MANAGEMENT DISCUSSION AND ANALYSIS

Balsam Technologies Corp. (formerly RewardStream Solutions Inc.) (“Balsam” or the “Company”)

For the year ended September 30, 2020

Dated – January 28, 2021

This management’s discussion and analysis (MD&A) was prepared in accordance with National Instrument 51-102, Continuous Disclosure Obligations, and should be read in conjunction with the annual audited financial statements for the year ended September 30, 2020 and related notes. These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and are reported in Canadian dollars.

Certain information included in this MD&A contains forward-looking statements or forward-looking information within the meaning of applicable Canadian securities laws, including, without limitation, in respect of the Company’s priorities, plans and strategies and the Company’s anticipated financial and operating performance and prospects. All statements and information, other than statements of historical fact, included in or incorporated by reference into this MD&A are forward-looking statements and forward-looking information, including, without limitation, statements regarding activities, events or developments that we expect or anticipate may occur in the future. Such forward-looking statements and information can be identified by the use of forward-looking words such as "will", "expect", "intend", "plan", "estimate", "anticipate", "believe" or "continue" or similar words and expressions or the negative thereof. There can be no assurance that the plans, intentions or expectations upon which such forward-looking statements and information are based will occur or, even if they do occur, will result in the performance, events or results expected.

We caution readers of this MD&A not to place undue reliance on forward-looking statements and information contained herein, which are not a guarantee of performance, events or results and are subject to a number of risks, uncertainties and other factors that could cause actual performance, events or results to differ materially from those expressed or implied by such forward-looking statements and information. These factors include: the Company’s ability to raise additional financing through debt, equity or other form of financing; the ability to retain or add customers, complete product development plans, retain key staff; changes in priorities, plans, strategies and prospects; general economic, industry, business and market conditions; changes in law; the ability to implement business plans and strategies, and to pursue business opportunities; rulings by courts or arbitrators, proceedings and investigations; disruptions or changes in the credit or securities markets; inflationary pressures; challenges such as lawsuits, to the intellectual property of the Company; and various other events, conditions or circumstances that could disrupt Balsam’s priorities, plans, strategies and prospects. Readers are cautioned that all forward-looking statements and information involve risks and uncertainties. Balsam undertakes no obligation to publicly release the results of any revisions to forward-looking statements and information that may be made to reflect events or circumstances after the above-stated date or to reflect the occurrence of unanticipated events.

OVERVIEW

The Company was incorporated under the laws of British Columbia on March 23, 1999 and continued under the *Canada Business Corporations Act* on December 22, 1999. The Company was subsequently continued under the laws of British Columbia on October 21, 2015. The head office and records are located at Suite 1000, 409 Granville Street, Vancouver, British Columbia V6C 1T2. On February 20, 2020, the Company's listing was transferred to the NEX and on March 30, 2020, was reinstated for trading on the NEX board under the trading symbol "REW.H". Effective October 8, 2020, the Company changed its name to Balsam Technologies Corp and is classified as a technology company and will trade under the trading symbol "BTEC.H".

The Company continues with its search for other business opportunities.

During the year ended September 30, 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. The 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. These factors, amongst others, could have a significant impact on the Company's operations.

On April 7, 2020, the Company completed a share consolidation on the basis of 10 old shares for 1 new share. The share consolidation has been retroactively presented in the financial statements and MD&A and all share amounts, including per share amounts, reflect the share consolidations.

SELECTED ANNUAL INFORMATION

	For the twelve months ended		
	September 30, 2020 $	**September 30, 2019 $**	**September 30, 2018 $**
Revenue	-	-	-
Loss from continuing operations	(284,538)	(888,357)	(1,738,901)
Loss from discontinued operations	-	-	(453,389)
Net loss and comprehensive loss	(284,538)	(888,357)	(2,192,290)
Basic and diluted loss per share from continuing operations	(0.14)	(0.51)	(1.59)
Basic and diluted loss per share from discontinued operations	-	-	(0.42)
Basic and diluted loss per share	(0.14)	(0.51)	(2.01)
Weighted average number of common shares	2,080,084	1,748,312	1,090,778
Total assets	470,141	118,742	945,945
Long-term financial liabilities	-	-	-

During the year ended September 30, 2018, the Company disposed of its referral and reward business to Buyapowa Ltd. Accordingly, the Company reclassified the operation as discontinued operations in its financial statements. Total net loss for 2018 amounted to $2,192,290, which is lower than the $2,357,400 for 2017, can be attributed to the recognition of a gain on sale of subsidiary of $125,708. During the year ended September 30, 2019, the Company recorded a net loss of from continuing operations of $888,357 as compared to the net loss of $1,738,901 from continuing operations for 2018. The decrease can be attributed to the reduced operations and to the sale of the referral and reward business. During the year ended September 30, 2020, the Company recorded a net loss from operations of $284,538 as compared to the net loss of $888,357 for 2019. During 2020, the Company was going through a corporate restructuring.

