PREDICTMEDIX INC.

(Formerly, Cultivar Holdings Inc.)

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended January 31, 2023

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For the Year Ended January 31, 2023

(Information as at May 31, 2023 unless otherwise noted)

Introduction

Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Predictmedix Inc. (the "Company") consolidated financial statements for the year ended January 31, 2023. This MD&A should be read in conjunction with the consolidated financial statements of the Company and the notes thereto for the year ended January 31, 2023. The effective date of this report is May 31, 2023. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless expressly stated otherwise, all financial information is presented in Canadian dollars. This MD&A contains certain forward-looking information and involves risks and uncertainties, including but not limited to, those described in the "Risk Factors" section.

Forward-Looking Statements

Certain statements contained in the following MD&A constitute forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements may include statements regarding work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not statement of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties involved in disputes and litigation, fluctuations in commodity prices and currency exchange rates; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and economic return; the need for cooperation of government agencies; the need to obtain additional financing and uncertainty as to the availability and terms of future financing.

It is the Company's policies that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward- looking statements contained herein are as of January 31, 2022 and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Forward-looking information or statements in this MD&A include, but are not limited to, information or statements concerning our expectations regarding the ability to raise additional funds, results of the research and development performed in relation to the products and services of the Company, positive result due to the change in business model, possibility of entering into strategic alliance, distribution agreements and other arrangements to market their products and services and possibility of producing viable products through the use of the new technologies purchased and developed.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and factors including: the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain; dependence on key personnel; dependence on corporate collaborations; potential delays; uncertainties related to early stage of technology and product development; uncertainties as to fluctuation of the stock market; uncertainties as to future expense levels and the possibility of unanticipated costs or expenses or cost overruns; and other risks and uncertainties which may not be described herein. The Company has no policy for updating forward looking information beyond the procedures required under applicable securities laws.

CORPORATE OVERVIEW

History

Admiral Bay Resources Inc. (“Admiral”) was incorporated in British Columbia on September 3, 1987.

Effective September 23, 2019, Admiral was part of a three-cornered amalgamation among Admiral, 2693980 Ontario Inc. (a wholly owned subsidiary of Admiral) and Cultivar Holdings Ltd. (the “Transaction”). Admiral completed the acquisition of all the issued and outstanding shares of Cultivar Holdings Ltd. by way of a three-cornered amalgamation, pursuant to which 2693980 Ontario Inc., amalgamated with Cultivar Holdings Ltd. Pursuant to the Transaction, each registered shareholder of Cultivar Holdings Ltd. received one (1) common share in the capital of the Admiral for each common share held, resulting in the issuance of an aggregate of 97,439,900 common shares to Cultivar Holdings Ltd. Shareholders. As part of the Transaction, warrants of Cultivar Holdings Ltd. were replaced with common share purchase warrants of Admiral.

At completion of the Transaction, Admiral changed its name to Cultivar Holdings Inc. (the “Company” or “Predictmedix”).

On April 9, 2020, the Company announced that it had completed its name change from "Cultivar Holdings Inc." to "Predictmedix Inc." (the "Name Change"). The CUSIP number assigned to the Company's common shares following the name change is CUSIP 74040L100 (ISIN CA74040L1004). In connection with the Name Change, the Company's trading symbol, as listed on the CSE and the OTCQB also changed from "CULT" to "PMED", and from "CVRHF" to "PMEDF", respectively.

The Company’s corporate head office is located at 77 King Street W, Suite 3000, Toronto, Ontario, Canada, M5K 1G8.

On February 15, 2018, the Company had acquired a 49% interest in a newly incorporated Cultivar JA Limited, (“CJA”) a corporation incorporated under the laws of Jamaica. The remaining 51% interest was owned by local Jamaican business partners. On March 27, 2020, the Company sold and discontinued its interests in CJA.

On July 16, 2018, the Company had acquired a 100% interest in a newly incorporated CannIP Holdings Inc. (formerly 2639745 Ontario Inc.) (“Cann”) a corporation incorporated under the laws of the province of Ontario. Cann is engaged in the development of cosmetic and edible product lines, as well as investment in technology to detect the influence of cannabis on individuals. The Company did a one for one share exchange with Cann and issued 29,800,000 common shares to the shareholders of Cann.

The Company's Business and Products

The Company's business is focused on developing artificial intelligence ("AI") powered technologies for general workplace health and safety, and for the health care industry. In particular, the Company has developed A technology for the identification and detection of infectious disease symptoms (including COVID-19), sometimes referred to in this Registration Statement as our Infectious Disease Symptom Screening Solutions ("IDSS") and marketed in North America under the name "Safe Entry System." In addition, the Company is developing AI powered products that address (1) detection of alcohol and/or cannabis impairment in individuals; (2) mental illness screening; and (3) remote patient monitoring and treatment plans, sometimes referred to herein as the Mobile Wellbeing product. The following is a description of our primary product, the IDSS, and the products under development.

Infectious Disease Symptom Screening Solutions ("IDSS")	Our primary product that is being marketed and sold currently. All Canadian Display Company Ltd, an Ontario corporation doing business as "Juiceworks Exhibits" ("Juiceworks") is the constructor and selling agent for the Company's Safe Entry Systems in North America. An initial license fee is received by the Company from customers when a Safe Entry System is sold or leased by Juiceworks. The Company then will receive a recurring monthly licensing fee from customers. A formal agreement with Juiceworks covering exclusive fabrication rights and non-exclusive selling rights is under discussion but has not been completed as of the date of this statement. Outside of North America, the Company intends to market and sell the Safe Entry System directly, however, the Company may enter into arrangements with third parties similar to the arrangement with Juiceworks to cover other territories. As a screening system, our IDSS does not render conclusive diagnoses, nor can it identify asymptomatic cases. Rather, it can (and should) be used to identify persons who are more likely to test positive for certain infectious diseases and refer such persons to undergo a more definitive test, such as a rapid COVID test. Our IDSS marketing targets potential customers who may have to rapidly screen large numbers of people where it is not practical to diagnostically test all of them. Such a situation arises in many public events. In a place where large numbers of people are to be admitted to a common area, the IDSS could be used to identify individuals who are more likely to test positive and yield a smaller pool of individuals who could then undergo a rapid diagnostic test prior to admission.Our IDSS screening stations will be networked and will collect data on an entirely anonymous basis that will enhance the performance of our IDSS screening stations everywhere. Our AI technology incorporates machine learning techniques that enables the system to improve accuracy as additional data is available.

Remote patient monitoring and treatment plans application, sometimes referred to herein as the Mobile Wellbeing product (the “Mobile Wellbeing App”	This product was substantially developed by Mobile Wellbeing, a company that we acquired in July of 2020. The product is a telemedicine remote patient monitoring platform. We are currently adding additional modules to this platform that will enable us to use a patient’s history and real time medical data, such as blood pressure or blood glucose level, to provide patients and their medical professionals with treatment plans for chronic disease management and in some cases lifesaving advance notice of when a patient should go to a hospital. This product will be marketed or sold by the Company once the modules are added to the platform.
Products Under Development	
Impairment Detection Screening	Our Impairment Detection Screening scanner is under development and is not being marketed or sold currently. The product incorporates the Company’s proprietary AI technology and is being developed to detect cannabis and/or alcohol drug impairment in individuals. The product will be developed as a screening station that is capable of making a recommendation as to whether individuals passing through the screening station should undergo additional definitive testing.
Mental Health Screening	Our Mental Health Screening station is under development and is not being marketed or sold currently. The product will incorporate the Company’s proprietary AI technology to detect behavioral and physiological indicators of mental illness such as depression, autism, ADHD and dementia. As a step in the screening process, persons would be asked to read a script while undergoing the scan that detects vocal qualities, vocal cadence and physiological factors such as blood flow in the face. The intended use for this product will be to screen for indicators of mental disorders and make recommendations as to whether individuals passing through the screening station should undergo additional evaluation. In this way, the system could be used as a triage tool at mental health centers, police stations or any setting where a preliminary mental health assessment is required, and mental health professionals are not readily available to perform an assessment or are over-taxed by an inflow of possible cases. This technology represents an ambitious application of the Company’s AI technology and is in a developmental stage. A prototype is not expected prior to the second half of 2022 and may not be ready for public demonstration prior to 2023.

Operations

We will license our software to two distinct markets; law enforcement agencies and a variety of industries that are concerned about infectious disease and impairment in the workplace such as manufacturing, mining, and aviation, as well as any public venues where large numbers of people gather.

The Company's AI powered technology utilizes multispectral imaging with a focus on visual spectral imaging along with infrared thermography to identify individuals exhibiting symptoms associated with infectious diseases. The AI technology monitors and identifies potential presence of infectious disease symptoms such as fatigue, headache, coughing, sneezing, blood flow, sweat gland activation, metabolism, fever along with other key determinant factors. The technology can be deployed using multispectral cameras in facilities where there is large movement of people. The data collected is brought into a central server / cloud for analysis and alerts are sent in case of a positive detection. Privacy concerns are addressed by using dedicated servers, access control, no video data storage - only processing being carried out by our technology. Furthermore, even the summarized frames lack any personal identifiers. Additionally, the information on the camera stays anonymous so we cannot map which camera it is. The technology has been further refined and assembled in a proprietary hardware configuration (patent pending) which can be deployed in any facility with an electricity and an internet connection. This is in form of gateway structures like metal detectors seen in facilities all over North America. In addition to the technology development and deployment in North America, the Company is exploring business development opportunities across the world.

