

## Item 5. Operating and Financial Review and Prospects

*The following discussion and analysis should be read in conjunction with Item 18. “Financial Statements” included below. Operating results are not necessarily indicative of results that may occur in future periods. This discussion and analysis contains forward- looking statements that involve risks, uncertainties and assumptions. The actual results may differ materially from those anticipated in the forward-looking statements as a result of many factors including, but not limited to, those set forth under “Forward-Looking Statements” and “Risk Factors” in Item 3 “Key Information” included above in this annual report on Form 20-F. All forward-looking statements included in this document are based on the information available to the Company on the date of this document and the Company assumes no obligation to update any forward-looking statements contained in this annual report.*

### Critical accounting policies

We prepare our financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). As such, we are required to make certain estimates, judgments, and assumptions that management believes are reasonable based upon the information available. These estimates, judgments and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. The critical accounting policies are summarized in Item 18. “Financial Statements—Note 2—Critical Accounting Policies”.

A.

### Operating results

The following discussion relates to our results of operations, financial condition and capital resources. You should read this discussion in conjunction with our financial statements and the notes thereto contained elsewhere in this report.

### Audited Financial Years

	For the year ended		
	December 31,		
	2021	2020	2019
	C\$	C\$	C\$
Revenue	7,521,952	6,317,329	4,782,865
Total revenue and other income	7,521,952	6,317,329	4,790,627

### Year 2021 compared to year 2020

#### Revenue

Our revenue increased from C\$6,312,329 in 2020, to C\$7,521,952 in 2021, primarily due to revenue from our US acquisition which closed in September 2021.

#### Cost of Revenue

Our cost of revenue increased from C\$5,947,895 in 2020 to C\$6,253,436 in 2021. This was due to an increase in staff and acquisition/leasing of additional fleet vehicles for more Amazon routes as well as higher vehicle fuel costs.

Personnel costs increased from C\$4,983,299 in 2020 to C\$5,674,740 in 2021. This was due to an increase in

staff for Amazon routes as well as expansion into new areas.

Vehicle fuel costs decreased from C\$396,343 in 2020 to C\$112,091 in 2021. This was due to decreased fuel cost for vehicles.

Amortization expense decreased from C\$388,859 in 2020, to C\$346,532 in 2021 due to the Company entering into fewer lease agreements for its delivery fleet.

#### *Gross Profit*

Gross profit as a percentage of revenue increased from C\$369,434 (5.8%) in 2020 to C\$1,268,516 (16.9%) in 2021. This was due to economies of scale in staffing costs from our acquisition coupled with the signing of higher margin B2B customers.

#### *Expenses*

Marketing and promotion increased from C\$29,146 in 2020, to C\$78,804 in 2021, due to increased marketing activities in 2021 as the Company continued to expand into new areas.

Management and director fees increased from C\$305,158 in 2020, to C\$1,808,250 in 2021, due to increased fees to officers and the issuance of common stock to directors of the Company in 2021. The issuance of \$1,300,000 in common stock to officers and directors is a non-cash expense.

Share-based compensation decreased from C\$473,103 in 2020, to C\$263,672 in 2021, due to fewer stock options being granted.

Consulting fees decreased from C\$656,405 in 2020, to C\$117,054 in 2021, due to fewer consultants to the business.

Foreign exchange costs worsened from a gain of C\$61,236 in 2020, to a loss of C\$31,454 in 2021, due to an increase in the exchange rate of the U.S. dollar against the Canadian dollar.

Interest expense increased from C\$323,931 in 2020, to C\$754,827 in 2021, due to an increase in interest due to the convertible note issuances throughout the year.

Professional fees decreased from C\$655,378 in 2020, to C\$389,817 in 2021, due to a decrease in accounting and legal fees.

Regulatory and filing fees increased from C\$78,945 in 2020, to C\$106,758 in 2021, due to an increase in charges associated with the issuance of shares.

Travel and accommodation expenses increased from C\$31,692 in 2020, to C\$119,692 in 2021, due to an increase in business activity.

