TEVANO SYSTEMS HOLDINGS INC.

Management's Discussion & Analysis

For the three and nine months ended March 31, 2023 and 2022

(Expressed in Canadian dollars)

This Management's Discussion & Analysis ("MD&A") of Tevano Systems Holdings Inc. ("Tevano", or the "Company") supplements but does not form part of the unaudited condensed interim consolidated financial statements for the three and nine months ended March 31, 2023 and 2022 and the notes thereto (referred to hereafter as the "financial statements").

The financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"), including IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). As such, the financial statements do not include all of the information required by IFRS for annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the years ended June 30, 2022 and 2021 ("Annual Financial Statements") and the annual Management's Discussion & Analysis for the years ended June 30, 2022 and 2021 ("Annual MD&A").

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.

The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The nine months ended March 31, 2023 and 2022 are referred to as "YTD 2023" and "YTD 2022", 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 unless otherwise noted.

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.

Additional information relating to the Company is available on SEDAR at www.sedar.com. Information in this MD&A is prepared as of May 30, 2023.

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:

- The Company's 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:

- taxes and capital, operating, general and administrative as well as 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.

DESCRIPTION OF BUSINESS

Tevano Systems Holdings Inc. (the "Company") was incorporated under the laws of British Columbia, Canada on March 23, 2000. The Company's head office and principal address are 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 actively pursuing business ventures in the technology sector with an emphasis on developing and commercializing emerging technologies.

Share consolidation

On June 13, 2022, the Company completed a consolidation of its common shares on a three and one-half to one 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. The numbers of warrants and stock options and their respective exercise prices have been retrospectively adjusted to reflect the effects of the consolidation.

HIGHLIGHTS AND OVERALL PERFORMANCE

a) Termination of Software Development Agreement

On September 16, 2022, the Company and Caza, LLC ("Caza"), a non-related party, mutually agreed to terminate the software development agreement. The software development agreement was initially entered into on December 21, 2021, and amended on June 28, 2022, for back-end design, development, testing, and assistance for cyber security technology.

Per the termination agreement, the Company transferred its right to the in-process research and development project constituting the cyber security software that was initially acquired in the acquisition of Illuria Security Inc. ("Illuria") on December 17, 2021. In exchange, Caza returned 2,627,993 common shares of Tevano with a fair value of $157,680 and forgave technology development costs payable of $127,262.

b) Shares and warrants highlights during the nine months ended March 31, 2023

On March 31, 2023, pursuant to a debt settlement agreement, the Company issued 1,000,000 units to settle a promissory note of $100,000. Each unit is comprised of one common share and one warrant. Each warrant is exercisable for one common share of the Company until March 31, 2025, with an exercise price of $0.20 per warrant. The fair value of the common shares issued was $110,000 at $0.11 per common share and the fair value of the warrants issued was $105,809 using the Black-Scholes option pricing model. As a result of the settlement, the Company recognized a $115,809 loss on debt settlement.

On March 24, 2023, the Company issued 3,050,000 units in a non-brokered private placement at $0.10 per unit for proceeds of $305,000, of which $100,000 was related to a pre-existing subscription deposit from fiscal 2022. Each unit is comprised of one common share and one warrant. Each warrant is exercisable for one common share of the Company until March 24, 2025, with an exercise price of $0.20 per warrant. The warrants are accounted for under the residual value method. As the fair value of the common shares issued was $244,000 at $0.08 per share, the residual amount of $61,000 was allocated to reserves. In connection with the non-brokered private placements, the Company incurred $16,100 in cash transaction costs allocated to share capital and issued 155,000 warrants to finders with a fair value of $11,851 allocated to share capital and reserve.

On February 28, 2023, the Company issued 975,000 units in a non-brokered private placement at $0.10 per unit for proceeds of $97,500. Each unit is comprised of one common share and one warrant. Each warrant is exercisable for one common share of the Company until February 28, 2025, with an exercise price of $0.20. The warrants are accounted for under the residual value method. As the fair value of the common shares issued exceeded the cash proceeds, there was $nil residual value allocated to warrants. In connection with the non-brokered private placements, the Company incurred $7,750 in cash transaction costs allocated to share capital and issued 77,500 warrants to finders with a fair value of $12,025 allocated to share capital and reserve.

