CSE FORM 2A LISTING STATEMENT

DEEPSPATIAL INC.

(PREVIOUSLY AYLEN CAPITAL INC.)

DATED FEBRUARY 4, 2021

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GLOSSARY OF TERMS

The following is a glossary of certain general terms used in this Listing Statement, including the summary hereof. Terms and abbreviations used in the financial statements included in or appended to this Listing Statement are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

"**177**" means 177 RDH Inc.

"**Acquisition Agreement**" means that agreement entered into between the Issuer, Loc8, Acquireco, John Pennal, and Grapevine Analytics dated September 2, 2020, with such acquisition constituting a reverse takeover for the Issuer.

"**Affiliate**" means a company that is affiliated with another company as described below.

A company is an "**Affiliate**" of another company if:

(a) one of them is the subsidiary of the other; or

(b) each of them is controlled by the same Person.

A company is "**controlled**" by a Person if:

(a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person; and

(b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company.

A Person beneficially owns securities that are beneficially owned by:

(a) a company controlled by that Person; or

(b) an Affiliate of that Person or an Affiliate of any company controlled by that Person.

"**Acquireco**" means 2774951 Ontario Limited, a wholly-owned subsidiary of DeepSpatial incorporated under the OBCA for the purpose of carrying out the Amalgamation.

"**Algo8**" means Algo8 AI Private Limited, a company incorporated pursuant to the laws of the Government of India.

"**Amalco**" means the corporation formed upon completion of the Amalgamation, renamed to "**DeepSpatial (Ontario) Inc.**", and which is a wholly-owned subsidiary of the Issuer following the Amalgamation.

"**Amalgamation**" means the three-cornered amalgamation between the Issuer, Acquireco, and Loc8, carried out in accordance with the terms of the Acquisition Agreement and the provisions of the OBCA upon receipt of CSE Approval, resulting in the Issuer owning all of the issued and outstanding securities of the amalgamated entity.

"**Amalgamation Agreement**" means that amalgamation agreement dated December 17, 2020 between the Issuer, Acquireco, and Loc8.

"**Artificial Intelligence**" or "**AI**" means the simulation of human intelligence processes by machines, including computer systems. These processes include learning (the acquisition of information and rules for using the information), reasoning (using rules to reach approximate or definite conclusions) and self-correction.

"**Associate**" when used to indicate a relationship with a Person, means:

(a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer;

(b) any partner of the Person;

(c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which a Person serves as trustee or in a similar capacity; or

(d) in the case of a Person who is an individual:

  (i) that Person's spouse or child, or

  (ii) any relative of the Person or of his spouse who has the same residence as that Person.

"**Board**" means the board of directors of the Issuer.

"**CBCA**" means the *Canada Business Corporations Act*, as amended from time to time.

"**Common Shares**" means the issued and outstanding common shares of the Issuer.

"**Consolidation**" means the consolidation of all of the issued and outstanding Common Shares of DeepSpatial on the basis of one (1) new Common Share for four (4) old Common Shares.

"**CSE**" means the Canadian Securities Exchange.

"**CSE Approval**" means the final approval of the CSE in respect of the continued listing of the Common Shares on the CSE, as evidenced by the issuance of the final approval bulletin of the CSE in respect thereof.

"**Escrow Agent**" means Computershare Trust Company of Canada.

"**Escrow Agreement**" means the escrow agreement entered into by the Issuer, the Escrow Agent and certain principals of the Issuer in compliance with the requirements of the CSE, with the securities subject to such Escrow Agreement to be released as determined by the CSE.

"**Finder's Shares**" means the aggregate of 700,000 Common Shares that were issued at $0.14 per share as finder's fees to Richard Sutin (500,000 Common Shares) and Greg Sullivan (200,000 Common Shares).

"**Geographic Information Systems**" means information systems that are designed to capture, analyze and utilize location-based data. Such platforms allow users to analyze demographic, spending, and other contextual data points that effect a business while adding a geographic element to the analysis.

"**Geospatial Data**" means datasets that identify geographic location, including Google maps, weather maps, real estate listing, and traffic data.

"**Grapevine Analytics"** means Grapevine Analytics Inc., a company incorporated on February 26, 2020 pursuant to the laws of the CBCA.

"**Grapevine Purchase and Sale Agreement**" means the agreement dated September 14, 2020 between the Issuer and John Pennal on behalf of 177 governing the Grapevine Sale.

"**Grapevine Sale**" has the meaning ascribed to it in "*2.3 – Fundamental Change*".

"**Issuer**" or "**DeepSpatial**" means a company incorporated on October 28, 2010 as "Aylen Capital Inc." pursuant to the laws of the CBCA (prior to completion of the Amalgamation) and renamed to DeepSpatial Inc. on December 21, 2020.

"**Loc8**" means Loc8 Corp., a company incorporated on September 4, 2019 pursuant to the laws of the OBCA (prior to completion of the Amalgamation).

"**Loc8 Financing**" means the non-brokered private placement of Loc8 for an aggregate of 4,219,000 Loc8 Subscription Receipts at a price of $0.30 per Loc8 Subscription Receipt raising gross proceeds of $1,265,700. The first tranche closed on October 8, 2020 for 3,835,666 Loc8 Subscription Receipts (raising $1,150,699.80); and the second tranche closed on October 30, 2020 for 383,334 Loc8 Subscription Receipts (raising $115,000.20).

"**Loc8 Share**" means a common share of Loc8.

"**Listing Statement**" means this listing statement of the Issuer.

"**Loc8 Subscription Receipts**" means the subscription receipts sold as a result of the Loc8 Financing, each consisting of one (1) Loc8 Share, exchanged prior to the Amalgamation.

"**Machine Learning**" is an application of AI that provides systems with the ability to automatically learn and improve from experience without being explicitly programmed. Machine learning focuses on the development of computer programs that can access data and use it to learn for themselves.

"**MD&A**" means management's discussion and analysis.

"**NP 46-201**" means National Policy – *Escrow for Initial Public Offerings*.

"**OBCA**" means the *Business Corporations Act* (Ontario), as amended from time to time.

"**Option Plan**" has the meaning ascribed to it in "*9. Options to Purchase Securities*".

"**Person**" means an individual or company.

"**SaaS**" means software as a service.

"**Transaction**" means the Grapevine Sale, the Amalgamation, the Consolidation, the Loc8 Financing, and the issue of the Finder's Shares collectively.

"**TRL**" means Technology Readiness Level according to the Earth Science Technology Office of NASA.

1. ABOUT THIS LISTING STATEMENT

Cautionary Note Regarding Forward-Looking Statements

This Listing Statement contains forward-looking statements concerning the business, operations and financial performance and conditions of the Issuer, as applicable. All statements other than statements of historical fact contained in this Listing Statement are forward-looking statements, including, without limitation, projected costs, plans and objectives of or involving the Issuer. In some cases, these forward-looking statements can be identified by words or phrases such as "may", "will", "might", "expect", "anticipate", "aim", "estimate", "intend", "plan", "seek", "believe", "potential", "continue", "is/are likely to" or similar words or the negative of these terms. Forward-looking statements relating to the Issuer include, among other things, statements relating to:

- the Issuer's expectations regarding its expenses, sales, and operations;
- the Issuer's expectations relating to the use of proceeds from the Loc8 Financing;
- the Issuer's ability to execute its business plan;
- the Issuer's ability to anticipate the future needs of its customers;
- the Issuer's ability to adapt to changes in market dynamics, including business relationships and competition;
- the Issuer's plans to raise awareness of its brand through marketing and promotional activities;
- the Issuer's plans to manage new and existing technologies;
- the Issuer's ability to obtain and protect its intellectual property rights and not to infringe on the intellectual property rights of others;
- the Issuer's ability to anticipate and respond to trends and challenges in the markets in which it operates;
- the impact of federal, state, provincial, territorial and other governmental regulation on the Issuer; and
- the listing of the Common Shares on the CSE.

These statements reflect the views of the Issuer as of the date hereof with respect to future events and are based on assumptions and subject to risks and uncertainties. Although management of the Issuer believes that the assumptions underlying the statements related to Issuer are reasonable, they may prove to be incorrect. Given these risks, uncertainties, and assumptions, investors should not place undue reliance on these forward-looking statements.

While management of the Issuer believes that its plans, intentions, and expectations reflected in the forward-looking statements relating to it and its operations are reasonable, it cannot assure that these plans, intentions or expectations will be achieved. The Issuer's actual results, performance or achievements could differ materially from those contemplated, expressed or implied by the forward-looking statements relating to the Issuer's business contained in this Listing Statement as a result of various factors, including the risks, uncertainties, and assumptions discussed under "*17. Risk Factors*", which include, but are not limited to, the following: DeepSpatial's limited operating history and negative operating cash flow and absence of profits; reduction in consumer confidence in the Issuer's products; ownership and protection of intellectual property; intellectual property infringement claims; regulatory compliance; reliance on management; growth-related risks; online security breaches and service disruptions; dependence on software and device updates; failure to innovate (before future capital requirements); future capital requirements; conflicts of interest; litigation risk; changes in technology; risks associated with COVID-19; risks associated with strategic alliances; system interruption risk; catastrophic event risk; risks associated with technology and innovation; and an inability to implement its business strategy.

These risks, uncertainties, assumptions, and other factors could cause the Issuer's actual results, performance, achievements, and experience to differ materially from management's expectations, future results, performances or achievements expressed or implied by the forward-looking statements.

The forward-looking statements made in this Listing Statement relate only to events or information as of the date on which the statements are made in this Listing Statement. Except as required by law, Issuer undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future event or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

An investor should read this Listing Statement and the documents incorporated by reference, with the understanding that the actual future results to the Issuer may be materially different from what is expected.

1.1 Date of Information

Unless otherwise stated, the information contained in this Listing Statement is given as of February 4, 2021.

1.2 Reporting Currencies

All dollar amounts set forth in this Listing Statement are in Canadian dollars, except where otherwise indicated. In this Listing Statement, references to "$", "dollars" or "Canadian dollar" are to Canadian dollars.

1.3 Market Data

Unless otherwise indicated, information contained in this Listing Statement concerning the industry and the market in which Issuer operates, including its general expectations, market position and market opportunity, is based on information from industry publications and reports generated by several third parties and management estimates. Estimates are derived from publicly available information released by independent industry analysts and third-party sources, as well as data from the Issuer's internal research, and are based on assumptions made by management based on such data and its knowledge of such industry and markets, which it believes to be reasonable. These industry publications and reports generally indicate that the information contained therein was obtained from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information.

The Issuer has not independently verified the data in such publications, reports or resources, and such information is inherently imprecise. In addition, projections, assumptions and estimates and Issuer's future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under "*17. Risk Factors*".

2. CORPORATE STRUCTURE

This Listing Statement has been prepared in connection with the Transaction and listing of the Common Shares on the CSE.

2.1 Corporate Name, Corporate Jurisdiction, and Head and Registered Office

The Issuer was incorporated pursuant to articles of incorporation dated October 28, 2010 under the CBCA. On December 21, 2020 the Issuer filed articles of amendment to change its name to "DeepSpatial Inc."

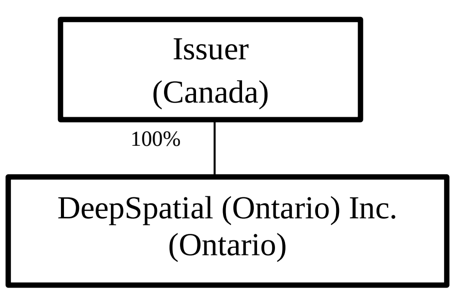
Amalco (continued as "DeepSpatial (Ontario) Inc.) was created upon the filing of the articles of amalgamation of Acquireco and Loc8 on December 22, 2020 in accordance to the OBCA. Amalco is a wholly-owned subsidiary of the DeepSpatial. See "*2.2 – Intercorporate Relationships*".

The Issuer will continue to carry on the business of DeepSpatial (Ontario) Inc., an Artificial Intelligence Geographic Information Systems technology company.

Each of the Issuer and Amalco's head and registered office is located at 77 King Street West, Suite 3000, Toronto, Ontario, Canada, M5K 1G8. There have been no material amendments to the articles or other constating or establishing documents unless otherwise disclosed herein.

2.2 Intercorporate Relationships

The following organizational chart shows the relationship between the Issuer and its wholly-owned subsidiary:



2.3 Fundamental Change

Pursuant to the Acquisition Agreement, and as a consideration of the Amalgamation, the Issuer agreed to dispose of Grapevine Analytics (the "**Grapevine Sale**") by selling the shares of Grapevine Analytics to 177 in the manner contemplated by the Grapevine Purchase and Sale Agreement for $1.00, and agreed to assume all liabilities related to the Grapevine Analytics business not sheltered by the Issuer's tax-loss carry-forwards prior to closing of the Transaction. In addition, the parties agreed that the late John D. Pennal's employment agreement with the Corporation would be cancelled upon completion of the Transaction.

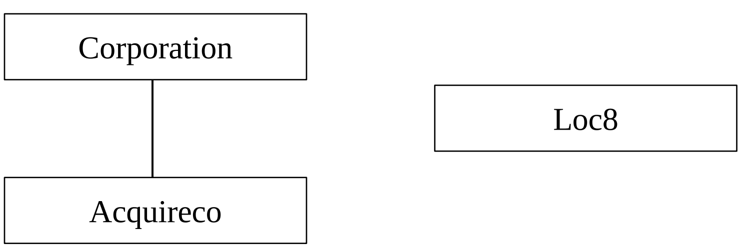
In connection with the Grapevine Sale, and before completion of the Amalgamation, the Issuer paid a dividend to all holders of Common Shares equal to $0.021 per Common Share. The Issuer also agreed to issue an aggregate of 700,000 Finder's Shares.

Summary of the Transaction

The principal features of the Transaction may be summarized as set forth below:

- the Issuer completed the Grapevine Sale on December 21, 2020;
- the Issuer consolidated its Common Shares on the basis of one (1) Common Share for every four (4) old Common Shares;
- the Issuer changed its name to "DeepSpatial Inc."; and
- the Issuer acquired all of the issued and outstanding Loc8 Shares pursuant to a three-corned amalgamation, whereby Loc8 and Acquireco amalgamated, and upon the Amalgamation, holders of Loc8 Shares received one (1) new Common Share for every one (1) Loc8 Share, and Amalco became a wholly-owned subsidiary of the Issuer.

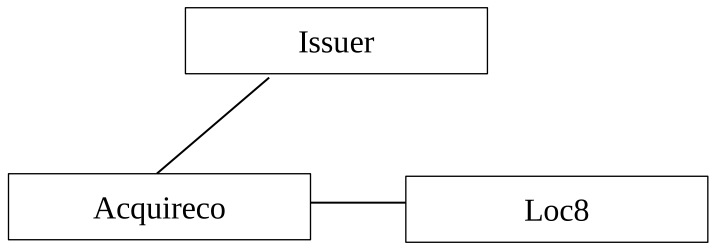
Prior to the Amalgamation



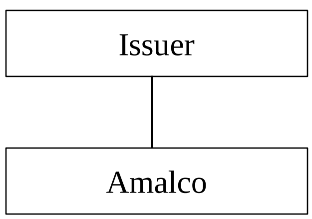
Acquireco was incorporated on August 31, 2020 under the OBCA and has its head office and registered office located at 40 King Street West, Scotia Plaza, Suite 2502, Toronto, Ontario M5H 3Y2. Acquireco did not carry on any business since corporation and did not have any assets or liabilities. The corporation was incorporated solely for the purposes of participating in the Amalgamation.

The Amalgamation

(1) On December 22, 2020 Acquireco and Loc8 amalgamated to create Amalco.



(B) Amalco became a wholly-owned subsidiary of the Issuer.



Amalco became an amalgamated corporation (existing under the OBCA) and was renamed "DeepSpatial (Ontario) Inc." on December 22, 2020. The address of the registered and office of Amalco is the same as the Issuer, at 77 King Street West, Suite 3000, Toronto, Ontario M5K 1G8.

2.4 Non-Corporate Issuers and Issuers Incorporated Outside of Canada

This section is not applicable.

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 General Development of the Issuer's Business

The Issuer was previously engaged in data collection services for companies through its subsidiary, Grapevine Analytics. In light of the ongoing challenges, risks, and uncertainties faced by Grapevine Analytics, the Issuer completed the Transaction with Loc8 on December 22, 2020. Since then the Issuer has carried on the business of Amalco. See "*4. Narrative Description of the Business*".

Terms of the Reverse Takeover

Immediately before closing of the Transaction (but with effect of the Loc8 Financing and the Consolidation), Amalco had 87,794,000 common shares issued and outstanding and the Issuer had 4,660,509 Common Shares issued and outstanding. Upon completion of the Transaction (including the issue of the Finder's Shares) and as of the date hereof, the Issuer has 93,154,509 Common Shares issued and outstanding.

Upon the Amalgamation, the business of Amalco became the business of the Issuer. In turn, DeepSpatial provides complete enterprise solutions to drive the success of businesses using Geospatial Data and Artificial Intelligence. The Issuer, through Amalco, has developed a range of products built on advanced Artificial Intelligence powered platforms to solve modern organizational problems. Additionally, its technology processes, business data and geospatial insight helps businesses: know who their customers are (customer archetypes), manage inventory, select new sites, target marketing initiatives, and predict what supplies are needed to carry on its business.

As of the date hereof, DeepSpatial's officers are Rahul Kushwah (Chief Executive Officer), Sheldon Kales (Chairman), Rakesh Malhotra (Chief Financial Officer and Secretary), and Nandan Mishra (Chief Technology Lead). The Board consists of Rahul Kushwah, Sheldon Kales, Tomas Sipos, and Nandan Mishra.

3.2 Significant Acquisitions

On September 9, 2019, Loc8 purchased an Artificial Intelligence powered platform from Algo8, Sheldon Kales, and Rahul Kushwah in exchange for 63,450,000 of Loc8 Shares. See "*12. Principal Shareholders*". Since then the Issuer has developed its Artificial Intelligence Geographic Information System technology to help businesses make data drive decisions using its SaaS software.

