TEVANO SYSTEMS HOLDINGS INC.

Management's Discussion & Analysis

For the years ended June 30, 2022 and 2021

(Expressed in Canadian Dollars, except where noted)

This Management's Discussion & Analysis ("MD&A") of Tevano Systems Inc. ("Tevano" or the "Company") supplements, but does not form part of, the audited consolidated financial statements and the notes thereto as at and for the years ended June 30, 2022 and 2021 (collectively referred to hereafter as the "financial statements").

The Financial Statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All amounts are presented in Canadian dollars, the Company's presentation currency, unless otherwise stated. Other information contained in this document has also been prepared by management and is consistent with the data contained in the Financial Statements.

The Company's certifying officers are responsible for ensuring that the financial statements and MD&A 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 was made. The Company's certifying officers certify that the financial statements together with the other financial information included in the filings fairly present in all material respects the financial condition, financial performance, and cash flows of the Company as of the date of and for the periods presented in the filings.

In this MD&A, "Tevano", the "Company", or the words "we", "us", or "our", collectively refer to Tevano Systems Inc. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The years ended June 30, 2022 and 2021 are referred to as "Fiscal 2022" and "Fiscal 2021", respectively. All amounts are presented in Canadian dollars.

This MD&A provides management's comments on the Company's operations for the three and twelve-month periods ended June 30, 2022 and 2021, and the Company's financial condition as at June 30, 2022, as compared with the prior fiscal year-end.

The Company's Board of Directors provides an oversight role with respect to all public financial disclosures by the Company.

For a complete understanding of the Company's business environment, risks and uncertainties and the effect of accounting estimates on its results of operations and financial condition, this MD&A should be read together with the Company's financial statements.

Information in this MD&A is presented as of October 31, 2022.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements in this document constitute forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as "anticipate", "believe", "estimate", "will", "expect", "plan", "intend", or similar words suggesting future outcomes or an outlook. Forward-looking information in this document includes, but is not limited to:

- our business plan and investment strategy; and
- general business strategies and objectives.

Such forward-looking information is based on a number of assumptions which may prove to be incorrect. Assumptions have been made with respect to the following matters, in addition to any other assumptions identified in this document which includes, but is not limited to:

- taxes and capital, operating, general & administrative and other costs;
- general business, economic and market conditions;
- the ability of the Company to obtain the required capital to finance its investment strategy and meet its commitments and financial obligations;
- the ability of the Company to obtain services and personnel in a timely manner and at an acceptable cost to carry out activities; and
- the timely receipt of required regulatory approvals.

Although the Company believes that the expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on them as there can be no assurance that such expectations will prove to be correct. Forward-looking information is based on expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially than anticipated and described in the forward-looking information. The material risks and uncertainties include, but are not limited to:

- meeting current and future commitments and obligations;
- general business, economic and market conditions;
- the uncertainty of estimates and projections relating to future costs and expenses;
- changes in, or in the interpretation of, laws, regulations, or policies;
- the ability to obtain required regulatory approvals in a timely manner;
- the outcome of existing and potential lawsuits, regulatory actions, audits and assessments; and
- other risks and uncertainties described elsewhere in this document.

The foregoing list of risks is not exhaustive. For more information relating to risks, see the section titled "Risk Factors" herein. The forward-looking information contained in this document is made as of the date hereof and, except as required by applicable securities law, the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.

Global Pandemic

The outbreak of the coronavirus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company's business activities as it can result in operating, supply chain and project development delays that can materially adversely affect the operations of the Company. The Company's revenues and cash flows from operations are dependent upon the market for, and attitudes toward adoption of the Company's Health Shield product. Uncertainty regarding the future sales of the Health Shield product may result in a material adverse impact on the Company's results of operations, financial condition. The extent to which the coronavirus may positively or negatively impact the Company's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine their financial impact at this time.

