfer agent and filing fees** - decreased to $6,248 (2022 - $8,985) due to decreased regulatory filing and operational activities.

<u>Net operating cash outflows</u>

For the three months ended September 30, 2023, the Company's net operating cash outflows were $1,064,853 compared to $675,551 for the comparable period in the previous year.

(Expressed in Canadian Dollars)

The increase was mainly attributed to higher costs regarding consultants; general and administrative; marketing; professional fees; software development; and software subscriptions and hosting fees; which were partially offset by decreased investor relations; salaries, wages, and benefits; and transfer agent and filing fees.

SUMMARY OF QUARTERLY RESULTS

The following is summary of the Company's financial results for the eight most recently completed quarters:

	Three Months Ended Sep. 30, 2023 $	Three Months Ended Jun. 30, 2023 $ (5)	Three Months Ended Mar. 31, 2023 $	Three Months Ended Dec. 31, 2022 $	Three Months Ended Sep. 30, 2022 $ (4)	Three Months Ended Jun. 30, 2022 $ (3)	Three Months Ended Mar. 31, 2022 $ (2)	Three Months Ended Dec. 31, 2021 $ (1)
Revenue	10,356	18,352	10,583	7,031	11,612	606	1,357	526
Net loss	1,588,740	670,263	1,216,554	679,005	2,356,016	2,498,187	3,249,002	8,755,403
Basic & diluted loss per share	0.01	0.01	0.01	0.00	0.04	0.04	0.05	0.17

(1) Included was listing expenses of $4,647,728; salaries, wages, and benefits of $1,567,750; share-based compensation of $762,827; and marketing and investor relations expenses of $485,246 and $171,867, respectively.

(2) Included was salaries, wages, and benefits of $1,639,974; share-based compensation of $670,805; and marketing expenses of $292,187.

(3) Included was interest of $961,320, salaries, wages, and benefits of $621,250; share-based compensation of $216,445; and marketing expenses of $111,437.

(4) Included was interest of $1,039,959; investor relations expenses of $349,153; salaries, wages, and benefits of $369,999; and share-based compensation of $235,190.

(5) Included a R&D tax recovery of $412,160 regarding the 2021 SR&ED application.

YEAR to DATE - FINANCIAL RESULTS for the NINE MONTHS ENDED SEPTEMBER 30, 2023

For the nine months ended September 30, 2023, the Company recorded a net loss of $3,475,557, or $0.03 per share, compared with a net loss of $8,103,408, or $0.12 per share, for the nine months ended September 30, 2022. Operating expenses for the nine months ended September 30, 2023 decreased to $3,971,468, compared with $8,367,228 for the comparative period in 2022. Activities were reduced significantly across the organization due to the lack of adequate funding and with negligible revenues being generated. Key changes for the nine months period from Q3 2022 to Q3 2023, include the following:

- **Revenues** - increased to $39,291 (2022 - $13,575), which is comprised of LPS revenues of $38,567 (2022 - $11,332) and eBook sales of $724 (2022 - $2,243).

- **Cost of sales** – increased to $27,689 (2022 - $6,532), which included LPS production costs of $27,156 (2022 - $4,921) and royalties paid to publishers of $533 (2022 - $1,611).

- **Amortization** - decreased to $11,695 (2022 - $465,929) due to the impairment of intangible assets in the latter part of 2022, and decreased depreciation of computer equipment from a reduced work force.

- **Consultants** - increased to $517,006 (2022 - $180,204) largely due to development work regarding LibrarianAI, the integration of AI technologies within the Company's technology infrastructure, and continued AI augmentation; business development; sales tax consulting, capital markets advisory, quality control work on upcoming product releases; and work on strategizing on how to best penetrate international markets and the comic book industry.

- **Directors' fees** - increased to $54,000 (2022 - $49,000). Although the Company accrued director fees for standing independent directors, these will not be paid until the Company is in a solid financial position, and in the meantime, fees have been and will continue to be converted into equity.