3.3 *Issuer's Financing Activities*

In connection with the Transaction, Loc8 Financing at a price of $0.30 per subscription receipt (each a "**Loc8 Subscription Receipt**") in the following two tranches:

- 3,835,666 Loc8 Subscription Receipts (raising proceeds of $1,150,699.80) closed on October 8, 2020; and

- 383,334 Loc8 Subscription Receipts (raising proceeds of $115,000.20) closed on October 30, 2020.

Each Loc8 Subscription Receipt was exchanged for one (1) Loc8 Share before the Amalgamation.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

4.1 General

The Issuer is an Artificial Intelligence technology company that provides enterprise insight using Geospatial Data, Geographic Information Systems and Machine Learning. The unique insights that Geospatial Data can provide is one of the many reasons that this type of analytics can be considered essential for many businesses, including by those selling a particular product or service. Accordingly, businesses have come to rely on accurate location data and mobility information to help it optimize its distribution, plan site selection, as well as to help companies extract market insights.

DeepSpatial's technology addresses how to apply data (that is largely unstructured) in a meaningful way to businesses. Its technology bridges this gap by synthesizing data supplied by both the client and the Issuer into a format that can easily understood. Its data-fused SaaS platform combined by its AI and Machine Learning technology will help businesses stitch multi-variable data together in order to analyze it in a meaningful way.

The Issuer's unique technology unites business data with its operations to help clients:

1. understand customer personas (to distinguish and classify personalized product preferences and stock keeping unit relativity);

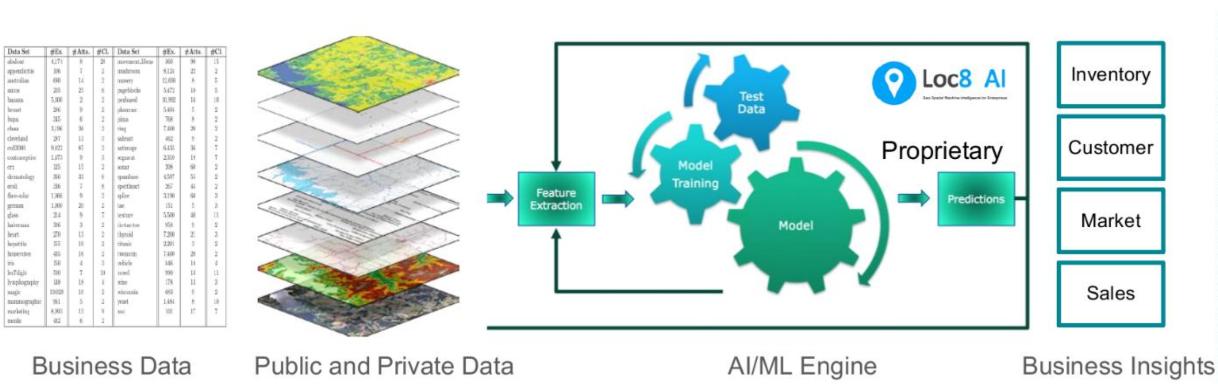
2. predict inventory consumption and link it to effective supply chains and warehouse planning;

3. have insight into its already existing clientele and use this to locate potential customers; and

4. promote targeted pricing and discount strategies on a geospatial basis.

This can help businesses better understand important questions, including: who a company's customers are, how it can more effectively manage inventory and where to open new locations or expand to.

The following chart highlights the four (4) steps involved in DeepSpatial's business solution:



1. <u>Collect business data</u>: including stock keeping unit (SKU) levels, inventory levels, and other business key performance indicators (KPIs).

2. <u>Collect public and private data</u>: the Issuer's artificial algorithms collects location context data (though various map engines), as well as public, proprietary, and dynamic data. The company's pre-built algorithms customizes this redacted data in order to generate unique geospatial algorithmic solutions for its clients that can be used to help optimize its business.

3. <u>Utilize its AI and Machine Learning engine</u>: to arrive at future data sets (which are used as pre-usage data sets); geospatially stitch information together to allow the automatic

geocoding and display of such data; and apply its Machine Learning algorithms to arrive at various features important to a particular business and develop alongside the business.

4. Offer solutions to help business understand:

- WHO:
  - are the customers that a particular business should target?
  - are the most active on social media?
  - should we be focusing our business efforts towards?

- WHEN:
  - is the best time to launch a product or service?
  - is the best time to expand?
  - is the best time to scale back?
  - should a business allocate resources to a specific initiative?

- WHERE:
  - is the most profitable place to expand?
  - should a business open a new location?
  - should a business keep its warehouse/office?
  - should a business target its marketing and spending?
  - should a company increase/decrease its presence?

- HOW:
  - can a business/brand better connect with people?
  - can a business optimize its inventory and/or service management?
  - can a business build better supply chains?
  - can a business use social media and location data to discover unique factors of consumer behaviour including regarding a consumer's hobbies and interests, lifestyle preferences, relationships, diet choices, entertainment preferences and his or her culture and beliefs?
  - can a business predict the probability that a service or product will succeed in a particular market?

- WHY:
  - is a business not obtaining the intended results?
  - is a business or segment growing?
  - isn't a business or segment growing?

The result is data driven business insight across multiple industries including retail, food and beverage, industrial, construction engineering, government, banks, and insurance companies among others. The Issuer intends to expand to new target sectors as well as integrate drone/sensor data capture in its future capabilities. With the current narrative of smart cities, the Issuer aims to build a unique real time geo-insight engine that will have geo-time series data and geo-visual data that can simulate various moving pieces and build an integrated and smart layer.

The Issuer also intends to collaborate with various smart city system integrators to achieve this objective.

4.2 *Business Objectives and Milestones*

The following chart highlights the Issuer's business objectives that it expects to accomplish in the forthcoming 12-month period.

Objective	Estimated Costs	Timeline	Milestone
File a patent application for utilising Geospatial Data and specific Machine Learning techniques in the USA	Approximately $100,000	12 months	File new patent applications as the company expands across additional verticals.
Increase the Issuer's Artificial Intelligence technology to produce a minimum viable result of 80% (60% as of the date hereof) using data sets from both Canadian and American markets [(1)]	Approximately $200,000	3 months	As of the date hereof, prototypes of the software exist and the key functions of DeepSpatial's AI and Machine Learning have been tested and demonstrated. Reduce user deployments to help standardize customer results.
Create strategic partnerships with enterprise resource systems to integrate the Issuer's SaaS platform.	Approximately $50,000	3 months	Leverage the professional relationships of the Issuer's management to develop the platform. License particular tools, programs or other licenses to permit integration with the Issuer's technology.

Notes:

(1) See "*4.2 –Principal Products and Services Market*".

To help meet its objectives, the Issuer intends to market its products and services using a multifaceted strategy which includes leveraging relationships with future partners to promote its products and services to end users. The company will also engage a sales and marketing team in order to help build brand recognition and generate sales.

4.2 Principal Products and Services Market

The Issuer's technology is considered by its management to be at the TRL 7 stage of development. A component of reaching TRL Stage 7 means that a software prototype exists that has a 60% Artificial Intelligence replicable rate and that the software's key functions have been demonstrated and tested. The Issuer intends to integrate a SaaS platform with its current hardware and software systems to support its operational feasibility. Also included in TRL Stage 7 is that most software "bugs" are removed and that tests have been performed to demonstrate that it will be successful for business predictions.

The following steps are expected to be taken by the Issuer to help transform its Artificial Intelligence and Machine Learning technology from TRL Stage 7 to TRL Stage 9 and to develop its SaaS platform. It is expected that the following actions will be taken over the next three years (to fiscal year 2023) in partnership with Algo8, a cutting edge partner and current shareholder of DeepSpatial, along with various Indian Institutes of Technology Artificial Intelligence Labs.

Function	**Description**	**Development / Actions**
Design the SaaS platform and upload data (both customer and from DeepSpatial's pre-built data sets)	Design the platform using UI/UX design and input data. Create a mechanism to provide initial business insight based on pre-loaded data sets.	1. Create a UI/UX design. 2. Upload data (including that provided by customers and the Issuer's pre-built data sets) from standard file formats and connections that can be used to run DeepSpatial's Machine Learning to generate business insight. 3. Prepare a software requirements specification document summarizing a customer's end to end use on the SaaS platform for further research and development purposes.
Collect additional data and sources to be integrated in DeepSpatial's solution. Grant users access to this data using multiple applications and API from DeepSpatial's SaaS platform.	Connect different geographical insight data and internal data (provided both by the customer and DeepSpatial) using application programming interfaces (API).	DeepSpatial has access to multiple (public) data sets that are being used to connect its own data with client information. Create a SaaS platform that will use API to automatically integrate and synthesize the data.
Create standard data cleaning and	Create a standard function to clean, sort and organize data in an efficient	Retain developers to formulate the cleaning and

selection functions.	manner.	selection function through the SaaS platform and provide feedback to DeepSpatial for ongoing development.
Develop a method of computing tabular and spatial data.	Create a mechanism to compute the data by filtering, aggregating, combining datasets, processing of structured, time series, textual data, as well as by creating new features on an ongoing basis.	Functions regarding tabular data are expected to include: adding/dropping columns, pre-populating missing values, and automatically generating data. Functions regarding DeepSpatial's text/spatial data include coding mechanisms to clean the data and handle Geospatial Data (including shape file). Standard modules are in open source and basic research and development has gone into it.
Create a dynamic visual based on user inputs or selections using templates and unique customer preferences. Create a dashboard function on its SaaS platform.	Prepare a mechanism to allow the SaaS platform to create a dynamic visual based on user preferences that combines map layers for easy analysis and flexible filtering options. Create a function to generate reports and/or other meaningful visualizations to summarize data and make predictions.	Standard templates will be imported to the SaaS platform and tailored based on the specific preferences of customers.
Integrate DeepSpatial's Machine Learning function to the SaaS platform.	Sync DeepSpatial's (auto) Machine Learning technology to its SaaS platform to generate algorithms and provide unique business insights.	Retain developers to coordinate the integration of DeepSpatial's auto Machine Learning technology with the SaaS platform.
Create mechanisms to protect data security and limit access to outsiders.	Dedicate a cloud mechanism to deploy and control access of business data.	Create a system to customize the interface based on the particular functionalities used by clients. Integrate existing and new security measures to help

		protect outside access.
Log user preferences, activities and actions for ongoing research and development of its product	Log the major preferences and activities of users to help further develop its SaaS platform and Machine Learning algorithms and de-bug any issues.	Create a logging mechanism in the SaaS platform to monitor a customer's use.

The Issuer also intends to offer its customers both online and telephone support. It is also expected that a "chatbot" feature will be provided directly in the SaaS platform to help assist customers in a time efficient manner.

4.3 Production and Sales

The Issuer will charge its customers an upfront implementation cost, as well as an annual license fee for an enterprise license. The amount of the license fee will be determined upon the completion and deployment of its products to customers and is expected to provide DeepSpatial with reliable, recurring revenue. The Issuer's business is not seasonal nor cyclical.

Principal Product or Service	**Timing and Stage of Research and Development Programs**	**Major Components of the Proposed Programs and Anticipated Costs**	**Whether this research is being conducted in-house or sub-contracted (and to who)**	**Additional steps required to meet commercial production and estimated costs and timing**
Transform its technology from TRL Stage 7 to TRL Stage 9 and develop its SaaS platform.(1)	FY 2020-2023	Please refer to the chart above for the major components. The anticipated cost over the next 12 months is: $200,000.	Develop these skills in-house and outsource.	2-3 years.

Hire a business development team and systems support.	FY 2020-2023	Marketing, business development and relationship building The anticipated cost over the next 12 months is: $30,000.	Outsource these skills.	2-3 years.

Notes:

(1) Please see "*4.2. Principal Products and Services Market*" for additional information.

4.4 Intellectual Property

The following domain is registered to DeepSpatial: www.deepspatial.ai/

4.5 Specialized Skill, Knowledge and Employees

The Issuer will employ highly skilled engineers, programmers, data scientists and business professionals to help it meet its objectives. See "*4.2. Principal Products and Services Market*" and "*4.3. Production and Sales*". As of the date hereof, the Issuer does not have any employees.

4.6 Research and Development

The Issuer is conducting ongoing research and development to help it design and improve its design and implementation. The company believes that deepening the capabilities of its current solution will allow it to meet needs of more users across greater geographies.

Competitive Conditions

DeepSpatial competes with a relatively small number of providers. Its major competitors include:

- Mango Solutions Ltd.: is a data science and analytics solutions company. Established in 2002, it is the largest data science consultancy in the United Kingdom offering data insight solutions to organizations.

- Place IQ, Inc. ("**PlaceIQ**"): is a leading data and technology provider that powers critical business and marketing decisions with location data, analytics, and insights. PlaceIQ connects companies with location-based audiences, measuring real-world return on investment and applying insights to help drive intelligent marketing and business outcomes. The company is headquartered in New York City and has offices in Chicago, Detroit, Silicon Valley and Los Angeles.

- ESRI Inc.: is an international supplier of geographic information system software, web geographic information systems, and geodatabase management applications. The privately-held company was founded in 1969 as a land-use consulting firm and operates from its headquarters in Redlands, California.

- eSpatial Solutions Ltd. ("**eSpatial**"): offers data location analytics to help businesses filter data and connect business activity to a location. The platform helps companies target revenue growth, make cost reductions, and improve customer service. eSpatial is based in Swords, Dublin and was founded in 1997.

- Pitney Bowes Inc.: is a global technology company providing commerce solutions to matters involving ecommerce fulfillment, shipping and returns, cross border commerce, office mailing, and shipping and financing. The public company operates from its headquarters in Stamford, Connecticut and was founded in 1920.

- Geoblink SL ("**Geoblink**"): is a SaaS-based location intelligence solution that helps professionals from the retail, real estate, and fast-moving consumer goods industries make informed decisions about their business strategies. Geoblink combines traditional and non-traditional advanced analytics techniques over big and small data, together with a rich map-based user interface to display multiple types of statistics in a way that is simple to use and easy to understand.

The following SWOT (strengths, weaknesses, opportunities and threats) analysis summarizes a few of the Issuer's competitive advantages:

Strengths	**Weaknesses**
• Experienced team with contextual experience at organizations including Google, Microsoft and Facebook. • Diverse proprietary datasets with transferable insights from multiple sectors. • Flexible business approach. • Relationships with educational institutions.	• Tough competition in the FinTech industry. • Difficulty in establishing a recognizable brand.

Opportunities	Threats
• Highly contextualized insight tailored to the particular business using Artificial Intelligence • Competitive pricing for technology and cost-efficient • Significant profit potential in a growing industry	• Well-financed and positioned competitors • The introduction of new laws and regulations could change the way DeepSpatial carries out its business

The Issuer will continue to develop its AI, Machine Learning, and SaaS platform based on its operational experience and comments from clients to help maintain its competitive advantage. The company is also planning on add new features including drone sensor data capture and additional proprietary datasets to further complement its technology.

4.7 Available Funds and Principal Purposes of Funds

The following tables set out information respecting the Issuer's sources of funds and intended uses of such funds upon completion of the Transaction. The amounts shown in the tables are estimates only and are based upon the information available to the Issuer and Amalco as of the date hereof.

Source of funds	**Amount ($)**
Loc8 Financing[1]	
First tranche	1,150,700
Second tranche	115,000
Other	580,550
Existing unrestricted cash available	**1,846,250**

Notes:

(1) See "*4.7 – Available Funds and Principal Purposes*".

The following table sets out the principal purposes, using approximate amounts, for which the Issuer intends to use its available funds.

Use of funds	Amount ($)
Research and development	200,000
Marketing fees	30,000
Patent and trademark expense	16,000
Working capital	1,600,250
Total	**1,846,250**

The Issuer intends to spend the funds available to it for the principal purposes indicated above. Notwithstanding the foregoing, there may be circumstances where, for sound business reasons, a re-allocation of funds may be necessary for the Issuer to achieve its objectives. It is anticipated that the available funds will be sufficient to satisfy its objectives over the next 12 months.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 Financial Information

The following table sets out selected financial consolidated information for the Issuer for each period indicated below and should be considered in conjunction with the more complete information contained in the financial statements of the Issuer attached as Schedule "A".

($)	Nine (9) month period ended September 30, 2020 (unaudited)	Fiscal year ended December 31, 2019 (audited)	Fiscal year ended December 31, 2018 (audited)	Fiscal year ended December 31, 2017 (audited)
Statement of Loss Data				
Revenue	-	607,576	560,714	789,260
Expenses	(22,638)	836,877	826,222	870,511
Balance Sheet Data				
Total assets	555,969	659,183	930,959	120,737
Total liabilities	305,268	329,652	387,205	337,523
Accumulated deficit	(1,420,634)	(1,341,804)	(1,127,581)	(1,867,177)
Total liabilities and shareholders' equity	555,969	659,183	930,959	120,737

The following table sets forth selected financial information for the Loc8 for the period from incorporation on September 4, 2019 to June 30, 2020, and the three (3) month period ended September 30, 2020. Additionally provided below is selected balance sheet data as at June 30, 2020 and September 30, 2020. Such information should be read in conjunction with the financial statements attached as Schedule "C".

Income Statement Data	**Three (3) month period ended September 30, 2020 (Unaudited) ($)**	**Period from incorporation on September 4, 2019 to June 30, 2020 (Audited) ($)**
Total expenses	171,426	522,877
Loss and comprehensive loss	(171,426)	(522,877)

Balance Sheet Data	**As at September 30, 2020 (Unaudited) ($)**	**As at June 30, 2020 (Audited) ($)**
Total assets	3,337,856	3,100,078
Total liabilities	49,358	40,354

The following table sets out selected financial information for the Artificial Location Intelligence Business for the periods indicated below and should be considered in conjunction with the more complete information contained in the financial statements attached as Schedule "E" to this Listing Statement.