On February 22, 2023, the Company issued 285,714 common shares with a fair value of $40,000 at $0.14 per common share, to settle $30,000 in accounts payable and accrued liabilities. As a result of the shares issued for debt settlement, the Company recognized $10,000 in loss on debt settlement in the profit or loss.

On September 16, 2022, pursuant to the termination agreement with Caza, 2,627,993 of the Company's common shares with a fair value of $157,680 at $0.06 per share were returned to treasury. The fair value of the shares returned to treasury was recorded as a gain on the termination of the software development agreement in profit or loss.

c) Share options highlights during the nine months ended March 31, 2023

On February 23, 2023, the Company granted 1,400,000 share options to officers, directors, and consultants of the Company with an exercise price of $0.14 and an expiry date of February 24, 2028, which vested immediately upon issuance. The fair value of these options was estimated at $195,910 using the Black-Scholes option pricing model.

On December 14, 2022, the Company cancelled 514,282 share options to officers, directors and consultants of the Company with a weighted average exercise price of $2.96 and expiry dates between March 19, 2021 and March 22, 2026. In connection with the cancelled options the Company recorded $48,389 in share-based compensation related to the accelerated vesting of the unvested options.

On November 2, 2022, the Company granted 1,100,000 share options to officers, directors, and consultants of the Company with an exercise price of $0.05, expiry date of November 2, 2027, which vested immediately upon issuance.

d) Overall performance during the nine months ended March 31, 2023

As at March 31, 2023, the Company had cash of $74,408 (June 30, 2022 - $6,187), and a working capital deficiency of $843,000 (June 30, 2022 - $942,381).

For the nine months ended March 31, 2023, cash used in operating activities was $256,249 (2022 - $1,288,354), and cash provided by financing activities was $326,201 (2022 - $666,070).

For the three months ended March 31, 2023, net loss was $416,488 compared to $201,009 during the prior year comparable period. The Q3 2023 increase to net loss compared to the prior year period resulted primarily from increases in investor relations expenses and share-based compensation. The Company has been engaging more with investor relations advisors to increase shareholder awareness. During Q3 2023, the Company granted stock options that vested immediately. These increased expenses were partially offset by lower expenditures in consulting, office, and technology development as a result of cost-cutting initiatives.

For the nine months ended March 31, 2023, net loss was $637,010 compared to $3,852,015 during the prior year comparable period. The YTD 2023 reduction in net loss compared to the prior year period resulted primarily from significantly reduced technology development costs of $nil in the current year compared to $2,019,046 in the prior year. As well, management implemented significant cost-cutting measures in consulting fees, insurance, investor relations, marketing, professional fees, share-based compensation, but partially offset by increases in exchange fees and rent expenses.

(Expressed in Canadian dollars, except where noted)

RESULTS OF OPERATIONS

A summary of the Company's results of operation is as follows:

	Q3 2023	Q3 2022	**YTD 2023**	YTD 2022
	$	$	**$**	$
Revenue	**-**	1,305	**2,175**	10,540
Cost of sales	**-**	(15,959)	**(4,177)**	(51,218)
Gross loss	**-**	(14,654)	**(2,002)**	(40,678)
Operating expenses				
Consulting fees	**60,360**	105,611	**266,620**	335,476
Depreciation	**568**	738	**2,044**	31,301
Exchange fees	**3,915**	13,085	**28,367**	26,039
Insurance	**996**	24,580	**5,718**	127,284
Investor relations	**100,455**	47,621	**117,386**	263,685
Marketing	**-**	124	**800**	41,282
Office	**31,516**	41,138	**44,841**	77,738
Professional fees	**42,544**	65,079	**115,988**	639,801
Provision for expected credit losses	**945**	-	**945**	-
Rent	**17,939**	20,162	**58,945**	20,317
Share-based compensation	**195,911**	85,015	**314,616**	645,301
Technology development	**-**	277,953	**-**	2,019,046
Travel	**176**	10,674	**5,221**	52,133
	455,325	691,780	**961,491**	4,279,403
Operating loss	**(455,325)**	(706,434)	**(963,493)**	(4,320,081)
Other income (expenses)				
Accretion	**(3,347)**	(49,976)	**(6,755)**	(195,171)
Foreign exchange gain (loss)	**520**	4,061	**(14,593)**	(1,417)
Gain on change in fair value of derivative liabilities	**-**	536,617	**-**	591,994
Gain on change in warrant liability	**-**	34,208	**-**	34,208
Gain on debt modification	**-**	-	**11,442**	-
Gain (loss) on debt settlement	**44,191**	(23,518)	**53,916**	(14,051)
Gain on shares returned to treasury	**-**	-	**-**	244,351
Gain on termination of software development agreement	**-**	-	**284,942**	-
Impairment of prepaid and deposit	**-**	-	**-**	(196,047)
Impairment on property and equipment	**(1,699)**	-	**(1,699)**	-
Interest expense	**(1,726)**	-	**(3,378)**	(2,387)
Other income	**898**	4,033	**2,608**	6,586
Net loss	**(416,488)**	(201,009)	**(637,010)**	(3,852,015)
Foreign currency translation adjustment	**101**	10,152	**(1,731)**	(5,531)
Comprehensive loss	**(416,387)**	(190,857)	**(638,741)**	(3,857,546)

Q3 2023 compared to Q3 2022

The Company had no sales and no cost of sales during the current period. In the prior year comparable period, the Company had revenue of $1,305 related to the recognition of the deferred revenue in connection with sales of cloud storage subscriptions during fiscal 2022 and cost of sales of $15,959 resulting in gross loss of $14,654.

The Company had operating expenses of $455,325 compared to $691,780 in the prior year comparable period. The primary drivers of this decrease were as follows:

- Consulting fees decreased to $60,360 compared to $105,611 in the prior year comparable period resulting from the reduction of the number of consultants as a result of the Company's cost-cutting initiatives.

- Insurance expenses decreased to $996 compared to $24,580 in the prior year comparable period resulting from the Company retaining fewer insurance policies from the Company's cost-cutting initiative to conserve capital.

- Professional fees decreased to $42,544 compared to $65,079 in the prior year comparable period resulting from lower audit fees incurred from the previously accrued amount, and legal fees for corporate matters.

- Technology development decreased to $nil compared to $277,953 in the prior year comparable period resulting from the Company termination of Caza's software development agreement.

Partially offsetting these decreases in expenses are the following increases:

- Investor relations increased to $100,455 compared to $47,621 in the prior year comparable period resulting from engaging with an investor relations firm in the current period to promote and market the Company to investors.

- Share-based compensation expense increased to $195,911 compared to $85,015 in the prior year comparable period resulting from the stock options granted and vested immediately during the current period. The current period expense was calculated using the Black-Scholes option pricing methodology, which uses the volatility of the Company's share price as a key input. The Company's share price volatility is higher than historical averages resulting in a higher fair value of stock options issued in the current period compared to the fair value or prior year issuances.

The Company had other income of $38,837 compared to $505,425 in the prior year comparable period. The primary drivers of this change were as follows:

- Accretion decreased to $3,347 compared to $49,976 in the prior year comparable period resulting from the settlement of the majority of the Company's convertible and promissory notes in the prior year period.

- Gain on change in fair value of derivative liabilities decreased to $nil compared to $536,617 in the prior year comparable period resulting from the derivative liabilities on a convertible promissory note and convertible note which were settled in the prior year period.