- **General and administrative** - increased to $225,669 (2022 - $203,066) mostly due to directors' and officers' liability, commercial general liability, and cyber security insurance premiums; attendance at investor conferences, both in-person and virtual, and applicable travel expenses; licensing fees with a cutting-edge technology company that enhances the visual appeal and layout of digital books; and general office expenses.

- **Interest** - decreased to $318,359 (2022 - $2,087,376) primarily due to reductions in the credit facility, promissory notes, bridge loans, and convertible debentures, however, the previous year included the payment in shares of interest paid in advance regarding the issuance of convertible debentures, and the fair market value regarding the issuance of associated warrants using Black-Scholes valuation.

- **Investor relations** - decreased to $200,249 (2022 - $571,866). The reduction was due to the elimination, in certain instances, or minimization of IR activities due to the lack of adequate funding, but support continued on a limited basis for the business within the investment community through communications with brokerage firms, institutions, portfolio managers, and the retail public. News release communications, OTCQB maintenance fees, media relations, and market liquidity services were also included.

- **Marketing** - decreased to $142,873 (2022 - $403,624) primarily due to the elimination of an intricate digital advertising and marketing campaign, attributable to the lack of adequate funding, that ran on multiple social media platforms. The Company has been working on a targeted marketing campaign with its partnership with Metrolinx including social media platforms and included work with Get Fresh Ventures to strategize on ways to develop and scale revenues as the Company confirms further funding.

- **Professional fees** - decreased to $309,016 (2022 - $400,418) due to the decreased dependence on external parties but included an audit accrual, work regarding SR&ED claims, tax filings, US trademark work, costs associated with the Company being public, and on-going corporate matters.

- **Salaries, wages, and benefits** - decreased to $1,123,956 (2022 - $2,631,223) with the reduction of staff in 2022 along with subsequent voluntary resignations to the current staff complement of 11 employees. In early 2022, the Company expanded rapidly to 74 staff, by hiring development, marketing, product support, publishing, executive, finance, and IT personnel to support the growing business. In early Q2 2022, a significant number of staff departed with the difficult financial situation that the Company experienced.

- **Share-based compensation** - a non-cash share-based compensation expense of $682,437 (2022 - $1,122,440) was recorded for stock options granted to directors, officers, employees, consultants, and advisors. The reduction was primarily due to reduced staff, consultants, and advisors.

- **Software development** – increased to $166,005 (2022 - $nil) due to the Company investing in development of its mobile and web apps for Android and IOS, which allows for offline reading and listening anywhere, anytime of its eBooks and audiobooks library.

- **Software subscriptions and hosting fees** - decreased to $196,525 (2022 - $228,877) primarily due to a reduced workforce, but included website hosting fees, multiple software applications supporting the operations platform, data integrity protection, cybersecurity monitoring, storage charges for audiobooks; the procurement of new software for improved data analytics; and the implementation of a cloud-based tool that optimizes book metadata management processes and manages the Company's book catalogue.

- **Transfer agent and filing fees** - increased slightly to $23,678 (2022 - $23,205) predominantly due to on-going regulatory activities with the Company conducting multiple private placement offerings.

Net operating cash outflows

For the nine months ended September 30, 2023, the Company's net operating cash outflows were $2,176,971, compared to $3,035,501 for the comparable period in the previous year.

The decrease was mainly attributed to lower costs regarding investor relations; marketing; professional fees; salaries, wages, and benefits; and software subscriptions and hosting fees; which were partially offset by increased consultants; general and administrative; software development; and transfer agent and filing fees.

CONTINGENCIES

The Company may, from time to time, be subject to claims and legal proceedings brought against it in the normal course of business. Such matters are subject to many uncertainties. Management believes that adequate provisions have been made in the financial statements, and the ultimate resolution of such contingencies will not have a material adverse effect on the consolidated financial position of the Company.

SUBSEQUENT EVENTS

On October 20, 2023, the Company closed its non-brokered equity private placement for aggregate gross proceeds of $741,605, $128,650 of which was for the settlement of outstanding indebtedness. Legible issued 6,180,041 units at $0.09 per unit, with each unit consisting of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.15, expiring in one year. Finders acting in connection with the private placement received fees in the aggregate amount of $29,398 in cash and 286,640 finders warrants, each finders warrants entitle the holder to purchase one common share at a price of $0.15.