DESCRIPTION OF BUSINESS

Tevano was incorporated on April 12, 2018, under the British Columbia Business Corporations Act. On July 22, 2020, the Company changed its name from Tevano Payment Systems Inc. to Tevano Systems Inc. The Company's head office and principal address is Suite 1303 - 1030 West Georgia Street, Vancouver, BC V6E 2Y3.

The Company is listed on the Canadian Securities Exchange ("CSE") under the symbol "TEVO" and on the Frankfurt exchange under the symbol "7RB".

Tevano is in the business of designing, developing, marketing, and selling self-service kiosks for non-physical contact monitoring, temperature testing and dispensing hand sanitizer for the post-COVID-19 environment. Tevano is also currently pursuing other business ventures in the cyber security sector.

Share consolidation

On June 13, 2022, the Company completed a consolidation of its common shares on a three and one-half (3.5) to one (1) basis. All share and per share amounts have been retrospectively adjusted to reflect the consolidation. Any references to common shares are on a post-consolidation basis. Numbers of warrants and stock options and their respective exercise prices have been retrospectively adjusted to reflect the effects of the consolidation.

Reverse takeover

On March 15, 2021, the Company completed a reverse acquisition transaction pursuant to a three-cornered amalgamation with RBI Ventures Ltd. ("RBI"), wherein RBI acquired all of the issued and outstanding securities of Tevano in exchange for securities of RBI (the "Transaction"). As a result of the Transaction, the Company continued with the business of Tevano. RBI's results of operations are included from the transaction date, March 15, 2021. The comparative figures are those of Tevano prior to the reverse acquisition. As a result of the Transaction, the Company's common shares were listed on the CSE on March 19, 2021.

FISCAL 2022 HIGHLIGHTS AND OVERALL PERFORMANCE

Acquisition of Illuria

On August 8, 2021, the Company entered into a non-binding letter of intent for the acquisition of Illuria Security Inc. ("Illuria").

Founded in 2019, Illuria has been developing software in the cyber security space. Illuria's technology uses a "deception strategy", utilizing "cyber-traps" that resemble actual digital assets to hackers. Once a hacker attempts to interact with a cyber-trap, the software detects the activity and alerts network security personnel who can then take action against the threat.

On December 17, 2021, Tevano acquired a 100% ownership interest in Illuria for 2,857,136 common shares of Tevano issued to the shareholders of Illuria (the "Illuria Acquisition"). The Illuria Acquisition was structured as a merger between Illuria and Tevano's wholly owned subsidiary TSH (Delaware) Corp. The Company issued an aggregate of 285,714 common shares to finders in the Illuria Acquisition.

The shares issued as consideration in the Illuria Acquisition had an aggregate fair value on the date of issuance of $1,595,000, comprised of 2,857,136 shares issued to the Illuria shareholders and 285,714 shares issued to the finders valued at the closing market price of Tevano's stock on December 17, 2021 of $0.5075 per share ($0.145 prior to consolidation).

The acquisition has been accounted for as an equity-settled share-based payment transaction within the scope of IFRS 2 *Share-based Payment*. The acquisition did not qualify as a business combination under IFRS 3 *Business Combinations*, as the significant inputs, processes, and outputs that together constitute a business did not exist in Illuria at the time of acquisition. As the software developed in Illuria to date is not functional and does not meet the criteria as a development-phase intangible asset, the consideration in excess of net liabilities acquired was expensed to technology development expense in the amount of $1,633,538.

Overall performance

As at June 30, 2022, the Company had $6,187 in cash compared to $677,976 in cash at June 30, 2021, and a working capital deficiency of $942,381 at June 30, 2022 compared to working capital of $368,427 at June 30, 2021.

For the year ended June 30, 2022, cash used in operating activities was $1,410,075 (2021 - $5,385,160), cash provided by investing activities was $nil (2021 - $5,281), and cash provided by financing activities was $766,070 (2021 - $3,679,606).

The Company reported a net loss of $585,891 during Q4 2022 compared to $3,765,337 during Q4 2021, and a net loss of $4,437,906 during Fiscal 2022 compared to $8,663,490 during fiscal 2021. These changes over the prior period were primarily driven by decreases in professional fees, investor relations, marketing, consulting fees, listing fees, impairment of property and equipment, and inventory impairment.