($)	**Fiscal year ended March 31, 2019 (audited)**	**Fiscal year ended March 31, 2018 (audited)**
Statement of Loss Data		
Sales	22,348	94,544
Cost of sales	-	(30,886)
Gross profit	22,348	63,658
Expenses	76,140	23,040
Balance Sheet Data:		
Total assets	-	21,782
Total liabilities	34,071	-
Total shareholders' equity	(34,071)	21,782

The following table sets out selected unaudited pro forma consolidated financial information for the Issuer as of September 30, 2020 (after completion of the Transaction) and should be considered in conjunction with the financial statements of the Issuer (see Schedule "A"), the financial statements of Loc8 (see Schedule "C"), the carve-out financial statements of the Artificial Location Intelligence Business (see Schedule "E") and the more complete information contained in the unaudited pro forma consolidated financial statements attached as Schedule "F" to this Listing Statement.

Balance Sheet Data	**($)**
Total assets	3,783,428
Total liabilities	80,354
Total shareholders' equity	3,703,074
Total liabilities and stockholders' equity	3,783,428

Notes:

(1) Amounts presented reflect pro forma adjustments as further detailed in the Notes attached to the unaudited pro forma consolidated financial statements attached as Schedule "F" to this Listing Statement. Reference should be made to Schedule "F" for a complete summary of all assumptions underlying these amounts.

5.2 Dividends

There are no restrictions that could prevent the Issuer from paying dividends. Any decision to pay dividends on its shares will be made by the Board on the basis of the Issuer's earnings, financial requirements and other conditions existing at such future time. It is not contemplated that any dividends will be paid in the immediate or foreseeable future following completion of the Transaction.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

The Issuer's MD&A for the year ended December 31, 2019 and for the nine (9) month period ended September 30, 2020 are attached hereto as Schedule "B".

Loc8's MD&A for the period from September 4, 2019 to June 30, 2020 and for the three (3) month period ended September 30, 2020 is attached as Schedule "D", and should be read in conjunction with the company's financial statements (see Schedule "C") and the audited carve-out financial statements of the Artificial Location Intelligence Business (see Schedule "E").

7. MARKET FOR SECURITIES

The Common Shares have been listed and posted for trading on the CSE since September 17, 2013. Trading of the Common Shares (under symbol "AYL") was halted upon the announcement of the Amalgamation Agreement in accordance with CSE Policies on September 2, 2020. The closing trading price of the Common Shares on the CSE on September 1, 2020 (the last trading day before trading was halted) was $0.035. The Common Shares are expected to be listed on the CSE on or about March 4, 2021 and to trade under the symbol "DSAI".

8. CONSOLIDATED CAPITALIZATION

The following table sets out the capitalization of the Issuer as at the date of this Listing Statement:

Designation of security	Amount authorized	Amount outstanding as of the date hereof
Common Shares	unlimited	93,154,509

There has been no material change in the share capital of the Issuer since the date of the Issuer's financial statements contained in this Listing Statement.

9. OPTIONS TO PURCHASE SECURITIES

The Issuer adopted the stock option plan (the "**Option Plan**") on December 5, 2011. As of the date hereof, all options to purchase common shares of the Issuer granted by the Issuer under the Option Plan have been exercised.

The details of the Option Plan are summarized below:

- the Option Plan reserves for issue pursuant to stock options, a maximum number of common shares equal to 10% of the outstanding common shares of the Issuer from time to time, with no mandatory vesting provisions;

- the number of Common Shares reserved for issue to any one Person in any 12 month period under the Option Plan may not exceed 5% of the outstanding Common Shares at the time of grant without approval by disinterested shareholders;

- the aggregate number of Common Shares reserved for issue to any consultant in any 12 month period under the Option Plan may not exceed 2% of the outstanding Common Shares at the time of grant;

- the aggregate number of Common Shares reserved for issue to any employee conducting investor relations activities in any 12 month period under the Plan may not exceed 2% of the outstanding Common Shares at the time of grant;

- number of Common Shares issued to any one Person within a 12 month period on the exercise of stock options may not exceed 5% of the outstanding Common Shares at the time of exercise without approval by disinterested shareholders;

- stock options may have a term not exceeding five (5) years;

- stock options are non-assignable and non-transferable; and

- the Option Plan contains provisions for adjustment in the number of Common Shares or other property issuable on exercise of stock options in the event of a share consolidation, split, reclassification or other relevant change in the Common Shares, or an amalgamation, merger or other relevant change in the Issuer's corporate structure, or any other relevant change in the Issuer's capitalization.

As of the date hereof, the Issuer does not have any issued or outstanding options.

10. DESCRIPTION OF THE SECURITIES

10.1 Description of Securities

The Issuer's authorized share capital consists of an unlimited number of Common Shares without par value and an unlimited number of preferred shares issuable in series. As of the date hereof, the outstanding capital of the Issuer consists of 93,154,509 Common Shares and no preferred shares of the Issuer are issued and outstanding.

Common Shares

The holders of Common Shares are entitled to: dividends, if, as and when declared by the Board, to receive notice of and to vote at meetings of the shareholders of the DeepSpatial on the basis of one vote per Common Share and, upon liquidation, to share equally in such assets of the Issuer as are distributed to the holders of Common Shares. There are no pre-emptive, redemption, purchase or conversion rights attached to Common Shares.

10.2 Prior Sales

The following table summarizes the issuances of Common Shares or securities convertible into Common Shares for the 12-month period prior to the date of this Listing Statement:

Date issued	Number of securities	Issue price per security ($)	Aggregate issue price ($)	Nature of consideration
September 4, 2019	11,550,000 Common Shares	$0.0000001	$1.00	Cash
September 9, 2019	63,450,000 Common Shares(1)	$0.0338	$2,144,610	Asset transfer
January 30, 2020	8,325,000 Common Shares	$0.10	$832,500	Cash
April 21, 2020	250,000 Common	$0.10	$25,000	Cash

	Shares			
June 30, 2020	4,219,000[(2)] Common Shares	$0.30	$1,265,700	Cash
October 16, 2020	1,785,663 Common Shares[(3)]	$0.01	$17,856.63	Cash
January 4, 2021	700,000 Finder's Shares	$0.14	$98,000	Services

Notes:

(1) Common Shares were issued in satisfaction of Loc8's purchase of an AI powered location intelligence platform.

(2) Issued in connection with the Loc8 Financing.

(3) The following Common Shares were issued following the exercise of incentive options granted by the Issuer pursuant to its Option Plan at a price of $0.001 per Common Share.

11. ESCROWED SECURITIES

It is expected that the following securities of the Issuer will be subject to escrow in accordance with NP 46-201 and subject to the escrow release schedule set forth therein:

Designation of class held in escrow	Number of securities held in escrow	Percentage of Common Shares[(1)]
Common Shares	49,000,000	52.6%

Notes:

(1) Based on a total of 93,154,509 Common Shares outstanding.

(2) Sheldon Kales owns and controls 15,050,000 Common Shares; Rahul Kushwah owns and controls 12,050,000 Common Shares; Algo8 owns and controls 21,450,000 Common Shares (Nandan Mishra owns 39.5% of Algo8); Tomas Sipos owns and controls 150,000 Common Shares; and Rakesh Malhotra owns and controls 300,000 Common Shares.

The following securities are subject to escrow as of the date hereof:

Name of Escrow Holder	Number of Common Shares	Percentage of Common Shares[(1)]
Sheldon Kales[(2)]	15,050,000	16.2%
Rahul Kushwah[(3)]	12,050,000	12.9%

Algo8[(4)]	21,450,000	23.0%
Tomas Sipos	150,000	0.16%
Rakesh Malhotra	300,000	0.32%

Notes:

(1) Based on a total of 93,154,509 Common Shares outstanding on an undiluted basis.

(2) 4,050,000 Common Shares are held in his name (Sheldon Kales), 9,500,000 Common Shares are held by wholly-owned company (Green Acres Medical Corp.) and 1,500,000 Common Shares are held by Sheldon Kales' wife (Tally Bodenstein).

(3) 10,550,000 Common Shares are held in Rahul Kushwah's name and 1,500,000 Common Shares are held by Rahul Kushwah's wife (Samridhi Kushwah).

(4) Nandan Mishra owns 39.5% of Algo8.

Escrow releases will be scheduled at periods specified in NP 46-201 for emerging issuers, that is, 10% will be released on the date that the Common Shares commence trading on the CSE system following completion of the Transaction, followed by six (6) subsequent releases of 15% every six (6) months thereafter. The form of the escrow agreement must be as provided in NP 46-201. Pursuant to CSE discretion, the number of securities of the Issuer subject to escrow may be changed, including the terms and conditions of escrow.

12. PRINCIPAL SHAREHOLDERS

As at the date of this Listing Statement, no Person beneficially owned, directly or indirectly, or exercised control or direction over, voting securities carrying more than 10% of the voting rights attached to the voting securities of the Issuer, other than as follows:

Name and municipality of residence of shareholder	**Type of ownership**	**Number of Common Shares owned (1)**	**Percentage of Common Shares owned (1)**
Sheldon Kales[(2)] *(Toronto, Ontario)*	Direct/indirect	15,050,000	16.2%
Rahul Kushwah[(3)] *(Toronto, Ontario)*	Direct/indirect	12,050,000	12.9%
Algo8[(4)] *(Punjab, India)*	Direct	21,450,000	23.0%

Notes:

(1) Based on an aggregate of 93,154,509 Common Shares issued and outstanding.

(2) 4,050,000 Common Shares are held in his name (Sheldon Kales), 9,500,000 Common Shares are held by wholly-owned company (Green Acres Medical Corp.) and 1,500,000 Common Shares are held by Sheldon Kales' wife (Tally Bodenstein).

(3) 10,550,000 Common Shares are held in Rahul Kushwah's name and 1,500,000 Common Shares are held by Rahul Kushwah's wife (Samridhi Kushwah).

(4) Nandan Mishra owns 39.5% of Algo8.

13. DIRECTORS AND OFFICERS

The following table lists the names and municipalities of residence of the directors and officers of the Issuer, their position(s) with the Issuer, their principal occupation over the past five (5) years, and the number of securities of the Issuer which will be beneficially owned, directly or indirectly, or over which control or direction is exercised.

Name, position and municipality of residence	Position with the Issuer	Date appointed as director of officer of the Issuer	Principal occupation over the past five (5) years	Number of Common Shares beneficially held	Percentage of Common Shares beneficially held[(2)]
Sheldon Kales[(3)] *(Toronto, Ontario)*	Director and Chairman	December 22, 2020	Chief Executive Officer of Predictmedix Inc.	15,050,000[(4)]	16.2%
Rahul Kushwah[(3)] *(Toronto, Ontario)*	Director and Chief Executive Officer	December 22, 2020	Chief Operating Officer of Predictmedix Inc.	12,050,000[(5)]	12.9%
Nandan Mishra *(Lucknow, U.P., India)*	Director and Chief Technology Officer	December 22, 2020	Chief Executive Officer of Algo8, AI consultant and entrepreneur	8,472,750[(6)]	9.1%
Tomas Sipos[(3)] *(Toronto, Ontario)*	Director	December 22, 2020	Director of Predictmedix Inc., Chief Financial Officer at Pistil Partners Inc. and advisor	150,000	0.2%
Rakesh Maholtra *(Toronto, Ontario)*	Chief Financial Officer and Secretary	December 22, 2020	Chief Financial Officer at Nerds on Site Inc., Aion Therapeutic Inc., Predictmedix Inc. and Binovi Technologies Inc.	300,000	0.3%

Notes:

(1) Securities beneficially owned, directly or indirectly, or over which control or direction is exercised, as of the date hereof.

(2) Based on an aggregate of 93,154,509 Common Shares issued and outstanding. The directors and officers of the Issuer hold an aggregate of 36,022,750 Common Shares (approximately 38.7%).

(3) Member of the Issuer's audit committee.

(4) 4,050,000 Common Shares are held in his name (Sheldon Kales), 9,500,000 Common Shares are held by wholly-owned company (Green Acres Medical Corp.) and 1,500,000 Common Shares are held by Sheldon Kales' wife (Tally Bodenstein).

(5) 10,550,000 Common Shares are held in Rahul Kushwah's name and 1,500,000 Common Shares are held by Rahul Kushwah's wife (Samridhi Kushwah).

(6) 21,450,000 Common Shares are held by Algo8. Nandan Mishra owns 39.5% of this company.

Management

The directors of the Issuer are Rahul Kushwah, Sheldon Kales, Tomas Sipos and Nandan Mishra. The officers of the Issuer are: Rahul Kushwah (Chief Executive Officer), Sheldon Kales (Chairman), Rakesh Malhotra (Chief Financial Officer and Secretary) and Nandan Mishra (Chief Technology Officer). A brief description of the biographies for each of the directors and officers of the Issuer are set forth below (including details with their principal occupations for the past five (5) years):

Sheldon Kales (Age 64) Director and Chairman of DeepSpatial

Since September of 2019, Mr. Kales' principal occupation has been serving as the Chief Executive Officer of Predictmedix Inc. (CSE:PMED; OTCQB:PMEDF). Prior to that, Mr. Kales was the Chief Executive Officer of Chester Gold Corp., a private mining exploration company in northern Ontario. Additionally, he was the Founder, Chief Executive Officer and director of Security Devices International Inc., a public company quoted on the OTCBB in the United States from 2005 to 2010. From 2006 to 2008 Mr. Kales served as a director of L.A.M. Pharmaceutical Corp., a company quoted on the OTCBB.

Mr. Kales is a graduate of the University of Toronto with a Bachelor of Arts degree. He will devote approximately 40% of his time in connection with the Issuer.

Rahul Kushwah, PhD (Age 37) Director and Chief Executive Officer of DeepSpatial

Since September of 2019, Mr. Kushwah has served as the Chief Operating Officer of Predictmedix Inc. (CSE:PMED; OTCQB:PMEDF). Prior to that, he held a faculty appointment with the Faculty of Medicine at the University of Ottawa and was an accomplished federal government scientist with the Human Health Therapeutics branch of the National Research Council of Canada. Additionally, Mr. Kushwah has served as a consulting scientist with the Hospital for Sick Children in Toronto, Ontario and is a regular speaker at several international speaking engagements. Mr. Kushwah has also authored several publications in medical journals and serves as a reviewer and editor for several journals in the medical field.

Mr. Kushwah received his doctorate from the University of Toronto and has been a recipient of the Banting Post-Doctoral Fellowship in Medicine and CIHR Post-Doctoral Fellowship. He will devote approximately 50% of his time in connection with the Issuer.

Nandan Mishra (Age 32) Director and Chief Technology Officer of DeepSpatial

Mr. Mishra is the Chief Executive Officer of Algo8. Throughout his career, he has been a pioneer at creating, designing, developing and deploying products through translational research in artificial intelligence. These novel tech products have led to client success and venture translation stories. Mr. Mishra is also one of the members of the prestigious federal think tank, National Mission of Interdisciplinary Cyber Physical Systems of India.

He holds a Master's Degree in Systems Biology and a Bachelor's Degree in Engineering from the Indian Institute of Technology. He will devote approximately 50% of his time in connection with the Issuer.

Rakesh Malhotra (Age 63) Chief Financial Officer and Secretary of DeepSpatial

Mr. Malhotra's principal occupation is a US certified public accountant (CPA) and a Canada Public Accountant (CPA, CA). He presently serves as a Chief Financial Officer of Nerds on Site Inc. (TSXV:NERD), a Chief Financial Officer of Aion Therapeutic Inc. (CSE; AION), a Chief Financial Officer of Predictmedix Inc. (CSE:PMED; OTCQB:PMEDF) and a Chief Financial Officer of Binovi Technologies Inc. (TSXV: VISN). He also serves as a consultant to various public companies listed across Canada and the USA.

In addition to the accreditations mentioned above, Mr. Malhotra holds his Bachelor of Commerce (Honors) from the University of Delhi. He will devote approximately 20% of his time in connection with the Issuer.

Tomas Sipos (Age 57) Director of DeepSpatial

Mr. Sipos is the Chief Financial Officer at Pistil Partners Inc. as well as serves as a director of Predictmedix Inc. and the NATO Association of Canada Program Committee. Throughout his career, Mr. Sipos has held several senior positions including as a Vice President of Mergers and Acquisitions at Ernst and Young (Toronto), a Managing Director of Investment Banking at the European Privatization & Investment Corporation and a Senior Investment Banker for the International Finance Corporation.

Mr. Sipos holds a (Honors) Bachelor of Science in chemical engineering from Queen's University and a MBA from the University of Toronto, Rotman School of Business. He will devote approximately 15% of his time in connection with the Issuer.

Audit Committee

Composition of the Audit Committee and Audit Committee Charter

The Issuer will have an audit committee consisting of the following members: Rahul Kushwah, Sheldon Kales and Tomas Sipos. A copy of DeepSpatial's Audit Committee Charter is attached as Appendix "A" to the Issuer's management information circular dated May 29, 2020, and is available on the Issuer's SEDAR profile.

Relevant Education and Experience

Each audit committee member has had extensive experience reviewing financial statements. Additionally, each member has an understanding of the Issuer's business and an appreciation for the relevant accounting principles for that business.

Corporate Cease Trade Orders or Bankruptcies; Penalties or Sanctions; Personal Bankruptcies

Other than as disclosed herein, during the past ten (10) years, none of the proposed directors, officers or promoters of the Issuer or any security holder anticipated to hold a sufficient number of securities of the Issuer to affect materially the control of the Issuer, was a director, officer or promoter of any other person or company that was, while that person was acting in that capacity: (a) the subject of a cease trade order or similar order or an order that denied the other issuer access to any exemptions under applicable securities law for a period of more than 30 consecutive days, or (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

On July 2, 2019 a cease trade order was issued against Rakesh Malhotra under Section 164(1) of the *Securities Act,* R.S.B.C. 1996, C.418 until Eyecarrot Innovations Corp., an issuer for which Mr. Malhotra is an insider, filed the required records and the cease trade order was revoked. Eyecarrot Innovations Corp. has since addressed all of the outstanding filing deficiencies and the cease trade order was revoked on September 16, 2019.