Salaries increased from C\$533,193 in 2020, to C\$546,852 in 2021, primarily related to expansion into additional areas.

Office and miscellaneous expenses decreased from C\$1,155,805 in 2020, to C\$964,282 in 2021, due to some cost cutting measures.

In 2020 the Company recorded a loss on debt settlement of C\$191,733 compared to no loss on debt settlement in 2021.

In 2020 the Company recorded a derivative liability of C\$866,238 compared to a C\$144,952 derivative liability in 2021 due to the convertible note issuances throughout the year.

#### *Net loss*

The Company had a net loss of C\$4,874,082 in 2020 compared to C\$4,102,608 in 2021, primarily due to the factors described above, including numerous one-time expenses.

The Company had its largest gross revenue quarter since inception with over \$3.2M in the fourth quarter of 2021 (compared to Q4 2020 of \$2.3M). Consulting fees in the fourth quarter of 2021 decreased to \$25,987 (compared to Q4 2020 of \$210,033) as the Company reduced the number of external consultants to conserve cash. Administrative, office and miscellaneous expenses increased in the fourth quarter 2021 to \$400,802 (from 2020 Q4 of \$213,536) primarily related to the consolidation of Web-to-Door Trucking in Q4 2021. During the three months ended December 31, 2021, the Company generated income before other items of \$217,893. During the three-months ended December 31, 2020, the Company had an operating profit of \$74,939 after factoring in non-recurring professional fees related to the Company's SEC listing, compared to an operating loss of \$651,640 during the three months ended December 31, 2019.

It is important to note, that in FY 2020, approximately \$2.3M of primarily non-cash expenses, including amortization, share issuances (including those related to debt settlements), derivative liabilities and approximately \$500K in non-recurring (in some cases cash) expenses related to the Company's primary exchange listing in the United States on the OTCQB, our becoming a United States SEC compliant filer under the Exchange Act of 1934, as amended, the establishment of a \$5M equity line of credit facility and the preparation and filing of a Registration Statement on Form F-1 in connection therewith, debt facility financings and the termination and costs (cash and stock) related to numerous previously existing contractual arrangements.

We believe these undertakings have better positioned the Company for lower operating expenses moving forward (as demonstrated, in part, by our cash operating performance in the final three months of 2021), and which provide the Company with significant additional capital to better position the Company moving forward in terms of both cashflow, and for additional acquisitions, mergers, securitization of additional warehousing facilities and/or other strategic transactions as they may arise, and which the Company may actively seek.

#### ***Year 2020 compared to year 2019***

##### *Revenue*

Our revenue increased from C\$4,782,865 in 2019, to C\$6,317,329 in 2020, primarily due to an increase in deliveries with Amazon as well as the addition of new customer agreements.

##### *Cost of Revenue*

Our cost of revenue increased from C\$4,336,556 in 2019 to C\$5,947,895 in 2020. This was due to an increase in staff and acquisition/leasing of additional fleet vehicles for more Amazon routes as well as higher vehicle fuel costs.

Personnel costs increased from C\$3,352,985 in 2019 to C\$4,983,299 in 2020. This was due to an increase in staff for Amazon routes as well as expansion into new areas.

Vehicle fuel costs decreased from C\$422,726 in 2019 to C\$396,343 in 2020. This was due to decreased fuel cost for vehicles.

Amortization expense increased from C\$349,668 in 2019, to C\$388,859 in 2020 due to the Company entering into lease agreements to increase the delivery fleet to meet the delivery demand for Amazon.

#### *Gross Profit*

Gross profit as a percentage of revenue decreased from C\$446,309 (9.3%) in 2019 to C\$369,434 (5.8%) in 2020. This was due to an increase in staffing costs for an increase in Amazon routes.

#### *Expenses*

Marketing and promotion decreased from C\$1,586,284 in 2019, to C\$29,146 in 2020, due to decreased promotional activities in 2020.

