AI/ML INNOVATIONS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED OCTOBER 31, 2022

Introduction

The following Management's Discussion and Analysis ("MD&A") of AI/ML Innovations Inc. (the "Company" or "AIML") has been prepared to provide updates to the business, operations, liquidity and capital resources of the Company since its last annual management's discussion & analysis, being the Management's Discussion & Analysis for the fiscal year ended April 30, 2022 ("Annual MD&A"). Additional information relating to AI/ML is available under the Company's SEDAR profile at www.sedar.com.

This MD&A has been prepared in compliance with the requirements of section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This MD&A should be read in conjunction with the audited annual consolidated financial statements of the Company for the years ended April 30, 2022 and April 30, 2021, and the unaudited condensed interim consolidated financial statements for the three and six months ended October 31, 2022, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the three and six months ended October 31, 2022 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at December 29, 2022 unless otherwise indicated.

The condensed interim consolidated financial statements for the three and six months ended October 31, 2022, were prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares (the "Common Shares"); or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Going concern

The consolidated financial statements were prepared with the assumption that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Continued operations of the Company are dependent on the Company's ability to receive financial support, complete additional debt or equity financing, or generate profitable operations in the future. The Company believes it will be able to raise the necessary funding to continue operations however, there is no assurance that these funds will be available on terms acceptable to the Company or at all. These events and conditions may cast significant doubt upon the Company's ability to continue as a going concern. The consolidated financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These forward-looking statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "budgets", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Description of Business

The Company was incorporated under the Canada Business Corporations Act and was continued under the Business Corporations Act (British Columbia) on November 4, 2009. In February 2020, the Company's name was changed to AI/ML Resources Inc. and in November 2020 the name was changed to AI/ML Innovations Inc. On December 30, 2020, the Company filed a listing application for Canadian Securities Exchange (CSE).

The Company was an exploration stage company that was in the process of exploring its mineral properties located in Canada and the United States of America, however, it has aligned its business operations to capitalize on the burgeoning areas of artificial intelligence (AI) and machine learning (ML), with an initial focus on emerging companies in the digital healthcare space.

During the year ended April 30, 2021, the Company entered and closed a share exchange agreement (the "Share Agreement") with Salu Design Group Inc. (hereinafter referred to as "Health Gauge"), which is a private technology company based in Edmonton, Alberta. Health Gauge holds the rights to intellectual property in the area of wearable technologies, and the application and methods associated with the applied AI/ML (artificial intelligence/machine learning) software using accelerometers, ECG (electrocardiogram), PPG (photoplethysmogram – used to measure blood volume changes in tissue), and other forms of physiological sensors to measure heart rate, heart rate variability, pulse oximetry, pulse wave velocity, pulse transit time, blood pressure, and activity. Health Gauge's intellectual property also includes proprietary methods and IP relating to behavioral tagging for the purposes of psychometric analysis.

Health Gauge's products completed beta testing in 2021 and were commercially available in the same year. Health Gauge developed strategic partnerships during the fiscal year end April 30, 2022. with several organizations including, ST Innovations, Lenica Research Group, BioAlberta, Edmonton Health City, Digital Supercluster, Alberta Machine Intelligence Institute, AI-on-Call, Trinity Western University, Rapid Test & Trace Canada, and MedWatch Technologies, Inc.

Additionally, during the year ended April 30, 2022, the Company acquired a minority interest in a Paris, France based company, Tech2Heal. Tech2Heal is a digital healthcare company with a focus on mental health support through its proprietary basket of apps and software platforms.

Finally, during the year ended April 30, 2022, the Company established AI Rx Inc. to hold the exclusive North American commercial usage rights (USA, Canada, Mexico) to Tech2Heal's complete portfolio of digital mental wellness and health-tech products and platform services, patents, technologies, brands and trademarks.

The Company's registered and records office at 850 – 2nd Street SW, 15th Floor, Bankers Court, Calgary, Alberta, T2P 0R8 and head office at Suite 203, 645 Fort Street, Victoria, BC, V8W 1G2.

Overall Performance and Outlook

Corporate

AI/ML Innovations Inc. has aligned its business operations to capitalize on the burgeoning areas of artificial intelligence (AI) and machine learning (ML), with an initial focus on emerging companies in the digital healthcare space.