RESULTS OF OPERATIONS

	Q4 2022	Q4 2021	**Fiscal 2022**	Fiscal 2021
	$	$	**$**	$
Revenue	**1,305**	14,868	**11,845**	74,294
Cost of sales	**(3,661)**	(22,489)	**(54,879)**	(69,592)
Gross (loss) profit	**(2,356)**	(7,621)	**(43,034)**	4,702
Operating expenses				
Consulting fees	**93,877**	214,900	**429,353**	730,089
Depreciation	**737**	15,300	**32,038**	60,489
Exchange fees	**8,668**	13,957	**34,707**	33,394
Insurance	**20,552**	48,187	**147,836**	84,387
Investor relations	**24,220**	554,145	**287,905**	796,357
Marketing	**18,211**	115,415	**59,493**	281,294
Office	**10,755**	50,064	**88,493**	115,484
Professional fees	**83,975**	500,380	**723,776**	985,304
Provision for expected credit losses	**5,288**	-	**5,288**	-
Salaries	**-**	-	**-**	11,114
Share-based compensation	**157,459**	493,674	**802,760**	819,981
Rent	**20,162**	-	**40,479**	6,110
Technology development	**(20,413)**	1,020,935	**1,998,633**	1,658,929
Travel	**18,523**	95,353	**70,656**	128,522
Total operating expenses	**442,014**	3,122,310	**4,721,417**	5,711,454
Loss from operations	**444,370**	3,129,931	**4,764,451**	5,706,752
Accretion	**-**	42,130	**195,171**	131,868
Foreign exchange (gain) loss	**(15,934)**	21,073	**(14,517)**	83,282
Gain on debt settlement	**(42,475)**	-	**(28,424)**	(99,677)
Gain on change in fair value of derivative liabilities	**-**	(77,891)	**(591,994)**	(27,209)
Gain on debt modification	**-**	-	**-**	(80,204)
Gain on shares returned to treasury	**-**	-	**(244,351)**	-
Impairment of prepaid deposit	**35,000**	-	**231,047**	-
Interest on lease liability	**-**	1,803	**2,387**	9,309
Inventory impairment	**131,648**	649,675	**131,648**	657,941
Listing expense	**-**	-	**-**	2,312,988
Other expense	**34,208**	-	**-**	-
Other income	**(926)**	(1,384)	**(7,512)**	(31,560)
Net loss	**(585,891)**	(3,765,337)	**(4,437,906)**	(8,663,490)
Foreign currency translation adjustment	**(22,253)**	(13,636)	**(27,784)**	40,693
Comprehensive loss	**(608,144)**	(3,778,973)	**(4,465,690)**	(8,622,797)

Q4 2022 compared to Q4 2021

The Company generated revenue of $1,305 compared to $14,868 in the prior year comparable period. Revenue was comprised of the recognition of the deferred revenue over the period. Cost of sales in Q4 2022 was $3,661 (Q4 2021 - $22,489) which consisted of the cost of inventory, supplies, and cloud storage fees. During the current period, the Company generated a gross loss of $2,356 compared to $7,621 in the prior year comparable period.

The Company had operating expenses of $442,014 compared to $3,122,310 in the prior year comparable period. The primary drivers of this decrease in expenses were as follows:

- Consulting fees decreased to $93,877 compared to $214,900 in the prior year comparable period, resulting from decreasing compensation paid to consultants relating to the Company's management team as the Company invested in growing its activities.
- Investor relations expense decreased to $24,220 compared to $554,145 in the prior year comparable period relating to additional digital and advertising campaigns and consulting services to potential investors in the prior period relating to private placements to raise funds.