On October 23, 2023, the Company granted 1,680,000 stock options to officers, employees, consultants, and a director. The options have an exercise price of $0.20, and a 10-year expiry.

On October 23, 2023, the Company issued 250,000 common shares at $0.135 per share regarding the settlement of $33,750 in outstanding indebtedness. All common shares are subject to a 4-month hold period.

In November 2023, the Company issued an aggregate of 34,472 common shares from the exercise of brokers' warrants at an exercise price of $0.10 for proceeds of $3,447 from the private placement that closed on November 21, 2022. On November 21, 2023, 6,945,656 warrants at an exercise price of $0.15, expired, unexercised.

On November 21, 2023, the Company received a bridge loan for $152,286 with a commitment fee of 10% and interest of 15% per annum.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2023, the Company had a working capital deficit of $2,298,355 (December 31, 2022 - $2,405,433), with cash of $79,444 (December 31, 2022 - $150,439).

All cash is held with Schedule A banks either in deposit accounts, and the Company has no joint ventures with any parties that may potentially create derivative or hedge risk.

The Company has insufficient working capital to meet its ongoing operating and general administrative expenditures over the next twelve months and will need to rely on debt and/or equity financings, exercise of warrants, and revenue generation.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. To date, the Company has not achieved scalable commercialization of its products.

As of September 30, 2023, the Company has limited revenue and generated negative cash flows from operating activities. The continued operations of the Company depends on its ability to generate future cash flows or obtain additional financing. The Company had a working capital deficit of $2,298,355 (December 31, 2022 - $2,405,433) and an accumulated deficit of $26,042,964 (December 31, 2022 - $22,567,407) since inception. Management has determined, in making its assessment, that these events or conditions create a material uncertainty that cast significant doubt upon the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern depends on its ability to generate product sales, complete additional financings, and ultimately, attain and maintain profitable operations. While the Company is striving to act on these initiatives, there is no assurance that these and other strategies will be successful or sufficient to permit the Company to continue as a going concern.

OPERATING ACTIVITIES

For the nine months ended September 30, 2023, the Company's operating activities used cash of $2,176,971 compared with cash used of $3,035,501 for operating activities for the nine months ended September 30, 2022.

These cash outflows are attributable to the general operations of the Company relating to the Company's net loss as well as the Company's changes in working capital items.

FINANCING ACTIVITIES

For the nine months ended September 30, 2023, the Company's financing activities provided cash of $2,105,976, compared to cash provided of $2,641,836 for the nine months ended September 30, 2022. The Company issued common shares and received $1,946,694 (2022 - $240,500).

During the nine months ended September 30, 2023, the Company received bridge loans for $568,373, of which $21,000 was from a director, with a $nil commitment fee and amended interest of 10% per annum; the balance of $547,373, with commitment fees ranging from $nil to 20% and annual interest rates ranging from 0% to 15%. An aggregate of $267,303 of loans were repaid for the period ended September 30, 2023.

(Expressed in Canadian Dollars)

INVESTING ACTIVITIES

For the nine months ended September 30, 2023, the Company's investing activities used cash of $nil, compared to cash used of $278,971 for the nine months ended September 30, 2022. In the comparative period, the Company purchased computer equipment and intangible assets in early 2022, and received proceeds from the sale of computer equipment in the latter half of the year.

OFF BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Company had no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company. Key management personnel consists of the Company's Board of Directors, corporate officers, and certain members of the senior executive team.