- Gain on change in warrant liability was $nil compared to $34,208 in the prior year comparable period. In Q3 2022, warrants were issued and recorded as a derivative liability resulting in fair value re-measurement at period end and a gain recorded during the period ended March 31, 2022. During Q4 2022, management determined that the warrants did not meet the criteria to be classified as a derivative liability and reclassified the warrants into shareholders' equity. From the date of reclassification as equity, no further fair value measurements were required.

- Gain on debt settlement increased to $44,191 compared to a loss on debt settlement of $23,518 in the prior year comparable period resulting from the management negotiations with vendors and related parties for settlement of payables with shares in the current period.

YTD 2023 compared to YTD 2022

The Company generated revenue of $2,175 compared to $10,540 in the prior year comparable period. Revenue in the current period was comprised of the recognition of the deferred revenue in connection with sales of cloud storage subscriptions during fiscal 2022. Cost of sales was $4,177 compared to the $51,218 in the prior year comparable period which consisted of the cost of cloud storage fees. During the current period, the Company generated a gross loss of $2,002 compared to a gross loss of $40,678 in the prior year comparable period.

The Company had operating expenses of $961,491 compared to $4,279,403 in the prior year comparable period. The primary drivers of this decrease in expenses were as follows:

- Consulting fees decreased to $266,620 compared to $335,476 in the prior year comparable period resulting from the reduction of the number of consultants as a result of the Company's cost-cutting initiative.

- Insurance expenses decreased to $5,718 compared to $127,284 in the prior year comparable period resulting from the Company retaining fewer insurance policies from the Company's cost-cutting initiative to conserve capital.

- Investor relations expense decreased to $117,386 compared to $263,685 in the prior year comparable period resulting from overall cost-saving measures. In Q1 and Q2 of fiscal 2023, investor relations costs totaled $16,931 while in Q3 alone, investor relations costs were $100,455 resulting from the Company's engagement with a new investor relations firm.

- Professional fees decreased to $115,988 compared to $639,801 in the prior year comparable period resulting from lower costs incurred for legal and accounting services during the current year period as higher fees incurred in the prior year period were associated with the acquisition of Illuria and higher audit fees.

- Share-based compensation expense decreased to $314,616 compared to $645,301 in the prior year comparable period resulting from fewer vesting stock options in the current period compared to prior period. The current period expense was calculated using the Black-Scholes option pricing methodology, which uses the volatility of the Company's share price as a key input. The Company's share price volatility is higher than historical averages resulting in a higher fair value of stock options issued in the current period compared to the fair value or prior year issuances.

- Travel decreased to $5,221 compared to $52,133 in the prior year comparable period resulting from reductions in travel as part of the Company's cost-cutting measures.

Partially offsetting these decreases in expenses is the following increase:

- Rent increased to $58,945 compared to $20,317 in the prior year comparable period resulting from the Company's short-term office lease in the current period.

The Company had other income of $326,483 compared to $468,066 in the prior year comparable period. The primary drivers of this change were as follows:

- Accretion decreased to $6,755 compared to $195,171 in the prior year comparable period relating to the settlement of the Company's convertible and promissory notes in the prior year.

- Gain on termination of software development agreement increased was $284,942 compared to $nil in the prior year comparable period resulting from the Company termination of its software development agreement with Caza in the current period.

- Gain on change in fair value of derivative liabilities was $nil compared to $591,994 in the prior year comparable period resulting from the change in derivative liabilities on a convertible promissory note and convertible note which were settled during the prior year period.

- Gain on change in warrant liability was $nil compared to $34,208 in the prior year comparable period. In Q3 2022, warrants were issued and recorded as a derivative liability resulting in fair value re-measurement at period end and a gain recorded during the period ended March 31, 2022. During Q4 2022, management determined that the warrants did not meet the criteria to be classified as a derivative liability and reclassified the warrants into shareholders' equity. From the date of reclassification as equity, no further fair value measurements were required.

- Gain on debt settlement was $53,916 compared to a loss on debt settlement of $14,051 in the prior year comparable period resulting from the management negotiations with vendors and related parties for settlement of payables with shares in the current period.