Management and director fees increased from C\$190,800 in 2019, to C\$305,158 in 2020, due to increased fees to officers of the Company in 2020.

Share-based compensation decreased from C\$776,962 in 2019, to C\$473,103 in 2020, due to fewer stock options being granted.

Consulting fees decreased from C\$860,248 in 2019, to C\$656,405 in 2020, due to fewer consultants to the business.

Foreign exchange costs improved from a loss of C\$12,243 in 2019, to a gain of C\$61,236 in 2020, due to decrease in the exchange rate of the U.S. dollar against the Canadian dollar.

Interest expense increased from C\$29,958 in 2019, to C\$323,931 in 2020, due to an increase in interest due to the convertible note issuances throughout the year.

Professional fees increased from C\$124,550 in 2019, to C\$655,378 in 2020, due to increase in accounting and legal fees as a result of more services required by the Company due to an increase in the business activity, financing transactions and expansion onto United States markets and exchanges.

Regulatory and filing fees increased from C\$48,924 in 2019, to C\$78,945 in 2020, due to an increase in charges associated with the issuance of shares.

Travel and accommodation expenses decreased from C\$62,459 in 2019, to C\$31,692 in 2020, due to a significant decrease in travel as a result of COVID-19.

Salaries increased from C\$358,074 in 2019, to C\$533,193 in 2020, primarily related to expansion into additional cities.

Office and miscellaneous expenses increased from C\$994,124 in 2019, to C\$1,155,805 in 2020, due to increased company activity and expansion into additional cities.

In 2019 the Company recorded a loss on debt settlement of C\$857 compared to a C\$191,773 loss on debt settlement in 2020.

In 2019 the Company did not record a derivative liability compared to a C\$866,238 derivative liability in 2020 due to the convertible note issuances throughout the year.

#### *Net loss*

The Company had a net loss of C\$4,610,512 in 2019 compared to C\$4,874,082 in 2020, primarily due to the factors described below, including numerous one-time expenses.

The Company had its largest gross revenue quarter since inception with over \$2.3M in the fourth quarter of 2020 (compared to Q4 2019 of \$1.9M). Consulting fees in the fourth quarter of 2020 decreased to \$210,033 (compared to Q4 2019 of \$292,450) as the Company reduced the number of external consultants to conserve cash. Administrative, office and miscellaneous expenses decreased in the fourth quarter 2020 to \$213,536 (from 2019 Q4 of \$262,927) due to cost saving measures undertaken by management to streamline the business. During the three-months ended December 31, 2020 the Company had an operating profit of \$74,939 after factoring in non-recurring professional fees related to the Company's SEC listing, compared to an operating loss of \$651,640 during the three months ended December 31, 2019.

It is important to note, however, that in FY 2020, approximately \$2.3M of primarily non-cash expenses, including amortization, share issuances (including those related to debt settlements), derivative liabilities and approximately \$500K in non-recurring (in some cases cash) expenses related to the Company's primary exchange listing in the United States on the OTCQB, our becoming a United States SEC compliant filer under the Exchange Act of 1934, as amended, the establishment of a \$5M equity line of credit facility and the preparation and filing of a Registration Statement on Form F-1 in connection therewith, debt facility financings and the termination and costs (cash and stock) related to numerous previously existing contractual arrangements.

We believe these undertakings have better positioned the Company for lower operating expenses moving forward (as demonstrated, in part, by our cash operating performance in the final three months of 2020), and which provide the Company with significant additional capital to better position the Company moving forward in terms of both cashflow, and for possible acquisitions, mergers, securitization of our own warehousing facility and/or other strategic transactions as they may arise, and which the Company may actively seek.

#### **Liquidity and capital resources**

Since our inception, our operations have, in significant measure, been financed through the issuance of equity securities. Additional funding has come through convertible debt issuances. We believe that our current working capital (together with access to our available equity line of credit) is sufficient for our present business requirements; however, if we undertake a significant expansion, acquisition or joint venture in Canada, the United States or elsewhere, we will likely need to raise additional capital through one or more sources to fund such transaction(s). While we generate cash flow, it is currently not sufficient to maintain operations. As a result, we believe we will need to raise additional capital, and also have the ability to draw upon the equity line of credit with Tangiers Global, LLC under the terms of the Investment Agreement we entered with them, for our aforementioned expansion plans through the end of 2021. Such financings may come in the form of equity, debt or through a combination of debt and/or equity financing structures.