Key management personnel are appointed as follows:

- Chief Executive Officer ("CEO") - Kaleeg Hainsworth.
- Chief Operations Officer ("COO") - Angela Doll. Added Chief Publishing Officer responsibilities ("Current CPO") on April 8, 2022.
- Chief Financial Officer - Helina Patience ("Former CFO"), until April 8, 2022; Ed Duda ("CFO"), effective May 11, 2022.
- Chief Revenue Officer ("Former CRO") - Wai-Ming Yu, until April 8, 2022.
- Chief Technology Officer ("Former CTO") - Adam Zouak, until April 8, 2022.
- Chief Publishing Officer ("Former CPO") - Cameron Drew, until April 8, 2022.
- Board of Directors - Mark Holden, Gene Kindrachuk, and Ryan Hoult, until February 11, 2022; David Van Seters; Shannon Kaustinen, effective February 11, 2022; and Kaleeg Hainsworth.

Transactions with related parties that are included in the consolidated statement of loss and comprehensive loss for the nine months ended September 30, 2023, and 2022, were made in the normal course of operations and are summarized as follows:

	September 30, 2023 $	September 30, 2022 $
Consultants and directors' fees (2)	**54,000**	65,500
General and administrative (1)	**-**	73,855
Salaries, wages, and benefits (1)	**350,506**	653,649
Share-based compensation (3)	**174,159**	564,108
	578,655	1,357,112

As of September 30, 2023, $36,767 (2022 - $35,315) was outstanding to key management personnel regarding employment and consulting agreement commitments which were recorded in due to related parties.

The Company had the following related party transactions for the nine months ended September 30, 2023, and 2022:

(1) During the nine months ended September 30, 2023, and 2022, the Company incurred $117,690 (2022 - $332,249) to the CEO; $115,158 (2022 - $268,120) to the COO/Current CPO; $117,658 (2022 - $74,289) to the current CFO; $nil (2022 - $75,157) to the former CFO; $nil (2022 - $91,327) to the former CRO; $nil (2022 - $72,178) to the former CTO; and $nil (2022 - $69,064) to the former CPO.

(2) During the nine months ended September 30, 2023, and 2022, the Company incurred $54,000 (2022 - $49,000) in directors' fees for standing independent directors. The directors were issued 496,970 (2022 – 140,000) shares for services at $0.09 and $0.11 for $48,000 that covered services for the period of October 2022 to May 2023 (2022- $28,000).

(3) The fair value of share-based compensation is measured at the grant date using the Black Scholes option valuation model and is recorded as an expense in the consolidated statement of loss and comprehensive loss over the vesting period of the options. During the nine months ended September 30, 2023, and 2022, the Company incurred $58,025 (2022 - $129,663) to the CEO; $48,023 (2022 - $99,386) to the COO/Current CPO; $nil (2022 - $77,083) to the former CFO; $nil (2022 - $25,177) to the former CRO; $nil (2022 - $58,213) to the former CTO; $nil (2022 - $12,404) to the former CPO; and $28,044 (2022 - $61,147) to the Board of Directors.

During the nine months ended September 30, 2023, and 2022, a total of 300,000 options at an exercise price of $0.20 (2022 - 1,400,000, at a weighted average exercise price of $0.43) were granted to key management personnel with an aggregate fair value of $24,120 (2022 - $98,025).

FINANCIAL RISK MANAGEMENT OBJECTIVES and POLICIES

The risk exposure arising from financial instruments is summarized as follows:

(a) Credit risk - The Company's financial assets are cash, and amounts receivable. The maximum exposure to credit risk, as at the period end, is the carrying value of their financial assets. The Company holds its cash in a bank account with a highly rated Canadian financial institution, therefore, minimizing the Company's credit risk in respect to its cash.

(b) Liquidity risk - The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company monitors its forecasted and actual cash flows as well as any anticipated investing, and financing activities. The Company, currently, does not have recurring revenue, and is working diligently on securing additional funding to meet short-term financial obligations after considering its operating obligations and cash on hand.

(c) Market risk - is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of its holdings or financial instruments. The Company's major activities have been transacted in Canadian dollars for the nine months ended September 30, 2023. As such, the Company has minimal market risks.

FUTURE ACCOUNTING STANDARDS

A number of new standards, and amendments to standards and interpretations are not yet effective and have not been adopted early in preparing these Financial Statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's Financial Statements.