On December 21, 2020, the Company announced that it had received conditional listing approval from the Canadian Securities Exchange (CSE) and voluntarily delisted from the TSX Venture Exchange. On January 11, 2021, the Company's shares started trading on the CSE under its current symbol "AI/ML"

On June 10, 2021, the Company announced that it commenced listing on the OTCQB Venture Market under the symbol AIMLF.

On August 20, 2021, the Company announced that it was listed for trading on the Frankfurt Stock Exchange under the symbol 42FB.

Health Gauge

Health Gauge was incorporated for the purpose of commercializing new technology that could revolutionize ways to measure and track personal health biometrics, and ultimately help people better manage their ongoing health challenges. Health Gauge's patent-pending solution is a personal health monitoring & management system, which combines the latest wearable health monitors with sophisticated artificial intelligence software tools and a proprietary cloud computing software platform, to help caregivers, patients, and healthcare professionals access and utilize relevant data. Health Gauge's robust, real-time data capture capability provides fast feedback, resulting in better recovery outcomes and the realization of healthy living objectives through the ability to make immediate and better-informed health choices.

On June 16, 2021, the Company announced that Health Gauge partnered with the University of Alberta's ST Innovations regarding Neural Network data set validation work in support of Health Gauge's FDA 510k and Health Canada submission processes for clearance as a Class 2 medical device. Additionally, this collaboration is designed to help refine and optimize the overall accuracy of Health Gauge's latest wearable device (smart watch), The Phoenix, for blood pressure (BP), O2, and other predictive data relating to a patient's physiological information.

On June 22, 2021, the Company announced that Health Gauge entered into a strategic partnership with Lenica Research Group, a leader in the development of innovative, evidence-based tools to improve brain function and enhance athletic performance for the pending commercial launch of Lenica's Peak Cognition sports training platform.

On June 24, 2021, the Company announced that Health Gauge commenced the sale of "The Phoenix", the newest, leading-edge version of its wearable health monitoring solution.

On September 7, 2021, the Company announced that Health Gauge entered a strategic partnership with AI-on-Call to deliver a digital remote patient monitoring solution for the early prediction, diagnosis, and prevention of sepsis and acute illness in seniors (whether in Assisted Living, Nursing Homes, Hospital, or Home settings).

On September 9, 2021, the Company announced that Health Gauge has undertaken a 12-month Pilot Project and collaboration with Trinity Western University ("TWU"). This collaboration will be spearheaded by Dr Anita Cote, a cardiovascular physiologist who holds a Canada Research Chair in Cardiovascular Adaptation to Exercise at TWU.

On November 4, 2021, the Company announced that Health Gauge entered into a Software-as-a-Service ("SaaS") licensing agreement with Rapid Test & Trace Canada ("RTTC") whereby Health Gauge will provide RTTC with a "Health Gauge-powered" verifiable, self-administering, rapid COVID testing solution for use by RTTC's corporate and retail customers.

On February 1, 2022, the Company announced that Health Gauge has been granted a patent by the United States Patent and Trademark Office (US Patent No. 11183303), titled "Wearable Health Monitors and Methods of Monitoring Health", regarding Health Gauge's proprietary wearable health monitoring solution (the "Patent"). The Patent includes the use of multiple configurations of wearable health monitors (hardware designs), in conjunction with methods of analyzing bio-signals and monitoring health metrics (via Health Gauge's AI-driven software) for the purpose of assisting the user in achieving their personal health and wellness objectives.

On March 28, 2022, the Company announced that Health Gauge entered into a License Agreement with MedWatch Technologies, Inc. of Las Vegas, Nevada. MedWatch has agreed to license Health Gauge's patented health management technology ("Licensed Patent") and proprietary AI-powered software ("Licensed Software") for use in MedWatch's non-invasive blood glucose and other blood chemistry monitoring solutions for diabetes, and the health & wellness market.