The Company has also focused on strategic acquisitions to bolster the technology portfolio which will carry long term value to the shareholders of the company. As such, in June 2020, the Company also announced a strategic acquisition which is a major step towards turning its screening technologies into a complete enterprise solution. The company announced the acquisition of MobileWellbeing, an innovative, feature rich, Telemedicine Remote Patient Monitoring platform. The Company plans to integrate MobileWellbeing with its Artificial Intelligence driven rapid screening system for infectious diseases, including COVID-19, and its screening modules for impairment and mental illness. Notably, we expect to turn our screening solutions into enterprise solutions with back-end patient or employee return-to-work monitoring. Additionally, we expect that this acquisition will allow Predictmedix to enter the growing markets of telehealth and clinical trials. Furthermore, MobileWellbeing can be used for data collection, transmission, evaluation, notification and intervention at home or through kiosks that might be especially useful in Long Term Care and Retirement Community settings.

MobileWellbeing has demonstrated its value in multiple different programs over several years, and has shown benefits such as improved patient health, minimized the impact of chronic disease, and driven down the cost for care through remote monitoring. MobileWellbeing has a unique and robust set of features such as, Assisted Monitoring that allows for data collection, transmission, evaluation, notification and intervention at home or through kiosks that might be especially useful in Long Term Care and Retirement Community settings.

The Interactive Voice Response System also gives patients the accessibility to interact with the system without the need for internet connected devices. This is an important consideration given the breadth of population affected and for regions, sometimes remote, where connectivity remains a major issue. The MobileWellbeing platform's suite of features are uniquely applicable to multiple use cases that impact Predictmedix clientele. Workplaces of all sizes and sectors want their Human Resources ("HR") departments to monitor employee recovery during quarantine periods and manage their transition back to work while maintaining employee privacy. Healthcare providers will now have a very robust tool to be able to remotely manage all aspects of care, recovery, and support whilst protecting all parties from the dangers of further infection transmission.

A patient can be critically ill or is not in a condition to visit the hospital or a medical physician on a regular basis. Such restriction may result in the deterioration of health of the patient. For example, a patient may be bed ridden and perfectly in good health but requires necessary monitoring of their health condition. At the same time, the patient is also reluctant to go to the hospital. In another scenario, the patient may be in a critical condition and needs lifesaving treatment before the patient can reach the hospital. All these scenarios require a system that can automatically recommend and adapt to a treatment so that the both lifestyle management and/or prescriptive analytics can provide better health management to a patient.

Patent Protection

The following patent applications have been submitted to the United States Patent and Trademark Office by individuals affiliated with the Company. The individuals making the application have assigned all of their respective rights in the patent applications and in any patent(s) that may be issued.

Patent Application No. 16/892,369 Published on December 10, 2020	In June of 2020, principals of the Company filed Patent Application No. 16/892,369 which is related to a provisional patent application filed by sch individuals on June 7, 2019 (Provisional application No. 62/858,422). These applications cover the Company's proprietary system and method for detecting the impairment of an individual. The method involves operating a processor to receive at least one image associated with the individual an identify at least one feature in each image. The method further involves operating the processor to, for each feature: generate an intensity representation for that feature, apply at least one impairment analytical model to the intensity representation to determine a respective impairment likelihood and determine a confidence level for each impairment likelihood based on characteristics associated with at least the applied impairment analytical model and that feature. The method further involves operating the processor to define the impairment of the individual based on at least one impairment likelihood and the respective confidence level.
Patent Application No. 63012510	Artificial intelligence driven rapid testing system for infectious diseases.
Patent Application No. 63048131	System and Method to automatically recommend and adapt a treatment regime for patients.
Patent Application No. 63048152	System and Method to manage a regards program for patient treatment protocols
Patent Application No. 63058567	Utilizing healthcare providers network effect to increase compliance for better health outcomes.

Patent Application No. 63072392	System and Method to provide product recommendation and sponsored content to patients managed by computerized workflows for treatment protocols.

In July and August of 2021, an affiliate of the Company applied for the following patents related to the Mobile Wellbeing product.

Patent Application No. 17384686	System and method to automatically recommend and adapt a treatment regime for patients; Submitted July 23, 2021by Rajiv Muradia
Patent Application No. 17384773	System and method to manage a rewards program for patient treatment protocols; Submitted July 23, 2021by Rajiv Muradia
Patent Application No. 17385889	Utilizing healthcare providers network effect to increase compliance for better health outcomes; Submitted July 26, 2021 by Rajiv Muradia
Provisional application that was converted to a non-provisional application:	
Patent Application No. 63072392	System and method to provide product recommendation and sponsored content to patients managed by computerized workflows for treatment protocols; Submitted August 15, 2021 by Rajiv Muradia

Private Placement Financing

In order to proceed forward with business development and technology commercialization, on March 5, 2021, Predictmedix announced that it has closed a non-brokered private placement for gross proceeds of $1,090,085 in a strategic financing round to catalyze the Company's operations as it scales its business. A total of 3,114,569 units were issued at a price of $0.35 each. Each unit is comprised of one common share of the Company and one warrant, with each warrant exercisable into a common share at an exercise price of $0.50 per share for a period of two years. The funds were to be used to focus on three specific areas:

1) Marketing and Advertising: proceeds from the financing will be used to aggressively scale up our marketing operations and advertising for business development.

2) Human Capital and Hiring: the company will be hiring additional engineers to assemble and deploy its product suite across the globe as it keeps up with ongoing purchase orders and increased demand.

3) Research and Development: proceeds from the financing will be deployed in improving the efficiency of our proprietary algorithms and commercializing additional software and product features to improve infectious disease screening.

Gaining exposure in the US financial markets

As part of building long term shareholder value, the Company focused its efforts on further establishing itself on the US markets with an eventual goal of becoming a listed company on an exchange. As the first step, on March 29, 2021, the Company announced engaged with Kingswood Capital Markets, a prominent investment bank based out of New York City. Subsequently, the institution has changed its name to EF Hutton.

As the next step towards gaining traction in the US market, in June, 2021 the Company filed a registration statement on Form 20-F to register its common shares with the United States Securities and Exchange Commission (the "SEC"). The Company is currently a reporting issuer under the United States Securities Exchange Act of 1934.

Collaborations

On April 5, 2021, Predictmedix announced an agreement to deploy Safe Entry Stations in conjunction with with North American industry leaders All Canadian Display Company Ltd, an Ontario corporation doing business as "Juiceworks Exhibits" ("Juiceworks")) and Connectus Global. Connectus Global is a leading Alberta-based solutions provider for process automation, worker safety and location monitoring applications across industrial and business sectors. With an integrated suite of digital workforce management and business continuity systems, the Company's internationally deployed solutions work to improve industrial safety, operational efficiency, and crisis recovery planning.

On June 11, 2021, the company announced expansion of their Safe Entry program with the institution of their first distributor, SBL Testing Technologies Inc (SBL) in partnership with JUICEWORKS.

On August 30, 2021, Predictmedix Announced their strategic partnership with major Indian defense contractor for Southern Asia region, Paras TechCare, a Division of Paras Defence. Paras Defense will manufacture and resell Safe Entry Stations into Indian private and public sectors on behalf of Predictmedix.

On October 5, 2021, Predictmedix announced that it has secured a new strategic partnership with Entertainment Bay India LLP, one of the largest event production companies in India, for the deployment of Safe Entry Stations at its client events. Entertainment Bay is a leading event production company in India, leveraging 10+ years of experience providing a full range of event management services for companies, organizations and individuals at stadiums, theaters, music venues, hotels and conference event centers.

Company Developments

On April 14, 2021, the company announced a 24 month, multi-unit agreement to deploy Safe Entry Stations throughout the North American operations of Flow Water Inc. ("Flow Alkaline Spring Water" or "Flow"). The contract was executed by Juiceworks Exhibits. The contract marked the successful completion of our initial pilot, as the technology is now scaled and deployed across all of Flow's operations both in Canada and the United States.

On April 19, 2021, the Company announced deployment of Safe Entry Stations at 4 key office towers in downtown Calgary and Edmonton in partnership with Apsen Properties and Juiceworks. Calgary's The

Edison, Palliser Complex, The Ampersand and Edmonton's Bell Tower are raising the bar by providing a completely voluntary infectious disease symptom screening option for their tenants.

On May 6, 2021, the Company announced deployment of Safe Entry Stations at the Aster Garden Optima Living Community in partnership with Optima Living, Connectus Global, and Juiceworks Exhibits.

On May 17, 2021, the Company announced that Safe Entry Station units will be deployed at the North American tour of Hockeyfest in partnership with Juiceworks Exhibits and Jones Entertainment Group. The deployments will begin with the first Hockeyfest event, kicking off on June 25, in London, Ontario. Hockeyfest is the world's largest street and pond hockey festival with tournaments scheduled in 9 cities all over North America.

On June 3, 2021, the Company announced the deployment of Safe Entry Stations at the Lavazza Drive In Film Festival to be held in Ontario from June 27 to July 17. Inaugurated as a grassroots non-profit film festival in 2012, Italian Contemporary Film Festival (ICFF) has grown to become one of the largest Italian film festivals outside of Italy. Safe Entry Stations will be deployed to screen staff at the Lavazza Drive-In Film Festival organized by ICFF and CHIN between June 27 and July 17, 2021. It will then be used to rapidly screen patrons and staff prior to access to open-air screenings, set to begin mid-July.

On August 16, 2021, the Company engaged international investor relations specialists MZ Group to lead a comprehensive strategic investor relations and financial communications program across all key markets. MZ Group continues to work closely with Predictmedix management to develop and implement a comprehensive capital markets strategy designed to increase the Company's visibility throughout the investment community. MZ has developed a distinguished reputation as a premier resource for institutional investors, brokers, analysts and private investors. The firm maintains offices worldwide.