RISKS AND UNCERTAINTIES

The following are certain factors relating to the business of the Company. If any such risks actually occur, the financial condition, liquidity, and results of operations of the Company could be materially adversely affected and the ability of the Company to implement its growth plans could be adversely affected. The Company will face a number of challenges in the development of its business.

Prospects for companies in the technology industry generally may be regarded as uncertain given the nature of the industry and, accordingly, investments in technology companies should be regarded as highly speculative. An investor should carefully consider the risks and uncertainties described below. Additional risks and uncertainties not presently known to the Company or that the Company believes to be immaterial may also adversely affect the Company's business. If any one or more of the following risks occur, the Company's business, financial condition and results of operations could be seriously harmed. Further, if the Company fails to meet the expectations of the public market in any given period, the market price of the Company's shares could decline.

If any such risks actually occur, shareholders could lose all or part of their investment and the financial condition, liquidity, and results of operations of the Company could be materially adversely affected and the ability of the Company to implement its growth plans could be adversely affected. Potential investors should consult with their professional advisors to assess an investment in the Company.

The risks and uncertainties described in this section are not inclusive of all the risks and uncertainties to which the Company may be subject.

Risks Related to Capitalization and Commercial Viability

The Company will require additional capital to continue to develop its platform, obtain further content licensing, and secure revenue. Should further financing not be completed, there is a risk that the Company will not have the capital required to expand the business and further develop the platform and obtain content. If the Company does not obtain additional capital for investment, then there is a presumed risk to the commercial viability of its platform. Further, if further financing is not completed, the Company may be required to raise additional capital from existing sources through private placements.

Risks Related to Additional Financing

The Company will require additional equity and/or debt financings and revenue generation to execute the Company's growth strategy. There can be no assurance that additional financing will be available to the Company when needed or on terms that are commercially acceptable to the Company. The Company's growth may be limited if it is unable to raise financing in order to support ongoing operations and therefore will have an adverse impact on the financial results of the Company.

Should the capital obtained upon completion of future financings be sufficient to fund the Company's current operations, there is no guarantee that the Company will be able to achieve its business objectives. There is no assurance that the capital used to invest in the Company's personnel, systems, procedures, and controls will ensure the Company's objectives. The Company may require additional financings beyond that acquired previously and if so, there is no assurance that the financing obtained will be on terms that are favourable to the Company.

Risks Related to Growth Strategy Execution

The execution of the Company's growth strategy has significant dependence on managerial, financial, and human resources. The Company's ability to grow depends on a number of factors, including the availability of capital, existing, and emerging competition, and the ability to recruit and train additional qualified personnel. Moreover, as the Company's business grows, the Company will need to devote additional resources to improving its operational infrastructure and enhance its scalability to maintain its business performance.

Risks Related to Uncertainty and Adverse Changes in Consumer Reading Habits

The success of the Company is contingent on its consumer base perceiving more value in the Company's platform compared with existing eBook platforms and physical books. While the eBook market and its sales compared with physical books continue to increase, should consumer reading habits shift away from eBooks, demand for the Company's platform may decrease.

Risks Related to the Ability to Attract New Customers, Retain Existing Customers and Grow Revenues

To achieve profitability and increase revenues, the Company must regularly obtain new customers or increase the scope of services provided to existing customers. A variety of factors may impede these efforts including ineffective marketing campaigns, lack of content to market to new and existing customers, lack of perceived value of the Company's platform by potential customers or the Company being unable to attract and retain quality sales and marketing personnel.

Risks Related to Increased Competition

As market demand for eBooks grows, publishers and existing eBook platforms will seek ways to increase market share and provide their customers with sought-after digital media content. As such, existing companies and new entrants will continue to create and refine technology to provide this content. The increase in market entrants may decrease the market share for the Company, which may have an adverse impact on the Company's operations. The creation or refinement of digital technology that consumers view as more cost efficient or superior to the Company's platform will also impact the Company adversely.