- Gain on shares returned to treasury was $nil compared to $244,351 in the prior year comparable period resulting from shares issued for consulting fees and were subsequently returned during the prior year period.

- Impairment of prepaid and deposit was $nil compared to $196,047 in the prior year comparable period resulting from the recognition of impairment on bitcoin equipment that had not yet been placed into service during the prior year period.

2023 OUTLOOK AND STRATEGIC OBJECTIVES

The Company acquired Aqua-Eo Ltd. as of this date of the MD&A and disclosed in the subsequent events section of this MD&A. The Company believes this acquisition will bring value to its shareholders through new opportunities, growth, and development of innovative solutions in the areas of lithium extraction, industrial wastewater remediation, and oil and gas effluent treatment.

(Expressed in Canadian dollars, except where noted)

SUMMARY OF QUARTERLY RESULTS

A summary of quarterly financial results of the Company for the last eight most recently completed quarters is as follows:

	Q3 2023	Q2 2023	Q1 2023	Q4 2022
	$	$	$	$
Total assets	**104,870**	37,558	45,385	74,874
Working capital deficiency	**(843,000)**	(1,160,596)	(1,067,166)	(942,381)
Net loss	**(416,488)**	(160,425)	(60,097)	(585,891)
Net loss per share	**(0.02)**	(0.01)	(0.00)	(0.02)

	Q3 2022	Q2 2022	Q1 2022	Q4 2021
	$	$	$	$
Total assets	352,822	566,716	1,068,963	1,614,593
Working capital surplus (deficiency)	(550,757)	(755,938)	(180,612)	368,427
Net loss	(201,009)	(2,930,013)	(720,993)	(3,765,337)
Net loss per share	(0.00)	(0.13)	(0.03)	(0.17)

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 relating to professional fees and consulting fees. The quarterly trend in loss for the period and loss per share has historically depended on the amount of operating expenditures associated with the Company's efforts to source and develop emerging technologies. In fiscal 2023, the Company has been exploring new technologies and abandoned the development of its prior technologies resulting in lower operating expenses and lower losses compared to periods in fiscal 2022. The increased loss in Q3 2023 compared to Q2 2023 resulted from the grant of stock options with a higher fair value than prior issuances and increased investor relations fees.

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.

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 March 31, 2023, the Company had a working capital deficiency of $843,000 (June 30, 2022 - $942,381), has not yet achieved profitable operations, and has an accumulated deficit of $17,954,388 (June 30, 2022 - $17,317,378).

As at March 31, 2023, the Company had a cash balance of $74,408 (June 30, 2022 - $6,187) to settle current liabilities of $947,661 (June 30, 2022 - $1,013,303) which presents significant liquidity risk.

The Company's ability to continue as a going concern is dependent upon the Company's ability to raise sufficient financing to acquire or develop a profitable business. The Company's ability to continue as a going concern is dependent upon its ability to generate positive cash flows from operations, and/or raise adequate funding through equity financing to discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

(Expressed in Canadian dollars, except where noted)

SOURCES AND USES OF CASH

A summary of sources and uses of cash during nine months ended March 31, 2023 and 2022 is as follows:

	YTD 2023	YTD 2022
	$	$
Net cash used in operating activities	**(256,248)**	(1,288,354)
Net cash provided by financing activities	**326,200**	666,070
Effect of exchange rate changes on cash	**(1,731)**	(5,531)
Net change in cash	**68,221**	(627,815)
Cash, beginning of period	**6,187**	677,976
Cash, end of period	**74,408**	50,161

YTD 2023 vs YTD 2022 comparison

Cash used in operating activities during the current period was primarily driven by cash payments on accounts payables and accrued liabilities and corporate operating expenses. In comparison, cash used in operating activities during the prior year comparable period is due to the increased operating activities and payments in developing the Company's cyber security technology and in consulting, investor relations, and professional fees related to the acquisition of Illuria.