Pacific Copper Corp. ("**Pacific Copper**") is an OTC reporting issuer under Multilateral Instrument 51-105 – *Issuers Quoted in the U.S. Over-the-Counter Markets* ("**MI 51-105**"). On October 11, 2012, the British Columbia Securities Commission ordered that all trading in the securities of Pacific Copper cease in British Columbia until it files interim financial statements and MD&A for the interim period ended July 31, 2012, as required under National Instrument 51-102 – *Continuous Disclosure Obligations* and MI 51-105. Rakesh Malhotra subsequently left Pacific Copper in 2013.

None of the proposed directors, officers or promoters of the Issuer, or a security holder anticipated to hold sufficient securities of the Issuer to affect materially the control of the Issuer, has: (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable security holder making a decision about the Transaction.

During the past ten (10) years, none of the proposed directors, officers or promoters of the Issuer, or a security holder anticipated to hold sufficient securities of the Issuer to affect materially the control of the Issuer, or a personal holding company of any such Persons has, has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or promoter.

Conflicts of Interest

Conflicts of interest may arise as a result of the directors, officers and promoters of the Issuer also holding positions as directors or officers of other companies. Some of the individuals who will be directors and officers of the Issuer have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Issuer will be in direct competition with the Issuer. Conflicts, if any, will be subject to the procedures and remedies provided under CBCA.

Other Reporting Issuer Experience

The following proposed directors, officers or promoters of the Issuer are, or within the past five (5) years have been, directors, officers or promoters of the following reporting issuers (other than the Issuer).

Name	Name of Reporting Issuer	Name of Exchange or Market	Position	Term
Sheldon Kales	Predictmedix Inc.	CSE; OTCQB	Director and Chief Executive Officer	September 2019 to present
	Hopewell Capital Corporation	TSXV	Director	January 2017 to present
Rahul Kushwah	Predictmedix Inc.	CSE; OTCQB	Chief Executive Officer Director Chief Operating Officer	December 2018 to September 2019 December 2018 to September 2019 September 2019 to present
Tomas Sipos	Predictmedix Inc.	CSE; OTCQB	Director	September 2019 to present
Rakesh Malhotra	Nerds on Site Inc.	CSE; OTCQB	Chief Financial Officer	December 2017 to present
	Aion Therapeutic Inc.	CSE	Chief Financial	December 2018

			Officer	to present
	Predictmedix Inc.	CSE; OTCQB	Chief Financial Officer	September 2019 to present
	Security Devices International, Inc.	CSE; OTCQB	Chief Financial Officer	January 2007 to November 2019
	Binovi Technologies Inc.	TSX-V; OTCQB	Chief Financial Officer	January 2019 to present
	Infrastructure Materials Corp.	TSX-V	Chief Financial Officer	October 2009 to December 2018

14. CAPITALIZATION

Issued Capital of the Issuer

The following is provided as of the date of this Listing Statement.

	Number of Securities (non-diluted)	**Number of Securities (diluted)**	**% of Issued (non-diluted)**	**% of Issued (fully diluted)**
Public Float				
Total outstanding (A)	93,154,509	93,154,509	-	-
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other	49,000,000	49,000,000	52.6%	52.6%

securities held) (B)				
Total Public Float (A-B)	43,454,574	44,154,574	46.7%	46.7%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	49,000,000	49,000,000	52.6%	52.6%
Total Tradeable Float (A-C)	44,154,574	44,154,574	47.4%	47.4%

Public Securityholders (Registered) of the Issuer

Class of Security

Size of Holding	Number of Holders	Total Number of Securities
1-99 securities	72	889
100-499 securities	77	3,607
500-999 securities	24	3,765
1,000-1,999 securities	28	8,456
2,000-2,999 securities	9	4,809
3,000-3,999 securities	4	3,150
4,000-4,999 securities	2	2,000
5,000 or more securities	22	4,633,899

Public Securityholders (Beneficial) of the Issuer

Class of Security

Size of Holding	Number of Holders	Total Number of Securities
1-99 securities	8	3,111
100-499 securities	32	2,112
500-999 securities	49	7,053
1,000-1,999 securities	77	21,600
2,000-2,999 securities	32	16,950
3,000-3,999 securities	22	386,585
4,000-4,999 securities	17	17,425
5,000 or more securities	190	87,250,749

15. EXECUTIVE COMPENSATION

Consulting and employment agreements, together with the final terms of these agreements, are under discussion. Final agreements are expected to include executive compensation and confidentiality provisions. Specific details related to the executive compensation of the Issuer will be prepared in accordance with Form 51-102F6V of National Instrument 51-102 – *Continuous Disclosure Obligations*, which will be included in the Issuer's management information circular to be made available on SEDAR at www.sedar.com.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer or other senior officer of the Issuer or Person who acted in such capacity in the last financial year of Issuer, or any Associate of any such director or officer is, or has been, indebted to Issuer nor has any such Persons indebtedness to another entity been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Issuer or a subsidiary thereof.

17. RISK FACTORS

The Issuer carries on the business of Amalco. The business is subject to a number of risks as outlined herein. Shareholders should carefully consider, in addition to the other information contained in this Listing Statement, the risks and uncertainties described herein. While this Listing Statement has described the risks and uncertainties that management of Issuer believe to be material to its business, it is possible that other risks and uncertainties affecting the Issuer's business will arise or become material in the future. If the Issuer is unable to effectively address these and other potential risks and uncertainties following the date hereof, its business, financial condition or results of operations could be materially and adversely affected. In this event, the value of the Common Shares could decline and you could lose all or part of your investment.

No representation is or can be made as to the future performance of the Issuer and there can be no assurance that the Issuer will achieve its objectives. Readers should not rely upon forward-looking statements as a prediction of future results.

Limited operating history

DeepSpatial is a relatively new company with a limited operating history, and has yet to generate a profit from its operations. The Issuer is therefore subject to all of the business risks and uncertainties associated with any early stage business enterprise, including uncertainty of revenues, markets and profitability as well as the need to raise additional funding. There can be no assurance that the Issuer will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the risks, expenses and difficulties frequently encountered in early stages of operations.

Negative operating cash flow and limited profits

DeepSpatial has not generated profits to date and there is no assurance that it will earn any profits in the future, or that profitability, if achieved, will be sustained. Continued losses may have the following consequences:

- increased vulnerability to general adverse economic and industry conditions;

- limited ability to obtain additional financing to fund future working capital, capital expenditures, operating costs and other general corporate requirements; and

- restricted ability to pursue its business objectives.

Reduction in consumer confidence

DeepSpatial's business is built on its ability to provide reliable service. Any erosion in a consumer's confidence in its business could adversely impact its business, revenue and results of operations. A number of factors could adversely affect consumers' confidence in the Issuer's business, many of which are beyond its control, including:

- any significant interruption(s) in DeepSpatial's systems, including fire, natural disaster, power loss, telecommunications failure, terrorism, vendor failure, unauthorized entry and computer viruses;

- any breach of DeepSpatial's security policies or applicable legal requirements resulting in a compromise of consumer data;

- dissemination of unfavourable information about DeepSpatial on social media platforms;

- regulatory, supervisory or enforcement actions as a result of non-compliance with applicable laws and regulations; and

- the impact of COVID-19 on target customers (physical retail).

Ownership and protection of intellectual property

DeepSpatial's success will depend, in part, on its ability to obtain patents, or licenses to patents, maintain trade secret protection and enforce its rights against others. The Issuer may not be able to obtain patent protection for its technology such as new platform formulations, as they may fall beyond the scope of patenting. In addition, the coverage claimed in a patent application can be significantly reduced before a patent is issued. There can be no assurance that:

- patent applications will result in the issuance of patents;
- additional proprietary products developed will be patentable;
- patents issued will provide adequate protection or any competitive advantage;
- patents will not be successfully challenged by any third parties; or
- the patents of others will not impede DeepSpatial's ability to commercialize its technology.

Intellectual property infringement claims

There can be no assurance that third parties will not claim infringement on the property rights of the Issuer or its personnel or future licensors, if any, with respect to the Issuer's methods products or future products. Frequent claims and related litigation concerning infringement of proprietary rights are common in many technology fields. The Issuer expects that its products and methods could be increasingly subject to third-party infringement claims as the number of competitors grows and the functionality of products and technology in different industry segments overlap. Third parties may currently have, or may eventually be issued, patents on which DeepSpatial's methods, products, or technologies may infringe. In the event that a third party was to sustain a valid claim against the Issuer and any required license was not available on commercially reasonable terms, the Issuer’s business, results of operations and financial condition could be materially and adversely affected. DeepSpatial could be required to pay infringement damages, modify its products so that they are non-infringing, discontinue offering products or devices which are found to be infringing and/or indemnify the Issuer’s customers. In addition, litigation in which the Issuer is accused of infringement may cause negative publicity and adversely impact prospective customers. Efforts to defend such claims could also divert a significant portion of the Issuer’s technical and management resources whether or not such claims are determined in the Issuer’s favour.

In connection with the development of the DeepSpatial’s products, the Issuer expects that it will engage in consultation with employees, consultants, scientific advisors and other third parties who may assert an interest in such methods or products and who may have access to the company’s trade secrets, technological innovation and confidential know-how, all of which are important to the Issuer’s scientific and commercial success. The Issuer will take steps to protect its intellectual property and proprietary information by requiring such Persons to enter into confidentiality, non-disclosure or assignment of invention agreements or a combination thereof, where appropriate. However, no assurance can be given that such agreements will provide for meaningful protection of the Issuer's proprietary information in the event of any unauthorized use or disclosure of information. While the Issuer believes that a claim against it would be without merit, there can be no assurance that any such claims could be successfully defended.

Regulatory compliance

DeepSpatial's business is subject to a wide variety of laws and regulations across all jurisdictions in which it operates, including, but not limited to, consumer disclosure and consumer protection laws, privacy laws, currency control regulations, money transfer and payment, instrument licensing regulations and laws covering consumer privacy, data protection and information security. Additional laws and regulations, or amendments to current laws and regulations could have a material adverse impact on the Issuer and cause increases in expenditures and costs, or restrict its existing operations and ability to expand operations. Failure of DeepSpatial to comply with applicable laws and regulations could result in the imposition of civil and criminal penalties, including fines, assessments, and injunctions, which in turn could adversely affect reputation, operations or financial condition or performance of the Issuer.

Reliance on management

DeepSpatial's success is highly dependent upon the ability, expertise, judgment, discretion and good faith of its limited number of senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Failure to attract and retain qualified employees, or the loss or departure in the short-term of any member of the senior management may result in a loss of organizational focus, poor operating execution or an inability to identify and execute potential strategic initiatives. This could, in turn, materially and adversely affect the Issuer's business, financial condition and results of operation.

Growth-related risks

DeepSpatial may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. DeepSpatial's ability to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. Any inability of the Issuer to effectively handle this growth may have a material adverse effect on its business, financial condition, results of operations and prospects. While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, there can be no assurance that revenues will continue to increase at the same pace. DeepSpatial's growth strategy can be adversely affected by a variety of factors, including some that are discussed elsewhere in this Listing Statement, as well as:

- reliability of systems, processes and back end servers or applications;
- operator errors;

- inability to attract a sufficient number of qualified workers; and
- major incidents and/or catastrophic events such as fires, explosions, pandemics, earthquakes or storms.

As a result, there is a risk that the Issuer may not have the capacity to meet customer demand or to meet future demand when it arises. In order to manage its current operations and any future growth effectively, DeepSpatial will to continue to expend substantial financial and other resources on:

- personnel, including significant increases to the total compensation as the company grows its employee headcount;
- business development, including expenses relating to expansion in new markets and verticals; and
- general administration expenses, including legal, accounting and other compliance expenses associated with operating as a public company.

There can be no assurance that the Issuer will be able to effectively manage growth, that its management, personnel or systems will be adequate to support its operations, or that it will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth, if any.

Online security breaches and service disruption

DeepSpatial receives, transmits and stores data as part of its business. These activities are subject to laws and regulations in several jurisdictions in which the company's services are available. These requirements, which often differ materially among the jurisdictions, are designed to protect the privacy of consumers' personal information and to prevent that information from being inappropriately disclosed.

DeepSpatial develops and maintains technical and operational safeguards designed to comply with applicable legal requirements; however, it cannot guarantee absolute protection against unauthorised attempts by third parties or current or former employees to access its systems or databases. If third parties gain improper access to its systems or databases or those of the Issuer's service providers or partners, they may improperly obtain, disclose, delete or modify confidential data about the company's customers. Any breach of security policies or applicable legal requirements resulting in a compromise of consumer data could expose the Issuer to regulatory enforcement action, limit its ability to provide services, subject the Issuer to litigation and/or damage its reputation.

In addition, certain Canadian provinces have enacted laws requiring companies to notify individuals of data security breaches involving their personal data. These mandatory disclosures regarding a security breach are costly to implement and often lead to widespread negative publicity, which may cause the Issuer's customers to lose confidence in the effectiveness of its data security measures. Moreover, if a high profile security breach occurs with respect to a competitor of the Issuer, customers may lose trust in the security of the Issuer and its business generally, which could adversely impact the Issuer's ability to conduct business. Any security breach, whether actual or perceived, could harm the Issuer's business.

Dependence on software and device updates

DeepSpatial's platforms will be available on multiple operating systems. Changes to the device infrastructure or software updates on such devices could render the SaaS and other platforms and services of the Issuer inoperable and could result in decreased user engagement and customers. This could have a material adverse effect on the Issuer's business, financial condition and results of operation.

Failure to innovate

The Issuer's success may depend upon its ability to design, develop, test, market, license and support new products and enhancements of current products on a timely basis in response to both competitive threats and marketplace demands. In addition, software products and enhancements must remain compatible with the other software products and systems used by its customers. If new industry standards emerge that the Issuer does not anticipate or adapt to, its products could be rendered obsolete and, as a result, its business and operating results, as well as its ability to compete in the marketplace, would be materially harmed.

Future capital requirements

The Issuer's capital requirements will depend upon many factors, including industry and market conditions, its ability to successfully implement the Issuer's branding and marketing initiative, and expansion of its business. DeepSpatial anticipates that it may need to raise additional funds in order to grow its business and implement its business strategy and anticipates that such additional funds would be raised through public or private debt or equity financings. In addition, the Issuer may enter into a revolving credit facility or a term loan facility with one or more syndicates of lenders. There can be no assurance that DeepSpatial will be able to raise additional capital, if available at all, on commercially reasonable terms to finance its growth objectives. Even if the Issuer is able to raise capital through equity or debt financings, as to which there can be no assurance, the interest of existing shareholders in the Issuer may be diluted, and the securities the Issuer may issue may have rights, preferences and privileges that are senior to those of the Common Shares or may otherwise materially and adversely affect the holdings or rights of the Issuer's existing shareholders. Furthermore, capital raised through debt financing would require the Issuer to make periodic interest payments and may impose restrictive covenants on the conduct of the Issuer's business.

Conflicts of interest

The directors and officers of the Issuer may be or may become directors and officers of other companies. Accordingly, conflicts of interest may arise between their duties as officers and directors of the Issuer and as officers and directors of such other companies. Conflicts, if any, will be subject to the procedures and remedies under the applicable corporate law.

Litigation risk

DeepSpatial may, from time to time, become involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Issuer cannot reasonably predict the likelihood or the outcome of these actions. Adverse outcomes in some, or all of these, claims may result in significant monetary damages or injunctive relief that could adversely affect the Issuer's ability to conduct its business. Even if the Issuer prevails in any such legal proceeding, the proceedings could be costly and time consuming and may divert the attention of management and key personnel from the Issuer's operations.

Changes in technology

The Issuer's ability to compete in the markets it serves may be threatened by change, including changes in technology, changes with respect to consumer needs, competition and industry standards. DeepSpatial will actively seek solutions that respond (in a timely manner) to geospatial data development and client needs, however its failure to respond well to these challenges could adversely impact Issuer's business, financial position and results of operations.

Risks related to COVID-19

DeepSpatial will closely monitor the impact of COVID-19 on aspects of its business, including how the pandemic could impact the Issuer's operations. The Issuer is unable to predict the ultimate impact that it may have on its business, future results of operations, financial position or cash flows. The extent to which its operations may be impacted by this pandemic will depend largely on future developments, which are uncertain and cannot be accurately predicted, including new information which may emerge concerning the severity of the outbreak and actions by government authorities to contain the pandemic or treat its impact. Furthermore, the impacts of a potential worsening of global macroeconomic conditions and the continued disruptions to, and volatility in, the financial markets remains unknown.

Strategic alliances

DeepSpatial's growth and marketing strategies are based, in part, on seeking out and forming strategic alliances and working relationships with third parties. There can be no assurance that existing strategic alliances and working relationships will not be terminated or modified in the future, nor can there be any assurance that new relationships, if any, will afford DeepSpatial the same flexibility under which it currently operates. If the Issuer is unsuccessful in establishing or maintaining its relationship with these third parties, Issuer's ability to compete in the marketplace or to grow its revenue could be impaired, and operating results could suffer.

System interruptions

DeepSpatial's ability to provide reliable service largely depends on the efficient and uninterrupted operation of its intelligence platform. Any significant interruptions could harm its business and reputation and result in a loss of consumers. The Issuer's systems and operations could be exposed to damage or interruptions from fire, natural disaster, power loss, telecommunications failure, terrorism, vendor failure, unauthorized entry and computer viruses or other causes, many of which may be beyond its control. Although the Issuer will have taken steps to prevent a system failure, the measures taken may not be successful and Issuer may experience problems other than system failures. The Issuer may also experience software defects, development delays, installation difficulties and other systems problems, which would harm its business and reputation and expose it to potential liability which may not be fully covered by its business interruption insurance. The Issuer's data applications may not be sufficient to address technological advances, changing market conditions or other developments.