Risks Related to Cyber Security and Data Protection

As an online platform, there is risk of cyber-attacks, technology issues, and changes to global legislation for data management. To mitigate cyber risks, the Company has engaged, and will continue to regularly engage with, third-party security partners to conduct penetration and other testing/auditing of the Company's platform, and to act on the recommendations provided. In preparation to expand outside of North America, the Company has also engaged third-party services to audit General Data Protection Regulation (GDPR) and other data protection mechanisms to ensure compliance and provide recommendations for improvements.

Risks Related to Limited History of Operations

The Company is in an early stage of development, has a limited history of operations, and operates in a new and rapidly-evolving market. As such, the Company is subject to many risks common to start-up enterprises and its viability must be viewed against the background of such risks. Such risks include under-capitalization, cash shortages, limitations with respect to personnel, and lack of revenues and financial and other resources. There is no assurance that the Company will develop its business profitably, and the likelihood of success of the Company must be considered in light of the Company's early stage of operations.

Risks Related to Changing Technology

The Company's ability to attract new users of its software and increase revenue from existing users depends in large part on its ability to enhance and improve its products, introduce new features and services in a timely manner, sell into new markets, and further penetrate existing markets. If the Company is unable to do so, its revenue will not grow as expected. Moreover, the Company is required to enhance and update its products and services as a result of changing standards and technological developments, which makes it difficult to recover the cost of development and forces the Company to continually qualify new features with its users.

Risks Related to Defects, Bugs, or Errors

The Company has quality controls in place to detect defects, bugs, or other errors in its products and services before they are released, however, these quality controls are subject to human error, overriding, and resource or technical constraints. As such, these quality controls and preventative measures may not be effective in detecting all defects, bugs, or errors in its products and services before they are released into the marketplace. The release of products or services with significant defects, bugs, or errors could damage the Company's reputation, brand, and sales.

Risks Related to Reliance on Key Personnel

Given the complex nature of the technology on which the Company's business is based and the speed with which such technology advances, the Company's future success is dependent, in large part, on its ability to attract and retain highly qualified managerial, technical, and sales personnel. Competition for talented personnel is intense, and no assurance can be given that the Company will retain its managerial, technical, and marketing personnel or that it can attract, assimilate, or retain such personnel in the future. As the Company's business grows, it will require additional key financial, administrative, marketing, and public relations personnel as well as additional staff on the operations side. Although the Company believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

Risks Related to Inability to Protect Technology

There can be no assurance that the steps taken by the Company to protect its technology will be adequate to prevent misappropriation or independent third-party development of the Company's technology. It is possible that other companies could duplicate an eBook platform similar to that of the Company.

Risks Related to Potential Intellectual Property Claims

The Company may be subject to intellectual property rights claims in the future and its technologies may not be able to withstand any third-party claims or rights against their use. Any intellectual property claims, with or without merit, could be time-consuming, expensive to litigate or settle, and could divert management resources and attention. An adverse determination, also, could prevent the Company from offering its products and services to others and may require that it procure substitute products or services for these members or obtain additional licenses. The Company may also be required to develop alternative non-infringing technology, which could require significant effort and expense. If the Company cannot license or develop technology for the infringing aspects of its business, it may be forced to limit its product and service offerings and may be unable to compete effectively.

Risks Related to Market Trends and Global Political Issues

Changing broader financial conditions including the market's expectations for continued rising interest rates fueled by the continued rise in inflation, along with the Russian invasion of Ukraine and the Israeli/Hamas conflict has continued to drive a rotation by investors into value versus growth-oriented equities. The best performing sectors in Canada were energy and materials, and the worst performing sectors were information technology, commodities, and metals. Under the current uncertain and fast-changing macroeconomic, financial, and geopolitical environment, investor sentiment and appetite for technology companies, especially those not yet reporting free cash flows, have been negatively impacted as reflected in their lower market valuation, resulting in a more difficult capital raising environment and a higher cost of capital.

Risks Related to Evolving Business Model and its Services and Products Could Change

To stay current with the industry, the Company's business model may need to evolve as well. From time to time, it may modify aspects of the Company's business model relating to Company's product mix and service offerings. The Company cannot offer any assurance that these or any other modifications will be successful or will not result in harm to the business. The Company may not be able to manage growth effectively, which could damage the Company's reputation, limit the Company's growth, and negatively affect its operating results.