On August 26, 2021, the Company deployed several Safe Entry Stations at the Palm Tree Music Festival in Westhampton Beach, New York. The single-day event was an intimate festival experience designed to capture the unmatched feeling of summer in paradise with majestic beach vibes and unmissable sets by a lineup of global icons. The Palm Tree Crew partnered with Predictmedix and Northwell Health, New York's largest Health Care provider, to design a safety protocol for attendees.

On October 25, 2021, the Company announced a revenue-generating deployment of 15 Safe Entry Stations at the Formula 1 Aramco United States Grand Prix, which was held October 22-24, 2021 at the Circuit of The Americas ("COTA") in Austin, Texas, as part of the Company's reseller partnership with the Canadian-based JUICEWORKS EXHIBITS and CONNECTUS Global. At the event, four members of the catering staff scanned "red" when walking through the Safe Entry Station and were administered a rapid antigen test right after which tested positive. Those staff were sent home for recovery.

On November 2, 2021, the Company announced that it has been granted Conformitè Europëenne ("CE") Mark status and ISO13485 certification for its Safe Entry Station, enabling Predictmedix to commercialize in the European Union and key global markets. The CE mark declares the conformity of the Safe Entry Station with EU regulations and indicates that a product has been assessed by the manufacturer and deemed to meet EU safety, health and environmental protection requirements. ISO 13485 is the medical device industry's most widely used international standard for quality management. All Safe Entry Stations manufactured by the Company's reseller, Paras Defence & Space Technologies Ltd. ("Paras"), will now have the CE mark and ISO certification.

On December 16, 2021, the Company announced the inaugural health and wellness placement of the Safe Entry Station technology at Ste. Anne's Spa, a popular health and wellness retreat in Ontario. This marks the Company's foray into the hospitality space, as we believe the public demand for safe vacations and relaxation experiences is high.

On January 12, 2022, the Company announced the accuracy rates for its technology to identify cannabis and alcohol impairment. In a supervised environment with 128 participants, the Company's proprietary AI technology demonstrated a 79-87% efficacy in identification of cannabis impairment and 76-92% efficacy in identification of alcohol impairment (depending on the amount of cannabis or alcohol consumed by the subject). Furthermore, the company also announced a North American clinical study for its cannabis and alcohol impairment screening technology. Building on the datasets and insights from previous research and studies, the company announced commencement of an additional clinical study in February 2022 with researchers and doctors at a North American hospital. If the study shows similar results, the hospital study will provide a third-party independent validation of the Company's impairment detection solution ahead of commercial launch. The data collected can be used by the Company to further fine-tune the AI algorithms. The results of the independently validated study will be published in a peer-reviewed medical journal. The Company has engaged an accredited consulting firm to assist the Company in seeking classification of the technology as a class II medical device in the US.

On January 26, 2022, the Company announced another North American clinical study for it's infectious disease screening technology. Predictmedix is providing one (1) Safe Entry Station to be used to screen staff to provide protection, and two (2) units to screen incoming patients along with collecting symptom data from COVID-19 positive patients, whom will be validated by PCR tests. The hospital study will provide a third-party independent validation of the Company's Infectious Diseases Detection Solution ahead of a commercial launch, fulfilling a prerequisite for certification with the U.S. Food and Drug Administration (FDA). The results of the study will be published in a peer-reviewed medical journal. Predictmedix has engaged an accredited consulting firm to assist the Company in seeking classification of the technology as a Class II Medical Device in the United States. Class II devices are FDA approved for the market through the Premarket Notification, or 510(k) process. The 510(k) process entails a complex application to the FDA, which demonstrates that a device is safe and effective by demonstrating that the device is equivalent to another device which is on the market. While individual aspects and features of the Safe Entry Station are comparable to FDA class II devices, it is important to note that the Safe Entry Station differs from other medical devices as it is assimilating multiple features and combining it with the artificial intelligence driven decision making, which has wide ranging applications in healthcare.

The clinical studies are critical for the company to move forward with full scale commercialization of its technology. Although, the company has successfully deployed its technology at tier 1 events across the globe and has received validation from the client, the third-party clinical validation will serve as the launching pad for global rollout and expansion of the technology.

On April 5, 2022, the company announced conclusion of an initial deployment of a Safe Entry Station at a major Las Vegas entertainment event through its partnership with Uptown Sports Marketing. The event venue served as a unique opportunity to demonstrate the Company's proprietary AI-enabled screening solution to area representatives from some of the largest Las Vegas and Global entertainment and hospitality sector companies, which visited the Safe Entry Station throughout the week to see it in action.

Predictmedix and Uptown Sports Marketing partnered with the Las Vegas event organizer to design a safety protocol for event attendees to efficiently screen key operating staff and performers for signs of infectious diseases as they entered the event for work. This was then evaluated by Las Vegas hospitality sector representatives as staff and performers walked through the Safe Entry Station to rapidly identify multiple symptoms of infectious diseases such as COVID-19, displaying the result in the form of a red or green light.

As part of our efforts to broaden the shareholder base, on May 24, 2022, the company announced that the management will present at the 12th Annual LD Micro Invitational on Tuesday, June 7th, 2022, at the Four Seasons in Westlake Village, California and subsequently on June 7^{th}, the company management presented at the invitation only conference where the company's pitch was received quite well.

In parallel, the company carried on with it's efforts towards tech commercialization and on June 15^{th}, the company announced that it has secured a revenue-generating deployment at the DeBeers Forevermark Forum 2022 from June 29 – July 1, 2022. The Safe Entry Stations will be utilized to screen both guests and staff for signs and symptoms of infectious diseases such as COVID-19. This repeat commercial placement was secured through the Company's South Asia partner, Entertainment Bay, who focuses on serving the live event market and seeks high visibility event placements for the Safe Entry Station. Furthermore, on June 29^{th}, the company announced that it has received a non-binding Letter of Intent (LOI) from KaTron Defence Space and Simulation Technologies, a leading Turkish provider of simulation products and services for aviation and aerospace, for the deployment of eighty (80) Safe Entry Stations for their corporate headquarters in Ankara, Turkey along with international clients.

The LOI, reflecting subscription fees of at least USD$1.4 million per year (CAD$1.85 million at the current exchange rate), is pending receipt of publication of results from a clinical study in a peer reviewed publication before transitioning to a formal purchase order, the announcement of which is expected in the third quarter of 2022. The LOI covers the deployment of 80 Predictmedix Safe Entry Stations, which are used to power "Fit for Work" screening – a non-invasive, autonomous, non-biased, and cost-efficient workplace screening solution for countless industries around the globe. Fit for Work screening ensures workers are in an alert mental and physical state by screening for impairment from Cannabis and alcohol, extreme fatigue, and symptoms of infectious diseases, such as COVID-19.

At the same time, the company further refined their AI algorithms and on July 25^{th} announced its accuracy rates for identifying Respiration Rate, Heart Rate, and Core Body Temperature as part of its Fit for Work screening solutions for industries across the Globe.

Building upon previously collected data from clinical sites and real-world deployments, Predictmedix validated its technology on 270 participants which included two clinical sites. Participants walked through Safe Entry and their vitals were identified using the AI algorithms of Safe Entry in conjunction with edge computing. Simultaneously, the same vitals were also collected using standard medical devices with which the data from Safe Entry could be compared and correlated with.

The results of the accuracy rates are as follows:

Identification of Respiration Rate: 98.38%

Identification of Core Body Temperature: 98.37%

Identification of Heart Rate: 85%

Following the exceptional accuracy rates, the Company has initiated the next phase of Third-Party Validation by creating manuscripts which will be sent for peer review to academic journals for publication. Additionally, the Company has made significant developments to their novel IP for the filing of the Company's patents.

On August 22, 2022, the Company announced that it closed the first tranche of a non-brokered private placement (the "First Tranche"). Pursuant to the First Tranche, the Company issued 8,300,000 units (the "Units") at a price of $0.05 per unit to investors for gross proceeds of $415,000. Each Unit consists of one common share of the Company and one-half of one (1//2) common share purchase warrant (each whole warrant, a "Warrant"), whereby each Warrant entitles the holder to purchase one additional common share for a period of two years from closing at an exercise price of $0.10 per share. Net proceeds from the First Tranche will be used for general operations (working capital) including business development and technology upgrades. All securities issued in connection with the First Tranche are subject to a statutory hold period expiring four months and one day from the date of issuance of the securities.

On November 7, 2022, the company announced that it has closed the final tranche of its non-brokered private placement. Pursuant to the final tranche, the Company has issued 1,600,000 units (the "Units") at a price of $0.05 per unit to investors for gross proceeds of $80,000. Each Unit consists of one common share of the Company and one-half of one (1//2) common share purchase warrant (each whole warrant, a "Warrant"), whereby each Warrant entitles the holder to purchase one additional common share for a period of two years from closing at an exercise price of $0.10 per share. Net proceeds from the financing will be used for general operations (working capital) including business development and technology upgrades. All securities issued in connection with the financing are subject to a statutory hold period expiring four months and one day from the date of issuance of the securities.

Third-Party Validation of Technology

In October and November, the company worked extensively to get third party validation for the tech in the form of peer reviewed publications. Furthermore, two (2) publications were successfully peer-reviewed and accepted in scientific journals

A NOVEL DEEP LEARNING TECHNIQUE FOR ALCOHOL IMPAIRMENT USING VISUAL AND ACOUSTIC FEATURES – (https://ikprress.org/index.php/JOMAHR/article/view/7868)

NOVEL AI BASED APPROACH FOR HUMAN BODY TEMPERATURE EVALUATION USING INNER EYE CANTHUS LOCALIZATION FROM CAMERA FEED (https://ikprress.org/index.php/JOBARI/article/view/7897)

Moreover, four (4) additional publications are currently under peer-review in scientific journals. In addition to Predictmedix's recently peer-reviewed publications for detecting impairment from alcohol and detecting body temperature, these four publications continue to validate the Company's technology to identify symptoms of infectious diseases, fatigue, key vitals, and the overall ability to screen for various parameters as part of Safe Entry's Fit for Duty screening.