Catastrophic events

Events beyond the control of DeepSpatial may damage its ability to accept customer orders, maintain its platform or perform its servicing obligations. Such events include, but are not limited to pandemics, fires, earthquakes, terrorist attacks and natural disasters. In addition, these catastrophic events may negatively affect customers' demand for the Issuer's products and services.

Technology risk and innovation

DeepSpatial's future success will partially depend upon its ability to continue to improve existing products and services through product innovation and to develop, market and produce new products and services. There can be no assurance that the Issuer will be successful in the introduction, marketing and production of any new products or product innovations or develop and introduce in a timely manner innovations to its existing products and services which satisfy customer needs or achieve market acceptance. The Issuer's failure to develop new products and introduce them successfully and in a timely manner could harm its ability to grow its business and could have a material adverse effect on its business, results of operations and financial condition.

Inability to implement business strategy

There is no assurance that DeepSpatial's business plan will succeed in whole or in part. The success of the Issuer's development strategy will depend on a number of factors and there is no assurance that the Issuer will be able to achieve planned growth, that modifications to its strategy will not be required, or that the Issuer will be able to effectively market or manage expanded operations and enhance profitability. In addition, growth could place a significant strain on the Issuer's management, operational, financial and other resources. The Issuer's ability to manage growth effectively will require the development of management information systems capabilities and improvement of operational and financial systems. Moreover the Issuer will need to train, motivate, and manage its employees and attract senior managers and technical professionals. Any failure to expand these areas and implement and improve such systems, procedures, and controls in an efficient manner at a pace consistent with the Issuer's business could have a material adverse effect on the Issuer's business, financial condition and results of operations.

18. PROMOTER

No Person or company will be a promoter of the Issuer, or has been within the two (2) years immediately preceding the date of this Listing Statement, a promoter of the Issuer or a Subsidiary of the Issuer.

19. LEGAL PROCEEDINGS

Except as disclosed herein, neither the Issuer no any subsidiary, was previously a party to, or was the subject of, any legal proceeding nor is the Issuer or its subsidiary currently party to any material legal proceeding or contemplating any legal proceedings which are material to its business. Additionally, to the knowledge of the Issuer's management and its subsidiaries, there are no such proceedings contemplated. From time to time, Issuer may be subject to various claims and legal actions arising in the ordinary course of business. Management of the Issuer is not currently aware of any legal proceedings contemplated against the Issuer.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of management, no proposed director or executive officer of the Issuer or any person or company that is the direct or indirect beneficial owners of, or who exercises control or direction over, more than ten percent (10%) of any class of the Issuer's outstanding voting securities, or an Associate or Affiliate of any persons or companies referred to in this paragraph, has any material interest, direct or indirect, in any transaction within the three (3) years before the date of this Listing Statement, or in any proposed transaction, that has materially affected or will materially affect the Issuer or its subsidiaries.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

The auditor of DeepSpatial is Harbourside Chartered Professional Accountants LLP. Its office is located at 1185 W Georgia St #1140, Vancouver, British Columbia V6E 4E6. Harbourside CPA LLP are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

Computershare Trust Company of Canada, through its principal office in Toronto, Ontario, is the transfer agent and registrar of the Issuer.

22. MATERIAL CONTRACTS

Except for the Grapevine Purchase and Sale Agreement, the Escrow Agreement and the Acquisition Agreement, the Issuer has not entered into any material contracts within two (2) years preceding the date of this Listing Statement. Copies of such agreements will be available during ordinary business hours for a period of 30 days following the date of this Listing Statement at DeepSpatial's head office (77 King Street West Suite 3000, P.O. Box 95 TD Centre North Tower Toronto, ON M5K 1G8).

23. INTEREST OF EXPERTS

The auditor has not, nor is entitled to receive, any registered or beneficial interest, direct or indirect, in the property of the Issuer and neither is expected to own any securities of the Issuer or any Associate, Affiliate, or Related Person (as defined by the policies of the CSE) of the Issuer.

24. OTHER MATERIAL FACTS

There are no other material facts regarding the Issuer or its Subsidiaries other than as disclosed herein.

25. FINANCIAL STATEMENTS

See Schedule "A" for the Issuer's audited financial statements for the years ended December 31, 2019 and 2018, and the unaudited interim financial statements for the nine (9) month period ended September 30, 2020.

See Schedule "B" for the Issuer's MD&A for the year ended December 31, 2019 and the nine (9) month period ended September 30, 2020.

See Schedule "C" for Loc8's audited financial statements for the period from incorporation on September 4, 2019 and selected balance sheet data as at June 30, 2020, as well as unaudited financial statements for the three (3) month period ended September 30, 2020.

See Schedule "D" for Loc8's MD&A for the period from September 4, 2019 to June 30, 2020 and for the three (3) month period ended September 30, 2020.

See Schedule "F" for a copy of the Issuer's pro forma consolidated financial statements.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, DeepSpatial Inc. hereby applies for the listing of the above mentioned securities on the CSE. The foregoing contains full, true and plain disclosure of all material information relating to DeepSpatial Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Toronto, Ontario this 4th day of February, 2021.

/s/ Rahul Kushwah	*/s/ Rakesh Malhotra*
Chief Executive Officer	Chief Financial Officer
/s/ Sheldon Kales	*/s/ Tomas Sipos*
Director	Director

SCHEDULE "A"
FINANCIAL STATEMENTS OF THE ISSUER

AYLEN CAPITAL INC.

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(PREPARED BY MANAGEMENT)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2020 AND 2019

(In Canadian Dollars)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim condensed consolidated financial statements of Aylen Capital Inc. were prepared by management in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board. The most significant of these accounting principles have been disclosed in the notes to the unaudited interim condensed consolidated financial statements. Management acknowledges responsibility for the preparation and presentation of the unaudited interim condensed consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

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

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim condensed consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim condensed consolidated financial statements together with other financial information of the Company for issuance to the shareholders. These unaudited interim condensed consolidated financial statements were authorized for issuance by the Board on November 29, 2020.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Notice of no auditor review of interim financial statements

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared by, and are the responsibility of, the Company's management.

"John E Pennal"
Director

"Alex Falconer"
Chief Financial Officer

November 29, 2020

AYLEN CAPITAL INC.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

AS AT

	Notes		September 30, 2020		December 31, 2019 (Audited)
ASSETS					
Cash and cash equivalents	5	$	**400,000**	$	564,068
Accounts receivable	7		**-**		10,520
HST recoverable			**-**		20,178
Current portion of consideration receivable	8		**-**		64,417
Assets held for sale	10		**155,969**		-
Total Asset		$	**555,969**	$	659,183
LIABILITIES					
Accounts payable and accrued liabilities	11	$	**21,069**	$	113,318
Contract liabilities	12		**-**		216,334
Liabilities held for sale	10		**284,199**		-
			305,268		329,652
SHAREHOLDERS' EQUITY					
Share capital	15		**1,350,570**		1,350,570
Contributed surplus			**320,765**		320,765
Deficit			**(1,420,634)**		(1,341,804)
			250,701		329,531
Total liabilities and shareholders' equity		$	**555,969**	$	659,183

Certain comparative figures have been restated to conform with the current period presentation (Note 1).

COMMITMENT (Note 19)
SUBSEQUENT EVENT (Note 21)

Approved on Behalf of the Board

'John E Pennal' Director

'William Hale' Director

See accompanying notes to the unaudited interim condensed consolidated financial statements.

AYLEN CAPITAL INC.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
FOR THE THREE AND NINE MONTH PERIODS ENDED

	Notes	Three Months September 30, 2020	Three Months September 30, 2019	Nine Months September 30, 2020	Nine Months September 30, 2019
Expenses					
General and administrative		**$ 22,638**	$ 14,657	**$ 47,569**	$ 46,826
Total expenses		**(22,638)**	(14,657)	**(47,569)**	(46,826)
Other income					
Realized gain on sale of marketable securities	8	**24,910**	-	**24,910**	-
Accretion on consideration receivable	8	**-**	3,075	**-**	9,126
Interest income		**2,143**	2,603	**4,382**	7,017
Unrealized loss on fair value of marketable securities	6	**(93)**	-	**-**	-
Net income (loss) from continuing operations		**4,322**	(8,979)	**(18,277)**	(30,683)
Net loss from discontinued operations	10	**(53,046)**	(17)	**(60,553)**	(38,202)
Net loss and comprehensive loss for the period		**$ (48,724)**	$ (8,996)	**$ (78,830)**	$ (68,885)
Basic and Diluted loss per share					
Continuing operations		**$ 0.000**	$ (0.001)	**$ (0.001)**	$ (0.002)
Discontinued operations		**$ (0.003)**	$ 0.000	**$ (0.004)**	$ (0.002)
Net loss		**(0.003)**	(0.001)	**(0.005)**	(0.004)
Weighted average number of shares outstanding		**16,856,632**	16,856,632	**16,856,632**	16,856,632

Certain comparative figures have been restated to conform with the current period presentation (Note 1).

See accompanying notes to the unaudited interim condensed consolidated financial statements.

AYLEN CAPITAL INC.

UNAUDITED INTERIM CONDENSEDCONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2020 AND 2019

	Share capital				
	Common shares	**Amount**	**Contributed surplus**	**Deficit**	**Total**
Balance January 1, 2019	16,856,632	$1,350,570	$ 320,765	$ (1,127,581)	$ 543,754
Net loss and comprehensive loss for the period	-	-	-	(68,885)	(68,885)
Balance, September 30, 2019	16,856,632	$1,350,570	$ 320,765	$ (1,196,466)	$ 474,869

Balance January 1, 2020	16,856,632	$1,350,570	$ 320,765	$ (1,341,804)	$ 329,531
Net loss and comprehensive loss for the period	-	-	-	(78,830)	(78,830)
Balance, September 30, 2020	16,856,632	$1,350,570	$ 320,765	$ (1,420,634)	$ 250,701

See accompanying notes to the unaudited interim condensed consolidated financial statements.

AYLEN CAPITAL INC.

INTERIM CONDENSEDUNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
FOR THE THREE AND NINE MONTH PERIODS ENDED

	Nine Months September 30, 2020	2019
OPERATING ACTIVITIES		
Net loss from continuing operations for the period	**$ (18,277)**	$ (30,683)
	(18,277)	(30,683)
Changes in non-cash working capital		
Accounts receivable	**10,520**	602
Consideration receivable	**64,417**	-
HST recoverable	**20,178**	15,714
Net cash flows used in operating activities - continuing operations	**76,838**	(14,367)
Net cash flows provided by (used in) operating activities - discontinued operations	**(240,906)**	(167,981)
Cash used in operating activities	**(164,068)**	(182,348)
Net decrease in cash and cash equivalents	**(164,068)**	(182,348)
Cash and cash equivalents, beginning of period	**564,068**	724,808
Cash and cash equivalents, end of period	**$ 400,000**	$ 542,460

Certain comparative figures have been restated to conform with the current period presentation (Note 1).

See accompanying notes to the unaudited interim condensed consolidated financial statements.

1. INCORPORATION AND NATURE OF OPERATIONS

Aylen Capital Inc. (“Aylen” or the “Company”) was incorporated on October 28, 2010 under the Canada Business Corporations Act. The Company's registered head office is located at Scotia Plaza, 40 King Street West, Suite 2502, Toronto, Ontario M5H 3Y2, Canada.

Grapevine Analytics Inc. (“GAI”), an incorporated wholly-owned subsidiary of Aylen, operates a web-based survey and data-collection business.

Effective July 1, 2020 the Company transferred all of the assets and liabilities of its Grapevine division to its wholly-owned subsidiary, Grapevine Analytics Inc. (“GAI”), in exchange for shares of the subsidiary. Since July 1, 2020 GAI has continued to carry on the Grapevine business formerly carried on as a division of the Company.

On July 15, 2020 the Company entered into a letter of intent to purchase LOC8 Corp. (“LOC8”) and on September 2, 2020 entered into an acquisition agreement dated September 2, 2020 (the "Acquisition Agreement") with Loc8 Corp. ("Loc8"), pursuant to which Aylen will acquire all of the issued and outstanding securities of Loc8 (the "Acquisition") in a reverse takeover transaction (“RTO”). In addition, under the Acquisition Agreement, concurrent with the completion of the Acquisition, Aylen will sell to the family of the late John Pennal, Aylen's former Chief Executive Officer, Aylen's wholly-owned subsidiary GAI in exchange for (i) $100 cash, (ii) an Indemnification to Aylen in respect of any taxes, losses or other costs resulting from the sale of GAI, (iii) payment of a dividend to all existing Aylen shareholders of all unencumbered cash held by the Company that is estimated to be $400,000 or $0.022 per share. In addition to the above noted agreements John Pennal agreed to terminate his employment agreement with Aylen and to relinquish all severance and bonus payments to which he would otherwise be entitled. The acquisition agreement is conditional upon approval by the board. An estimate of the financial effect of these transactions cannot be made at this time as the transaction has not been finalized.

2. BASIS OF PRESENTATION

Statement of compliance

The unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting” (“IAS 34”), as issued by the International Accounting Standards Board (“IASB”) and therefore, do not contain all disclosures required by International Financial Report Standards ("IFRS") for annual financial statements. Accordingly, these unaudited interim condensed consolidated financial statements should be read in conjunction with the Company’s most recently prepared audited annual financial statements for the fiscal year ended December 31, 2019.

The policies applied in these unaudited interim condensed consolidated financial statements are consistent with the policies disclosed in Notes 2 and 3 of the audited annual financial statements for the year ended December 31, 2019.

The unaudited interim condensed consolidated financial statements were authorized for issue by the Board of Directors on November 29, 2020.

Restatement of Comparative Figures

During the period, the Company decided to discontinue its web-based survey and data-collection business. In line with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations, the consolidated statements of loss and comprehensive loss and cash flows for the period ended September 30, 2019 have been restated to separately report the associated assets and liabilities within the disposal group as discontinued operations. In the prior periods these assets and liabilities had been considered continuing operations (Note 10). The restatement has no effect on the net assets as at September 30, 2019 nor on the loss and comprehensive loss and change in cash flows for the period ended September 30, 2019.

2. BASIS OF PRESENTATION (Cont'd)

Basis of measurement and functional currency

The unaudited interim condensed consolidated financial statements are presented in Canadian dollars and have been prepared on the historical cost basis except for financial instruments measured at fair value through profit or loss. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The Company's functional currency is the Canadian dollar.

Basis of consolidation

These unaudited interim condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Grapevine Analytics Inc. ("GAI"). A subsidiary is an entity in which the Company has control, directly or indirectly, where control is determined based on whether the company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

IFRS 16 - Leases - In January 2016, the International Accounting Standards Board (IASB) issued a new International Financial Reporting Standard (IFRS) on lease accounting which was incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in June 2016. IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease, SIC-15 Operating Leases - Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 introduces a single lessee accounting model that requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Lease assets and liabilities are initially recognized on a present value basis and subsequently, similarly to other non-financial assets and financial liabilities, respectively. The lessor accounting requirements are substantially unchanged and, accordingly, continue to require classification and measurement as either operating or finance leases. The new standard also introduces detailed disclosure requirements for both the lessee and lessor. The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that also apply IFRS 15 Revenue from Contracts with Customers.

The Company's adoption of IFRS 16 did not have a material financial impact on the unaudited interim condensed consolidated financial statements.

4. RECENT ACCOUNTING PRONOUNCEMENTS

Accounting standards and amendments issued but not yet applied

The International Accounting Standards Board ("IASB") has issued the following accounting standards which have not yet been adopted by the Company:

Amendment to IFRS 3 – Business Combinations

On October 22, 2018, the IASB issued Definition of a Business (Amendments to IFRS 3: Business Combinations). The amendments to IFRS 3 are applicable for acquisitions occurring on or after January 1, 2020 and are adopted prospectively. These amendments to the implementation guidance of IFRS 3 clarify the definition of a business to assist entities to determine whether a transaction should be accounted for as a business combination or an asset acquisition. The amendments to IFRS 3 – Business Combinations may affect whether future acquisitions are accounted for as business combinations or asset acquisitions, along with the resulting allocation of the purchase price between the net identifiable assets acquired and goodwill. The Company does not expect any impact to the unaudited interim condensed consolidated financial statements as a result of its adoption of the amendments to IFRS 3.

(Expressed in Canadian Dollars)

5. CASH AND CASH EQUIVALENTS

The Company's cash and cash equivalents consist of the following:

	September 30, 2020	December 31, 2019
Cash held in banks	$ 20,252	$ 109,488
Cash held by broker	457,256	-
GIC	-	454,580
Reclass to assets held for sale (Note 10)	(77,508)	-
	$ 400,000	$ 564,068

There were no restrictions on the cash held by broker.

6. MARKETABLE SECURITIES

Investment in equities are publicly-traded investments on a recognized securities exchange and for which no sales restrictions apply. The fair value of these securities is based on Level 1 inputs based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities. If the closing price is outside of the bid-ask spread, management determines appropriate price for the security within the bid-ask spread. The fair value of mutual funds is determined using the net asset value per unit of each fund.

During the period ended September 30, 2020, all marketable securities were sold resulting in a realized gain of $24,910 in the statement of net loss and comprehensive loss.

7. ACCOUNTS RECEIVABLE

Details of the Company's trade and other receivables are as follows:

	September 30, 2020	December 31, 2019
Canadian and U.S. customers	$ 4,383	$ 10,520
Reclass to assets held for sale (Note 10)	(4,383)	-
	$ -	$ 10,520

Accounts receivable are amounts due from subscriptions that remain uncollected at the financial statements date. These amounts are classified as current because collection is expected in one year or less. Accounts receivable are recognized initially at the amount expected to be received less any discount to reduce the recoverable amount to fair value. Subsequently, accounts receivable are measured at amortized cost using the effective interest method less a provision for impairment with no allowance taken on accounts receivable.