Risks Related to Conflicts of Interest

The Company's directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting a transaction. If a conflict of interest arises, the Company will follow the provisions of the Business Corporations Act (BC and Alberta) ("Corporations Act") dealing with any conflict of interest. These provisions state that where a director is in such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter, unless otherwise permitted by the Corporations Act. In accordance with the laws of the Provinces of British Columbia and Alberta, the directors and officers of the Company are required to act honestly, in good faith and in the best interests of the Company.

Risks Associated with Acquisitions

If appropriate opportunities present themselves, the Company intends to acquire businesses, technologies, services, or products that the Company believes are strategic. There can be no assurance that the Company will be able to identify, negotiate or finance future acquisitions successfully, or to integrate such acquisitions with its current business. The process of integrating an acquired business, technology, service, or product into the Company may result in unforeseen operating difficulties and expenditures and may absorb significant management attention that would otherwise be available for ongoing development of the Company's business. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities and/or amortization expenses related to goodwill and other intangible assets, which could materially adversely affect the Company's business, results of operations and financial condition. Any such future acquisitions of other businesses, technologies, services, or products might require the Company to obtain additional equity or debt financing, which might not be available on terms favourable to the Company, or at all, and such financing, if available, might be dilutive.

In the future, the Company may invest in new business strategies, acquisitions and/or joint ventures. New ventures are inherently risky and may not be successful. In evaluating such endeavours, the Company must make difficult judgments regarding the value of business strategies, opportunities, technologies and other assets, and the risks and cost of potential liabilities. Furthermore, acquisitions and investments involve certain other risks and uncertainties, including the risks involved with entering new competitive categories or regions, the difficulty in integrating newly-acquired businesses, the challenges in achieving strategic objectives and other benefits expected from acquisitions, investments or joint ventures, the diversion of the Company's attention and resources from its operations and other initiatives, the potential impairment of acquired assets and liabilities, the performance of underlying products, capabilities or technologies and the potential loss of key employees and customers of the acquired businesses.

Risks Related to Volatility of Share Price, Absence of Dividends and Fluctuation of Operating Results

Market prices for the securities of technology companies have historically been highly volatile. Factors such as fluctuation of the Company's operating results, announcements of technological innovations, patents or new commercial products by the Company or competitors, and other factors could have a significant effect on the share price or trading volumes for the Company shares. The Company has not paid dividends to date and the Company does not expect to pay dividends in the near future.

Risks Related to No Assurance of an Active Trading Market

There can be no assurances that an active trading market in the Company shares on the CSE will be sustained.

Risks Related to Equity Dilution to Shareholders

The issuance of any equity securities could, and the issuance of any additional shares will, cause the Company's existing shareholders to experience dilution of their ownership interests. Any additional issuance of shares or a decision to acquire other businesses through the sale of equity securities may dilute investors' interests, and investors may suffer dilution in their net book value per share depending on the price at which such securities are sold. Such issuance may cause a reduction in the proportionate ownership and voting power of all other shareholders. The dilution may result in a decline in the price of the Company's shares.

Risks Related to Value of Securities

The value of the Company's shares may be reduced for a number of reasons, some of which are outside the control of the Company, including:

- General economic conditions in Canada, the United States and globally;
- Failure to achieve desired outcomes by the Company;
- Failure to obtain industry partners and other third-party consents and approvals, when required;
- Stock market volatility and market conditions;
- Competition for, among other things, capital, and skilled personnel;
- The need to obtain required approvals from regulatory authorities;
- Revenue and operating results failing to meet expectations in any particular period;
- Investor perception;
- Limited trading volume of the Company's shares;
- Announcements relating to the Company's business or the businesses of the Company's competitors; and
- The Company's ability or inability to raise additional funds.