Peer-reviewed journals articles are an imperative piece to Predictmedix's scalability and technology and solution adoption plan. Predictmedix's academic publications must be scrutinized by experts in the same field and is necessary to ensure academic scientific quality – and having several accepted publications in scientific journals is a significant milestone for the Company's sales efforts and for its IP.**Technology related developments**

The company also worked extensively to further fine tune and refine the technology by improving accuracy as well as by deploying upgrades to make the technology more user friendly. These included:

- Significant updates and upgrades were made to our AI algorithms from capturing data from subjects across US, Canada, Mexico, and India – making Safe Entry Stations more accurate, reliable, and faster.

- Over-the-air, automated updates that integrates most recent captured datasets from various customer sites globally. Safe Entry Stations will receive updated algorithmic models via over-the-air updates, automatically, in real time.
- New employee monitoring heatmap whereby respective managers can visualize data scanned for infectious diseases, impairment from cannabis and alcohol, extreme fatigue and exhaustion, and emotionally distressed states.
- Recurrent Neural Network noise filtering and other new features are now being used to manage voice signals, as part of the Speech Detection parameter of Safe Entry's Fit for Duty screening. This contributes to a higher accuracy reading for Safe Entry's Speech Detection parameter.

Other Business Developments

As the Company works to commercializing its Fit for Duty screening solutions, its resellers and partners are making progress in their advanced sales pipelines as well as forging partnerships with major Safety and Risk Management Corporations in North American along with several other jurisdictions.

The Company is set to debut and showcase Safe Entry's Fit for Duty to key industry executives in multiple upcoming conferences. Additionally, demo units are currently being sent to large potential clients and potential partners for scaling up the Company's solutions in North America as well as international jurisdictions.

The company launched deployments of demonstration units with comprehensive Fit for Duty screening via the Company's distributor network which includes SBL. SBL has begun deploying Safe Entry Stations to partners such as Probe IMT in South Africa, a leader in technology integration to the mining sector throughout Africa, and other leading players in key markets. Furthermore, Safe Entry demonstration units being deployed are for a series of Discovery Sessions, starting in Calgary and Vancouver beginning this month, and throughout North America in Q4 and onwards.

On November 17, the company also announced deployment of Safe Entry at LongArm Engineering's Odessa Texas facility. LongArm Engineering will be implementing Safe Entry at their Odessa Texas facility, a full cycle operation including engineering, electrical, automation, and fabrication. Odessa Texas is in the heart of the Permian Basin, currently one of the largest and most active oil & gas basin hotspots. Safe Entry will be used to screen staff, contractors, clients, and guests to ensure a healthy and safe workplace.

January – May 2023

The company has announced major developments from January to May 2023 which included private placement, listing on Frankfurt Stock Exchange along with completion of clinical studies, technological advancements in addition to contracts.

Private placement and listing on the Frankfurt Stock Exchange:

On February 13, 2023 the company announced that it has closed a non-brokered private placement for total gross proceeds of $612,500. The Company has issued 12,250,000 units (the "Units") at a price of $0.05 per unit. Each Unit consists of one common share of the Company and one common share purchase warrant (a "Warrant"), whereby each Warrant entitles the holder to purchase one additional common share for a period of two years from closing at an exercise price of $0.10 per share. Net proceeds from the financing will be used for general operations (working capital) including business development and technology upgrades. All securities issued in connection with the financing are subject to a statutory hold period expiring four months and one day from the securities' issuance date. At the same time, the company also announced that its common shares have been accepted for listing on the Frankfurt Stock Exchange and trades under the symbol "3QP". Moreover, in order to increase the exposure in Europe, the company engaged GOLDINVEST, a European publisher, for a 6-month contract to increase the company's awareness in the German-speaking financial community and through its extensive investor network throughout Europe.

Clinical trials:

On February 15 2023, the company announced pivotal clinical validation data from one of the largest Government hospital groups in India for the company's AI-powered Safe Entry Stations. The third-party clinical findings from 400 patients show that Predictmedix's Safe Entry Stations accurately screen for various physiological conditions non-invasively – a pivotal milestone for the company's proprietary technology portfolio and for the global healthcare industry. The scope of the study was to determine the effectiveness of Predictmedix's AI-powered screening technology. The Safe Entry Station is a walk-thru system where an individual stands in front of the unit for 2-3 seconds while the multi-spectral imaging cameras gather the necessary information to determine the physiological state of the individual. Parameters like temperature, heart rate and respiration rate are collected non-invasively and the AI/ML algorithms compute a result. Vitals hold key insight into an individual's state, whether they're dealing with health complications, influenza, fatigue or even impairment. Safe Entry does not capture or store personal identity information, ever.

On March 8, 2023, the company announced the completion of a 1600-person clinical study taken place at a prominent University in Indonesia for the purpose of validating the company's AI-powered non-invasive screening technology in order to prepare for the regulatory approval application to classify Safe Entry as a medical device. As the company's commercialization efforts are underway in Indonesia, having Safe Entry classified as a Medical Device is an integral step to scaling into the landscape of the Indonesian market. The third-party validation of the company's AI-powered screening technology marks yet another milestone for the efficacy of Safe Entry.

On March 28, 2023, the company announced that it's AI-powered technology, powering the Safe Entry Station, was Featured in a major Indonesian newspaper published on March 27, highlighting the validation on over 2,000 individuals and confirming the effectiveness of the technology as well as the potential it has for Healthcare. The University of Raharja conducted testing and validation on over 2,000 individuals using Safe Entry and now working with the Government to identify solutions for the healthcare sector while working towards the approval of Safe Entry as a medical device in Indonesia.

Technological advancements:

On March 15, 2023, the company announced the production of its AI-Powered mobile app in conjunction with a portable multi-spectral imaging camera to non-invasively detect impairment from alcohol and cannabis. The non-invasive solution will be commercialized with the intent to serve global law enforcement agencies, transport, and other mobile high-risk industries where impairment remains a significant liability. The Company's recently conducted studies showed that its screening tool can accurately identify impaired individuals with a success rate of over 90%. Furthermore, the screening process takes less than 30 seconds to complete, making it a quick and reliable way to identify impairment.

On March 20, 2023, the company announced that the US Patent Office has granted a patent for its AI-powered technology (United States Patent Application Number: 16/892,369) for the non-invasive detection of impairment caused by alcohol and/or cannabis. The patented technology uses multispectral imaging and speech analysis to identify and extract features from an individual, allowing the technology to determine whether the individual is exhibiting signs associated with impairment. The technology is part of the Company's Fit for Duty screening solutions, which provide contactless and bias-free screening for impairment, extreme fatigue, and infectious diseases.

On March 23, 2023, the company announced that it has achieved over 90% accuracy in identifying impaired individuals using a combination of multispectral imaging and speech analysis, as demonstrated in the Company's latest study. As the technology is powered by artificial intelligence, its accuracy rate is only expected to increase with time, thanks to the deep learning and machine learning algorithms that allow the system to learn and adapt from new data. The patent granted to the company outlines the process of how data gathered from multispectral imaging and speech analysis is used for identification of impairment. This involves the capture of data by a multispectral camera along with a speech sample. Features and their intensities are extracted and correlated with impairment, with each feature generating an intensity representation. At least one impairment analytical model is then applied to determine a respective impairment likelihood, and a confidence level is determined for each impairment likelihood based on the characteristics associated with at least the applied impairment analytical model and that feature. With the use of impairing substances, individuals can be unable to safely perform certain tasks. For example, the use of drugs such as cannabis or alcohol can impair an individual's physiological and/or psychological state, leading to significant safety risks. Predictmedix's technology functions by identifying signs of impairment and correlating them with various levels of impairment-inducing agents. Furthermore, the AI algorithms can even identify if someone has consumed just one "standard alcoholic beverage," which may or may not be classified as impaired depending on the jurisdiction. The company offers flexibility for end-users to define the thresholds used to flag someone as impaired or not, based on internal policies and/or the jurisdiction they are operating in. The patented technology will also be used in Predictmedix's AI-powered mobile app, which works alongside a portable multispectral imaging camera for non-invasive impairment detection. The company plans to commercialize its mobile solution to serve global law enforcement agencies, transport, and other high-risk industries where impairment is a significant liability.

On April 19, 2023, the company announced significant advancement in its Safe Entry Stations. The Company's AI-powered screening technology will now be able to take non-invasive blood pressure readings, making Safe Entry a vital tool for detecting and managing cardiovascular diseases, the leading cause of global mortality. Using artificial intelligence technology, Predictmedix's Safe Entry Stations already screen individuals for vital parameters such as temperature, heart rate, respiratory rate, and oxygen saturation. With the added ability to measure systolic and diastolic blood pressure, Safe Entry Stations now provide even greater accuracy for its healthcare applications as well as workplace and law enforcement screening tools. Predictmedix is also pleased to announce that it has introduced Heart Rate Variability (HRV) in its vital parameters detection, which provides an early indication of the onset of several diseases. The HRV component reflects the functions of a parasympathetic and sympathetic nervous system, the two components of the Autonomic Nervous System (ANS), which control heart activity. Studies are underway in India to progress and validate HRV screening capabilities. Additionally, the company is initiating Blood Oxygen Saturation screening trials to further enhance its screening solutions.