- Marketing expenses decreased to $18,211 compared to $115,415 in the prior year comparable period, resulting from management's cost cutting initiatives.
- Professional fees decreased to $83,975 compared to $500,380 the prior year comparable period. The higher legal costs in the prior year resulted from legal and accounting costs associated with the Transaction.
- Share-based compensation expense decreased to $157,459 compared to $493,674 in the prior year comparable period attributable to fewer vesting stock options in the period.
- Technology development expense of $1,020,935 in the prior year comparable period primarily related to the purchase of the INEX Health Shield. The current period shows a recovery of $20,413 for technology development relating to the reversal of an accrual of fees scheduled to be due to a related party, Caza, LLC. The software development agreement with Caza was amended during Q4 2022 resulting in the reduction and delay of amounts due.
- Travel expenses decreased to $18,523 compared to $95,353 in the prior year comparable period relating to expenditures to travel to Armenia and the United States for Illuria's business operations.

Accretion expense was $nil compared to $42,130 in the prior year comparable period relating to the settlement of the Company's convertible and promissory notes in the prior quarter.

Change in fair value of derivative liabilities are recognized through profit and loss which resulted in a gain of $77,891 in Q4 2021. As a result of a debt settlement agreement with INEX which was executed in Q3 2022, the derivative liabilities associated with the convertible promissory note and convertible note were settled. Therefore, there are no changes in fair value recognized in Q4 2022.

As a result of a recoverability test performed at year-end, the Company recognized impairment of $35,000 (Q4 2021 - $nil) on certain bitcoin equipment that had not yet been placed into service.

The Company incurred $131,648 in inventory impairment in Q4 2022 compared to $649,675 in Q4 2021 to record Health Shield inventory at its estimated net realizable value.

Fiscal 2022 compared to Fiscal 2021

The Company generated revenue of $11,845 compared to $74,294 in the prior year comparable period. Revenue was comprised of Health Shield product sales and cloud storage services to Canadian customers. Cost of sales for the year ended 2022 was $54,879 (2021 - $69,592), which consisted of the cost of inventory, commission, supplies, and cloud storage fees. For the year ended June 30, 2022, the Company generated a gross loss of $43,034 compared to a gross profit of $4,702 in the prior year comparable period.

The Company had operating expenses of $4,721,417 compared to $5,711,454 during the prior year comparable period. The primary drivers of this decrease in expenses were as follows:

- Consulting fees decreased to $429,353 compared to $730,089 in the prior year comparable period, resulting from compensation paid to consultants relating to the Company's management team as the Company invested in growing its activities.
- Investor relations expense decreased to $287,905 compared to $796,357 in the prior year comparable period relating to additional digital and advertising campaigns and consulting services to potential investors in the prior period relating to private placements to raise fund in 2021.
- Professional fees decreased to $723,776 compared to $985,304 in the prior year comparable period primarily relating to legal costs in 2021 associated with the Transaction.
- Share-based compensation expense decreased to $802,760 compared to $819,981 in the prior year comparable period relating to the cancellation of stock options, offset by the accelerated vesting of stock options relating to the termination of a consultant.
- Technology development expense increased to $1,998,633 compared to $1,658,929 in the prior year comparable period related to the Illuria Acquisition and a software development agreement with a related party, Caza, LLC.
- Travel expenses decreased to $70,656 compared to $128,522 during the prior year comparable period primarily resulting from the expenditure in 2021 being driven by travel to Armenia and the United States for negotiations in the Illuria Acquisition and operations.

Change in fair value of derivative liabilities are recognized through profit and loss. As a result of a debt settlement agreement with INEX which was executed in Q3 2022, the derivative liabilities associated with the convertible promissory note and convertible note were settled, which resulted in a gain of $591,994 for Fiscal 2022. Change in fair value of derivative liabilities in Fiscal 2021 resulted in a gain of $27,209.

Accretion expense was $195,171 compared to $131,868 during the prior year comparable period relating to the Company's convertible and promissory notes.

The Company recognized impairment of $231,047 (Fiscal 2021 - $nil) on certain bitcoin equipment that had not yet been placed into service.

The Company incurred $131,648 in inventory impairment (Fiscal 2021 - $649,675) to record Health Shield inventory at its estimated net realizable value.