Risks Related to Reporting Issuer Status

As a reporting issuer, the Company will be subject to reporting requirements under applicable securities law and stock exchange policies. Compliance with these requirements will increase legal and financial compliance costs, make some activities more difficult, time consuming, or costly, and increase demand on existing systems and resources. Among other things, the Company will be required to file annual, quarterly, and current reports with respect to its business and results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. To maintain and, if required, improve disclosure controls and procedures and internal controls over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm the Company's business and operational results. The Company may need to hire additional employees to comply with these requirements, which would increase its costs and expenses.

Management of the Company expects that being a reporting issuer will make it more expensive to maintain director and officer liability insurance. This factor could also make it more difficult for the Company to retain qualified directors and executive officers.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements and information about the Company which reflect management's expectations regarding the Company's future growth, results of operations, operational and financial performance and business prospects and opportunities. In addition, the Company may make or approve certain statements or information in future filings with Canadian securities regulatory authorities, in news releases, or in oral or written presentations by representatives of the Company that are not statements of historical fact and may also constitute forward-looking statements or forward-looking information.

All statements and information, other than statements or information of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements and information, including, but not limited to statements and information preceded by, followed by, or that include words such as "may", "would", "could", "will", "likely", "expect", "anticipate", "believe", "intends", "plan", "forecast", "budget", "schedule", "project", "estimate", "outlook", or the negative of those words or other similar or comparable words.

Forward looking statements and information involve significant risks, assumptions, uncertainties, and other factors that may cause actual future performance, achievement, or other realities to differ materiality from those expressed or implied in any forward-looking statements or information and, accordingly, should not be read as guarantees of future performance, achievement, or realities. Although the forward-looking statements and information contained in the MD&A reflect management's current beliefs based on information currently available to management and based on what management believes to be reasonable assumptions, the Company cannot be certain that actual results will be consistent with these forward-looking statements and information. A number of risks and factors could cause actual results, performance, or achievements to differ materially from the results expressed or implied in the forward-looking statements and information.

Although the Company has attempted to identify important risks and factors that could cause actual actions, events, or results to differ materially from those described in forward-looking statements or information, there may be other factors and risks that cause actions, events, or results not to be as anticipated, estimated or intended. Further, any forward-looking statements and information contained herein are made as of the date of this MD&A and, other than as required by applicable securities laws, the Company assumes no obligation to update or revise them to reflect new events or circumstances.

New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual realities to differ materially from those contained in any forward-looking statement or information. Accordingly, readers should not place undue reliance on forward-looking statements and information contained in this MD&A. All forward-looking statements and information disclosed in this MD&A, are qualified by this cautionary statement.

CORPORATE GOVERNANCE

The Company's board of directors and its committees adhere to recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The current board of directors is comprised of three individuals, two of whom are independent of management as they are neither executive officers nor employees of the Company. The audit committee is currently comprised of three directors, two of which are independent of management and have strong financial backgrounds.

The audit committee's role is to ensure the integrity of the Company's reported financial results through its review of the interim and audited annual financial statements prior to their submission to the board of directors for approval. The audit committee meets with management, at least quarterly, to review the consolidated financial statements, as well as the management's discussion and analysis, and to discuss financial, operational, and other important matters.

DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares (Class A)

As at November 27, 2023, the Company had 133,407,722 common shares issued and outstanding (December 31, 2022 - 77,774,786).

Warrants

As at November 27, 2023, the Company had 50,617,796 warrants outstanding (December 31, 2022 - 19,783,953).

Options

As at November 27, 2023, the Company had 9,408,750 stock options outstanding (December 31, 2022 - 4,053,750).

Convertible Debenture Shares

As at November 27, 2023, the Company has reserved 1,226,650 shares to be issued should the holders elect to convert the convertible debentures into common shares (December 31, 2022 - 20,055,650).

Fully Diluted

As at November 27, 2023, on a fully diluted basis, the share capital outstanding was 194,660,918 (December 31, 2022 - 121,668,139).

APPROVAL

The Board of Directors of the Company have approved the condensed interim consolidated Financial Statements and the disclosure contained in this MD&A.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR+ at Sedarplus.ca and the Company's website at Invest.Legible.com.