On May 10, the company announced launch of launch of its ground-breaking complete triage solution. Predictmedix's cutting-edge system encompasses a wide range of parameters, including 8 new parameters, providing an unparalleled level of accuracy and efficiency in healthcare assessments. Recognizing the urgent need for efficient triage solutions, Predictmedix has initiated deployments of its comprehensive system in major hospitals in a targeted geography in Asia where the number of patients coming in a day often exceeds 1000. The company's triage solution has been seamlessly integrated into certain hospitals' existing healthcare infrastructure, ensuring a smooth transition and minimal disruption.

The company's Triage Solution incorporates the measurement and analysis of the following vital parameters: temperature, eye redness, heart rate, respiration rate, fatigue, weight, BMI, BMR, blood pressure, heart rate variability, skeletal muscle, resting metabolism, visceral fat, body fat percentage, bone mass, and alcohol/cannabis impairment. Predictmedix expects to scale up its operations in the near to mid term. The technology has the potential to revolutionize the way hospitals manage patient care and could be a game-changer for the healthcare industry.

On May 17, 2023, the company announced the launch of its ground-breaking fitness scan vertical tailored specifically for athletes, teams, and sports federations. Leveraging state-of-the-art AI technology, Predictmedix's fitness scan vertical delivers a comprehensive analysis of an athlete's fitness level, empowering them to optimize their training and elevate their performance. The innovative fitness scan vertical by Predictmedix harnesses advanced machine learning algorithms to provide athletes with precise and personalized insights into their physical capabilities. By evaluating key performance factors such as strength, endurance, flexibility, and cardiovascular health, the platform offers athletes a holistic understanding of their fitness profile. This invaluable information enables athletes to identify areas for improvement and craft customized training programs tailored to their unique needs and aspirations.

Business Development:

On March 6, 2023, the company announced a purchase agreement with Defspace, an India based global platform for defence, space and aerospace for the company's Safe Entry's Fit for Duty screening. Defspace will lease four Safe Entry Stations which will be used by their clients in the defence and aerospace sector to screen their workforce for signs of impairment – an issue that hinders productivity and threatens health and safety across all operations. The total value of the purchase order is approximately $500,000 for the entire term. DefSpace operates an exclusive global platform for Defence, Space and Aerospace. The platform offers secured and authorised connections between buyers and sellers, Investment opportunities, job opportunities and many services that add significant value to companies who are already working in Defence, Space and Aerospace Sector or for those just entering the field.

<u>Merger transaction</u>

During the year ended January 31, 2020, the Company completed the following acquisition:

Effective September 23, 2019, the Company was part of a three-cornered amalgamation among the Company, 2693980 Ontario Inc. (a wholly owned subsidiary) and Cultivar Holdings Ltd. (the "Transaction"). The result of the transaction was that Admiral acquired all the issued and outstanding securities of Cultivar Holdings Ltd. on the basis of one share of Admiral for each share of former Cultivar. All outstanding warrants to purchase former Cultivar shares were exchanged, on an equivalent basis, for warrants to purchase shares of the Company. At completion of the transaction, Admiral changed its name to Cultivar Holdings Inc. and former Cultivar was amalgamated into 2693980 Ontario Inc.

Under IFRS, this was considered a Reverse Merger and Recapitalization (commonly referred to as a Reverse Take Over or "RTO"). The Company issued 6,514,249 shares valued at $0.21 per share, with a total value of $1,367,992 for the acquisition.

The fair value of the acquired assets and liabilities assumed is as follows:

Assets acquired by the Company:		
Cash	$	3,448
Prepaid expenses		1,125
Liabilities assumed by the Company:		
Accounts payable		(19,127)
Loans payable		(107,526)
Net liabilities assumed		(122,079)
Fair value of shares issued		(1,367,992)
Loss on acquisition	$	(1,490,071)

The current directors and officers of the Company are:

Sheldon Kales (Director and Chief Executive Officer),
Dr. Rahul Kushwah (Director and Chief Operating Officer),
Rakesh Malhotra (Chief Financial Officer and Corporate Secretary),
Tom Sipos (Director),

Intangible Assets

a) On July 21, 2020, the Company completed the acquisition of MobileWellbeing ("MWB"), an innovative, feature rich, Telemedicine Remote Patient Monitoring platform that will integrate with the Company's Artificial Intelligence ("AI") driven rapid screening system for infectious diseases, including COVID-19.

The consideration for the purchase was satisfied by payment in cash for $25,000, issuance of 20,000 shares and additional 30,000 shares to be issued on the 90th day of close. Consideration paid in the form of equity instruments is being considered share- based payment within the scope of IFRS 2 Share-based Payment and this asset acquisition is fair valued for a total consideration for $78,000 at the point control was obtained.

The acquisition has contingent considerations and royalty payments on achievement of certain milestones. The Company shall pay royalty of 20 percent of gross sales from the first $2.5 million in sales generated exclusively from the MWB platform. In addition, the Company is obligated to issue an additional 200,000 common shares commencing with the release of the initial version of the MWB platforms to the market and the achievement of sales related milestones.

Contingent consideration in an asset acquisition was discussed at the March 2016 IFRS Interpretations Committee (IFRIC) meeting. An accounting policy choice exists, therefore an entity may recognize a liability for the expected variable payments at the time control of the underlying asset is obtained or they may only recognize such a liability as the related activity that gives rise to the variability occurs. The

Company has opted to recognize the liability only when the related activity that gives rise to the variability occurs.

Consideration	
Cash consideration on closing	$ 25,000
Issued shares (50,000 shares issued at $1.06/share)	53,000
	$ 78,000

Purchase Price allocation	
Intangible asset- MWB remote patient monitoring platform	$ 78,000
	$ 78,000

b) The Company's other intangible asset relates to the development of infectious disease symptom screening solution ("IDSS").

The Company has commenced amortization on the intangible assets on a straight-line basis over the useful life estimated to be for 5 years.

The Company's intangible assets are comprised of the following:

		MWB		**IDSS**		**Total**
Cost						
Balance at January 31, 2021	**$**	**91,970**	**$**	**156,040**	**$**	**248,010**
Additions		46,591		286,778		333,369
Balance at January 31, 2022	**$**	**138,561**	**$**	**442,818**	**$**	**581,379**
Additions		**-**		49,850		49,850
Balance at January 31, 2023	**$**	**138,561**	**$**	**492,668**	**$**	**631,229**
Accumulated amortization:						
Balance as at January 1, 2021	$	-	$	-	$	-
Amortization		18,990		43,611		62,601
Balance as at January 31, 2022	$	18,990	$	43,611	$	62,601
Amortization		27,708		95,212		122,920
Balance as at January 31, 2023	$	46,698	$	138,823	$	185,521
Net Book Value						
Balance, January 31, 2023	**$**	**91,863**	**$**	**353,845**	**$**	**445,708**
Balance, January 31, 2022	**$**	**119,571**	**$**	**399,207**	**$**	**518,778**

SELECTED FINANCIAL INFORMATION

The following table contains selected financial information of the Company for the years ended January 31, 2022 and 2022.

	Year ended January 31, 2023 *$*	*Year ended January 31, 2022* *$*
Revenue	35,020	134,820
Gross profit	26,620	84,820
Total operating expenses	(2,094,377)	(1,966,998)
Net loss and comprehensive loss	(2,067,757)	(1,882,178)
Loss per common share – basic and diluted	(0.018)	(0.017)
Weighted average number of common shares outstanding	114,168,278	107,925,066

The chart below presents the summary financial information of the Company:

	As at January 31, 2023 *$*	*As at January 31, 2022* *$*
Current assets	137,480	641,624
Non-current assets	580,255	595,033
Total assets	717,735	1,236,657
Current liabilities	871,124	349,672
Total long-term liabilities	-	-
Shareholders’ equity (deficiency)	(153,389)	886,985
Cash dividends per common share	-	-

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Revenues

The Company generated revenue of $ 35,020 during the year ended January 31, 2023 (January 31, 2022- $134,820). The revenue comprised of monthly scanning revenue relating to its business focus and development of artificial intelligence (“AI”) technologies.

Expenses and Net Loss

Total operating expenses for the year ended January 31, 2023, were $2,094,377 as compared to operating expenses of $1,966,998 for the year from January 31, 2022.

Significant variances

Amortization expense for the year ended January 31, 2023 was $ 159,455 as compared to $79,288 for the prior year. During the prior year, the Company commenced amortization of intangibles on a straight-line basis over the estimated useful life for 5 years. In addition, the Company acquired property and equipment for $94,827 during the year (prior year: $84,755) and the amortization of property and equipment for the current year was $36,535 as compared to $16,688 for the prior year.

Investor relations cost for the current year was $51,936 as compared to $99,307 for the prior year. During the current year the Company reduced this expense due to lower proceeds from private placements.

Non-cash share-based compensation of $350,583 for the year ended January 31, 2023 (prior year $182,996), consists of the fair value (Black- Scholes calculation) of the vesting of options to directors, officers and consultants.

Management fees for the year ended January 31, 2023 consist of fees paid to senior management or to Companies owned by senior management (1) $120,000 (prior period $109,500) paid to the CEO for services, (2) $102,000 (prior period $92,000) paid to the COO for services, (3) $60,010 (prior period $68,345) paid to the CFO for services.

Research and development costs for $82,600 for the year ended January 31, 2023 (prior year $72,885) are costs incurred for ongoing development of Artificial Intelligence powered facial and voice recognition technology to detect impairment. Certain expenses related to research (i.e. design and architecture that are not expected to provide an economic benefit) are expensed rather than recognized as an intangible asset.

Consulting fees costs $351,875 for the year ended January 31, 2023 (prior year $175,746) consists primarily of fees paid to consultants to assist with growth of business.

Payroll and related costs for $115,929 (prior period $165,342) relates to employment of technical staff to assist with the growth of business and reduce its reliance on outside consultants during the year ended January 31, 2023.