On November 14, 2022, the Company entered into an agreement to purchase shares with Health Gauge Inc., a private technology company operating in the digital health care space. Pursuant to the Agreement, AIML will acquire the remaining 30% of HGI's common shares in exchange for 1,800,000 Incentive Warrant Bs (each of which is exchangeable for no further consideration into one AIML common share, upon completion of certain revenue performance conditions by HGI as outlined in the Agreement). AIML previously acquired 70% of HGI's shares in August 2020. Upon completion of this transaction, AIML will hold 100% of HGI's outstanding shares. Completion of this transaction is subject to a number of conditions, including, but not limited to, Exchange acceptance.

<u>Tech2Health</u>

Tech2Heal is a Paris, France based healthcare innovator specializing in digital health technologies with the objective of creating a compassionate, collaborative and patient-centered healthcare ecosystem. Tech2Heal has developed a portfolio of health-tech products and services designed to improve an individual's mental and physical well-being by utilizing a unique blend of proprietary digital assets and remote live counselling.

On September 23, 2021, the Company entered into a definitive agreement with Tech2Heal, regarding the acquisition of an equity interest in Tech2Heal and certain exclusive territorial commercial rights to its products, by AI/ML (the "Transaction").

The two primary commercial components of the Transaction are:

➢ AI/ML and Tech2Heal co-own, on a 70:30 basis, equity in an AI/ML subsidiary called AI Rx Inc, a B.C. company. AI Rx Inc. has been granted 100% of the North American rights (USA, Canada, and Mexico) to the exclusive commercial use of all products, brands, and trademarks of Tech2Heal, in perpetuity (the "Strategic Alliance"). AI/ML issued 1,500,000 common shares (subject to a minimum 12-month voluntary restriction) from its treasury to Tech2Heal as full and final compensation regarding the Strategic Alliance. AI/ML retains 2 of 3 Board seats, as well as management and operational control of AI Rx Inc.

➢ AI/ML will acquire an undivided interest in Tech2Heal's global operations by way of a €2million total investment into Tech2Heal, in return for 22.22% of Tech2Heal's common share equity. AI/ML advanced €750,000 in conjunction with the closing of the Transaction, with an additional €250,000 due on the 6-month anniversary (€100,000 of which has been advanced to date and €150,000 is still payable as of the date of this document), €500,000 due on the 12-month anniversary (which is now due), and a final €500,000 due on the 18-month anniversary of the closing of the Transaction. The funds advanced to Tech2Heal by AI/ML will be used to further Tech2Health's technologies and global market penetration strategies as per a pre-agreed upon use of proceeds plan. AI/ML will hold a permanent seat on the Board of Directors of Tech2Heal.

To date, AI/ML has acquired and owns 9.44% interest in Tech2Heal's global interests as a result of advancing a total of €850,000 to Tech2Heal, as well as a 70% interest in all of Tech2Heal's products, services, patents, brands and trademarks in North America in perpetuity (through AI Rx) as a result of making a payment of 1.5 million shares of AI/ML's common shares to Tech2Heal.

On September 28, 2021, the Company announced that Tech2Heal SAS, was readying its Alakin RPM (remote patient monitoring) platform for deployment during the fourth quarter of last year. Subsequently, based on feedback from some early potential adopters, release of Alakin was delayed while certain additional features were added to the technology. Release is now expected by Quarter 4 of 2022.

On October 12, 2021, the Company announced that its majority-owned subsidiary, AI Rx Inc, is preparing for deployment of the Tech2Heal portfolio of products into the US marketplace. Tech2Heal is AI/ML's minority-owned subsidiary with a basket of wellness and health-tech products and services designed to improve an individual's mental health and well-being by utilizing a unique blend of proprietary digital assets, remote live counselling, and a physical wellness center. Tech2Heal's premier product, Qookka Live, provides mental and emotional health preventive and support services to corporations and health insurers from within one cohesive app.

In order to effectively enter the US market, AI/ML and AI Rx have retained the services of Oxygen Enterprises Inc. for a 12-month period, who is tasked with developing a cohesive and sustainable market penetration strategy for AI Rx which is focused on the digital behavioral health landscape. Additionally, Oxygen Enterprises will assist in: identifying and facilitating business acquisition/alliance opportunities for AI/ML that specifically identify disruptive technologies in the artificial intelligence and machine learning sector directly impacting cultural change and the empowerment of consumers relating to the mental health sector; facilitating introductions to key industry players; sourcing and vetting potential key management; evaluating regulatory requirements for product/services deployment by region, and more.