8. INVESTMENTS

On November 16, 2018, the Company sold all its shares of Leonardo Worldwide Corporation to an unrelated third party. The proceeds received by the Company on closing were $847,887.

The first holdback was received during fiscal 2019. The second holdback of US$57,182 ($64,417 as at December 31, 2019) is payable on November 16, 2020, and therefore is held as a current asset. Due to the long-term nature of the second holdback receivable on initial recognition, the future payment of US$57,182 has been present valued using an effective interest rate of 22.8%, valued at $64,417 as of December 31, 2019. Accretion income of $3,075 was recognized on this receivable for the three months ended and $9,126 for the nine months ended September 30, 2019 and $nil for period ended September 30, 2020.

The holdbacks may be reduced by the portion attributable to the Company any claims for indemnification made by the purchaser.

(Expressed in Canadian Dollars)

9. PROPERTY AND EQUIPMENT

	Equipment	Office equipment	Total
Cost			
Balance at December 31, 2018, 2019	$ 7,581	$ 9,796	$ 17,377
Additions	-	2,081	2,081
Balance at September 30, 2020	**$ 7,581**	**$ 11,877**	**$ 19,458**
Accumulated Amortization and Impairement			
Balance at December 31, 2018	$ 7,581	$ 9,321	$ 16,902
Amortization for the period	-	475	475
Balance at December 31, 2019	$ 7,581	$ 9,796	$ 17,377
Amortization for the period	-	520	520
Reclass to assets held for sale	-	1,561	1,561
Balance at September 30, 2020	**$ 7,581**	**$ 11,877**	**$ 19,458**

	Office equipment	Total
Net Book Values		
As at December 31, 2018	$ 475	$ 475
As at December 31, 2019	$ -	$ -
As at September 30, 2020	**$ -**	**$ -**

10. DISCONTINUED OPERATIONS

During the period ended September 31, 2020, the Company entered into an acquisition agreement with Loc8., pursuant to which Aylen will acquire all of the issued and outstanding securities of Loc8.

In addition, under the acquisition agreement, concurrent with the completion of the acquisition, Aylen will sell to John Pennal, Aylen's chief executive officer, Aylen's wholly owned subsidiary Grapevine Analytics Inc., which includes the assets, liabilities and obligations of the Grapevine business currently operated by Aylen. As part of the Grapevine sale and immediately prior to completion of the acquisition, the following steps will occur: (i) Mr. Pennal will pay $100 to Aylen and will agree to indemnify Aylen in respect of any taxes, losses or other costs resulting from the Grapevine sale; (ii) Mr. Pennal will agree to terminate his employment agreement with Aylen and to relinquish all severance and bonus payments to which he would otherwise be entitled; and (iii) Aylen will pay a dividend to existing Aylen shareholders equal to the amount of unencumbered cash held by Aylen at the time, which is currently expected to be approximately $400,000, or 2.2 cents per share.

As a result, results for Grapevine Analytics Inc. for the three and nine month period ended September 30, 2020 have been classified as loss from discontinued operations in the consolidated statement of loss and comprehensive loss.

The assets and liabilities have been classified as assets held for sale and liabilities of assets held for sale, respectively, in the consolidated statement of financial position as of September 30, 2020.

(Expressed in Canadian Dollars)

10. DISCONTINUED OPERATIONS (Cont'd)

Assets and liabilities related to the Company's analytical operations have been reclassed as assets held for sale and liabilities associated with assets held for sale:

		As at September 30, 2020
Cash and cash equivalents	$	77,508
Accounts receivable		4,383
HST recoverable		8,100
Current portion of consideration receivable		64,417
Property and equipment (Note 9)		1,561
Assets Held for Sale	$	155,969
Accounts payable and accrued liabilities	$	66,461
Contract liabilities (Note 12)		177,738
CEBA loan payable		40,000
Liabilities Held for Sale	$	284,199

To conform with current period classification of the discontinued operations, prior year results have been reclassified to discontinued operations.

Results of discontinued operations are as follows:

	Three Months September 30,			
		2020		2019
Sales revenue	$	130,551	$	143,635
Total Income from Discontinued Operations		130,551		143,635
General and administrative		75,612		74,384
Selling expenses		100,148		69,149
Bad debt expense		7,664		-
Amortization		173		119
Total Operating Expenses from Discontinued Operations		(183,597)		(143,652)
Net Loss and comprehensive Loss from Discontinued Operations		(53,046)		(17)

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		September 30, 2020		December 31, 2019
Trade payables	$	14,569	$	74,296
Accrued expenses		6,500		28,471
Credit cards		-		10,551
	$	21,069	$	113,318

(Expressed in Canadian Dollars)

12. CONTRACT LIABILITIES

The following table presents changes in the contract liability balances for the periods ended September 30, 2020 and 2019:

	September 30, 2020	September 30, 2019
Balance, beginning of the period	**$ 216,334**	$ 293,651
Amounts invoiced and collected during the period	**330,110**	419,078
Amounts earned during the period	**(368,706)**	(478,321)
Reclass to liaiblities held for sale (Note 10)	**(177,738)**	-
Contract liabilities, end of the period	**$ -**	$ 234,408

13. LOAN PAYABLE

$100,000 remains undrawn on the line of credit relating to the secured line of credit by the former President and CEO of the Company as of the year ended December 31, 2019 and the nine months ended September 30, 2020.

14. CANADA EMERGENCY BUSINESS LOAN PAYABLE

The Canada Emergency Business Account (CEBA) is a $40,000 limited-time, interest-free loan until December 31, 2022, reclassified to liabilities held for sale.

15. SHARE CAPITAL

(a) Authorized:
An unlimited number of common shares, an unlimited number of Class A common shares and an unlimited number of preferred shares issuable in series.

(b) Total outstanding shares:
Issued:
16,856,632 Common shares as at September 30, 2020 and December 31, 2019

(c) Stock options

The Company has an incentive stock option plan for the officers and directors enabling them to purchase common shares. Each option granted under the plan is for a maximum term of 10 years. The exercise price is determined by the Company's board of directors at the time the option is granted, subject to regulatory approval, and may not be less than the most recent closing price of the common shares at the date of grant. Vesting provisions are also determined at the time of grant by the Company's board of directors.

The Company used a zero forfeiture rate in valuing the stock options as all stock options were vested immediately on the date of the grant.

The stock options activity is as follows:

	September 30, 2020		December 31, 2019	
	Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of the period	**1,785,663**	**$ 0.01**	1,785,663	$ 0.01
Outstanding, end of the period	**1,785,663**	**$ 0.01**	1,785,663	$ 0.01

During the period ended September 30, 2020, no options were granted (December 31, 2019 - nil).

(Expressed in Canadian Dollars)

15. SHARE CAPITAL (Cont'd)

The following table summarizes the stock options outstanding as at September 30, 2020:

Number of options outstanding	Exercise price	Expiry date	Number of options exercisable
100,000	$ 0.02	November 25, 2021	100,000
1,185,663	$ 0.01	January 16, 2022	1,185,663
500,000	$ 0.02	September 12, 2023	500,000
1,785,663			1,785,663

16. RELATED PARTY TRANSACTIONS

The following related party transactions occurred and were reflected in the financial statements during the periods ended September 30, 2020 and 2019 as follows:

REMUNERATION OF KEY PERSONNEL

	Three Months September 30, 2020	Three Months September 30, 2019	Nine Months September 30, 2020	Nine Months September 30, 2019
Salaries	$ 55,000	$ 55,000	$ 110,000	$ 110,000
Directors' fees	3,750	3,750	7,500	11,250
Consulting fees	12,000	12,000	24,000	36,000
	70,750	70,750	141,500	157,250
Reallocated to discontinued operations	(70,750)	(70,750)	(141,500)	(157,250)
	$ -	$ -	$ -	$ -

Key management personnel are those individuals having authority and responsibility for planning, directing and controlling the activities of the Company and its subsidiary including the Company's Board of Directors. The Company considers key management to be the members of the Board of Directors, the Chief Executive Officer and the Chief Financial Officer.

Included in liabilities held for sale are directors' fees of $7,500 (December 31, 2019 - $nil) and management fees of $31,075 (December 31, 2019 - $31,075).

17. MANAGEMENT OF CAPITAL

The Company's objective is to develop a strong capital base to sustain future development and growth of the business. The Company manages its capital by maintaining a flexible capital structure which optimizes the cost of capital at an acceptable level of risk and makes adjustments on it in the light of changes in economic conditions and the risk characteristics of its underlying assets. The Company's capital base is currently represented by shareholders' equity. The Board of Directors reviews the Company's business plans as part of its strategic initiatives in conjunction with its financial forecast. The Board of Directors does not establish a quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company regularly monitors and reviews the amount of capital in proportion to risk and future development. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company is not subject to any external imposed capital requirements.

(Expressed in Canadian Dollars)

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's significant financial instruments are comprised of cash and cash equivalents, accounts receivables, marketable securities, consideration receivable and accounts payable and accrued liabilities.

Measurement and Fair Value

The fair value of the Company's accounts receivable, consideration receivable and accounts payable and accrued liabilities approximate their respective carrying value as at the statement of unaudited interim condensed consolidated statements of financial position date because of the short term maturity of these instruments.

Financial instruments recorded at fair value on the balance sheet date are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1- valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities.

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly.

Level 3 - valuation techniques based on inputs for the asset or liability that are not based on observable market data.

The fair value of cash, cash equivalents and marketable securities is measured based on Level 1 inputs referred to in the three levels of the hierarchy noted above.

Risk management

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company has exposure to the following risks from its use of financial instruments:

(a) Fair value of financial instruments:

The fair value of financial assets and liabilities, together with their carrying amounts are as follows:

	September 30, 2020		December 31, 2019	
Financial assets	**Carrying value**	**Fair value**	Carrying value	Fair value
Financial assets at amortized cost:				
Cash and cash equivalents	**$ 400,000**	**$ 400,000**	$ 564,608	$ 564,608
Accounts receivable	**-**	**-**	10,520	10,520
Consideration receivable	**-**	**-**	64,417	64,417
	$ 400,000	**$ 400,000**	$ 639,545	$ 639,545

(Expressed in Canadian Dollars)

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

Financial liabilities	**September 30, 2020**		December 31, 2019	
	Carrying value	**Fair value**	Carrying value	Fair value
Other financial liabilities, measured at amortized cost:				
Trade payables and accrued liabilities	**$ 21,069**	**$ 21,069**	$ 113,318	$ 113,318
	$ 21,069	**$ 21,069**	$ 113,318	$ 113,318

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and cash equivalents, accounts receivable and consideration receivable. The carrying amount of financial assets represents the maximum credit exposure to the Company.

The Company has established credit approval and monitoring practices to mitigate this risk, including reviewing the creditworthiness of new customers to establish credit limits, monitoring customers' payments and, where considered appropriate, reviewing the financial condition of the existing customers.

The following table outlines the details of aging of the Company's receivables:

	September 30, 2020	December 31, 2019
Current	$ -	$ 3,257
1-30 days	-	-
31-60 days	-	3,368
Greater than 60 days	-	3,895
Total receivable, net	$ -	$ 10,520

The Corporation is exposed to normal credit risk from customers. Accounts receivable are generally unsecured, subject to the Corporation's ability to file security interest under certain conditions. Accounts receivable are normally collected 30 days after invoicing. Default rates on unsecured credit have traditionally been below 1% of annual revenue. Licenses for proprietary software cease to function if payments are not kept current. The Corporation minimizes concentrations of credit risk by maintaining a wide customer base spread across differing industries. Additional sales and services may be withheld if a customer fails to pay its obligations in a timely manner. The Corporation considers accounts over 90 days old overdue. As at September 30, 2020, accounts receivable over 30 days old were $895 (December 31, 2019 - $7,258). The Company recorded $nil bad debts during the period ended September 30, 2020 (September 30, 2019 - $7,486). The Company has determined that its expected credit losses are minimal as at September 30, 2020.

(c) Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they become due. The Company's activities are financed through a combination of the cash flows from operations and proceeds from the disposition of its short-term investments. The Company manages liquidity risks by monitoring the actual and forecasted cash flows taking into account the current and planned operations. All of the Company's accounts payable are due within the next year.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

(e) Foreign exchange risk

Foreign currency exchange risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate as a result of changes in foreign exchange rates. The Company's operations are exposed to foreign exchange fluctuations in that the majority of sales by the Grapevine division are denominated in US currency, while the majority of costs are denominated in Canadian currency. The Company believes it is not significantly exposed to foreign exchange rate risk; the risk is considered to be acceptable as a normal risk of that class of business.

19. COMMITMENTS

The Company has contracted with 2232021 Ontario Inc. to provide operations and sales management services to the Grapevine division for an annual base fee of $103,600, plus applicable taxes, and additional sales based incentives.

20. SEGMENTED INFORMATION

For management purposes, the Company is organized into one business segment as web-based survey and data collection, which primarily operates in one geographical location, North America. Management assesses performance and makes decisions based on the results of operations of this business segment.

21. SUBSEQUENT EVENT

In the first quarter of 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the U.S., Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by U.S., Canada and other countries to fight the virus.

While the extent of the impact is unknown, the Company anticipates that he COVID-19 outbreak will cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which will negatively impact the Company's business.

In October 2020, 1,785,663 stock options were exercised at an exercise price of $0.01 to $0.02. The total gross proceeds were $23,857.

AYLEN CAPITAL INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(In Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Aylen Capital Inc.:

Opinion

We have audited the financial statements of Aylen Capital Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2019 and December 31, 2018, and the statements of net income (loss) and comprehensive income (loss), changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and December 31, 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management’s Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management’s Discussion and Analysis prior to the date of this auditor’s report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

MNP

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Brock Stroud.

MNP LLP

Toronto, Ontario
May 28, 2020

Chartered Professional Accountants
Licensed Public Accountants

MNP

AYLEN CAPITAL INC.

STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

AS AT

	Notes		December 31, 2019		December 31, 2018
ASSETS					
Cash and cash equivalents	4	$	**564,068**	$	724,808
Accounts receivable	6		**10,520**		7,427
HST recoverable			**20,178**		22,008
Current portion of consideration receivable	7		**64,417**		121,165
			659,183		875,408
Non current portion of consideration receivable	7		**-**		55,076
Property and equipment	8		**-**		475
		$	**659,183**	$	930,959
LIABILITIES					
Accounts payable and accrued liabilities	9	$	**113,318**	$	93,554
Contract liabilities	10		**216,334**		293,651
			329,652		387,205
SHAREHOLDERS' EQUITY					
Share capital	12		**1,350,570**		1,350,570
Contributed surplus			**320,765**		320,765
Deficit			**(1,341,804)**		(1,127,581)
			329,531		543,754
		$	**659,183**	$	930,959

COMMITMENT (Note 17)
SUBSEQUENT EVENT (Note 19)

Approved on Behalf of the Board

'John Pennal' Director

'William Hale' Director

See accompanying notes to the financial statements.

AYLEN CAPITAL INC.
STATEMENTS OF NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED

	Notes	Years Ended December 31, 2019	2018
Revenues			
Sales revenue		**$ 607,576**	$ 560,714
		607,576	560,714
Expenses			
General and administrative		**$ 399,734**	$ 385,462
Selling expenses		**433,757**	428,440
Bad debt expense	16(b)	**2,911**	-
Interest on short term debt	11	**-**	2,004
Amortization	8	**475**	476
Share-based payment	12(c)	**-**	9,840
Total expenses		**836,877**	826,222
Other income			
Realized gain on sale of shares in private company	7	**-**	1,022,622
Accretion on short term debt		**-**	(4,870)
Accretion on consideration receivable	7	**6,051**	1,504
Loss on settlement of debt		**-**	(17,606)
Interest income		**9,027**	357
Realized loss on sale of marketable securities	5	**-**	(906)
Net income (loss) and comprehensive income (loss) for the year before taxes		**(214,223)**	735,593
Income tax recovery	14	**-**	4,003
Net income (loss) and comprehensive income (loss) for the year		**$ (214,223)**	$ 743,599
Net loss per share			
Basic net income (loss) per share		**$ (0.013)**	$ 0.044
Diluted net income (loss) per share		**$ (0.013)**	$ 0.041
Weighted average number of shares outstanding - Basic		**16,856,632**	16,856,632
Weighted average number of shares outstanding - Diluted		**16,856,632**	17,861,348

See accompanying notes to the financial statements.

AYLEN CAPITAL INC.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian Dollars)

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	Share capital				
	Common shares	Amount	Contributed surplus	Deficit	Total
Balance January 1, 2018	16,856,632	$1,350,570	$ 299,821	$ (1,867,177)	$ (216,786)
Issuance of convertible debt (Note 11)	-	-	15,107	-	15,107
Share-based payment (Note 12(c))	-	-	9,840	-	9,840
Income tax recovery (Note 14)	-	-	(4,003)	-	(4,003)
Net income for the year	-	-	-	739,596	739,596
Balance, December 31, 2018	16,856,632	$1,350,570	$ 320,765	$ (1,127,581)	$ 543,754

Balance January 1, 2019	16,856,632	$1,350,570	$ 320,765	$ (1,127,581)	$ 543,754
Net loss for the year	-	-	-	(214,223)	(214,223)
Balance, December 31, 2019	16,856,632	$1,350,570	$ 320,765	$ (1,341,804)	$ 329,531

See accompanying notes to the financial statements.