Legal fees for the year ended January 31, 2023, was $94,837 as compared to legal fees for $192,615 for the year ended January 31, 2022. The higher legal fee in the prior period relates to the added legal costs to register the Company with the SEC.

Transfer agent and filing fees for $65,576 (prior year $51,244) for the year ended January 31, 2023 consists primarily the costs of filing and compliance for the Company's CSE and OTC listing.

Marketing expenses for $294,056 for the year ended January 31, 2023 (prior year $508,609) consists of expenses incurred to market the public Company and its products. The high costs in the prior period was due to the Company's overall increased business after becoming a public company with additional costs for market making, decks, content creation and website support and maintenance.

No cash dividends have been paid by the Company. The Company has no present intention of paying cash dividends on its common shares as it anticipates that all available funds will be invested to finance existing activities.

Analysis of Fourth Quarter

The loss for the three months ended January 31, 2023 was $924,254 as compared to the loss of $622,287 for the three months ended January 31, 2022.

Significant variances

Noncash share-based compensation was $334,145 for the three months ended January 31, 2023 ($33,178 for the three months ended January 31, 2022), consisting of the fair value (Black- Scholes calculation) of the vesting of options to directors, officers and consultants.

Consulting fees were $97,833 for the three months ended January 31, 2023 ($15,090 for the three months ended January 31, 2022), consisting primarily of fees paid to consultants to assist with growth of business.

Legal fees were $60,464 for the three months ended January 31, 2023 ($37,862 for the three months ended January 31, 2022). The legal costs reflect the cost to compliance as a public company with listing in both Canada and USA..

Transfer agent and filing fees were $12,059 for the three months ended January 31, 2023 ($9,195 for the three months ended January 31, 2022), consisting primarily of filing and compliance costs for the Company's CSE and OTC listing.

Marketing expenses were $86,170 for the three months ended January 31, 2023 ($158,286 for the three months ended January 31, 2022), consists of expenses incurred to market the public Company and its products. The higher costs in the prior period was the additional costs for market making, decks, content creation and website support and maintenance.

Payroll and related costs for $32,796 (prior period $69,219) during the three months ended January 31, 2023, relates to employment of technical staff to assist with the growth of business and reduce its reliance on outside consultants.

The following table summarizes financial information for the three months ended January 31, 2023 and the preceding seven quarters:

	Q4 2023	**Q3 2023**	**Q2 2023**	**Q1 2023**	**Q4 2022**	**Q3 2022**	**Q2 2022**	**Q1 2022**
	$	$	$	$	$	$	$	$
Revenue	4,720	3,500	5,300	21,500	34,540	50,640	49,640	-
Net income (loss)	(950,874)	(459,227)	(373,008)	(311,268)	(622,287)	(463,119)	(382,586)	(414,186)
Income (Loss) per share, basic and fully diluted	(0.008)	(0.004)	(0.003)	(0.003)	(0.006)	(0.004)	(0.004)	(0.004)
Cash dividends for common shares	-	-	-	-	-	-	-	-

CRITICAL ACCOUNTING ESTIMATES

Preparing financial statements in conformity with IFRS requires the Company to select from possible alternative accounting principles. Estimates also affect classification and reported amounts for various assets, liabilities, equity balances, revenues and expenses. Prior estimates are revised as new information is obtained and are subject to change in future periods. Management believes the accounting policies and estimates used in preparing the consolidated financial statements are considered appropriate in the circumstances but are subject to numerous judgments and uncertainties inherent in the financial reporting process.

The preparation of these consolidated financial statements requires management to make judgements regarding the going concern of the Company, as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates and has been determined for each entity within the Company. The functional currency for the Company and its subsidiary has been determined to be the Canadian dollar.

Income taxes - There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities based on the Company's current understanding of tax laws as applied to the Company's circumstances. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Stock option valuation - Issuances and grants of share options are valued using the fair value method. Management uses the Black-Scholes valuation model to estimate the fair value of options determined at grant date. Grants of options result in non-cash charges to expense and a corresponding credit to share-based payment reserves. Charges associated with granted options are recorded over the vesting period. Significant assumptions affecting valuation of options include the trading value of the Company's shares at the date of grant, the exercise price, the term allowed for exercise, a volatility factor relating to the Company's historical share price, forfeiture rates, dividend yield and the risk-free interest rate.

Useful life of property and equipment – Property and equipment is depreciated over its estimated useful life. Estimated useful lives are determined based on current facts and past experience and takes into consideration the anticipated physical life of the asset, potential for technological obsolescence, and regulations.

Useful life of intangible assets - The intangible asset is depreciated over its estimated useful life. Estimated useful lives are determined based on current facts and past experience and takes into consideration the anticipated life of the asset, the potential for technological obsolescence, and regulations.

New standards not yet adopted

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

Intangible assets

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is recorded on a straight-line basis over the estimated useful life of the asset acquired, which varies depending on the nature of the intangible asset. Intangible assets are amortized from the date when they are available for use.

The estimated useful life is reviewed at the end of each reporting period with the effect of any changes in estimate being accounted for on a prospective basis. Internally incurred development costs are recognized as intangible assets when the following criteria are met:

a) it is technically feasible to complete the intangible asset so that it will be available for use;
b) management intends to complete the intangible asset and use or sell it;
c) there is an ability to use or sell the intangible asset;
d) it can be demonstrated how the intangible asset will generate probable future economic benefits;
e) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
f) the expenditure attributable to the intangible asset during its development can be reliably measured.

Intangible assets may relate to the Company's external development expenditures in relation to intellectual property development. Development expenditures that do not meet these criteria are recognized as an expense as incurred. Intangible assets with definite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. These intangible assets will be amortized when they are ready for use. The amortization period and the amortization method are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates on a prospective basis.

LIQUIDITY AND CAPITAL RESOURCES

At January 31, 2023, the Company had cash and cash equivalents of $79,250 and working capital deficit of $733,644. During the year ended January 31, 2023, the Company received $546,800 from financing activities, used $534,175 in operating activities and $144,677 in investing activities.

At January 31, 2022, the Company had cash and cash equivalents of $211,302 and working capital of $291,952. During the year ended January 31, 2022, the Company received $1,681,628 from financing activities, used $1,532,254 in operating activities and $418,123 in investing activities.

During the year ended January 31, 2023, the Company had cash outflows from operating activities of $534,175 (prior year outflows for $1,532,254), which was a result of the net loss of $2,067,757 (prior year $1,882,178), reduced by the non- cash items included in net loss of $677,908 (prior year reduced by $298,534) and reduced by changes in non-cash working capital of $855,674 (prior period reduced by $51,390). The overall reduction in cash outflows from operating activities by $998,079 is attributable to the reduction in spend of $47,371 in investor relations costs, reduction in marketing cost expense of $214,553, reduction in legal costs by $97,778, reduction of sales tax receivable for $185,500 in current year as compared to an increase of $99,530 in prior year and increase in accounts payable for $498,802 in current year as compared to increase for $199,098 in prior year.

The non- cash items included in net loss for the year ended January 31, 2023, includes amortization of intangible assets for $122,920 (prior year $62,601), amortization of property and equipment for $36,535 (prior year $ 16,688), share based compensation of $350,583 (prior year $182,996), shares issued for services for $165,000 (prior year $36,250) and interest accrued for $2,870 (prior year $nil)

The non-cash working capital adjustments for the year ended January 31, 2023, includes outflow as a result of decrease in sales tax receivable for $185,500 (prior year increase of $99,530), inflow as a result of decrease in prepaid expenses for $29,553 (prior year decrease in prepaid expenses for $106,147), inflow as a result of reduction in accounts receivable by $157,039 (prior year increase for $169,545), inflow as a result of increase in accounts payable and accrued liabilities for $498,802 (prior year increase for $199,098) and outflow as a result of decrease in deferred revenue for $15,220 (prior year increase for $15,220).

The Company had outflow from investing activities during the year ended January 31, 2023, for $144,677 (prior year outflow for $418,123). During the current year, the Company purchased property and equipment for $94,827 (prior year $84,755) and invested in intangible assets for $49,850 (prior year $333,369).

The Company had inflow from financing activities during the year ended January 31, 2023, for $546,800 (prior year inflow of $1,681,628). During the year the Company received 495,000 from proceeds of private placement of units (prior year $1,090,085) and incurred $33,200 as issue expenses (prior year $3,770). In addition, during the year the Company received $35,000 being proceeds of a promissory note repayable in four months (prior year: nil) and received $50,000 being subscriptions for shares (prior year: $nil)

The Company has financed its operations from inception to date through the issuance of equity shares.

The Company's administrative and other expenses may exceed available cash resources and additional funding may be required to further its projects and to meet ongoing requirements for general operations. The ability of the Company to continue as a going concern is dependent on raising additional financing, development of its projects and generation of profitable operations.

As such, the Company believes it will require additional funding over the next 12 months.

The Company's objectives when managing its capital structure are to preserve the Company's access to capital markets and its ability to meet its financial obligations.

Based on available funds, the Company manages its capital structure and makes adjustments to it to maintain flexibility while achieving the objectives stated above as well as support future business opportunities.

To manage the capital structure, the Company may adjust its project plans, operating expenditure plans, or issue new common shares. The Company monitors its capital structure using annual forecasted cash flows, expenditure budgets and targets for the year as well as corporate capitalization schedules. This is achieved by the Board of Directors' review and acceptance of expenditure budgets that are achievable within existing resources and the timely matching and release of the next stage of expenditures with the resources made available from private placements or other funding.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is not subject to externally imposed capital requirements or covenants.

