PUDO INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED

FEBRUARY 28, 2023

(EXPRESSED IN CANADIAN DOLLARS)

Prepared by:

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Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of PUDO Inc. ("PUDO" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended February 28, 2023. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations.

This discussion should be read in conjunction with the audited consolidated financial statements of PUDO Inc. for the year ended February 28, 2023 ("FY 2023"), 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. Information contained herein is presented as of June 2, 2023, unless otherwise indicated.

The Company's consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

The Company's fiscal year end is February 28.

Further information about the Company is available on the Company's website at www.pudopoint.com and under the Company's SEDAR issuer profile at www.sedar.com, or upon request to the Company at 6600 Goreway Drive Unit D, Mississauga, Ontario, Canada, L4V 1S6.

Cautionary Note Regarding Forward-Looking Information

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These 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", "is expected", "budget", "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. Forward-looking statements address possible future events, conditions and financial performance based upon management's current expectations, estimates, projections and assumptions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A are made only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
The Company will be able to continue its business activities	The Company has anticipated all material costs and the operating activities of the Company, and such costs and activities will be consistent with the Company's current expectations; the Company	Unforeseen costs to the Company will arise; any particular operating cost increase or decrease from the date of the estimation; and capital markets not being

Forward-looking statements	Assumptions	Risk factors
	will be able to obtain borrowings or equity funding when required.	favourable for funding and/or related parties discontinue funding the Company resulting in the Company not being able to obtain financing when required or on acceptable terms.
The Company will be able to carry out anticipated business plans	The operating activities of the Company for the twelve months ended February 28, 2023 will be consistent with the Company's current expectations.	Sufficient funds not being available; increases in costs; the Company may be unable to retain key personnel.

Inherent in forward-looking statements are risks, uncertainties, and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance, or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Overview

The audited consolidated financial statements for the year ended February 28, 2023 have been prepared with the assumption that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations and do not include any adjustments that may be required if it were unable to continue as a going concern. Management believes that actions currently being taken, which primarily involve increasing revenues and controlling expenses will allow the Company to achieve profitability and allow the Company to continue as a going concern.

The Company has a history of operating losses; however, those losses are primarily the result of expenditures in attracting customers, business partners, and costs related to building a robust infrastructure to serve as a platform for future growth.

PUDO was incorporated on February 28, 2015 and is listed on the Canadian Securities Exchange ("CSE") under the symbol "PDO" and on the OTCQB Venture Market under the symbol "PDPTF".

Description of Business

PUDO's primary purpose is to improve the connection between e-commerce and consumers. Through collaboration with online retailers, third party logistics companies ("3PL"), Software as a Service ("SaaS") providers, and courier companies' consumers can take secure delivery of their parcels or drop-off returns where, and when, it's convenient for them.

Existing businesses, such as convenience stores or gas stations, provide services as a PUDOpoint™ (a "PUDOpoint"). PUDOpoints are typically open extended hours, seven days a week to make it convenient for busy consumers to quickly and efficiently collect what they have ordered online or drop off what they need to return. The Company deploys its software technology to provide consumers with convenient PUDOpoints (the "Network") to pick-up or drop-off ("PUDO") e-commerce parcels.

PUDO's services provide courier companies and retailers with a presence in a broad variety of locations to better serve their customers. Not only convenient, these services can also save money. Couriers don't have to attempt delivery a second or third time or make other arrangements with customers who aren't home. Retailers can ship directly to PUDOpoints saving residential delivery costs and reducing the risk of theft or spoilage. PUDO also helps retailers reduce the cost and increase the convenience of their returns program. Consumers can drop off pre-labeled parcels at any PUDOpoint for processing back to the retailer.

Overall Performance

Highlights

The Company continued to focus on optimizing the PUDO Network to increase alignment with partner parcel volumes while leveraging the Network to develop new partner relationships and services that further enhanced revenue opportunities. These focused efforts resulted in new services being implement and increased parcel volumes in PUDO's core revenue streams in this fiscal year. IT integration and enhancements remain a key focus as the Company looks to increase efficiencies, add new partners, and grow revenue. The Company is positioned well to add new partners for residential redirects, growing parcel volumes for direct to PUDOpoint deliveries, enlarging the returns program, and add new revenue streams in the coming quarters. The Network remains uniquely positioned to offer cost effective convenient services for returns and to consumers who are looking for an alternative to home delivery.

During FY 2023, noteworthy highlights include:

- Revenue increased to $3,834,049 representing a 77.3% increase over the same period in the prior year primarily as a result of the increased utilization of the PUDO returns and consolidation services.
- The Company continued to invest in developing the Direct to PUDO service as US vape retailers and customers were able to utilize the PUDOpoint Counters Network to ensure vape products were received at a safe and secure location. In addition, PUDOpoint locations confirm name, age, and ID of customer prior to release of package.
- Management continued to invest in ongoing software development to enhance PUDO's current software technology and database structure to better manage the software application programming interface ("API") integrations of PUDO's existing and new service offerings with current and new partners. This included the PUDO Returns Label service ("PUDO Label") that enabled the retailers' customers to print a return label for previously order products to drop off the return package at a PUDOpoint Counter location for an efficient and cost-effective consolidated pickup and returns process for the retailers. The success of the PUDO Label service in Canada during FY 2023 led to the discussion with a PUDO partner for a phased rollout in

the United States ("US") starting with fifteen (15) pilot PUDOpoint locations in the US, which started early May 2023.
- In January 2023, Elliott K Etheredge, joined the Company as CEO and Frank Coccia assumed the position of Founder-President & COO.