In consideration for the above noted services, AI/ML has agreed to pay CDN $80,000 (for the 12-month term), 100,000 AI/ML shares (subject to a hold period), and 100,000 AI/ML stock options with an exercise price of $0.80 per share and 2-year expiration, in accordance with the Company's Stock Option Plan.

On January 27, 2022, the Company announced that its minority-owned subsidiary, Tech2Heal SAS, has been selected to participate in the mental health innovation accelerator called IMPACT. Tech2Heal's "Qookka Mental Health Platform" was one of only five projects selected to participate in the program, from amongst a large number of applicants. The winning candidates benefit from a 9-month support program to accelerate their deployment, with significant involvement of IMPACT's founding partners.

IMPACT is an innovative public/private partnership formed to develop or accelerate novel solutions to remedy disruptions in the mental health care of adults. The 10 founding members of IMPACT comprise some of the finest health industry organizations, and include Janssen Pharmaceuticals (Johnson&Johnson), ARIIS (Health Industry Alliance for Research and Innovation), PSL University, Eisai (Japanese pharmaceutical), Otsuka Pharmaceutical, AXA (multinational insurance company), France Biotech (biotechnology trade association), PariSante Campus (ehealth research park), Fédération Française de l'Assurance (French Insurance Federation), and Assistance Publique–Hôpitaux de Paris (university hospital).

On February 7, 2022, the Company announced that its minority-owned subsidiary, Tech2Heal SAS, has been chosen as one of a small and select group of candidates, to be a founding participant in the PariSanté Health Tech Campus, located in Paris, France. The PariSanté Campus ("Campus") is described as the heart of e-health research and innovation in France. Its ambition is to mobilize and multiply the efforts of collective health-tech intelligence by bringing together thousands of individuals representing the finest researchers, public operators, universities, start-ups, and manufacturers in a unique and rich ecosystem conducive to innovation.

The Campus is anchored by a core group of entities which includes Inserm (France's National Institute of Health and Medical Research), Health Data Hub (a public company facilitating secure data access), Paris Sciences et Lettres University (a public research university), The Inria Paris Research Centre (National Institute for Research in Digital Science and Technology), and Agence du Numerique en Sante (Digital Health Agency of France).

General

The Company has limited revenues, so its ability to ensure continuing operations is dependent on its ability to obtain necessary financing to complete product development and marketing activities, and ultimately, the future profitable operation by way of sustained revenue generation from its goods and services.

Product Development and Objectives

On September 28, 2021, the Company announced that its minority-owned subsidiary, Tech2Heal, was readying its Alakin RPM (remote patient monitoring) platform for deployment during the fourth quarter of 2021. Subsequently, based on feedback from some early potential adopters, release of Alakin was delayed while certain additional features were added to the technology. Release of the MVP (minimum viable platform) version of Alakin is expected to launch in the fourth quarter of this year, in tandem with initial pilot studies being readied for deployment with several significant healthcare providers located in Europe and South America.

Tech2Heal has innovated "Alakin", a scalable SaaS ("software as a service") digital therapy and remote patient monitoring platform that allows hospitals and clinics to effortlessly undertake "no code" value-based care programs with their patients. At its core, Alakin is a bespoke, full stack platform with a rich feature set that includes the "clinical builder" (a centerpiece product feature which allows for near limitless configurability of patient clinical protocols), embedded telemedicine tools, a triage dashboard, interactive calendars, fully scalable integrated patient records and more, which combine in a versatile and powerful tool that can save the healthcare provider's valuable resources while simultaneously helping to improve the outcome for patients. Alakin offers a B2B subscription model, with a monthly fee per patient embedded within the system of each healthcare provider. The targeted primary users are medical clinics, hospitals, ACOs, and individual doctor practices. Integral to its successful deployment, Alakin offers a method to accelerate innovative services to care teams and patients, in line with new regulations concerning value-based payments found in markets such as the US, Europe and Brazil. An advantage of Alakin to its targeted users is that clinicians are able to launch their own basket of services of remote patient monitoring and/or digital therapeutics within few hours, without having to use any computer code. Additionally, plans are underway to evolve Alakin to an "outcome-based" fee structure within certain markets, as is the case with some US health care providers. About Tech2Heal (DBA Tech2Health) https://www.qookka.me/

Trends

Although there can be no assurance that additional funding will be available to the Company, nor that the Company's sales in the short term will ramp up, management is of the opinion that the digital healthcare industry trends will continue to be favourable and hence, it may be possible to obtain additional funding for its project development. However, the Company remains cautious in case the economic factors that impact the digital healthcare industry deteriorate.