AYLEN CAPITAL INC.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED

	Years Ended December 31, 2019	2018
OPERATING ACTIVITIES		
Net income (loss) for the year	**$ (214,223)**	$ 743,599
Adjustments not affecting cash:		
Bad debts (Note 16(b))	**(2,911)**	-
Realized loss on sale of marketable securities	**-**	906
Realized gain on sale on investment (Note 7)	**-**	(1,022,622)
Amortization (Note 8)	**475**	476
Share-based payment (Note 12(c))	**-**	9,840
Foreign exchange gain	**-**	(6,386)
Accretion expense (Note 7)	**(6,051)**	3,366
Loss on settlement of debt (Note 11)	**-**	10,237
Income tax recovery (Note 14)	**-**	(4,003)
	(222,710)	(264,587)
Changes in non-cash working capital		
Accounts receivable	**(182)**	5,199
Current portion of consideration receivable	**117,875**	-
HST recoverable	**1,830**	(11,625)
Contract liabilities	**(77,317)**	63,500
Accounts payable and accrued liabilities	**19,764**	(25,863)
Cash used in operating activities	**(160,740)**	(233,376)
INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	**-**	4,226
Proceeds from sale of investment (Note 7)	**-**	847,887
Cash provided by investing activities	**-**	852,113
Effect of foreign exchange on cash	**-**	18,431
Net (decrease) increase in cash	**(160,740)**	637,168
Cash and cash equivalents, beginning of year	**724,808**	91,643
Cash and cash equivalents, end of year	**$ 564,068**	$ 728,811

See accompanying notes to the financial statements.

1. INCORPORATION AND NATURE OF OPERATIONS

Aylen Capital Inc. ("Aylen" or the "Company") was incorporated on October 28, 2010 under the Canada Business Corporations Act. The Company's registered head office is located at Scotia Plaza, 40 King Street West, Suite 2502, Toronto, Ontario M5H 3Y2, Canada.

Grapevine Solutions ("Grapevine"), an unincorporated division of Aylen, operates a web-based survey and data-collection business.

2. BASIS OF PRESENTATION

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and its interpretations as issued by the International Accounting Standards Board ("IASB").

The financial statements of the Company for the years ended December 31, 2019 and December 31, 2018 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 28, 2020.

Basis of measurement and functional currency

The financial statements are presented in Canadian dollars and have been prepared on the historical cost basis except for financial instruments measured at fair value through profit or loss. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The Company's functional currency is the Canadian dollar.

Critical accounting estimates, judgment and assumptions

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of the valuation of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant areas of financial reporting that require management's estimates and judgments are as follows:

Valuation of accounts receivable

The valuation of accounts receivables requires assumptions including estimated credit losses based on customer, industry concentrations and the Company's knowledge of the financial conditions of its customers. Uncertainty relates to the actual collectibility of customer balances that can vary from management's estimates and judgment.

Share-based payments

In calculating the share-based compensation expense, key estimates such as the rate of forfeiture of options granted, the expected life of the option, stock price, the volatility of the Company's stock price and the risk-free interest rate are used. The fair value of the instruments granted is measured using a Black-Scholes option pricing model.

Deferred tax assets

The key estimate used in the valuation of deferred tax assets is the probability that some portion or all of the deferred tax assets will be realized. The ultimate realization of the deferred tax assets is dependent on the generation of future taxable income during the years in which the temporary differences are deductible.

2. BASIS OF PRESENTATION (Cont'd)

Revenue recognition

The Company uses estimates when calculating the unearned component of subscription fees and consulting income collected. There is no variable consideration, or consideration payable relating to subscription fees or consulting income. The contract price is fixed based on the client's needs and agreed upon entering the contract.

Functional currency

The determination of the Company's functional currency is a management judgment based on consideration of the currency and economic factors that mainly influence operating costs, financing and related transactions. Changes to these factors may have an impact on the judgment applied in the future determination of the Company's functional currency.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements. The policies applied in these consolidated financial statements are based upon IFRS and its interpretations issued and outstanding as of December 31, 2019.

Revenue recognition

Under IFRS 15, revenue is recognized at an amount that reflects the consideration received in exchange for transferring to a customer, applying the following five steps:

(i) Identify the contract with a customer
(ii) Identify the performance obligations in the contract
(iii) Determine the transaction price
(iv) Allocate the transaction price to the performance obligation in the contract
(v) Recognize revenue when (or as) the entity satisfies a performance obligation.

Software as a Service ("SaaS")

Software is provided to customers via a SaaS subscription model which allows customers to use hosted software over a term without taking possession of the software. The parties in the contract are identified in a signed agreement which states each parties' rights, performance obligations and payment terms. Revenue is recognized monthly over the life of the contract as the performance obligations are satisfied through the provision of access to the software.

All new customers are subject to start-up fees per the contract. The Company also earns revenue from additional add on services available to the customers. The start up fees and the additional add on services are classified as being a series of distinct services that are substantially the same as the SaaS.

The performance obligation contained in the Company's contract with its customers and timing of recognizing revenue of that obligation is as follows:

Revenue Type	Performance Obligation	Point in Time or Over Time	When is Performance Obligation Satisfied?
Software as a service (survey/evaluation licenses)	Access to underlying surveys or evaluations for agreed upon time period (typically 90 or 365 days)	Over time	Over the course of the agreed upon term stated in the invoice (typically 90 or 365 days).

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The Company generally receives payment from its client in advance for the subscription revenue. In instances where timing of revenue recognition differs from the timing of invoicing and subsequent payment, the Company has determined their contracts do not involve a significant financing component. Clients may pay the subscription price for the term of the contract in advance of using the services in which case the amount paid is recorded as deferred revenue and recognized as revenue when earned.

Provision

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The unwinding of the discount is recognized as a finance cost.

Financial instruments

The following table summarizes the classification and measurement of the Company's financial instruments:

Classification	IFRS 9
Cash and cash equivalents	FVTPL
Marketable securities	FVTPL
Accounts receivables	Amortized cost
Consideration receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loan payables	Amortized cost

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition.

i. Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Gains or losses on these items are recognized in profit or loss.

ii. Investments recorded at fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to measure the investment at FVOCI whereby changes in the investment's fair value (realized and unrealized) will be recognized permanently in OCI with no reclassification to profit or loss. The election is made on an investment-by-investment basis.

iii. Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows, and 2) the asset's contractual cash flows represent "solely payments of principal and interest".

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

i. Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

ii. Financial liabilities recorded FVTPL

Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

Transaction costs

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Derecognition

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, canceled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Expected credit loss impairment model

IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since the initial application.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Compound Financial instruments

Compound financial instruments issued by the Company are comprised of drawdowns of a line of credit that can be converted to share capital at the option of the holder. The liability component of a compound financial instrument is recognized initially at the fair value which is equal to the net present value of future cash flows applying an interest rate at the date of issue of a similar liability that does not have an equity convertible option. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and held by financial institutions with high credit worthiness with maturities of three months or less.

Marketable securities

Marketable securities consist of investments in equity securities which are publicly traded and are classified as fair value through profit and loss. Marketable securities are measured at fair value and recognized on the trade date. The fair value of publicly traded securities is determined using quoted market prices. Realized and unrealized gains and losses are recognized using the fair value of the marketable securities at the reporting date. Gains and losses in the changes on fair value of marketable securities are recognized in the consolidated statements of net income (loss) and comprehensive income (loss).

Property and equipment

Property and equipment are measured at cost less accumulated depreciation and impairment losses.

Amortization is calculated over the depreciable amount, which is the cost of an asset, less its residual value.

The estimated useful lives for the current and comparative periods are as follows

Equipment	3 years straight-line
Office equipment	3 years straight-line

The net carrying amount of property and equipment are reviewed for impairment either individually or at the cash-generating unit level when events and changes in circumstances indicate that the carrying amount may not be revocable. To the extent that these values exceed their recoverable amounts, the excess is fully provided for in the financial year in which it is determined.

Where an item of property and equipment is disposed of by sale, it is derecognized and the difference between its derecognized and the difference between its carrying value and net proceeds is recognized as gain or loss on the disposal of asset in the statement of net income (loss) and comprehensive income (loss).

Any items of property and equipment that cease to have future economic benefits expected to arise from their continued use are derecognized with the associated loss included as depreciation expense and disclosed separately.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination or to items recognized directly in equity or in other comprehensive income (loss). In this case, the tax is also recognized directly in equity or in net income (loss) and comprehensive income (loss).

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

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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

In the ordinary course of business, there are many transactions for which the ultimate tax outcome is uncertain. The final tax outcome of these matters may be different from the estimates originally made by management in determining income tax provisions. Management periodically evaluates the positions taken in the Company's tax returns with respect to situations in which applicable tax rules are subject to interpretation. A provision is established related to tax uncertainties where appropriate based on management's best estimate of the amount that will ultimately be paid to or received from tax authorities.

Foreign currency translation

Transactions in foreign currencies are translated to Canadian dollars at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency of which is the Canadian dollar at the exchange rate at that date. Foreign currency differences arising on retranslation are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the entity. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis

Share capital

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

Stock-based compensation

The Company issues share-based awards to its officers and directors. The awards are comprised of equity settled stock options. Fair values of stock options are calculated using the Black-Scholes option pricing model at the date of the grant and adjusted for estimated forfeitures. For awards with graded vesting, the fair value of each tranche is calculated separately and recognized over its respective vesting period. Nonmarket vesting conditions are considered in making assumptions about the number of awards that are expected to vest. At each reporting date, the Company will reassess its estimates of the number of awards that are expected to vest and recognize the impact of any revision in the statement of income with a corresponding adjustment to contributed surplus.

Any consideration paid on exercise of stock options or purchase of shares, together with the amount initially recorded in contributed surplus, is credited to share capital.

Net income (loss) per share

Basic income (loss) per common share is calculated by dividing net income (loss) by the weighted average number of common shares outstanding during the period. Diluted income per share is calculated using a common share balance increased by the number of common shares that could be issued on the exercise of outstanding options of the Company.

Changes in significant accounting policies

IFRS 16 - Leases - In January 2016, the International Accounting Standards Board (IASB) issued a new International Financial Reporting Standard (IFRS) on lease accounting which was incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in June 2016. IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease, SIC-15 Operating Leases - Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 introduces a single lessee accounting model that requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Lease assets and liabilities are initially recognized on a present value basis and subsequently, similarly to other non-financial assets and financial liabilities, respectively. The lessor accounting requirements are substantially unchanged and, accordingly, continue to require classification and measurement as either operating or finance leases. The new standard also introduces detailed disclosure requirements for both the lessee and lessor. The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that also apply IFRS 15 Revenue from Contracts with Customers.

The Company's adoption of IFRS 16 did not have a material financial impact on the consolidated financial statements.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Accounting standards and amendments issued but not yet applied

The International Accounting Standards Board ("IASB") has issued the following accounting standards which have not yet been adopted by the Company:

Amendment to IFRS 3 – Business Combinations

On October 22, 2018, the IASB issued Definition of a Business (Amendments to IFRS 3: Business Combinations). The amendments to IFRS 3 are applicable for acquisitions occurring on or after January 1, 2020 and are adopted prospectively. These amendments to the implementation guidance of IFRS 3 clarify the definition of a business to assist entities to determine whether a transaction should be accounted for as a business combination or an asset acquisition. The amendments to IFRS 3 – Business Combinations may affect whether future acquisitions are accounted for as business combinations or asset acquisitions, along with the resulting allocation of the purchase price between the net identifiable assets acquired and goodwill. The Company does not expect any impact to the financial statements as a result of its adoption of the amendments to IFRS 3.

4. CASH AND CASH EQUIVALENTS

The Company's cash and cash equivalents consist of the following:

	December 31, 2019	December 31, 2018
Cash held in banks	**$ 109,488**	$ 42,708
GIC	**454,580**	682,100
	$ 564,068	$ 724,808

There were no restrictions on the cash held by broker.

5. MARKETABLE SECURITIES

Investment in equities are publicly-traded investments on a recognized securities exchange and for which no sales restrictions apply. The fair value of these securities is based on quoted closing prices at the period end date or the closing price on the last day the security traded if there were no trades at the period end date. If the closing price is outside of the bid-ask spread, management determines appropriate price for the security within the bid-ask spread. The fair value of mutual funds is determined using the net asset value per unit of each fund. During the December 31, 2018 fiscal year, all marketable securities were sold resulting in a realized loss of $906 in the statement of net income (loss) and comprehensive income (loss).

6. ACCOUNTS RECEIVABLE

Details of the Company's trade and other receivables are as follows:

	December 31, 2019	December 31, 2018
Canadian and U.S. customers	**$ 10,520**	$ 7,427

Accounts receivable are amounts due from subscriptions that remain uncollected at the financial statements date. These amounts are classified as current because collection is expected in one year or less. Accounts receivable are recognized initially at the amount expected to be received less any discount to reduce the recoverable amount to fair value. Subsequently, accounts receivable are measured at amortized cost using the effective interest method less a provision for impairment with no allowance taken on accounts receivable.

(Expressed in Canadian Dollars)

7. INVESTMENTS

On November 16, 2018, the Company sold all its shares of Leonardo Worldwide Corporation to an unrelated third party. The proceeds received by the Company on closing were $847,887. The Company recognized a total gain on sale of the Leonardo shares of $1,022,622, calculated as the excess of total consideration comprised of $847,887 on closing, $121,165 in connection with the first holdback receivable and $53,572 in connection with the second holdback receivable over the $2 carrying value of the Leonardo shares recognized in other income on the statement of income (loss) and comprehensive income (loss).

The first holdback was received during fiscal 2019. The second holdback of US$57,182 ($64,417 as at December 31, 2019) is payable two years after closing and is to be paid on November 16, 2020, therefore held as a current asset. Due to the long-term nature of the second holdback receivable on initial recognition, the future payment of US$57,182 has been present valued using an effective interest rate of 22.8%, valued at $64,417 as of December 31, 2019. Accretion income of $6,051 was recognized on this receivable for the year ended December 31, 2019 (2018 - $1,504).

The holdbacks may be reduced by the portion attributable to the Company of any shortfall pursuant to a net tangible asset purchase price adjustment mechanism or any claims for indemnification made by the purchaser.

8. PROPERTY AND EQUIPMENT

	Equipment	Office equipment	Total
Cost			
Balance at December 31, 2017, 2018 and 2019	**$ 7,581**	**$ 9,796**	**$ 17,377**
Accumulated Amortization			
Balance at December 31, 2017	$ 7,581	$ 8,845	$ 16,426
Amortization for the period	-	476	476
Balance at December 31, 2018	$ 7,581	$ 9,321	$ 16,902
Amortization for the period	-	475	475
Balance at December 31, 2019	**$ 7,581**	**$ 9,796**	**$ 17,377**

	Equipment	Office equipment	Total
Net Book Values			
As at December 31, 2018	$ -	$ 475	$ 475
As at December 31, 2019	**$ -**	**$ -**	**$ -**

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2019	December 31, 2018
Trade payables	**$ 74,296**	$ 59,875
Accrued expenses	**28,471**	26,471
Credit cards	**10,551**	7,208
	$ 113,318	$ 93,554

(Expressed in Canadian Dollars)

10. CONTRACT LIABILITIES

The following table presents changes in the contract liability balances for the years ended December 31, 2019 and December 31, 2018:

	December 31, 2019	December 31, 2018
Balance, beginning of the year	**$ 293,651**	$ 218,106
Amounts invoiced and collected during the year	**554,458**	624,214
Amounts earned during the year	**(631,775)**	(548,669)
Contract liabilities, end of the year	**$ 216,334**	$ 293,651

11. LOAN PAYABLE

During the year ended December 31, 2018, the Company received proceeds of $70,000 from the President and CEO of the Company relating to the issuance of a secured line of credit for up to $100,000. The line of credit carries interest at a rate of 5% and is convertible into common shares at a rate of $0.02 per share at the option of the holder and matured December 31, 2019. The proceeds were received in three drawdowns of this line of credit between April 26, 2018 and July 11, 2018 which were valued at a cumulative $54,893 prior to the recognition of accretion of $4,870 between the date of issuance and date of repayment. The effective interest rates used to value these three payments ranged 23.3%-23.8%.

The convertible debt issuances in the previous year were determined to be compound instruments, comprising of liability and conversion features. As the drawdowns of the line of credit are convertible into common shares, the liability and equity components are presented separately. The initial carrying amount of the financial liability was determined by discounting the stream of future payments of interest and principal at a market interest rate of 20%. Using the residual method, the carrying amount of the conversion feature was the difference between the principal amount and the initial carrying value of the financial liability. The equity component was recorded in reserves on the statement of financial position. The liability component was accreted using the effective interest rate method over the term of the debt such that the carrying amount of the financial liability would equal the principal balance at maturity, had the debt not been repaid prior to maturity.

The Company repaid the full $70,000 drawn down from this line of credit on November 22, 2018. During the year ended December 31, 2018, the Company also repaid an additional $9,373, of which $2,004 has been recognized as interest and the residual $7,369 has been recognized as loss on debt in connection with an overpayment of interest. $100,000 remains undrawn on the line of credit as of the years ended December 31, 2019 and December 31, 2018.

Convertible debentures consist of the following:

	Proceeds (repayments)	Debt Component	Interest expense	Equity Component	Loss on settlement of debt
Issuance of convertible debt	$ 70,000	$ 54,893	$ -	$ 15,107	$ -
Accretion	-	4,870	-	-	-
Settlement of debt (principal)	(79,373)	(59,763)	-	-	10,237
Settlement of debt (interest)	9,373	-	2,004	-	7,369
Balance, December 31, 2018	$ -	$ -	$ 2,004	$ 15,107	$ 17,606
Balance, December 31, 2019	$ -	$ -	$ -	$ 15,107	$ -

(Expressed in Canadian Dollars)

12. SHARE CAPITAL

(a) Authorized:
An unlimited number of common shares, an unlimited number of Class A common shares and an unlimited number of preferred shares issuable in series.

(b) Total outstanding shares:
Issued:
16,856,632 Common shares as at December 31, 2019 and 2018

(c) Stock options

The Company has an incentive stock option plan for the officers and directors enabling them to purchase common shares. Each option granted under the plan is for a maximum term of 10 years. The exercise price is determined by the Company's board of directors at the time the option is granted, subject to regulatory approval, and may not be less than the most recent closing price of the common shares at the date of grant. Vesting provisions are also determined at the time of grant by the Company's board of directors.

The Company used a zero forfeiture rate in valuing the stock options as all stock options were vested immediately on the date of the grant.