Capital Activities

- In March 2022, the Company granted 225,000 stock options to directors of the Company. The options were exercisable at a price of $0.81 per common share and will expire on March 1, 2027. The options vest in 25% increments yearly with the first 25% having vested on March 1, 2022.
- In March 2022, the Company granted 344,445 stock options to the consultants of the Company. The options were exercisable at a price of $0.81 per common share and will expire on March 1, 2027. 325,000 of the options vest in 25% increments yearly with the first 25% having vested on March 1, 2022.
- In October 2022, a consultant exercised their stock options. As a result, an option exercise payment for 21,111 options was settled against $27,440 in accounts payable that was owed to the consultant. A total of 21,111 common shares were issued.
- In December 2022, the Company issued 51,073 common shares to pay for $40,858 of accrued vacation liability owing to three employees of the Company. This payment arrangement was part of a signed agreement between the Company and the employees. The common shares were issued at a price equal to the closing market price of the common shares of the Company as listed on the CSE on December 22, 2022, being $0.80, in accordance with the policies of the CSE.
- In February 2023, the Company issued 51,823 common shares to pay for $41,458 of accrued vacation liability owing to three employees of the Company. This payment arrangement was part of a signed agreement between the Company and the employees. The common shares were issued at a price equal to the closing market price of the common shares of the Company as listed on the CSE on February 13, 2023, being $0.80, in accordance with the policies of the CSE.
- In February 2023, the Company granted 1,357,350 stock options to an employee of the Company. The options were exercisable at a price of $0.80 per common share and will expire on December 28, 2026. The options vest in 6% increments quarterly with the first 6% having vested on March 13, 2023.

Operations

PUDOpoint Counters Network

The Company continued to focus on optimizing the PUDO Network to increase alignment with partner parcel requirements and volumes while leveraging the Network to develop new partner relationships and services that further enhance revenue opportunities. These efforts resulted in more customers being added, which increased parcel volumes in PUDO's returns revenue stream. IT integration and enhancements remain a strategic focus as the Company looks to increase efficiencies, add new partners, and grow revenue. Through strategic partnerships the Company is positioned well to add new PUDOpoint locations in Canada and the USA. This will provide new e-commerce retail partner locations for residential redirects, increased parcel volumes for direct to PUDOpoint deliveries, and add new revenue service offerings in the coming quarters. The Network remains uniquely positioned to offer cost effective convenient services for returns and to consumers who are looking for an alternative to home delivery.

PUDO Parcel Analysis

Parcel volume and other factors within the e-commerce ecosystem affect PUDO's goals and performance during its growth phase.

While the Company continued to strategically manage the growth and development of the PUDO Network and new services throughout FY 2023, overall parcel volume in FY 2023 increased by 90.2% compared to the year ended February 28, 2022 ("FY 2022") and overall parcel volumes during Q4 FY 2023 increased by 53.9% as compared to the quarter ended Q4 FY 2022. During Q4 FY 2023, partner shipments increased by 50.3% over the same quarter in the previous year, while during the same time period member parcel volumes were up 120.6% as a result of the reduction in COVID-19 Canada-USA border restrictions for travel in Q4 FY 2023 as compared to the prior year quarter. In FY 2023, partner shipments increased by 87.3% and represented 93.3% of the Company's total parcel volumes, remaining relatively the same as in the prior fiscal year.

Below is a summary of PUDO's current parcel services being utilized by partners and customers:

- ***Return and For Pickup ("RFPU)s***: During FY 2023 total returns increased by approximately 270% as compared to the prior year FY 2022, while during Q4 FY 2023 returns increased by 330.1% as compared to returns parcel volume in Q4 FY 2022. In sequential quarters, returns parcel volume decreased by 18.7% in Q4 FY 2023 over Q3 FY 2023 due to a decline of reduced volume of a courier customers drop off shipments that are held for courier pickup at PUDOpoint locations. Throughout FY 2023, PUDO continued to develop the returns handling logistics program nationally. The FY 2023 increase was a result of PUDO's partners increasing client returns volumes in key strategic Canadian cities as the value of this service provided by PUDO reduced returns logistics and consolidation costs for their clients.

- ***Failed First Attempt ("FFA")*: During FY 2023 total FFA parcel volume increased by 4.1% relative to FY 2022, while during Q4 FY 2023 FFA parcel volume increased by 8.6% as compared to FFA parcel volume in Q4 FY 2022. This increase was a result of some customers returning to work offices as many COVID-19 restrictions were removed, so more packages were re-directed to PUDOpoint location for safe and secure drop off by courier and pickup by they customer. In sequential quarters, parcel volumes in Q4 FY 2023 compared to Q3 FY 2023 increased by 3.7%. This compares to a parcel increase of 0.5% in the prior year between Q4 and Q3 FY 2022.