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

Apart from these and the risk factors noted under the heading "Risks and Uncertainties", the Company is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Selected Quarterly Financial Information

Three months Ended	Total Revenue ($)	Net Loss ($)	Loss per share ($)	Total Assets ($)
October 31, 2022	108,561	371,424	0.01	1,462,475
July 31, 2022	63,080	518,507	0.01	1,638,472
April 30, 2022	52,894	641,493	0.01	2,039,812
January 31, 2022	-	669,105	0.02	2,010,399
October 31, 2021	-	1,210,149	0.04	2,644,961
July 31, 2021	-	1,029,381	0.04	2,830,656
April 30, 2021	-	721,918	0.01	3,594,020
January 31, 2021	-	5,166,787	0.33	4,177,701

Decreased loss for the quarter ended October 31, 2022 compared with the previous quarter was primarily due to revenue of $108,561 and decreased overall costs, such as general and administrative expenses of $39,701, professional and transaction fees of $40,408, advertising and promotion of $24,191 and share-based payments of $6,645 from the vesting of options. This decrease was offset by foreign exchange of $20,597, and loss on investment of $17,352.

Decreased loss for the quarter ended July 31, 2022 compared with the previous quarter was primarily due to revenue of $63,080 and decreased overall costs, such as general and administrative expenses of $53,806, professional and transaction fees of $57,803, and share-based payments of $8,491 from the vesting of options. This decrease was offset by increase in advertising and promotion of $127,117, and loss on investment of $18,712.

Decreased loss for the quarter ended April 30, 2022 compared with the previous quarter was primarily due to revenue of $52,894.

Decreased loss for the quarter ended January 31, 2022 compared with the previous quarter was primarily due to gain on settlement of debt of $99,189, and decreased overall costs, such as general and administrative expenses of $43,690, professional and transaction fees of $35,769, advertising and promotion of $168,569 and share-based payments of $21,772 from the vesting of options. This decrease was offset by increase in research and development of $111,962, and loss on investment of $25,083.

Increased loss for the quarter ended October 31, 2021 compared with the previous quarter was primarily due to advertising and promotional activities of $409,435, share-based payments of $174,330 from the grant of options, and the addition of a newly acquired subsidiary increased overall costs, such as general and administrative expenses of $67,241, professional and transaction fees of $139,634, research and development of $84,718, and salaries and benefits of $145,267.

Increased loss for the quarter ended July 31, 2021 compared with the previous quarter was primarily due to advertising and promotional activities of $350,076, share-based payments of $162,922 from the grant of new options, and the addition of a newly acquired subsidiary increased overall costs, such as general and administrative expenses of $66,242, research and development of $90,895, and salaries and benefits of $124,469.

Increased income for the quarter ended April 30, 2021 compared with the previous quarter was primarily due to reversal of transaction cost, that was offset by higher general and administrative activities of $197,776, impairment of goodwill of $1,248,480, and the addition of a newly acquired subsidiary increased overall costs, such as research and development of $76,137, and salaries and benefits of $157,906.

Increased loss for the quarter ended January 31, 2021 compared with the previous quarter was primarily due to higher advertising and promotional activities of $130,169, transaction cost of $4,393,087, consulting fees of $60,543, and share-based compensation of $527,400 for the grant of new options.

Financial Highlights

Financial Performance

For the three months ended October 31, 2022, compared to the three months ended October 31, 2021.

The Company incurred a net loss of $371,424 for the three months ended October 31, 2022, as compared to a net loss of $1,210,149 for the comparative period.