INTERIM QUARTERLY HIGHLIGHTS

For the quarter ended:	**September 30, 2020**	**June 30, 2020**	**March 31, 2020**	**December 31, 2019**
Revenue	$ -	$ -	$ -	$ -
Loss from continuing operations	(56,131)	(137,596)	(38,361)	(52,450)
Loss from discontinued operations	-	-	-	-
Net and comprehensive loss	(56,131)	(137,596)	(38,361)	(52,450)
Loss per share from continuing operations	(0.03)	(0.08)	(0.02)	(0.03)
Loss per share from discontinued operations	0.00	0.00	0.00	0.00
Comprehensive loss per share	$ (0.03)	$ (0.08)	$ (0.02)	$ (0.03)
Weighted average number of shares	2,080,085	1,748,312	1,748,312	1,748,312

For the quarter ended:	**September 30, 2019**	**June 30, 2019**	**March 31, 2019**	**December 31, 2018**
Revenue	$ -	$ -	$ -	$ -
Loss from continuing operations	(232,101)	(119,230)	(206,336)	(330,690)
Income (loss) from discontinued operations	-	-	-	-
Net and comprehensive loss	(232,101)	(119,230)	(206,336)	(330,690)
Loss per share from continuing operations	(0.13)	(0.07)	(0.12)	(0.19)
Income (loss) per share from discontinued operations	0.00	0.00	0.00	0.00
Comprehensive loss per share	$ (0.13)	$ (0.07)	$ (0.12)	$ (0.19)
Weighted average number of shares	1,748,312	1,748,312	1,748,312	1,748,312

FOURTH QUARTER

During the fourth quarter ended September 30, 2020, the Company reported a net loss of $56,131 as compared to a net loss of $232,101 for the corresponding period in 2019. The decline in net loss can be attributed to the decline in operations for 2020 as the Company continues its search for new business opportunities. The majority of the expenses for 2020 relates to consulting fees incurred in its searches for new business opportunities and the accrual for year end audit fee.

RESULTS OF OPERATIONS

During the year ended September 30, 2020, the Company reported a net loss of $284,538 as compared to $888,357 net loss for the previous year ended September 30, 2019.

Total expenses for the current year amounted to $285,845 as compared to $888,357 for the prior year. The majority of the expenses in the current year relates to consulting fees paid to a third party for administrative services and to directors and officers of the Company (see related party section for details on the fees accrued/paid during the year). The majority of the remaining expenses incurred in 2020 relates to cost associated with the reinstatement of the Company on the NEX board of the TSX venture exchange and maintaining the Company's reporting issuer status and its continuous search for new business opportunities. Majority of the total expenses for the previous year related to consulting fees paid to numerous consultants that were engaged by previous management to help find new business opportunities for the Company.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity is the risk of the Company not being able to meet its financial obligations as they become due. The Company manages its liquidity risk through budgeting, ongoing management and forecasting of operating cash flows, reviews of trade receivables, management of cash, and use of equity financings when appropriate.

During the year ended September 30, 2020, the Company used $60,027 in operating activities as compared to $858,096 used in operating activities for the previous year ended September 30, 2019. There were fewer transactions in the current period as compared to the prior period.

During the year ended September 30, 2020, the Company received $516,737 in financing activities which was provided by a $30,000 loan payable which bears interest at 6% per annum, unsecured and is due by July 9, 2020 and net proceeds from a private placement of $486,737.

There was no investing activity during the year ended September 30, 2020 and 2019.

As at September 30, 2020, the Company had cash of $457,930, and accounts receivable of $12,211 as compared to a cash balance of $1,221, accounts receivable of $74,452 and prepaid expenses of $43,069 at September 30, 2019. The Company's current liabilities at September 30, 2020 were $282,520 and at September 30, 2019 were $133,319. At September 30, 2020, the Company's working capital was $187,621 as compared to a working deficit of $14,577 for September 30, 2019.

The Company believes that the current capital resources are not sufficient to pay overhead expenses for the next twelve months and will need to seek additional funding to fund its overhead expenses and its continuous search for other business opportunities. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Since the Company will not be able to generate cash from its operations, it will be dependent on outside financing to continue operations until it is able to achieve positive cash flow. The Company has historically been able to secure financing from outside parties. However, there is no guarantee that cash generated from external financing or operations will be sufficient to sustain the Company's operations for the foreseeable future. In order to maintain sufficient liquidity, the Company may be required to issue additional shares, incur more debt or further reduce operating costs.