- ***Third Party Logistics ("3PL")*: During FY 2023, 3PL parcel shipments decreased by approximately 11% relative to the prior year, FY 2022, while during Q4 FY 2023 3PL parcel volume decreased approximately 9.4% as compared to 3PL volume in Q4 FY 2022. In sequential quarters, 3PL parcel shipments in Q4 FY 2023 as compared to Q3 FY 2023 decreased by 43.4%. The volume decrease may be a result, in Canada, due to increased cost of parcel shipping and fuel surcharge costs, to remote rural areas in Canada, of retail e-commerce sales during Q4 FY 2023.

- ***Border Member***: During FY 2023 total member parcel volume increased by 144.2% relative to FY 2022, while during Q4 FY 2023 the member parcel volume increased by 120.6% as compared to member volume in Q4 FY 2022. In sequential quarters, parcel volumes in Q4 FY 2023 compared to Q3 FY 2023 increased by 3.1%. These increases were primarily a result of the Canada-USA border reopening with COVID-19 restrictions being gradually lifted for USA-Canada cross border travel during FY 2023.

- ***Pickup Counters***: During FY 2023 Pickup Counter parcel volume increased by 35.5% as compared to FY 2022, while during Q4 FY 2023 Pickup Counter volume increased by 38.1% relative to Q4 FY 2022. In sequential quarters, Pickup Counter volume in Q4 FY 2023 increased by 15.4% compared to Q3 FY 2023. These increases were a result of customers becoming familiar with having the PUDO Counter Network available as an alternative ship-to location on a major e-commerce retailer checkout process.

- ***Direct to PUDO ("D2P")*: During FY 2023 the D2P parcel volume increased by 330.3% as compared to FY 2022, while during Q4 FY 2023 Pickup Counter volume increased by 50.8% relative to Q4 FY 2022. In sequential quarters, Pickup Counter volume in Q4 FY 2023 increased by 14.6% compared to Q3 FY 2023. These increases were a result of retailers becoming familiar with having the PUDO Counter Network available as an alternative ship-to location for their customers during the checkout process. This service provides the ability to have secure pickup with ID and age verification for certain goods.

As PUDO continues to evolve the PUDO Network of locations available for pick up or drop off of packages, it is expected that having a greater number of stakeholder partners and consumer members will minimize parcel volume losses and reduce dependence on specific carriers.

Financial Condition and Performance

The following table includes PUDO's financial highlights as at and for the years ended February 28, 2023, 2022, and 2021:

	As at / Year Ended February 28, 2003	As at / Year Ended February 28, 2022	As at / Year Ended February 28, 2021
Total assets	$ 612,380	$ 661,714	$ 1,393,448
Cash	177,925	134,750	749,708
Total liabilities	569,130	713,521	477,697
Deficit	(9,672,761)	(11,211,108)	(10,349,436)
Shareholders' equity (deficit)	43,250	(51,807)	915,751
Revenue	3,834,049	2,162,365	1,671,171
Gross profit	1,477,774	697,828	504,247
Net loss and comprehensive loss	(327,812)	(1,211,321)	(1,824,135)
Loss per share basic and diluted	(0.01)	(0.04)	(0.07)
Working capital surplus (deficiency)	4,058	(142,575)	749,867
Cash provided (used) by operating activities	52,363	(589,291)	(1,254,308)
Cash used in financing activities	$ -	$ (13,045)	$ 122,884

In FY 2023, the Company's revenues increased by 77.3% relative to the prior fiscal year and incurred a net loss of $327,812. Of the $883,509 reduction in the net loss relative to the previous year, $211,149 was due to lower administrative and finance expenses offset by a $107,586 increase in non-cash share-based compensation expense, and $779,945 in increased gross profit. Gross profit increased by 111.8% to $1,477,773 in FY 2023 relative to the previous year.

In FY 2023, the Company generated $52,363 of positive cash from operating activities, which is a significant improvement from FY 2022, where $589,291 of cash was used by operating activities. Main reason for the improvement was due to reduction in administrative expenses and increase in gross profit. The Company additionally used $1,807 of cash in financing activities and incurred a loss of $7,381 in foreign currency translation. As a result, cash improved by $43,175.

Trends

During FY 2023, PUDO accelerated its growth into a direct returns provider for e-commerce retailers that want to reduce logistics and consolidations costs as this is a considerable expense for e-commerce retailers. PUDO is working very closely with their partners to activate new PUDOpoint locations to meet their growing demand for PUDO's suite of services, especially the returns service. The returns market will remain a strategic expansion focus for PUDO as online retailers look for ways to reduce the cost of the returns service provided to their customers.

Selected Annual Financial Information

The following is selected financial data derived from the consolidated financial statements of the Company for the years ended February 28, 2023, 2022, and 2021:

	As at / Year Ended February 28, 2003	As at / Year Ended February 28, 2022	As at / Year Ended February 28, 2021
Total assets	$ 612,380	$ 661,714	$ 1,393,448
Cash	177,925	134,750	749,708
Total liabilities	569,130	713,521	477,697
Deficit	(9,672,761)	(11,211,108)	(10,349,436)
Shareholders' equity (deficit)	43,250	(51,807)	915,751
Revenue	3,834,049	2,162,365	1,671,171
Gross profit	1,477,774	697,828	504,247
Net loss and comprehensive loss	(327,812)	(1,211,321)	(1,824,135)
Loss per share basic and diluted	(0.01)	(0.04)	(0.07)

<u>Year ended February 28, 2023, compared with the year ended February 28, 2022:</u>

The Company's net loss was $327,812 for the year ended February 28, 2023, with basic and diluted loss of $0.01 per share. This compares with a net loss of $1,2111,321 with basic and diluted loss of $0.04 per share for the year ended February 28, 2022, and a net loss of $1,824,135 with basic and diluted loss of $0.07 per share for the year ended February 29, 2021.