We have incurred significant losses since our inception. We incurred losses of C\$4,102,608, C\$4,874,082 and C\$4,610,512 in 2021, 2020 and 2019, respectively. As at December 31, 2021, the Company had a working capital deficit of C\$3,972,955 compared to a working capital deficit of C\$2,379,864 as at December 31, 2020.

The Company manages its capital. In doing so, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the development of a social collaborative charting, news and communication platform for traders. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes to the Company's approach to capital management during the year ended December 31, 2021.

### *Equity issues*

For more information, see Item 10A "Share Capital".

### *Convertible notes*

On April 14, 2020 the Company executed a non-brokered private placement pursuant in which it issued an unsecured convertible note to Tangiers Global, LLC ("Tangiers") with a face value of US\$367,500 (the April 2020 Note). Under the terms of the Note, US\$250,000 was advanced to the Company on closing, and a second tranche of US\$100,000 was funded to us in May 2020. In connection with this convertible note, the Company issued 300,000 unregistered common shares to Tangiers as investment incentive shares.. The "Maturity Date" of this note, as amended, was 6 months from the funding of any tranche. The April 2020 Note carried a one-time guaranteed interest rate of 10% on the principal sum of each funded tranche. The principal amount was convertible into unregistered common shares of the Company prior to the Maturity Date, at the option of the Noteholder, at a fixed conversion price of US\$0.06 per share; however, if the Note is not fully repaid or fully converted on or before the Maturity Date, then the Noteholder has the option to convert the remaining outstanding amount under the Note into common shares at the variable conversion price equal to the lower of (a) US\$0.06 per share or (b) 65% of the lowest volume weighted average price of the Company's common shares during the 10 consecutive trading prior to the date on which the Noteholder elects to convert all or part of the Note, provided that any such discount to the conversion price is in compliance with applicable Canadian securities laws and the policies and rules of the CSE. The April 2020 Note has been fully converted and is retired from the books of the Company.

On June 29, 2020 the Company executed a non-brokered private placement pursuant in which it issued an unsecured convertible single tranche note to Tangiers with a face value of US\$210,000 (the "June Note"). Under the terms of the June Note, US\$200,000 was advanced to the Company at closing, and the Company issued 300,000 unregistered common shares to Tangiers as investment incentive shares. The June Note carried a one-time guaranteed interest rate of 5% on the principal sum, and, as amended, had a maturity date of six months from the effective date of the transaction (or February 14, 2021). The principal sum was convertible into unregistered common shares of the Company prior to the Maturity Date, at the option of the Noteholder, at a fixed conversion price of US\$0.08 per share; however, if the Note is not fully repaid or fully converted on or before the Maturity Date, then the Noteholder had the option to convert the remaining outstanding amount under the Note into common shares at the variable conversion price equal to the lower of (a) US\$0.08 per share or (b) 75% of the average of the two lowest volume weighted average price of the Company's common shares during the 15 consecutive trading prior to the date on which the Noteholder elects to convert all or part of the Note, provided that any such discount to the conversion price is in compliance with applicable Canadian securities laws and the policies and rules of the CSE. The June Note has been fully converted and is retired from the books of the Company.