Cash provided by financing activities during the current period was driven by the issuance of units in non-brokered private placements, issuance of a convertible promissory note to a related party, and a loan from a shareholder, while cash provided by financing activities during the prior year comparable period relates to common share private placement, a loan from shareholder, offset by lease payments. The cash raised was used for general corporate expenses and for repayment of accounts payables outstanding in the current period.

There were no cash flows pertaining to investing activities in YTD 2023 and YTD 2022.

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no undisclosed off-balance sheet arrangements as at March 31, 2023 or at the date of this MD&A.

SUBSEQUENT EVENTS

a) Amendment of Special Warrant

On May 3, 2021, the Company completed a non-brokered private placement of 2,857,143 warrants at a price of $0.175 per warrant for gross proceeds of $500,000 (each a "Special Warrant"). Each Special Warrant is exercisable into units of the Company consisting of one common share and one common share purchase warrant (each a "Unit") at an exercise price of $1.75 per Unit and expires on May 3, 2023. Each common share purchase warrant is exercisable into one common share of the Company with an exercise price of $2.45 per share and expires two years from the exercise of the Unit.

On May 1, 2023, the Company amended the Special Warrants by extending the expiry date to May 3, 2025, and reducing the exercise price to $0.20 per Unit. Additionally, each common share purchase warrant exercise price was reduced to $0.20 per share.

b) Conversion of convertible promissory note

On April 11, 2023, pursuant to the conversion of the convertible promissory note, the Company issued 843,340 units at $0.05 per unit to settle $42,167, of which the principal is $40,000 and accrued interest is $2,167. Each unit consists of one common share and one warrant. Each warrant is exercisable to one common share of the Company with an exercise price of $0.10 per warrant and expires on April 11, 2024.

(Expressed in Canadian dollars, except where noted)

c) Debt settlements

On April 11, 2023, the Company issued 75,000 units to settle an outstanding shareholder loan of $7,500 from an officer of the Company at $0.10 per unit. Each unit consists of one common share and one warrant. Each warrant is exercisable to one common share of the Company with an exercise price of $0.20 per warrant and expires on April 11, 2025.

d) Acquisition

On February 22, 2023, the Company entered into a non-binding letter of intent for the acquisition of Aqua-Eo Ltd (the "Proposed Transaction"), a green lithium technology company. Subject to regulatory approval, the Company agreed to issue 18,995,000 common shares to the existing shareholders of Aqua-Eo Ltd as consideration for the Proposed Transaction, with a finder's fee of up to 10% of the Proposed Transaction's value.

Aqua-Eo Ltd is an environmentally focused industrial technology and engineering company, developing commercial extraction solutions for lithium and other strategic metals, industrial wastewater remediation, and oil and gas effluent treatment.
On April 27, 2023, the Company completed the Proposed Transaction and issued 18,995,000 common shares to the shareholders of Aqua-Eo Ltd. Pursuant to the acquisition, the Company issued 1,899,500 common shares to three parties as finders' fees.

RELATED PARTY TRANSACTIONS

Key management personnel include those persons having the authority and responsibility of planning, directing and executing the activities of the Company. The Company has determined that its key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

A summary of the Company's transactions with key management personnel is as follows:

	Q3 2023	Q3 2022	**YTD 2023**	YTD 2022
	$	$	**$**	$
Consulting fees	**60,360**	104,111	**281,953**	333,976
Share-based compensation	**83,962**	132,485	**186,544**	611,800
Technology development	**-**	315,208	**-**	567,654
	144,322	551,801	**468,497**	1,513,430

During the three and nine months ended March 31, 2023 and 2022, consulting fees and share-based compensation were to officers and directors of the Company.

During the three and nine months ended March 31, 2022, technology development costs were incurred by Caza.

A summary of the Company's amounts owed to related parties is as follows:

	March 31, 2023	June 30, 2022
	$	$
Accounts payable and accrued liabilities	**471,160**	213,533
Convertible promissory note	**29,521**	-
Promissory note	**20,895**	-
Shareholder's loan	**7,550**	30,000
	529,126	243,533

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

During the nine months ended March 31, 2023, the Company issued a convertible promissory note and a promissory note to officers of the Company.