Going Concern Uncertainty

For the year ended January 31, 2023, the Company incurred a net loss of $2,067,757 (January 31, 2022 - $1,882,178) and had negative operating cash flows of $534,175 (January 31, 2022 negative operating cash flow for $1,532,254). The Company has an accumulated deficit of $8,082,946 since inception. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to generate cash flows from operations and to obtain and successfully close additional funding from equity financing, debt financing or through other arrangements. While the Company has been successful in arranging financing in the past, there can be no assurance the debt financing or any equity offering will be successful. These conditions indicate the existence of a material uncertainty that may cast significant doubt regarding the Company's ability to continue as a going concern.

While the Company has been successful in obtaining financing to date, there can be no assurance that it will be able to do so in the future on terms favorable for the Company. The Company may need to raise additional capital to fund operations. This need may be adversely impacted by uncertain market conditions, approval by regulatory bodies, and adverse results from operations.

OUTSTANDING SHARE DATA

At January 31, 2023, the Company had 122,051,292 common shares outstanding. As of date of the MD&A, the Company has 135,136,292 common shares outstanding.

At January 31, 2023, the Company had 10,330,000 outstanding stock options and 8,064,569 outstanding warrants.

a) Common shares

The holders of common shares are entitled to receive dividends when declared and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

b) Share issuances

During the year ended January 31, 2023

- On August 22, 2022, the Company closed the first tranche of a private placement of 8,300,000 units at $0.05 per unit for a consideration of $415,000. Each unit is comprised of one common share and one-half common share purchase warrant, with each whole warrant exercisable into a common share of the Company at an exercise price of $0.10 per share for a period of 24 months. The Black-Scholes option pricing model was used to determine the fair value of the warrants using the following weight average assumptions: Expected dividend yield of 0%; risk free interest rate of 1.5%; expected volatility of 133%; expected life of 2 years. The relative fair value of the 4,150,000 warrants has been valued at $88,381 and common shares at $326,619. In connection with this private placement, the Company incurred $33,200 in share issuance costs.
- On August 22, 2022, 1,200,000 shares were fair valued at $72,000 and issued for services.
- On September 30, 2022, 200,000 shares were fair valued at $12,000 and issued for services.
- On October 24, 2022, 300,000 shares were fair valued at $15,000 and issued for services.
- On October 31, 2022, 200,000 shares were fair valued at $9,000 and issued for services.
- On November 1, 2022, the Company closed the final tranche of a private placement of 1,600,000 units at $0.05 per unit for a consideration of $80,000. Each unit is comprised of one common share and one-half common share purchase warrant, with each whole warrant exercisable into a common

share of the Company at an exercise price of $0.10 per share for a period of 24 months. The Black-Scholes option pricing model was used to determine the fair value of the warrants using the following weight average assumptions: Expected dividend yield of 0%; risk free interest rate of 1.5%; expected volatility of 133%; expected life of 2 years. The relative fair value of the 800,000 warrants has been valued at $11,208 and common shares at $68,792.

- On November 7, 2022, 1,000,000 shares were fair valued at $50,000 and issued for services.
- On November 30, 2022, 200,000 shares were fair valued at $7,000 and issued for services.

During the year the Company received $50,000 being subscription for 1,000,000 units (the "Units") at a price of $0.05 per unit.

<u>During the year ended January 31, 2022</u>

- On March 5, 2021, the Company closed a private placement of 3,114,569 units at $0.35 per unit for a consideration of $1,090,085. Each unit is comprised of one common share and one common share purchase warrant, with each warrant exercisable into a common share of the Company at an exercise price of $0.50 per share for a period of 24 months. The Black-Scholes option pricing model was used to determine the fair value of the warrants using the following weight average assumptions: Expected dividend yield of 0%; risk free interest rate of 0.29%; expected volatility of 131%; expected life of 2 years. The relative fair value of the warrants has been valued at $394,681 and common shares at $695,404. In connection with this private placement, the Company incurred $3,770 in share issuance costs.
- 3,968,750 shares were issued upon exercise of 3,968,750 options at a price of $0.15 per share for total gross proceeds of $595,313. An amount of $361,284 was reclassed from share-based payment reserve to share capital.
- 250,000 shares were fair valued at $36,250 and issued for services.

As at January 31, 2023, the Company had the following warrants outstanding:

Outstanding	Exercise Price	Remaining Life (Years)	Expiry Date
3,114,569	$0.50	0.09	March 5, 2023
4,150,000	$0.10	1.56	August 22, 2024
800,000	$0.10	1.75	November 1, 2024
8,064,569	$0.25	1.01	

(c) Stock Options

The Company has established a stock option plan whereby officers, directors, employees and service providers may be granted options to purchase common shares at a fixed price. Vesting and expiry provisions are determined at the date of grant. The plan provides for the issuance of stock options to acquire up to 10% of the Company’s issued and outstanding capital. The plan is a rolling plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company’s issued and outstanding share capital increases.

Year ended January 31, 2023

(a) The Company expensed $1,834 relating to the vesting of options issued on March 23, 2021, resulting in unvested stock- based compensation expense of $nil as of January 31, 2023.

(b) The Company expensed $6,778 relating to the vesting of options issued on June 9, 2021, resulting in unvested stock- based compensation expense of $nil as of January 31, 2023.

(c) The Company expensed $7,826 relating to the vesting of options issued on July 30, 2021, resulting in unvested stock- based compensation expense of $nil as of January 31, 2023.

(d) On January 13, 2023, the Company granted options to its directors, officers and consultants to purchase up to 10,000,000 common shares. These options were issued at an exercise price of $0.05 per share and vest immediately. These options have a term of four (4) years expiring on January 13, 2027. The Company expensed $334,145 related to the vesting of the options. The fair value of each option used for the purpose of estimating the stock-based compensation is estimated using the Black-Scholes option pricing model with the following assumptions:

Risk free rate		4.00%
Expected dividends		0%
Expected forfeiture rate		0%
Expected volatility		141%
Expected life		4 years
Unvested stock-based compensation expense as of January 31, 2023	$	-

As of January 31, 2023, there was $nil of unvested stock-based compensation expense.

Year ended January 31, 2022

(a) The Company expensed $34,246 relating to the vesting of options issued on July 17, 2020, resulting in unvested stock- based compensation expense of $nil as of January 31, 2022.

(b) The Company expensed $18,958 relating to the vesting of options issued on September 21, 2020, resulting in unvested stock- based compensation expense of $nil as of January 31, 2022.

(c) On March 23, 2021, the Company granted options to a consultant to purchase up to 250,000 common shares. These options were issued at an exercise price of $0.36 per share and vest equally over the next 3, 6, 9 and 12 months. These options have a term of one (1) year expiring on March 23, 2022. The fair value of each option used for the purpose of estimating the stock-based compensation is estimated using the Black-Scholes option pricing model with the following assumptions:

Risk free rate		0.26%
Expected dividends		0%
Expected forfeiture rate		0%
Expected volatility		134.3%
Expected life		1 year
Unvested stock-based compensation expense as of January 31, 2022	$	1,834

During the year ended January 31, 2022, the Company expensed $50,675 relating to the vesting of options, resulting in unvested stock- based compensation expense of $1,834 as of January 31, 2022.

(d) On June 9, 2021, the Company granted options to a consultant to purchase up to 250,000 common shares. These options were issued at an exercise price of $0.345 per share and vest equally over the next 3, 6, 9 and 12 months. These options have a term of 18 months expiring on December 9, 2022. The fair value of each option used for the purpose of estimating the stock-based compensation is estimated using the Black-Scholes option pricing model with the following assumptions:

Risk free rate		0.32%
Expected dividends		0%
Expected forfeiture rate		0%
Expected volatility		146.38%
Expected life		1.5 years
Unvested stock-based compensation expense as of January 31, 2022	$	6,778

During the year ended January 31, 2022, the Company expensed $48,672 relating to the vesting of options, resulting in unvested stock- based compensation expense of $6,778 as of January 31, 2022.

(e) On July 30, 2021, the Company granted options to a consultant to purchase up to 250,000 common shares. These options were issued at an exercise price of $0.25 per share and vest equally over the next 3, 6, 9 and 12 months. These options have a term of 18 months expiring on January 30, 2023. The fair value of each option used for the purpose of estimating the stock-based compensation is estimated using the Black-Scholes option pricing model with the following assumptions:

Risk free rate		0.38%
Expected dividends		0%
Expected forfeiture rate		0%
Expected volatility		131.33%
Expected life		1.5 years
Unvested stock-based compensation expense as of January 31, 2022	$	7,826

During the year ended January 31, 2022, the Company expensed $30,445 relating to the vesting of options, resulting in unvested stock- based compensation expense of $7,826 as of January 31, 2022.

As of January 31, 2022, there was a total of $16,438 of unvested stock-based compensation expense.

Continuity of the Company's options is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, January 31, 2021	**9,095,000**	**$0.18**
Granted	750,000	$0.32
Expired	(4,776,250)	$0.17
Exercised	(3,968,750)	$0.15
Outstanding, January 31, 2022	**1,100,000**	**$0.42**
Granted	10,000,000	$0.05
Expired	(70,000)	$0.54
Expired	(200,000)	$0.54
Expired	(250,000)	$0.36
Expired	(250,000)	$0.35
Outstanding January 31, 2023	**10,330,000**	**$0.06**

As at January 31, 2023, the Company had the following share purchase options outstanding and exercisable:

Number of options Outstanding	**Exercisable**	**Exercise Price**	**Remaining Life (Years)**	**Expiry Date**
80,000	80,000	$1.02	2.46	July 17, 2025
250,000	250,000	$0.25	0.50	July 30, 2023
10,000,000	10,000,000	$0.05	3.95	January 13, 2027
10,330,000	10,330,000	$0.06	3.86	

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial assets and liabilities are carried at amortized cost and belong to Level 2 of the fair value hierarchy. During the year ended January 31, 2023 there were no transfers between the level of fair value hierarchy. The carrying amounts of these financial instruments are approximately estimate their fair values due to their short-term nature.