A brief explanation of the significant changes in expense categories is provided below:

i) Advertising and promotion of $24,191 (2021 - $304,435) decreased due to the Company's effort to increase market awareness and obtain financing opportunities during the comparative period.

ii) Consulting of $127,970 (2021 - $187,000) decreased due to the lower number of consultants hired for business operations during the current period as well as for business development in Europe.

iii) General and administrative of $39,701 (2021 - $67,241) decreased due to lower activities during the current period.

iv) Professional and transaction fees $40,408 (2021 - $139,634) decreased due to lower legal costs from the decreased activities during the current period.

v) Research and development of $31,157 (2021 - $84,718) decreased due to a decrease in the need for research and development.

vi) Salaries and benefits of $102,140 (2021 - $145,267) decreased due to a decrease in the need for workers on the technology.

vii) Share-based payments of $6,645 (2021 - $174,330) decreased due to the grant and vesting of fewer new stock options to consultants during the current period.

viii) Interest expenses of $14,977 (2021 - $16,793) incurred for the obligations of new office lease that the Company recently entered into, as well as the interest from the note payable and amounts owed to related parties during the current period.

<u>For the six months ended October 31, 2022, compared to the six months ended October 31, 2021</u>.

The Company incurred a net loss of $889,930 for the period ended October 31, 2022, as compared to a net loss of $2,239,530 for the comparative period.

A brief explanation of the significant changes in expense categories is provided below:

i) Advertising and promotion of $151,308 (2021 - $654,511) due to the Company's effort to increase market awareness and obtain financing opportunities during the comparative period.

ii) General and administrative of $89,906 (2021 - $144,771) decreased due to higher overall costs from the addition of a newly acquired subsidiary during the comparative period.

iii) Professional and transaction fees $98,211 (2021 - $243,036) decreased due to lower legal costs from the decreased activities during the current period.

iv) Research and development of $76,624 (2021 - $175,613) decreased due to a decrease in the need for research and development.

v) Salaries and benefits of $182,102 (2021 - $269,736) decreased due to a decrease in the need for workers on the technology.

vi) Share-based payments of $15,137 (2021 - $337,252) decreased due to the grant and vesting of fewer new stock options to consultants during the current period.

vii) Unrealized loss of marketable securities $39,417 (2021 - $28,667) due to fluctuations in fair market value of the securities that are held by the Company during the current period.

Cash Flow

The Company had cash of $29,482 (April 31, 2022 - $475,071). The decrease in cash during the six months ended October 31, 2022 was primarily due to cash used in operating activities of $291,038 and the further investment in Tech2Heal of $136,420.

Cash used in operating activities was $291,038 for the six months ended October 31, 2022. Operating activities were affected by a net loss of $889,930 and significant adjustments of $39,417 for unrealized loss on marketable securities, share-based payments of $15,137 and change in non-cash working capital items of $438,804.

Cash used in investing activities for the six months ended October 31, 2022 was $164,551 due to amounts paid for investment in Tech2Heal and the office lease payments made during the period. For the six months ended October 31, 2021, cash used in investing activities was $1,115,106 due to amounts paid for investment in Tech2Heal and lease agreements.

Cash provided by financing activities for the six months ended October 31, 2022 was $10,000 for private placement subscription received. For the six months ended October 31, 2021 the change was $699,068, exercise of options and warrants of $853,550; loan payment of $154,482.

Liquidity and Capital Resources

The Company has non-material operating revenues and therefore must utilize its funds obtained from equity financing and other financing transactions to maintain its capacity to meet ongoing R&D and operating activities. The cash resources of AI/ML are held with major Canadian financial institution.

The Company's uses of cash at present occur, and in the future are expected to occur, principally in three areas, namely, funding of its general and administrative expenditures, sales and marketing efforts, and its R&D activities.

At October 31, 2022, the Company had a working capital deficiency of $1,543,368 (April 30, 2022 – $565,192).

Notes Payable

i) During the year ended April 30, 2021, the Company received $40,000 from the Government of Canada sponsored Canada Emergency Business Account (CEBA) in the form of a line of credit. This loan is a two year, interest free loan, to be repaid by December 31, 2023. If the Company repays the CEBA loan on or before December 31, 2023, the Company is liable to only repay $30,000 of the principal balance. Any unpaid principal portion of the CEBA loan after December 31, 2023 will be converted into a three-year loan with an annual interest rate of 5%.

ii) As at October 31, 2022, the Company owed $117,000 (April 30, 2022 - $117,000) to an unrelated company, which is unsecured, bears interest at 10% per annum, and due on demand. Total interest accrued during the period was $5,898 (2021 - $5,898).