As at March 31, 2023, receivables included $5,500 advanced to a related party (June 30, 2022 - $5,500). The advance is non-interest bearing and there are no specified terms of repayment.

(Expressed in Canadian dollars, except where noted)

FINANCIAL AND CAPITAL RISK MANAGEMENT

The carrying values of cash, receivables, accounts payable and accrued liabilities, and shareholder loan approximate fair value due to the short-term nature of these instruments. These financial instruments, and the promissory note and convertible promissory note are measured at amortized cost.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to fulfill its contractual obligations. The Company's credit risk relates primarily to cash and receivables. The Company minimizes its credit risk related to cash by placing cash with major financial institutions. The Company regularly reviews the collectability of its receivables. The Company considers the credit risk related to both cash and receivables to be minimal.

Receivables consist of trade receivables and an advance to a related party. The Company records lifetime expected credit losses against trade receivables. During the three and nine months ended March 31, 2023, the Company recognized $945 and $945, respectively (2022 - $nil and $nil, respectively), as a provision for expected credit losses as management considered the trade receivables uncollectible.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has a convertible promissory note and a promissory note with an interest rate of 10%. The Company regularly monitors its cash management policy. The Company is not exposed to interest rate risk as the interest rate on the convertible promissory note and promissory note is fixed.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company endeavors to ensure that sufficient funds are raised from equity offerings or debt financing to meet its operating requirements, after taking into account existing cash. The Company's cash is held in business accounts which are available on demand for the Company's programs. As at March 31, 2023, the Company had a cash balance of $74,408 (June 30, 2022 - $6,187) to settle current liabilities of $947,661 (June 30, 2022 - $1,013,303).

A summary of the Company's undiscounted liabilities as at March 31, 2023, is as follows:

	Within 1 year	**2 - 5 years**	**Total**
	$	$	$
Accounts payables and accrued liabilities	917,781	-	917,781
Convertible promissory note	-	40,000	40,000
Promissory note	30,000	-	30,000
Shareholder's loan	7,550	-	7,550
	955,331	**40,000**	**995,331**

d) Foreign currency risk

The Company's functional currency is the Canadian dollar, and its subsidiary's functional currency is the United States 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 and trade payables) denominated in US dollars. A summary of the Company's net monetary assets and liabilities held in foreign currencies, expressed in Canadian dollars, is as follows:

	March 31, 2023	June 30, 2022
	$	$
Cash	**2,151**	2,830
Accounts payable and accrued liabilities	**(309,651)**	(360,421)
Net financial liabilities	**(307,500)**	(357,591)

The effect on net loss and comprehensive loss for the YTD 2023, of a 10% change in the foreign currencies against the Canadian dollar on the above-mentioned net financial liabilities of the Company is estimated to have an increase or decrease in foreign exchange gain of loss of $30,750.

As at March 31, 2023, Management has determined the Company's exposure to foreign currency risk to be at an acceptable level.

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 year, was to issue sufficient additional shares from the 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:

	March 31, 2023	Date of this MD&A
	#	#
Common shares (1)(2)	30,032,492	51,978,665
Share options	2,642,857	2,642,857
Warrants	7,236,071	8,154,411
Special warrants	2,857,143	2,857,143

(1) At March 31, 2023, common shares include 2,825,800 shares held in escrow, and 475,714 shares subjected to a voluntary hold period.
(2) At the date of this MD&A, common shares include 2,825,800 shares held in escrow, 475,714 shares subjected to a voluntary hold period, and 6,250,000 shares subjected to a voluntary pooling period.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company's financial statements have been prepared in accordance with IFRS as issued by the IASB and IFRIC, effective as at March 31, 2023. The Company's significant accounting policies are described in Note 3 of the Company's Annual Financial Statements.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company's critical accounting estimates and judgments are described in Note 2 of the Company's financial statements and Note 2 of the Company's Annual Financial Statements.

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

For a detailed listing of the risk factors faced by the Company, please refer to the Company's Annual MD&A.