The decrease of $883,509 in the net loss for the year ended February 28, 2023, relative to the prior year was principally because:

- Revenues increased by $1,671,684 to 3,834,049 in FY 2023 relative to the previous year representing a 77.3% increase, owing primarily to increases in returns, FPU, D2P, and member parcel volume, offset by a decrease in 3PL shipments.

- Gross profit of $1,477,774 for the year ended February 28, 2023, increased by $779,946, or 111.8%, relative to the prior year. As a percentage of revenue, the gross profit in FY 2023 increased to 38.5%, up from 32.3% in the prior year. This is primarily related to the shift of revenue to returns shipments.

- The Company had administrative expenses of $1,492,478 during the year ended February 28, 2023, compared to $1,703,294 in the prior year representing a 12.4% decrease. The decrease was primarily a result of the reduction in salaries and benefits, general administrative expenses, investor relations fees, offset by increases in travel and business development costs, along with increases in professional and consulting fees.

- The Company incurred $313,108 in non-cash share-based compensation during the year ended February 28, 2023, in comparison with $205,522 during the year ended February 28, 2022. The increase in non-cash shared-based compensation was due to options issued in March 2022 and February 2023.

Year ended February 28, 2022, compared with the year ended February 28, 2021:

The Company's net loss was $1,211,321 for the year ended February 28, 2022, with basic and diluted loss of $0.04 per share. This compares with a net loss of $1,824,135 with basic and diluted loss of $0.07 per share for the year ended February 28, 2021, and a net loss of $2,004,186 with basic and diluted loss of $0.08 per share for the year ended February 29, 2020.

The decrease of $612,814 in the net loss for the year ended February 28, 2022, relative to the prior year was principally because:

- Revenues increased by approximately $491,194 to $2,162,365 in FY 2022 relative to the previous year representing a 29.4% increase, owing primarily to increases in FPU, returns, and member parcel volume, offset by a decrease in 3PL shipments.

- Gross profit of $687,828 for the year ended February 28, 2022, increased by $193,581, or 38.4%, relative to the prior year. As a percentage of revenue, the gross profit in FY 2022 increased to 32.3%, up from 30.2% in the prior year. This is primarily related to the shift of revenue to returns shipments.

- The Company had administrative expenses of $1,703,294 during the year ended February 28, 2022, compared to $1,810,415 in the prior year representing a 5.9% decrease. The decrease was primarily a result of the reduction in general administrative expenses, consulting and investor relations fees, and travel and business development costs.

- The Company incurred $205,522 in non-cash share-based compensation during the year ended February 28, 2022, in comparison with $506,913 during the year ended February 28, 2021.

The consolidated statements of financial position of the Company as at February 28, 2023, 2022, and 2021 were as follows:

	As at February 28, 2023	As at February 28, 2022	As at February 29, 2021
Current assets	$ 573,188	$ 570,946	$ 1,227,564
Non-current assets	39,192	90,768	165,884
Total assets	**612,380**	**661,714**	**1,393,448**
Current liabilities	569,130	713,521	477,697
Long-term liabilities	-	-	-
Total liabilities	**569,130**	**713,521**	**477,697**
Share capital	9,177,037	9,043,688	9,060,580
Warrant reserve	-	-	-
Stock option reserve	538,974	2,115,613	2,204,607
Deficit	(9,672,761)	(11,211,108)	(10,349,436)
Shareholders' equity (deficiency)	43,250	(51,807)	915,751
Total liabilities and shareholders' (deficiency) equity	**$ 612,380**	**$ 661,714**	**$ 1,393,448**

The Company started operations in 2015 and has historically incurred operating losses associated with its expansion, as reflected by an increasing deficit over time. The Company's ability to fund its operations is dependent upon securing additional financing or increasing earnings from revenue growth as it strives to get to profitability. See "Trends" and "Risk Factors." The Company has been successful in raising additional financing as is reflected in the increased share capital.

Summary of Quarterly Results

The following quarterly financial information is derived from the interim consolidated financial statements of the Company for the interim periods indicated below:

Three Months Ended	Total Revenue ($)	Profit or (Loss) Total ($)	Profit or (Loss) Per Share (Basic & Diluted) ($)	Gross Profit ($)	Admin Expenses ($)	Non-Cash Share Based Compensation ($)	Finance Costs ($)
2023-Feb. 28	916,074	(116,749)	(0.00)	343,760	(400,308)	(60,201)	-
2022-Nov. 30	1,023,889	(26,704)	(0.00)	404,767	(381,654)	(49,817)	-
2022-Aug. 31	1,021,421	(21,768)	(0.00)	404,828	(364,164)	(62,432)	-
2022-May 31	872,665	(162,591)	(0.01)	324,419	(346,352)	(140,658)	-
2022-Feb. 28	650,021	(194,359)	(0.01)	244,178	(390,272)	(29,595)	-
2021-Nov. 30	549,063	(295,978)	(0.01)	156,710	(417,503)	(35,185)	-
2021-Aug. 31	447,034	(331,486)	(0.01)	140,582	(408,734)	(63,334)	-
2021-May 31	516,247	(371,069)	(0.01)	156,360	(449,688)	(77,408)	(333)

Revenue and gross profit have fluctuated over the past eight quarters as a result of new and current partners using the PUDO Network for return services during FY 2023. The net loss is directly affected by revenues, gross profit, non-cash stock compensation expense as well as the level of administrative expenses.