On September 29, 2020, the Company executed a non-brokered private placement pursuant to which it issued an unsecured convertible three tranche note to Tangiers with a face value of US\$525,000 (the “September Note”). Under the terms of the September Note, US\$150,000 was advanced to the Company at closing, and the Company issued 150,000 unregistered common shares to Tangiers as investment incentive shares. On October 15, an additional US\$75,000 was funded by Tangiers to the Company, and the Company issued 75,000 unregistered common shares to Tangiers as investment incentive shares. On December 15, an additional US\$100,000 was funded by Tangiers to the Company, and the Company issued 100,000 unregistered common shares to Tangiers as investment incentive shares. On January 12, 2021, an additional US\$175,000 was funded by Tangiers to the Company, and the Company issued 175,000 unregistered common shares to Tangiers as investment incentive shares. The September Note carries a one-time guaranteed interest rate of 5% on the principal sum of the funded tranches, and has a maturity date of six months from the effective date of the initial tranche of (or March 29, 2021), and six months from the funding date of each subsequent tranche. The principal amount shall be convertible into unregistered common shares of the Company prior to the Maturity Date, at the option of the Noteholder, at a fixed conversion price of US\$0.06 per share; however, if the Note is not fully repaid or fully converted on or before the Maturity Date, then the Noteholder has the option to convert the remaining outstanding amount under the Note into common shares at the variable conversion price equal to the lower of (a) US\$0.06 per share or (b) 75% of the average of the two lowest volume weighted average price of the Company’s common shares during the 15 consecutive trading days prior to the date on which the Noteholder elects to convert all or part of the Note, provided that any such discount to the conversion price is in compliance with applicable Canadian securities laws and the policies and rules of the CSE. This Note has been fully converted and is retired from the books of the Company.

On March 12, 2021, the Company executed a non-brokered private placement pursuant to which it issued an unsecured convertible three tranche note to Tangiers with a face value of US\$1,050,000 (the “March Note”). Under the terms of the March Note, US\$350,000 was advanced to the Company at closing, and the Company issued 300,000 unregistered common shares to Tangiers as investment incentive shares. On April 13, an additional US\$325,000 was funded by Tangiers to the Company. On May 27, an additional US\$325,000 was funded by Tangiers to the Company. The March Note carries a one-time guaranteed interest rate of 5% on the principal sum of the funded tranches, and has a maturity date of six months from the effective date of the initial tranche of (or April 12, 2021), and six months from the funding date of each subsequent tranche. The principal amount shall be convertible into unregistered common shares of the Company prior to the Maturity Date, at the option of the Noteholder, at a fixed conversion price of US\$0.13 per share; however, if the Note is not fully repaid or fully converted on or before the Maturity Date, then the Noteholder has the option to convert the remaining outstanding amount under the Note into common shares at the variable conversion price equal to the lower of (a) US\$0.13 per share or (b) 83% of the average of the two lowest volume weighted average price of the Company’s common shares during the 10 consecutive trading days prior to the date on which the Noteholder elects to convert all or part of the Note, provided that any such discount to the conversion price is in compliance with applicable Canadian securities laws and the policies and rules of the CSE. This Note has been mostly converted with the exception of US\$6,000 remaining.

On September 15, 2021, the Company executed a non-brokered private placement pursuant to which it issued an unsecured convertible multi tranche note to Tangiers with a face value of up to US\$2,300,000 (the “September Note”). Under the terms of the September Note, US\$700,000 was advanced to the Company at closing, and the Company issued 500,000 unregistered common shares to Tangiers as investment incentive shares. On November 23, an additional US\$640,000 was funded by Tangiers to the Company, and the Company issued 500,000 unregistered common shares to Tangiers as investment incentive shares. We have not taken and the holder has not funded the third tranche of this Note as of the date of this annual report. There is an option for a fourth tranche in the amount of \$325,000 to be funded by the noteholder upon mutual agreement of the Company and investor. The September Note carries a one-time guaranteed interest rate of 5% on the principal sum of the funded tranches, and has a maturity date of six months from the effective date of the initial tranche, and six months from the funding date of each subsequent tranche. The principal amount shall be convertible into unregistered common shares of the Company prior to the Maturity Date, at the option of the Noteholder, at a fixed conversion price of US\$0.09 per share; however, if the Note is not fully repaid or fully converted on or before the Maturity Date, then the Noteholder has the option to convert the remaining outstanding amount under the Note into common shares at the variable conversion price equal to the lower of (a) US\$0.09 per share or (b) 83% of the average of the two lowest volume weighted average price of the Company’s common shares during the 10 consecutive trading days prior to the date on which the Noteholder elects to convert all or part of the Note, provided that any such discount to the conversion price is in compliance with applicable Canadian

securities laws and the policies and rules of the CSE. None of the September Note has been converted as of the date of this annual report.