Changes in Accounting Policies and Recent Accounting Pronouncements

Please refer to the condensed interim consolidated financial statements for the periods ended October 31, 2022 on www.sedar.com

Related Party Transactions

Related parties include the Board of Directors, Executive Officers and any companies owned or controlled by them.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include officers and directors.

Remuneration of directors and key management personnel of the Company was as follows:

	Three months ended October 31, 2022	Three months ended October 31, 2021
Management fees	$ 60,000	$ 60,000
Professional fees	31,752	40,085
Salaries and benefits	49,462	93,160
Share-based payments	15,137	-
	$ 156,351	$ 193,245

As at October 31, 2022, the Company owed:

i) $773,704 (April 30, 2022 - $757,569) to a company controlled by a former director of the Company, namely John Cook, for management fees and expenses. Of the total amount owing, $705,204 is unsecured, bears interest at 5% per annum and repayable by December 31, 2022. Prior to January 31, 2021, the loan was non-interest bearing. During the period ended October 31, 2022, the Company accrued interest of $16,135 (2021 - $16,136).

   The remaining amount owing of $68,500 (April 30, 2022 - $68,500) is unsecured, non-interest bearing with no fixed terms of repayment.

ii) $58,719 (April 30, 2022 - $46,683) to the Chief Executive Officer and director of the Company, which is unsecured, non-interest bearing, with no fixed terms of repayment.

iii) $13,302 (April 30, 2022 - $2,225) to the Chief Technology Officer and director of the Company, which is unsecured, non-interest bearing, with no fixed terms of repayment.

iv) $5,425 (April 30, 2022 - $Nil) to the Chief Financial Officer and director of the Company, which is unsecured, non-interest bearing, with no fixed terms of repayment.

v) $23,573 (April 31, 2022 - $12,855) to a director of the Company and his spouse, which is unsecured, non-interest bearing, with no fixed terms of repayment, and is included in accounts payable and accrued liabilities.

Financial Instruments and Risk Management

The Company has realigned its business operations to capitalize on the burgeoning fields of artificial intelligence (AI) and machine learning (ML), with an initial investment focus on emerging digital health and wellbeing companies that leverage AI, ML, cloud computing and digital platforms to drive transformative healthcare management solutions and precision support delivery across the health continuum. The Company's financial condition, results of operations and business are subject to numerous risks.

For a complete discussion of such risks, please refer to the consolidated financial statements for the year ended April 30, 2022 on www.sedar.com.

Share Capital

As of the date of the report, the Company has the following outstanding:

- 36,692,770 common shares

- Stock options

Expiry Date	Exercise Price	Number of options outstanding	Exercisable
December 31, 2022	$0.25	1,000,000	1,000,000
April 11, 2023	$0.95	500,000	250,000
July 5, 2023	$0.80	100,000	100,000
July 15, 2023	$0.80	200,000	200,000

October 8, 2023	$0.80	100,000	100,000
April 30, 2027	$0.20	800,000	800,000
		2,700,000	2,450,000

- Warrants

Expiry Date	Exercise Price	Number of warrants outstanding
December 30, 2022	$0.50	4,000,000
January 11, 2023	0.65	1,648,000 (1)
March 24, 2023	0.20	4,000,000 (1)
December 15, 2023	-	5,000,000
		14,648,000

i) The Company closed a warrant exercise incentive program (the "Program") intended to encourage the exercise of up to 5,648,000 unlisted common share purchase warrants which were issued as part of the Company's private placements which closed on September 28, 2021 and March 24, 2022. Each warrant is currently exercisable for one common share of the Company at a price of $0.075 per common share. The September 28, 2021 warrants expire on January 11, 2023 and the March 24, 2022 warrants expire on March 24, 2023.

Each Incentive Warrant entitles the warrant holder to purchase one additional common share until 5:00 p.m. (Vancouver time) on January 9, 2024 at a price of $0.10 per common share. The repricing will only apply to the term of the Program. Once the Program is complete, the original exercise prices of the warrants will apply.