Overall Objectives

The Company remains committed to broadening its customer base as it gains experience with integrating new customers and revenue programs. This focus is with the expectation of growing revenues to cover the Company's Network operating overhead costs.

Off-Balance-Sheet Arrangements

The Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on its results of operations or financial condition, including, without limitation, such considerations as liquidity, capital expenditures, and capital resources that would be considered material to investors.

Outlook

The Company anticipates that the PUDO returns service will continue to be a driver of revenue growth during fiscal year 2024. The PUDO returns service enables retailers to utilize the PUDOpoint Network for drop off of returns parcels that are then collected and consolidated by PUDO and then distributed as per the retailers' requirements. With the successful completion of the PUDO Label returns service in Canada, the Company is launching the same service in the United States in Q1 FY 2024 to support their current retail customers that have requested this service within the US. In addition, the current US PUDOpoint Network is being utilized by e-commerce retailers and is enabling the growth of the Direct to PUDO service that allows retailers to utilize the PUDOpoint Counters Network as secure and safe drop off locations. For some retailers they are also able to meet the "age and identity verification" requirements required for certain products. In Canada, the Company has seen a decline during the first quarter of FY 2024 by one of their courier partners for use of the PUDOpoint counters for customer drop off of shipments for courier pickup.

The Company has a history of operating losses and negative cash flow from operations, which cast doubt on the Company's ability to continue to operate as a going concern, the Company had a working capital surplus of $4,058 (2022 – deficit of $142,575), had not yet achieved profitable operations, had received cash from operating activities of $52,363 for the year ended February 28, 2023 (2022 – cash used in $589,291), had a deficit of $9,672,761 as at February 28, 2023 (2022 - $11,211,108) and had a shareholders' equity of $43,250 at February 28, 2023 (2022 – shareholders' deficiency of $51,807). The losses were primarily the result of expenditures in attracting customers and business partners, and costs related to building a robust infrastructure to serve as a platform for, and to support, future growth initiatives.

The Company has been and expects to continue to be successful in raising the required capital to fund its operations, accelerate expansion and shorten the horizon to break-even operations. In the coming months, the Company will continue to explore these financing opportunities. However, there is no assurance that the Company will be able to raise the necessary funds as planned. If the Company is unable to secure the necessary funds, it could have a substantial impact on the Company's ability to continue operations at its present level.

Share Capital

As of the date of this MD&A, May 29, 2023, the Company has (i) 27,271,007 common shares outstanding; (ii) no warrants available for exercise; and (iii) 2,275,545 stock options exercisable for the purchase of 2,275,545 common shares.

Liquidity and Capital Resources

As noted in "Selected Annual Financial Information", the Company generates limited cash from operations. The Company's primary source of funding has been through the issuance of equity. Additional equity financing will be required for the Company to be able to successfully execute its business plan and get to a sustainable level of profitability.

PUDO intends to raise equity capital to fund its planned expansion, as well as increase its revenue at existing locations in order to eliminate operating losses. The Company has a history of successfully raising the capital required to operate and believes that it can continue to raise necessary capital. However, the history of losses casts doubts on the ability of the Company to continue to operate as a going concern. While management expects to be able to raise the necessary capital, there is no assurance that any capital raise will be successfully completed at terms acceptable to the Company. Failure to raise sufficient capital may impact the Company's ability to expand as rapidly as planned, or even continue operations at the present level.

A summary of the cash flows and essential components thereof for the years ended February 28, 2023 and February 28, 2022 are outlined below.

Details	As at / year ended Feb. 28, 2023	As at / year ended Feb 28, 2022	Comments
Total assets	$ 612,380	$ 661,714	
Cash & cash equivalents	203,557	160,382	*Includes restricted cash of $25,632 (2022 - $25,632)*
Working capital (deficit) surplus	4,058	(142,575)	*Includes non-cash working capital*
Cash flows provided by (used) operating activities (including non-cash)	52,363	(589,291)	*Attributable to a decrease in the operating loss offset by increase in trade and other receivables and a decrease in trade and other payables as at Feb. 28, 2023.*
Cash flows used in investing activities	(1,807)	(6,852)	*Decreased FY 2023 cash outflows was a result of a decrease in the investment in hardware assets.*
Cash flows used in financing activities	$ -	$ (13,045)	*Repayment of loan during FY 2022.*

Significant accounting policies

(a) Changes in accounting standards

There were no new accounting standards that affected the current year's consolidated financial statements.