The Company recorded a gain on shares returned to treasury with a fair value of $244,351 that were issued for consulting fees from a former officer of the Company and subsequently returned upon termination of the officer compared to $nil in the year ended June 30, 2021.

2023 OUTLOOK AND STRATEGIC OBJECTIVES

The Company is currently evaluating a number of potential strategic opportunities including seeking to identify, evaluate and acquire assets, properties or businesses to bring value to its shareholders.

SUMMARY OF QUARTERLY RESULTS

The following summarizes quarterly financial results of the Company for the last eight most recently completed quarters:

	Q4 2022	Q3 2022	Q2 2022	Q1 2021
	$	$	$	$
Total assets	**74,874**	352,822	566,716	1,068,963
Working capital surplus (deficiency)	**(942,381)**	(550,757)	(755,938)	(180,612)
Loss for the period	**585,891**	201,009	2,930,013	720,993
Loss per share	**(0.02)**	(0.00)	(0.13)	(0.03)

	Q4 2021	Q3 2021	Q2 2021	Q1 2021
	$	$	$	$
Total assets	1,614,593	3,559,722	2,141,201	2,688,390
Working capital surplus (deficiency)	368,427	2,714,911	1,766,674	1,991,676
Loss for the period	3,765,337	3,884,498	738,345	275,310
Loss per share	(0.17)	(0.27)	(0.07)	(0.02)

The quarterly trend in total assets and working capital is primarily driven by movements in cash balance related to the Company's financing activities and spending on corporate costs. The quarterly trend in loss for the period and loss per share is primarily driven by the Company's corporate costs and technology development costs.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

The Company has financed its operations primarily through the issuance of common shares. The Company continues to seek capital through various means, including the issuance of equity and/or debt.

The Company's financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at June 30, 2022, the Company had a working capital deficiency of $942,381 (June 30, 2021 - working capital surplus of $368,427), has not yet achieved profitable operations, and has an accumulated deficit of $17,317,378 (June 30, 2021 - $12,879,472).

As at June 30, 2022, the Company had a cash balance of $6,187 (June 30, 2021 - $677,976) to settle current liabilities of $1,013,303 (June 30, 2021 - $1,210,176), which presents significant liquidity risk.

These circumstances represent a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and ultimately the appropriateness of the use of accounting principles applicable to a going concern.

The ability of the Company to meet its obligations and continue as a going concern is dependent on the Company's ability to obtain additional financing through debt or equity.

Sources and Uses of Cash

	Q4 2022	Q4 2021	**Fiscal 2022**	Fiscal 2021
	$	$	**$**	$
Net cash used in operating activities	**(127,221)**	(1,877,734)	**(1,410,075)**	(5,385,160)
Net cash provided by investing activities	**-**	-	**-**	5,281
Net cash provided by financing activities	**105,500**	476,770	**766,070**	3,679,606
Effect of exchange rate changes on cash	**(22,253)**	(13,636)	**(27,784)**	40,693
Net decrease in cash	**(43,974)**	(1,414,600)	**(671,789)**	(1,659,580)
Cash, beginning of period	**50,161**	2,092,576	**677,976**	2,337,556
Cash, end of period	**6,187**	677,976	**6,187**	677,976

Q4 2022 compared to Q4 2021

Cash used in operating activities in Q4 2022 was primarily driven by operating costs, paying down accounts payable and payment to the software development agreement. The decrease in cash used in operations compared to Q4 2021 is due to the increased prior year activities in developing the Company's Health Shield technology and in consulting, investor relations, and professional fees related to the Transaction.

Cash provided in financing activities in Q4 2022 were driven by equity financing relating to subscription deposits received, while cash provided by financing activities in Q4 2021 relates to special warrants issued through private placements.

Fiscal 2022 compared to Fiscal 2021

Cash used in operating activities during the year ended June 30, 2022 was primarily driven by the development of the Illuria platform and other technology development costs. The decrease in cash used in operations compared during the year ended June 30, 2021 was mainly due to higher development spending on the Health Shield technology and in consulting, investor relations, and professional fees related to the Transaction.