On January 9, 2020, the Company received a promissory note of $30,000 from a third party which bears interest at 6% per annum, unsecured and repayable by July 9, 2020.

On August 27, 2020, the Company issued 3,571,427 units at a price of $0.14 per unit for gross proceeds of $500,000. Each unit consist of one common share and one share purchase warrants with each share purchase warrant entitling the holder the right to purchase an additional common share at a price of $0.185 per share expiring on August 27, 2021. The Company recorded $13,263 in share issue cost.

OFF-BALANCE SHEET ARRANGEMENTS

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

RELATED PARTY TRANSACTIONS

Related party transactions not otherwise described in these financial statements are shown below.

The remuneration of the Company's directors and other members of key management, individuals who have the authority and responsibility for planning, directing and controlling the activities of the Company, for the years ended September 30, 2020 and 2019 are as follows:

		2020		2019
Consulting fees				
Enermetals Ventures Inc. (Pat Morris, Director and former CEO)	$	75,000	$	75,000
Harmony Corporate Services Ltd; (Geoff Balderson, Director and CFO)		28,800		25,600
1156724 BC Ltd. (Joel Shacker, Director and CEO)		70,000		-
Danilen Villanueva, former director		-		3,500
Usama Chaudhry, former CFO		-		6,300
	$	173,800	$	110,400

Prepaid expenses at September 30, 2020, includes $Nil (2019 - $43,069) in advances to a company controlled by the CEO for travel expenses and consulting fees.

Accounts payable and accrued liabilities at September 30, 2020, includes $114,035 (2019 - $7,230) owing to companies controlled by directors and officers of the Company for unpaid fees.

FINANCIAL INSTRUMENTS

The type and nature of financial instruments are disclosed in the financial statements of the Company. All of these financial instruments are currently reported at their carrying value as the Company believes that this approximates their fair value due to their short-term nature. As discussed in the financial statements, the Company is exposed to certain risks associated with these financial instruments. These include credit, liquidity and market risk. The Company does not anticipate any significant credit risk at September 30, 2020 as the Company had no accounts receivable related to customers. Liquidity risk and its management has been previously discussed above (see Liquidity). Market risk includes interest rate and foreign currency risk. Due to the short-term nature of its borrowing, the Company does not believe that it is exposed to significant interest rate risk and has therefore, not undertaken any action to mitigate this risk. The Company exposed to foreign currency risk to the extent of expenditures incurred or funds received, and balances maintained by the Company are denominated in currencies other than the Canadian dollar (primarily United States dollars ("USD")). To mitigate this risk, the Company has not historically used or entered into any foreign currency contracts. However, should the need arise, the Company will consider the use of such contracts. The changes in foreign currency with respects to the financial instruments are recorded in the Company's statement of comprehensive loss under foreign exchange gain. The Company does not have significant exposure to foreign currency rate fluctuations.

ACCOUNTING STANDARD AND AMENDMENTS ADOPTED

The following new standard and interpretation was adopted on October 1, 2019.

IFRS 16 *Leases* replaces IAS 17, Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a services contract on the basis of whether the customer controls the assets begin leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that have also adopted IFRS 15.

The adoption of IFRS 16 has not had a significant impact on the Company's financial statements.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. The Company's critical accounting estimates and judgements are disclosed in Note 3 of the financial statements.

PROPOSED TRANSACTIONS

N/A

SUBSEQUENT EVENTS

On January 4, 2020, the Company announced a non-brokered private placement of up to 4,285,715 units at a price of $0.14 per unit for gross proceeds of up to $600,000. Each unit will consist of one common share and one share purchase warrant entitling the holder to acquire an additional common share at a price of $0.185 for a period of twelve months. As at January 22, 2021, the Company has collected $550,000. Completion of the offering is subject to the approval of the TSX Venture Exchange.

DISCLOSURE OF OUTSTANDING SHARE DATA

Below is the summary of the Company's share capital as at September 30, 2020 and as of the date of this report:

	As at	
Security description	September 30, 2020	MD&A
Common shares – issued and outstanding	5,319,740	5,319,740
Warrants	3,571,427	3,571,427
Common shares – fully diluted	8,891,167	8,891,167

MANAGEMENT AND BOARD OF DIRECTORS

In March 2020, Joel Shacker and Adam Cegielski were appointed to the Board of Directors of the Company. Following the appointments, the board of directors consists of Patrick Morris, Geoff Balderson, Joel Shacker and Adam Cegielski. Joel Shacker has been appointed as Chief Executive Officer of the Company, and replaces Patrick Morris who will remain with the Company as an independent director. Geoff Balderson will continue to serve as Chief Financial Officer of the Company.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with generally accepted Canadian accounting principles and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.