(b) Foreign currencies

The functional currency of the Company and two of its subsidiaries, Grandview Gold (USA) Inc., and Recuperacion Realzada, S.A.C, is the Canadian dollar. The functional currency of PUDOpoint Inc. is the United States dollar ("USD"). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

In situations where the functional currency is not the same as the presentation currency, foreign currency denominated assets and liabilities are translated to their presentation currency equivalents using foreign exchange rates in effect at the consolidated statement of financial position date. Revenues and expenses are translated at average rates of exchange during the period.

(c) Revenue recognition

To determine the amount and timing of revenue to be recognized, the Company follows a 5-step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognizing revenue when/as performance obligation(s) are satisfied.

The Company provides technology and a network of third-party locations where consumers can pick up or drop off parcels and revenue is generated in various ways when (i) a courier cannot deliver a parcel to a residential customer, they may choose to drop the parcel off at a PUDOpoint; (ii) consumers choose to have their parcels delivered directly to a PUDOpoint or Kinekpoint; (iii) partners utilize network for drop off packages for a consolidated pickup; and (iv) PUDO partners utilize the PUDOpoint network for returns of e-commerce packages.

The Company also provides a service (Third Party Logistics) where partners utilize our technology and services for package final mile delivery to a residential or business address. This service does not require the packages to be delivered to a PUDOpoint location.

In other event, PUDO recognizes revenue when the parcel has arrived at the PUDOpoint or Kinekpoint which is the point at which the Company has satisfied its performance obligation under its contracts with consumers, couriers and third-party locations and revenue is reliably measurable and collection is reasonably assured. For third-party logistics revenue is recognized when the package is recognized upon delivery at final destination.

(d) Equipment

Equipment, which consists primarily of computer tablets and scanners, is initially recorded at cost. Computer tablets and scanners are amortized using the straight-line method over their estimated useful life of 2 years.

(e) Intangible assets

Intangible assets, which consist of computer systems software, including software acquired in a business combination, are initially recorded at cost. Computer systems software is amortized using the straight-line method over its estimated useful life of 4 years.

(f) Impairment of non-financial assets

At each statement of financial position reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is an indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss in the statements of loss and comprehensive loss for the year. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

At each reporting date, the Company assesses whether there is any indication that previously recognized impairment losses no longer exist. If such an indication exists, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss in the statements of loss and comprehensive loss.

(g) Financial instruments

The Company's accounting policies in respect of its financial instruments are set out below:

Financial assets
On initial recognition, financial assets are recognized at fair value. They are classified to be subsequently measured at amortized cost or fair value through profit or loss ("FVTPL"). The objective of the financial assets is to hold them and contractual cash flows are solely payments of principal and interest on the outstanding principal amount. Therefore, subsequent measurements are made at amortized cost.

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recorded in profit or loss.

At each reporting date, the Company assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s), and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

Impairment losses on assets carried at amortized cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognized in profit or loss and reflected in an allowance against loans and receivables. Interest on impaired assets continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Trade receivables are initially measured at the transaction price and classified as amortized cost. Cash, restricted short-term investments and other amounts receivable are initially measured at fair value and classified as amortized cost.

Financial liabilities
Financial liabilities are initially recorded at fair value and designated upon inception as fair value through profit or loss or amortized cost. Trade and other payables, and loans and borrowings are recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument. Trade and other payables, advances payable, and loans and borrowings are initially recognized at fair value. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expire.

Fair value measurement
Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Offsetting
Financial assets and liabilities are offset and the net amount presented in the financial statements when and only when, the Company has a legal right to set off the recognized amounts and it intends either to settle on a net basis or realize the asset and settle the liability simultaneously.

(h) Share-based compensation

Equity-settled share-based compensation to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the stock option reserve notes in the financial statements.

Fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period in which options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to stock options reserve.

Equity-settled share-based compensation transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

On exercise, the value originally recorded in stock option and warrant reserves is recorded in share capital with proceeds received. For those stock options and warrants that expire after vesting, the recorded value is transferred from stock option and warrant reserves to deficit.

(i) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

(j) Income taxes

Income tax expense comprises current and deferred taxes. Current taxes and deferred taxes are recognized in profit and loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income (loss).

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(k) Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments such as stock options and warrants. Stock options and warrants are dilutive when the Company has income from operations and the average market price of the common shares during the period exceeds the exercise price of the options and warrants. Since the stock options held at the year ended February 28, 2022 and February 28, 2021 were anti-dilutive, they have been excluded from the diluted loss per share calculation.

(l) Short-term investments

Short-term investments are comprised of guaranteed investment certificates with original maturities of greater than three months and up to one year. As at February 28, 2022 and February 28, 2021, the restricted short-term investment was comprised of a cashable guaranteed investment certificate to be held as collateral for a corporate credit card for as long as the credit card is active and has been reflected as a restricted asset. The restricted short-term investment amount would change if there is any change in the credit limit on the credit card.

(m) Segment information

The Company operates in one operating segment: providing technology and a network of third-party locations for alternative drop-off and pick up options for parcels.

The Company has identified its operating segment based on the financial information that is reviewed and used by executive management (collectively, the Chief Operating Decision Maker, or "CODM") in assessing performance and in determining the allocation of resources. The CODM considers the business from a single segment perspective and assesses the performance of the segment based on measures of profit and loss as well as assets and liabilities. These measures include revenue, operating expenditures, working capital, non-current assets and total debt.