Cash provided in financing activities during the year ended June 30, 2022 were primarily driven by the equity financing through the issuance of units, while cash provided by financing activities during the year ended June 30, 2021 relates to subscription deposits received prior to the Transaction and common shares issued through private placements.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at June 30, 2022 or at the date of this MD&A.

PROPOSED TRANSACTIONS

The Company has no undisclosed proposed transactions as at June 30, 2022 or at the date of this MD&A.

INVESTOR RELATIONS

The Company has entered into contracts with investor relations firms to promote and market the Company to potential investors. The costs are expensed as the Company incurred the services rendered in investor relations expense. As at June 30, 2022 and at the date of this MD&A, the Company is engaged with a number of investor relations firms in Canada for marketing to potential investors.

RELATED PARTY TRANSACTIONS

Key management personnel comprise of the officers, directors, and founders of the Company.

The remuneration of the key management personnel are as follows:

	2022	2021
	$	$
Consulting fees paid to officers and directors	**417,853**	756,733
Consulting and salary paid to a former officer	**-**	11,017
Share-based compensation paid officers and directors	**684,338**	641,028
Commission paid to an officer	**-**	5,240
Technology development costs incurred with related parties [1]	**508,938**	1,574,175
Total	**1,611,129**	2,988,193

[1] Related parties include INEX and Caza LLC

Amounts due to related parties as at June 30, 2022, and 2021 were as follows:

	2022	2021
	$	$
Accounts payable and accrued liabilities	**213,533**	244,319
Convertible promissory note	**-**	154,128
Convertible note	**-**	461,874
Promissory note	**-**	525,113
Shareholder loan	**30,000**	-
Total	**243,533**	1,385,434

Accounts payable and accrued liabilities and shareholder loan due to related parties relate to ongoing corporate overhead costs and are non-interest bearing, due on demand.

The convertible promissory note, convertible note, and promissory note are all with INEX, a related party due to common directorship.

At June 30, 2022, receivables include $5,500 advanced to a related party. The advance is non-interest bearing and there are no specified terms of repayment.

FINANCIAL AND CAPITAL RISK MANAGEMENT

The Company's financial risk management policies have been established in order to identify and analyse risks that the Company faces, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Company employs risk management strategies to ensure risks and related exposures are consistent with our business objectives and risk tolerance levels. While the Board of Directors has the overall responsibility for our risk management framework, our management has the responsibility to administer and monitor these risks.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities,
Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly (i.e.: as prices) or indirectly (i.e.: derived from prices); and
Level 3: Inputs that are not based on observable market data.

As at June 30, 2022, the Company had no financial assets measured at fair value.

The carrying values of cash, receivables, accounts payable and accrued liabilities, promissory note, and shareholder loan approximate their respective fair values due to the short-term nature of these instruments.

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The risk for cash is mitigated by holding these instruments with highly rated Canadian financial institutions. As at June 30, 2022, the Company expects to recover the full amount of cash.

Receivables consists of trade receivables and sales tax recoverable (GST) from the Canadian Revenue Agency. The Company records lifetime expected credit losses against trade receivables and does not consider there to be any material risk against non-collection of trade receivables recorded at June 30, 2022.

Loan to shareholder is short-term in nature and the maximum credit risk exposure associated with the loan limited to its total carrying value, which management considers immaterial.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's approach to managing liquidity risk is to ensure that it has sufficient liquidity to meet liabilities when due. As at June 30, 2022, the Company had a cash balance of $6,187 (June 30, 2021 - $677,976) to settle current liabilities of $1,013,303 (June 30, 2021 - $1,210,176).