### *Cash flows*

#### **Audited Financial Years**

The following table set forth the sources and uses of cash for the past three years:

<b>(in C\$)</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Net cash used in operating activities	(1,117,145)	(927,129)	(2,690,049)
Net cash from/(used in) investing activities	(1,567,465)	(112,034)	68,374
Net cash from/(used in) financing activities	2,948,428	999,238	837,282

#### ***Comparison of cash flows for the Year ended December 31, 2021, with the Year ended December 31, 2020***

##### *Operating activities.*

Net cash flow in operating activities increased from a negative C\$927,129 in 2020 to a negative C\$1,117,145 in 2021 due to an increase in shares issued in lieu of consulting fees.

##### *Investing activities.*

Net cash flow in investing activities increased from a negative C\$112,034 in 2020 to a negative C\$1,567,465 in 2021, primarily as a result of the Company's US acquisition.

##### *Financing activities.*

Net cash flow in financing activities increased from C\$999,238 in 2020 to C\$2,948,428 in 2021, primarily as a result of the issuance of convertible notes in 2021.

#### ***Comparison of cash flows for the Year ended December 31, 2020, with the Year ended December 31, 2019***

##### *Operating activities.*

Net cash flow in operating activities decreased from a negative C\$2,690,049 in 2019 to a negative C\$927,129 in 2020, primarily as a result of a decrease in marketing and promotion expenses as well as a decrease in shares issued in lieu of consulting fees.

##### *Investing activities.*

Net cash flow in investing activities changed from a positive C\$68,374 in 2019 to a negative C\$112,034 in 2020, primarily as a result of the purchase of fleet vehicles for company expansion.

##### *Financing activities.*

Net cash flow in financing activities increased from C\$837,282 in 2019 to C\$999,238 in 2020, primarily as a result of the issuance of convertible notes in 2020.



C.

### Research and development

The Company had been focusing on the development of back-end tooling, operational tooling, and sales tooling. However, with the shift in Company strategy from a B2C to a B2B focus, we determined to end the back end tooling development in the fourth quarter of 2020, and instead in-licensed a technology platform for last-mile delivery and cross docking going forward.

D.

### Trend Information

On January 30, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. Despite the rollout of vaccines and therapeutics in late 2020 and into 2021, the COVID-19 pandemic could continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital.

The Company has been focused on increasing its sales and operations with Amazon, but as disclosed elsewhere, we have also been focused on customer diversification, expansion into profitable industries and exploring options related to continue our expansion and growth geographically and operationally. Our CEO has been focusing on small and medium enterprise clients, and in mid-2020 enhanced our B2B business focus to further expand and diversify our customer base and revenue streams going forward, including by engaging with meal kit, health, grocery and pharmacy companies, which are also less seasonal.

Overall company costs have been stable. Increases in fuel prices will have a negative impact on our gross margins. In 2020, we began implementing initiatives to right-size the business by focusing on becoming more cost-efficient, and believe we have achieved that objective based on our current position at this time. This does not preclude the possibility that we may need to expand staff or management if and as needs arise from expansion or other changes in our business, or in other ways as the broader market may require going forward.

E.

### Off-balance sheet arrangements

The Company does not have any off-balance sheet arrangements.

F.

### Tabular disclosure of contractual obligations

As of December 31, 2021, our contractual obligations were as set forth below:

	Payments Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
<i>Contractual Obligations</i>					
Debt obligations	2,429,227	2,429,227	—	—	—
Lease obligations	563,330	158,409	223,623	181,298	—
Total	2,992,557	2,587,636	223,623	181,298	—