Financial information about the operating segment is reported to the CODM on at least a monthly basis. As the operations comprise a single segment, amounts disclosed in the consolidated financial statements also represent segment amounts.

(n) Receivables and Expected Credit Loss

Accounts receivables are recorded at the invoiced amount and do not bear interest. Expected credit losses reflect the Company's estimate of amounts in its existing accounts receivable that may not be collected due to customer claims or customer inability or unwillingness to pay. Collectability of receivables is reviewed on an ongoing basis.

The expected credit loss is determined based on a combination of factors, including the Company's risk assessment regarding the credit worthiness of its customers, historical collection experience and length of time the receivables are past due. For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the consolidated statement of financial position as a deduction from the gross carrying amount of the financial asset.

Related Party Transactions

During the year ended February 28, 2023, the Company incurred bookkeeping fees, office rental, and warehouse sorting costs to a company with a common office and director. Warehouse sorting is included in cost of sales in the amount of $36,631 (2022 – nil). Bookkeeping fee and office rental are included in accounting and office expense $14,400 (2022 - $32,400).

During the years ended February 28, 2023 and February 28, 2022, the Company had the following transactions with shareholders, management and directors:

		2023		2022
Share-based compensation	**$**	**313,108**	$	205,522
Salaries and benefits		**226,870**		183,455
Consulting fees		**41,035**		40,261
	$	**581,013**	$	429,237

As at February 28, 2023, balances payable to the related parties noted above amounted to $64,640 (2022 - $25,186) and are included in trade and other payables. These balances are unsecured, non-interest bearing and due on demand.

All related party transactions were made on terms equivalent to those that would prevail in arm's length transactions.

Financial Risk Management

Information about the Company's exposure to various financial risks is disclosed below.

(a) Fair values

The carrying amounts of cash, trade and other receivables, restricted short-term investment, trade and other payables and loans and borrowings approximate their fair values, given their short-term nature.

(b) Financial risk factors

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk, market risk, and capital risk management. This note discloses information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk and their management of capital.

The Board of Directors of the Company (the "Board") has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

(i) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet commitments it has entered into with the Company. The financial assets that potentially expose the Company to credit risk consist principally of cash or trade and other receivables. The extent of the Company's exposure to credit risk is approximated by the carrying values recorded in the Company's consolidated statement of financial position. The Company has one customer with significant revenues. This customer is comprised of three different businesses operated independently under common control.

	2023	2022
Revenue from customer #1	**$ 1,250,960**	$ 471,993
% of total revenue	**33%**	22%
Revenue from customer #2	**$ 1,240,255**	$ 1,125,564
% of total revenue	**32%**	53%
Account receivable from customer #1	**$ 38,290**	$ 102,746
% of total accounts receivable	**14%**	32%
Account receivable from customer #1	**$ 68,898**	$ 83,935
% of total accounts receivable	**25%**	26%

The maximum exposure to credit risk at the reporting date was:

	2023	2022
Cash	**$ 177,925**	$ 134,750
Restricted short-term investment	**25,632**	25,632
Trade and other receivables	**277,484**	325,312
	$ 481,041	$ 485,694

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to finance its operations and to mitigate the effects of fluctuations in cash flows.

The following are the contractual maturities of financial liabilities, including interest, where applicable:

As at February 28, 2023	**1 Year or Less**	**Greater than 1 year**	**Total**
Trade and other payables	$ 569,130	$ -	$ 569,130

As at February 28, 2022	**1 Year or Less**	**Greater than 1 year**	**Total**
Trade and other payables	$ 713,521	$ -	$ 713,521

In order to meet such cash commitments, the Company will be required to generate sufficient cash inflows from operating and financing activities.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. All of the Company's equipment and intangible assets are located in Canada.

Revenue by geographic region is as follows:

		2023		**2022**
Canada	**$**	**3,725,710**	$	2,105,627
United States of America		**108,339**		56,738
	$	**3,834,049**	$	2,162,365

Revenue by service is as follows:

		2023		**2022**
Returns	**$**	**1,259,046**	$	479,591
Third Party Logistics		**985,448**		857,242
For Pickup		**836,625**		205,707
Failed First Attempts		**496,239**		483,163
Director PUDO		**116,839**		61,376
Other		**139,852**		56,736
	$	**3,834,049**	$	2,162,365

(iv) Currency risk

Since the Company has a bank account denominated in US dollars, it is exposed to foreign currency risk due to fluctuations in the foreign exchange rate. The Company also has revenue and expenses in both Canadian and US dollars. Since the Company reports its results in Canadian dollars, the functional and presentation currency of the Company, it is exposed to changes in the value of the US dollar relative to that of the Canadian dollar. As at February 28, 2023 and February 28, 2022, the Company had cash, trade and other receivables and trade and other payables denominated in US dollars as follows:

As at February 28, 2023		**USD**		**CAD**
Cash	**$**	**36,889**	$	50,202
Trade and other receivables		**63,753**		85,402
Trade and other payables		**(30,820)**		(41,941)
	$	**68,822**	$	93,663

As at February 28, 2022		USD		CAD
Cash	**$**	**30,228**	$	38,383
Trade and other receivables		**40,483**		51,406
Trade and other payables		**(25,678)**		(32,606)
	$	**45,033**	$	57,183

(v) Interest rate risk

The Company's exposure to risks of changes in market interest rates relates primarily to its cash and short-term investment balances. The Company regularly analyzes its interest rate exposure, giving consideration to potential renewals of existing positions, alternative financial positions and the mix of fixed and variable interest rates.