Foreign currency risk

The Company's functional currency is the Canadian dollar. Foreign currency risk is the risk that the value of the Company's financial instruments denominated in foreign currencies will fluctuate due to changes in foreign exchange rates. Changes in the exchange rate between foreign currencies and the Canadian Dollar could have a significant impact on the Company's financial position, results of operations, and cash flows. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

The Company is mainly exposed to foreign currency risk on financial instruments (consisting of cash, trade payables, convertible notes, and derivative liabilities) denominated in US dollars. The table below summarizes the net monetary assets and liabilities held in foreign currencies, expressed in Canadian dollars:

	June 30, 2022	June 30, 2021
	$	$
US dollar monetary assets	**2,830**	42,033
US dollar liabilities	**(360,421)**	(1,196,184)
US dollar net liabilities	**(357,591)**	(1,154,151)

As at June 30, 2022, Management has determined the Company's exposure to foreign currency risk to be at an acceptable level.

Interest rate risk

The Company has sufficient cash balances and no interest-bearing debt. The Company regularly monitors its cash management policy. Management has determined interest rate risk to be low.

Capital management

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company's capital consists of all components of shareholders' equity.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources for its operations and to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The Company monitors capital on the basis of maintaining sufficient cash flow to comply with financial obligations. During the period, the Company's strategy, which was unchanged from the prior period, was to issue sufficient additional shares from treasury to meet all such obligations. The Company is not subject to any externally imposed capital requirements.

OUTSTANDING SHARE DATA

The Company's authorized share capital consists of an unlimited number of common shares without par value.

As at the date of this MD&A, the Company has the following securities outstanding:

	#
Common shares [(1)]	24,721,778
Share options	728,571
Warrants	2,264,285
Special warrants	2,857,143

[(1)] Common shares include 4,238,700 shares held in escrow, 2,131,018 shares subject to a voluntary pooling agreement, and 655,714 shares subjected to voluntary hold period.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company's consolidated financial statements for the years ended June 30, 2022 and 2021 have been prepared in accordance with IFRS as issued by the IASB and IFRIC, effective as at June 30, 2022. The Company's significant accounting policies are described in Note 3 of the Company's audited consolidated financial statements for the years ended June 30, 2022 and 2021.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statements in conformity with IFRS requires management to make estimates based on assumptions about future events that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised.

Management has made the following critical judgments and estimates:

Provisions

Provisions recognized in the financial statements involve judgements on the occurrence of future events, which could result in a material outlay for the Company. In determining whether an outlay will be material, the Company considers the expected future cashflows based on facts, historical experience and probabilities associated with such future events. Uncertainties exist with respect to estimates made by management and as a result, the actual expenditure may differ from amounts currently reported.

Estimated useful life, depreciation, and amortization

Management estimates the useful lives of property and equipment based on the period during which the assets are expected to be available for use. The amounts and timing of recorded expenses for depreciation of property and equipment or amortization of intangibles for any period are affected by these estimated useful lives. The estimates are reviewed annually and updated if expectations change as a result of physical wear and tear, technical or commercial obsolescence and legal or other limits to use. It is possible that changes in these factors may cause significant changes in the estimated useful lives of the Company's property and equipment in the future.

Share-based compensation

The Company determines the fair value of share-based compensation granted using the Black Scholes option pricing model. This option pricing model requires the development of market-based subjective inputs, including the risk-free interest rate, expected price volatility, and expected life of the option. Changes in these inputs and underlying assumption used to develop them can materially affect the fair value estimate.

In situations where share option awards are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received

Derivative liabilities

Derivative liabilities are initially measured at fair value using the Black-Scholes option pricing model using observable market data at the date of grant. The Black-Scholes option pricing model utilizes certain subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate. Warrant and derivative liabilities are re-measured at their fair value at each reporting period end.

Derivative liabilities associated with the conversion features of the convertible promissory note and convertible note are re-measured on such date that the conversion feature is exercised. Upon exercise of a conversion feature, the fair value of the derivative liability and the carrying value of the debt are de-recognized and are allocated to equity.

Deferred income tax

The Company's provision for income taxes is estimated based on the expected annual effective tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The deferred components of income taxes are estimated based on forecasted movements in temporary differences. Changes to the expected annual effective tax rate and differences between the actual and expected effective tax rate and between actual and forecasted movements in temporary differences will result in adjustments to the Company's provision for income taxes in the period changes are made and/or differences are identified.