Financial risk management and objectives

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk and foreign currency risk).

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk as during the year ended January 31, 2023, one customer represented 95% of the total revenue and represented 86% of the total accounts receivable. (January 31, 2022: one customer represented 100% of total revenue and 100% of total receivable)

Liquidity risk

Liquidity risk is the risk that the Company will not 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 its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flows primarily from its financing activities.

The Company manages its liquidity needs by carefully monitoring scheduled costs. Liquidity is measured in various time bands, on day to day and week-to-week basis, as well as on long term liquidity needs over 180 day to 360 day look out periods. Funding for long-term liquidity needs is based on the ability of the Company to successfully complete private placements.

The carrying amount of the company's financial liabilities approximates their contractual undiscounted cash flows as of January 31, 2023 and January 31, 2022.

As at January 31, 2023, the Company had cash and cash equivalents of $79,250 to settle current liabilities of $871,124 (as at January 31, 2022: cash and cash equivalents of $211,302 to settle current liabilities of $349,672.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

(b) Price risk

The Company is not exposed to significant price risk as it does not possess investments in publicly traded securities.

(c) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The Company is not exposed to any significant currency risk.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

TRANSACTIONS WITH RELATED PARTIES

Related parties include key management personnel, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Key management of the Company are members of the Board of Directors, the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO") and the Chief Operating Officer ("COO").

Transactions with key management personnel not disclosed elsewhere in the financial statements include the following:

		Year ended January 31, 2023		Year ended January 31, 2022
Management fees to the CEO	$	120,000	$	109,500
Management fees to the COO		102,000		92,000
Management fees to the CFO		60,010		68,345
Total Management fees	**$**	**282,010**	**$**	**269,845**
Vehicle expense to the CEO		18,000		18,000
Vehicle expenses to the COO		18,000		18,000
Rent to the CEO included in rent expense		24,000		28,500
	$	**342,010**	**$**	**334,345**

During the year ended January 31, 2023, the Company paid $149,000 (January 31, 2022: $127,000) being marketing and other expenses to companies controlled by the close family member of the CEO.

As of January 31, 2023, there was $197,108 due to related parties (January 31, 2022- $nil). During the year ended January 31, 2023, there was $12,995 advanced to the CEO to meet Company expenses (2022: $12,995) and included in prepaid expenses.

Notes:
a) The management fees paid to the CEO, COO and CFO as detailed above are routine and regular compensation for services provided on an ongoing basis to the Company.
b) Marketing fees paid to Companies controlled by close family members of the CEO, relates to services for marketing, website development/support/maintenance as well as content creation services. In addition, services include providing operational and project management services.

BOARD PURPOSE AND FUNCTION

The directors and management of the parent company have experience operating in Canada and the United States and taking projects through to various stages of development. The Board's purpose is to ensure corporate governance, risk, strategy and shareholder interests are priorities at all times.

COMMITMENTS AND CONTINGENCIES

Effective July 1, 2022, the Company signed a two-year contract with a corporation owned and controlled by the CEO to pay monthly compensation of $10,000 for CEO services. In addition, the Company is obligated to pay monthly rent for $2,000 and an additional $1,500 for the use of a personal vehicle.

Effective July 1, 2022, the Company signed a two-year contract with a corporation owned and controlled by the COO to pay monthly compensation of $8,500 for COO services. In addition, the Company is obligated to pay an additional $1,500 for the use of a personal vehicle.

CONTROL AND PROCEDURES

The Chief Executive Officer and Chief Financial Officer are responsible for designing internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company’s financial statements for external purposes in accordance with IFRS.

Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could burden the Company’s financial resources, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and workload will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial accounting and reporting.

(a) The Company being a venture issuer, is not required to certify the design and evaluation of the Company’s Disclosure Control and Procedures (“DC&P”) and Internal Control Over Financial Reporting (“ICFR”) and has not completed such an evaluation; and

(b) inherent limitations on the ability of the certifying officers to design and implement on a cost effective basis DC&P and ICFR for the issuer may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

RISKS AND UNCERTAINTIES

The Company is subject to a number of risks and uncertainties due to the nature of its business and the present stage of development of its business. Current and potential investors should give special consideration to the risk factors involved, should the Company continue in the cannabis business.

<u>Management</u>

Dependence on Key Personnel, Contractors and Service Providers, shareholders of our Company rely on the good faith, experience and judgment of the Company’s management and advisors in supervising and providing for the effective management of the business and the operations of the Company and in selecting and developing new investment and expansion opportunities. The Company may need to recruit additional qualified contractors and service providers to supplement existing management. The Company will be dependent on a relatively small number of key persons, the loss of any one of whom could have an adverse effect on the Company.

<u>Value of Our Common Shares</u>

The value of the Company’s common shares could be subject to significant fluctuations in response to variations in and annual operating results, the success of the Company's business strategy, competition or other applicable regulations which may affect the business of the Company and other factors.

Additional Funding and Financing Risk

Additional funds will be required for future development. The source of future funds available to the Company is through the sale of additional equity capital or borrowing of funds. There is no assurance that such funding will be available to the Company. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favorable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position. In addition, any future equity financings by the Company may result in substantial dilution for existing shareholders.

Uninsured Hazards

The Company currently carries no insurance coverage. The potential costs that could be associated with any liabilities not covered by insurance or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the Company’s financial position.

Conflicts of Interest

Certain Directors and Officers of the Company also serve as Directors and officers of other companies involved in development and production. Consequently, there exists the possibility that such Directors or Officers may be in a position of conflict of interest. Any decision made by such Directors or Officers involving the Company are made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such Directors will declare and refrain from voting on, any matter in which such Directors may have a material conflict of interest.

General Venture Company Risks

The common shares must be considered highly speculative due to the nature of the Company’s business, the early stage of its deployment, its current financial position and ongoing requirements for capital. An investment in the common shares should only be considered by those persons who can afford a total loss of investment and is not suited to those investors who may need to dispose of their investment in a timely fashion. Investors should consult with their own professional advisors to assess the legal, financial and other aspects of an investment in common shares.

Uncertainty of Revenue Growth

There can be no assurance that the Company can generate substantial revenue growth, or that any revenue growth that is achieved can be sustained. Revenue growth that the Company has achieved or may achieve may not be indicative of future operating results. In addition, the Company may increase further its operating expenses in order to fund increase its sales and marketing efforts and increase its administrative resources in anticipation of future growth. To the extent that increases in such expenses precede or are not subsequently followed by increased revenues, the Company’s business, operating results and financial condition will be materially adversely affected.

Marketing and Distribution Capabilities

In order to commercialize its technology, the Company must either acquire or develop an internal marketing and sales force with technical expertise and with supporting distribution capabilities or arrange for third parties to perform these services. In order to market certain of its products, the Company must either acquire or develop a sales and distribution infrastructure. In order to maximize sales of other products, the Company may determine that it needs to either acquire or develop a sales and distribution infrastructure. The acquisition or development of a sales and distribution infrastructure would require substantial resources, which may divert the attention of its management and key personnel and defer its product development and deployment efforts. To the extent that the Company enters into marketing and sales arrangements with other companies, its revenues will depend on the efforts of others. These efforts may not be successful. If the Company fails to develop substantial sales, marketing and distribution channels, or to enter into arrangements with third parties for those purposes, it will experience delays in product sales and incur increased costs.

Rapid Technological Development

The markets for the Company's products and services are characterized by rapidly changing technology and evolving industry standards, which could result in product obsolescence or short product life cycles. Accordingly, the Company's success is dependent upon its ability to anticipate technological changes in the industries it serves and to successfully identify, obtain, develop and market new products that satisfy evolving industry requirements. There can be no assurance that the Company will successfully develop new products or enhance and improve its existing products or that any new products and enhanced and improved existing products will achieve market acceptance. Further, there can be no assurance that competitors will not market products that have perceived advantages over the Company's products or which render the products currently sold by the Company obsolete or less marketable. Regardless of the Industry as a whole, the less lethal sector moves somewhat slower in the adaptation and integration of new products.

The Company must commit significant resources to developing new products before knowing whether its investments will result in products the market will accept. To remain competitive, the Company may be required to invest significantly greater resources then currently anticipated in research and development and product enhancement efforts and result in increased operating expenses.

Competition

The Company's industry is competitive and composed of many foreign companies. The Company expects to experience competition from competitors whom it expects to continue to improve their products and technologies. Competitors may announce and introduce new products, services or enhancements that better meet the needs of end-users or changing industry standards, or achieve greater market acceptance due to pricing, sales channels or other factors. Competitors may be able to respond more quickly than the Company to changes in end-user requirements and devote greater resources to the enhancement, promotion and sale of their products.

Intellectual Property

The Company's ability to compete effectively will depend, in part, on its ability to maintain the proprietary nature of its technology and manufacturing processes. Although the Company considers certain of its product designs as well as manufacturing processes involving certain of its products to be proprietary, patents or copyrights do not protect all design and manufacturing processes. The Company has adopted procedures to protect its intellectual property and maintain secrecy of its confidential business information and trade secrets. However, there can be no assurance that such procedures will afford complete protection of such intellectual property, confidential business information and trade secrets. There can be no assurance that the Company’s competitors will not independently develop technologies that are substantially equivalent or superior to the Company’s technology.

To protect the Company’s intellectual property, it may become involved in litigation, which could result in substantial expenses, divert the attention of its management, cause significant delays and materially disrupt the conduct of its business.

STRATEGY AND OUTLOOK

Our objective is to maximize the value of the Company for our shareholders and our strategy to obtain this result is to continually seek opportunities to participate in new ventures primarily in AI.