(vi) Capital risk management

The Company reviews and manages its capital position from time to time to maintain a balance between its liability and equity levels. The Company uses the capital contributed by investors to finance its working capital requirements. 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 developments of the business. The Company defines capital as shareholders' equity and loans and borrowings. As at February 28, 2023, the Company had a shareholders' equity of $43,250 (2022 – shareholders' deficit of $51,807).

The Company's capital management objectives, policies and processes have remained materially unchanged during the years ended February 28, 2023 and February 28, 2022.

(vii) Sensitivity analysis

Based on management's knowledge and experience in the financial markets, the Company believes the following movements are reasonably possible over the year. Sensitivity to a plus or minus 1% change in the US–Canadian dollar foreign exchange rate, based on the US dollar denominated balances as at February 28, 2023, would affect the net loss by approximately $1,000 during the year.

Risk Factors

Financing

The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. While the Company has been successful in raising the necessary funding to continue operations in the past, there is no assurance that it will be able to do so in the future. Failure to obtain sufficient financing may result in delaying or the indefinite postponement of the growth strategy into the other services and markets and it could have a substantial impact on the Company's ability to continue operations at its present level.

There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

If the Company raises additional funds through the sale of equity securities, shareholders may have their investments diluted.

Financial Risk Factors and Credit Facilities

See above under heading "Financial Risk Management" – (b) Financial Risk Factors

Currently, no loans extended to the Company that contain financial covenants related to the Company's financial position and earnings.

Economic Downturns

The Company cannot be certain that economic or political conditions will generally be favourable or that there will not be significant fluctuations that adversely affect the economy as a whole or the key markets that the Company targets.

Changes in the Regulatory Environment

The Company's results of operations can be affected significantly by changes in the regulatory environment.

Dependence on Key Personnel

The success of the Company depends on its senior management team and other key employees, including their ability to retain and attract skilled employees. The loss of the services of key personnel could have a material adverse effect on the business, financial condition, results of operations or future prospects. The Company may not be able to attract and retain additional qualified management and employees as needed in the future. There can be no assurance that the Company will be able to effectively manage its growth and any failure to do so could have a material adverse effect on the Company's business, financial condition, results of operations and future prospects.

Investment Risk

From time to time, the Company may divest of a business that is not meeting performance expectations. This may result in losses from the disposal or wind-up of that business operation.

The Company purchases goods and services in Canadian dollars and US dollars. Since the Company reports its results in Canadian dollars, it is exposed to changes in the value of the US dollar relative to that of the Canadian dollar.

History of Operating Losses

The Company has a history of operating losses and while it has a plan to reach profitability, there is no assurance that the plan can be achieved. The plan may be affected by other risk factors discussed in this section and will require additional capital to be raised to achieve this plan. This history of losses casts doubt on the ability of the Company to continue operating as a going concern. While management expects to be able to raise the necessary capital, there is no assurance that such capital can be raised on terms acceptable to the Company.

Potential Future Developments

Management of the Company, in the ordinary course of business, regularly explores potential strategic opportunities and transactions. The public announcement of any of these or similar strategic opportunities or transactions might have a significant effect on the price of the Company's securities. The Company's policy is not to publicly disclose information concerning potential strategic opportunities or transactions unless and until a definitive binding agreement is reached or the respective boards are confident that the transaction will be completed, in accordance with applicable securities regulations. There can be no assurance that investors who buy or sell securities of the Company are doing so at a time when the Company is not pursuing a particular strategic opportunity or transaction which, when announced, would have a significant effect on the price of the Company's securities.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the consolidated financial statements do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements, and (ii) the consolidated financial statements present fairly in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized, and reported within the time periods specified in securities legislation; and
(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with the Company's generally accepted accounting principles, which follow IFRS.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Additional Disclosure for Venture Corporations

The expenses categorized by nature, incurred by the Company for the years ended February 28, 2023 and February 28, 2022 are as follows:

Cost of sales	Year Ended February 28, 2023	Year Ended February 28, 2021
External processing charges	**$ 2,348,990**	$ 1,459,321
Computer and web access charges	**7,285**	5,216
Total cost of sales	**$ 2,356,275**	$ 1,464,537

Administrative expenses	February 28, 2023	February 28, 2022
Salaries and benefits	**$ 813,500**	$ 928,280
General and administrative expenses	**274,980**	312,325
Professional fees	**110,978**	98,747
Investor relations	**58,991**	82,944
Agent and filing fees	**57,232**	54,534
Consulting fees	**54,462**	44,549
Amortization	**53,383**	81,968
Travel, promotion and business development	**48,972**	38,190
Accounting and office	**21,411**	58,584
Foreign exchange (gain) loss	**(1,431)**	3,173
Total administrative expenses	**$ 1,492,478**	**$ 1,703,294**