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, the management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Forecasted cash flows from operations are based on expected patient visits in future periods, which are internally developed and reviewed by management.

Weight is attached to tax planning opportunities that are within the Company's control and are feasible and implementable without significant obstacles.

The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence.

ADDITIONAL INFORMATION

Additional information relating to Tevano Systems Holdings Inc., including the Company's Annual Information Filing is available on SEDAR at www.sedar.com.

RISK FACTORS

The common shares should be considered highly speculative due to the nature of the Company's business and the present stage of its development. In evaluating the Company and its business, investors should carefully consider, in addition to the other information contained in the Company's Prospectus, the following risk factors. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with the Company's operations. There may be other risks and uncertainties that are not known to the Company or that the Company currently believes are not material, but which also may have a material adverse effect on its business, financial condition, operating results or prospects. In that case, the trading price of the Company's common shares could decline substantially, and investors may lose all or part of the value of the common shares held by them.

An investment in securities of the Company should only be made by persons who can afford a significant or total loss of their investment. There is currently no market through which these securities may be sold, and purchasers may not be able to resell securities purchased under the Prospectus. The possible sale of common shares released from escrow on each release date could negatively affect the market price of the Company's common shares and also result in an excess of sellers of common shares to buyers of common shares and seriously affect the liquidity of the common shares.

Limited Operating History

The Company is in the development stage and faces all of the risks and uncertainties associated with a new and unproven business. The future of the Company is based on an unproven business plan with no historical facts to support projections and assumptions. The Company was founded in April 2018 and has no operating history upon which investors can evaluate its performance. The ability of the Company to ensure continuing operations is dependent on the Company's ability to raise sufficient funds to finance development activities and generate sales. There can be no assurance that the Company will ever achieve revenues or profitability.

The Company's operations are subject to all of the risks inherent in the establishment of a new business enterprise. The lack of a significant and relevant operating history makes it difficult to manage operations and predict future operating results.

Requirement for Further Financing

The Company has limited financial resources and may need to raise additional funds to continue operations and move into commercial productions and remain competitive in the market. The only sources of future funds presently available to the Company are the sale of equity capital and debt. There is no assurance that any such funds will be available to the Company or be available on terms acceptable to the Company. If funds are available, there is no assurance that such funds will be sufficient to bring the Company to commercial production.

Failure to obtain additional financing on a timely basis could have a material adverse effect on the Company and could cause the Company to reduce or terminate its operations. No funds are allocated from the Offering to pay the outstanding fees to related parties, and there can be no assurance that the Company may be able to raise such additional capital.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

Management

The success of the Company is largely dependent upon the performance of its management. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. There is no assurance that the Company can maintain the service of its management or other qualified personnel required to operate its business.

Currency Risks

As the Company raises its capital in Canadian dollars and uses Canadian dollars in its financial statements, and as the Company currently incurs certain development expenditures in US dollars and has obligations in US dollars, currency fluctuations could have a material effect on its operations. The Company may incur realized foreign exchange losses as a result of currency exchange fluctuations.

Conflicts of Interest

Directors of the Company may, from time to time, serve as directors of, or participate in ventures with other companies involved in natural resource development. As a result, there may be situations that involve a conflict of interest for such directors. Each director will attempt not only to avoid dealing with such other companies in situations where conflicts might arise but will also disclose all such conflicts in accordance with the Business Corporations Act (British Columbia) and will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

No Cash Dividends

The Company has not declared any cash dividends to date. The Company intends to retain any future earnings to finance its business operations and any future growth. Therefore, the Company does not anticipate declaring any cash dividends in the foreseeable future.

Increased Costs of Being Publicly Traded

As the Company has publicly traded securities, significant legal, accounting and filing fees will be incurred that are not presently being incurred. Securities legislation and the rules and policies of the Exchange require publicly listed companies to, among other things, adopt corporate governance policies and related practices and to continuously prepare and disclose material information, all of which will significantly increase legal, financial and securities regulatory compliance costs.