The stock options activity is as follows:

	December 31, 2019			December 31, 2018		
	Number of Options		**Weighted Average Exercise Price**	Number of Options		Weighted Average Exercise Price
Outstanding, beginning of the year	**1,785,663**	**$**	**0.01**	1,285,663	$	0.04
Granted	**-**		**-**	500,000		0.02
Outstanding, end of the year	**1,785,663**	**$**	**0.01**	1,785,663	$	0.01

During the year ended December 31, 2019, no options were granted (December 31, 2018 - 500,000 which vested immediately at an exercise price of $0.02 per share and with a term of 5 years from the date of grant). The share-based payment expense related to the options for the year ended December 31, 2019 of $nil (December 31, 2018 - $9,840) has been estimated using the Black-Scholes pricing model.

The assumptions used for the valuation of stock options are as follows:

	December 31, 2018
Risk-free interest rate	2.25%
Time to maturity	5 years
Estimated volatility in the market price of the common shares	214.53%
Grant date fair value per share of options granted during the year	$0.02
Dividend yield	Nil
Forfeiture rate	Nil

(Expressed in Canadian Dollars)

12. SHARE CAPITAL (Cont'd)

The following table summarizes the stock options outstanding as at December 31, 2019:

Number of options outstanding	Exercise price	Expiry date	Number of options exercisable
100,000	$ 0.02	November 25, 2021	100,000
1,185,663	$ 0.01	January 16, 2022	1,185,663
500,000	$ 0.02	September 12, 2023	500,000
1,785,663			1,785,663

13. RELATED PARTY TRANSACTIONS

The following related party transactions occurred and were reflected in the financial statements during the years ended December 31, 2019 and 2018 as follows:

REMUNERATION OF KEY PERSONNEL

	Years Ended December 31, 2019	2018
Salaries	$ 252,500	$ 220,000
Directors' fees	22,500	15,000
Consulting fees	48,000	62,500
Stock options	-	8,703
Total	$ 323,000	$ 306,203

Legal fees paid to a firm of which the CEO was counsel was $7,005 in 2018. As of January 1, 2019, the law firm was no longer considered a related party.

Key management personnel are those individuals having authority and responsibility for planning, directing and controlling the activities of the Company and its subsidiary including the Company's Board of Directors. The Company considers key management to be the members of the Board of Directors, the Chief Executive Officer and the Chief Financial Officer.

Included in accounts payable and accrued liabilities are management fees of $31,075 (December 31, 2018 - $Nil), consulting fees of $Nil (December 31, 2018 - $2,168).

During the year ended December 31, 2018, the Company received a secured line of credit totaling $70,000 from the President and CEO (note 11). As a result, interest of $2,004 and additional fees of $7,369 were paid in the year ended December 31, 2018 to the President and CEO. As at December 31, 2018, all amounts have been repaid by the Company.

(Expressed in Canadian Dollars)

14. INCOME TAXES

(a) Income tax expense

The reconciliation of income taxes attributable to operations computed at the combined statutory income tax rate of 26.50% (2017 - 26.50%) to income tax recovery is as follows:

		December 31, 2019		December 31, 2018
Net Income (Loss) before recovery of income taxes	**$**	**(214,223)**	$	739,593
Expected income tax expense (recovery) at statutory rates		**(56,769)**		(194,932)
Increase (decrease) resulting from:				
Tax rate changes and other adjustments		**-**		(44,358)
Permanent Difference		**750**		(240,739)
Change in tax benefits not recognized		**56,019**		86,162
Income tax (recovery) expense	**$**	**-**	$	(393,867)

The company's income tax (recovery) is allocated as follows:

		December 31, 2019		December 31, 2018
Current tax (recovery) expense	**$**	**-**	$	-
Deferred tax (recovery) expense		**-**		(4,003)
		-		(4,003)

(b) Deferred taxes

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

		December 31, 2019		December 31, 2018
Property and equipment	**$**	**3,830**	$	4,313
Non-capital losses		**1,240,097**		1,818,272
Capital loss carried forward		**1,644,352**		-
Consideration receivable		**13,590**		22,932

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in repect of these items because it is not probable that future taxable profit will be available against which the Company and its subsidiary can utilize the benefits therefrom. The remaining deductible temporary differences may be carried forward indefinitely.

(Expressed in Canadian Dollars)

14. INCOME TAXES (Cont'd)

The Company's Canadian non-capital income tax losses expire as follows:

2031	$	88,800
2032		161,963
2033		235,912
2034		132,834
2035		-
2036		40,965
2037		79,127
2038		285,008
2039		215,588
	$	1,240,197

15. MANAGEMENT OF CAPITAL

The Company's objective is to develop a strong capital base to sustain future development and growth of the business. The Company manages its capital by maintaining a flexible capital structure which optimizes the cost of capital at an acceptable level of risk and makes adjustments on it in the light of changes in economic conditions and the risk characteristics of its underlying assets. The Company's capital base is currently represented by shareholders' equity. The Board of Directors reviews the Company's business plans as part of its strategic initiatives in conjunction with its financial forecast. The Board of Directors does not establish a quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company regularly monitors and reviews the amount of capital in proportion to risk and future development. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company is not subject to any external imposed capital requirements.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's significant financial instruments are comprised of cash and cash equivalents, accounts receivables, consideration receivable and accounts payable and accrued liabilities.

Measurement and Fair Value

The fair value of the Company's accounts receivable, consideration receivable and accounts payable and accrued liabilities approximate their respective carrying value as at the statement of financial position date because of the short term maturity of these instruments.

Financial instruments recorded at fair value on the balance sheet date are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1- valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities.

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly.

Level 3 - valuation techniques based on inputs for the asset or liability that are not based on observable market data.

The fair value of cash and cash equivalents is measured based on Level 1 inputs referred to in the three levels of the hierarchy noted above.

(Expressed in Canadian Dollars)

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

Risk management

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company has exposure to the following risks from its use of financial instruments:

(a) Fair value of financial instruments:

The fair value of financial assets and liabilities, together with their carrying amounts are as follows:

	December 31, 2019		December 31, 2018	
Financial assets	**Carrying value**	**Fair value**	Carrying value	Fair value
Financial assets at amortized cost:				
Cash and cash equivalents	**$ 564,068**	**$ 564,608**	$ 724,808	$ 724,808
Accounts receivable	**10,520**	**10,520**	7,427	7,427
Consideration receivable	**64,417**	**64,417**	176,241	176,241
	$ 639,005	**$ 639,545**	$ 908,476	$ 908,476

	December 31, 2019		December 31, 2018	
Financial liabilities	**Carrying value**	**Fair value**	Carrying value	Fair value
Other financial liabilities, measured at amortized cost:				
Trade payables and accrued liabilities	**$ 113,318**	**$ 113,318**	$ 93,554	$ 93,554
	$ 113,318	**$ 113,318**	$ 93,554	$ 93,554

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and cash equivalents, accounts receivable and consideration receivable. The carrying amount of financial assets represents the maximum credit exposure to the Company.

The Company has established credit approval and monitoring practices to mitigate this risk, including reviewing the creditworthiness of new customers to establish credit limits, monitoring customers' payments and, where considered appropriate, reviewing the financial condition of the existing customers.

The following table outlines the details of aging of the Company's receivables:

	December 31, 2019	December 31, 2018
Current	$ 3,257	$ 3,840
Past due:		
31-60 days	3,368	3,356
Greater than 60 days	3,895	231
Total receivable, net	$ 10,520	$ 7,427

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

The Corporation is exposed to normal credit risk from customers. Accounts receivable are generally unsecured, subject to the Corporation's ability to file security interest under certain conditions. Accounts receivable are normally collected 30 days after invoicing. Default rates on unsecured credit have traditionally been below 1% of annual revenue. Licenses for proprietary software cease to function if payments are not kept current. The Corporation minimizes concentrations of credit risk by maintaining a wide customer base spread across differing industries. Additional sales and services may be withheld if a customer fails to pay its obligations in a timely manner. The Corporation considers accounts over 90 days old overdue. As at December 31, 2019, accounts receivable over 30 days old were $7,258 (December 31, 2018 - $3,587). The Corporation recorded $2,911 bad debts during the year ended December 31, 2019 (December 31, 2018 - $Nil). The Company has determined that its expected credit losses are minimal as at December 31, 2019.

(c) Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they become due. The Company's activities are financed through a combination of the cash flows from operations and proceeds from the disposition of its short-term investments. The Company manages liquidity risks by monitoring the actual and forecasted cash flows taking into account the current and planned operations. All of the Company's accounts payable are due within the next year.

(e) Foreign exchange risk

Foreign currency exchange risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate as a result of changes in foreign exchange rates. The Company's operations are exposed to foreign exchange fluctuations in that the majority of sales by the Grapevine division are denominated in US currency, while the majority of costs are denominated in Canadian currency. The Company believes it is not significantly exposed to foreign exchange rate risk; the risk is considered to be acceptable as a normal risk of that class of business.

The following assets were denominated in foreign currencies presented in Canadian dollars as of:

	December 31, 2019	December 31, 2018
Cash and cash equivalents	**$ 548,379**	$ 711,627
Accounts receivable	**7,614**	4,964
Consideration receivable	**64,417**	176,241
	$ 620,410	$ 892,832

A fluctuation of +/-10% provided as an indicative range in currency movement, on financial instruments that are denominated in foreign currencies other than Canadian dollars, with, all other things being equal, have an effect on the after-tax net income and other comprehensive income of approximately +/- $62,039 (2018 - $88,495).

17. COMMITMENTS

The Company has contracted with 2232021 Ontario Inc. to provide operations and sales management services to the Grapevine division for an annual base fee of $103,600, plus applicable taxes, and additional sales based incentives.

18. SEGMENTED INFORMATION

For management purposes, the Company is organized into one business segment as web-based survey and data collection, which primarily operates in one geographical location, North America. Management assesses performance and makes decisions based on the results of operations of this business segment.

19. SUBSEQUENT EVENT

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

While the extent of the impact is unknown, we anticipate this may affect our income with the outbreak causing reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the Company's investments.

SCHEDULE "B"
MD&A OF THE ISSUER

AYLEN CAPITAL

Management's Discussion and Analysis

For the three and nine months ended September 30, 2020

Overview

The following Management's Discussion and Analysis ("MD&A") provides additional analysis of the operations, financial position and financial performance of Aylen Capital Inc. ("Aylen" or the "Company") for the three and nine months ended September 30, 2020. It is supplementary information and should be read in conjunction with the Company's financial statements and accompanying notes for the three and nine months ended September 30, 2020 and the year ended December 31, 2019. Reference should also be made to the Company's filings with the Canadian securities regulatory authorities that are available at www.sedar.com.

This MD&A is the responsibility of the management. The Board of Directors carries out its responsibility for the review of this disclosure principally through its audit committee which is comprised of a majority of independent directors. The audit committee reviews and, prior to its publication and pursuant to the authority delegated to it by the Board of Directors, approves this disclosure.

Aylen was incorporated on October 28, 2010 under the Canada Business Corporations Act. Aylen carries on a web-based survey and data collection business based in Markham, Ontario under the name Grapevine Solutions ("Grapevine") which operates as a wholly-owned subsidiary of Aylen.

Aylen is a publicly-traded company listed on the Canadian Securities Exchange under the symbol "AYL".

FORWARD-LOOKING STATEMENTS

Matters may be included in this MD&A that constitute "forward-looking" information within the meaning of Canadian securities law. Such forward-looking statements may be identified by words such as "plans", "proposes", "estimates", "intends", "expects", "believes", "may" or words of a similar nature. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from such statements. Factors that could cause actual results to differ materially include among others, regulatory risks, risk inherent in foreign operations, commodity prices and competition. Most of these factors are outside the control of the Company. All subsequent forward-looking statements attributable to the Company or its agents are expressly qualified in their entirety by these cautionary comments. Except as otherwise required by applicable securities statutes or regulation, the Company expressly disclaims any intent or obligation to update publicly forward-looking information, whether as a result of new information, future events or otherwise.

Overall Performance in the Third Quarter 2020

Effective July 1, 2020 the Company transferred all of the assets and liabilities of its Grapevine division to its wholly-owned subsidiary, Grapevine Analytics Inc. ("GAI"), in exchange for shares of the subsidiary. Since July 1, 2020 GAI has continued to carry on the Grapevine business formerly carried on as a division of the Company.

On July 15, 2020 the Company entered into a letter of intent to purchase LOC8 Corp. (“LOC8”) and on September 2, 2020 entered into an acquisition agreement dated September 2, 2020 (the "Acquisition Agreement") with Loc8 Corp. ("Loc8"), pursuant to which Aylen will acquire all of the issued and outstanding securities of Loc8 (the "Acquisition") in a reverse takeover transaction (“RTO”). In addition, under the Acquisition Agreement, concurrent with the completion of the Acquisition, Aylen will sell to the family of the late John Pennal, Aylen's former Chief Executive Officer, Aylen's wholly-owned subsidiary GAI in exchange for (i) $100 cash, (ii) an Indemnification to Aylen in respect of any taxes, losses or other costs resulting from the sale of GAI, (iii) payment of a dividend to all existing Aylen shareholders of all unencumbered cash held by the Company that is estimated to be $400,000 or $0.022 per share. In addition to the above noted agreements John Pennal agreed to terminate his employment agreement with Aylen and to relinquish all severance and bonus payments to which he would otherwise be entitled. The acquisition agreement is conditional upon approval by the board. An estimate of the financial effect of these transactions cannot be made at this time as the transaction has not been finalized.

During the period, the Company decided to sell its web-based survey and data-collection business. In line with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations, the consolidated statements of loss and comprehensive loss and cash flows for the period ended September 30, 2019 have been restated to separately report the associated assets and liabilities within the disposal group as discontinued operations. In the prior periods these assets and liabilities had been considered continuing operations (Note 10). The restatement has no effect on the net assets as at September 30, 2019 nor on the loss and comprehensive loss and change in cash flows for the period ended September 30, 2019.

The revenues of Aylen in the third quarter of 2020 was nil.

During the first quarter there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

As the extent of the impact is unknown, we cannot anticipate the effect on the Company.

At September 30, 2020, the Company had cash and cash equivalents and marketable securities of $400,000 (December 31, 2019 $564,000). These funds are identified to be a dividend out as per the agreement with Loc8.

Investments

Leonardo Worldwide Corporation

The first holdback was received during fiscal 2019. The second holdback of US$57,182 ($64,417 as at December 31, 2019) is payable on November 16, 2020, and therefore is held as a current asset. Due to the long-term nature of the second holdback receivable on initial recognition, the future payment of US$57,182 has been present valued using an effective interest rate of 22.8%, valued at $64,417 as of December 31, 2019.

The second holdback may be reduced by the portion attributable to the Company any claims for indemnification made by the purchaser.

Results of Operations

Aylen had no sales for the third quarter of 2020 (for the third quarter of 2019 sales revenue was $nil).

General and administrative expenses were $23,000 for the current quarter compared with $15,000 for the third quarter of 2019. The lack of change in general and administrative expenses reflects a consistency in salaries, directors' fees and consulting fees. For the nine months ended September 30, 2020 the general and administrative expenses was $48,000 (nine months ended September 30, 2019 - $46,826).

As a result of the foregoing the Company recorded a net loss and comprehensive loss of $49,000 - ($0.003 per share for the third quarter of 2020) (net loss and comprehensive loss of $16,000 – ($0.002 per share) for the third quarter of 2019).

Summary of Quarterly Information

	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
	2020	2020	2020	2019	2019	2019	2019	2018	2018
Sales - continuing operations	0	0	0	0	0	0	0	0	0
Sales - discontinued operations	130,551	145,563	150,369	125,496	143,635	151,423	187,023	127,738	159,189
Interest and other income - continuing operations	2,143	248	1,992	2,009	2,603	2,969	1,377	32	0
Realize gain on sale of shares in private company and other income - continuing operations	24,910	0	0	0	0	0	0	1,022,622	0
Gain (loss), realized and unrealized, on marketable securities - continuing operations	(93)	93	0	0	0	0	0	0	0
Net loss attributable to shareholders of the Company - continuing operations	4,322	(7,051)	(15,549)	(12,662)	(8,978)	(12,929)	(8,776)	987,586	(23,331)
Net loss attributable to shareholders of the Company - discontinued operations	(53,046)	(42,320)	34,814	(132,677)	(17)	(24,050)	(14,135)	(75,426)	(28,835)
Net loss attributable to shareholders of the Company	(48,724)	(49,370)	19,264	(145,339)	(8,995)	(36,979)	(22,911)	912,160	(52,166)

Per Share - continuing operations	0.000	0.000	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	0.059	(0.001)
Per Share diluted- continuing operations	0.000	0.000	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	0.055	(0.001)
Per Share - discontinued operations	(0.003)	(0.003)	0.002	(0.008)	(0.000)	(0.001)	(0.001)	(0.004)	(0.002)
Per Share diluted - discontinued operations	(0.003)	(0.003)	0.002	(0.008)	(0.000)	(0.001)	(0.001)	(0.004)	(0.002)

During the quarter there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

As the extent of the impact is unknown, we cannot anticipate the effect on the Company.

Liquidity and Financial Position and Capital Resources

The Company's ability to generate sufficient cash to fund its operations and working capital requirements depends entirely upon the ability of the Company to raise cash through issuance of shares.

At September 30, 2020, the Company had working capital of 251,000.

With respect to the Company's working capital requirements, the quarterly general and administrative expenses of the Company were $23,000 in the third quarter 2020 and $15,000 for the third quarter in 2019**.** The general and administrative expenses in 2020 were substantially all committed and non-discretionary expenses and are representative of the approximate amount of general and administrative expenses which would likely be incurred by the Company in a year in the normal course of business. If the deal with Loc8 does not go through It is unlikely that the Company can continue indefinitely using the existing cash on hand to fund the deficiency and continue its operations.

Current liabilities were $305,000 at September 30, 2020, including liabilities held for sale of $284,199 (December 31, 2019 - $113,318), accounts payable and accrued liabilities were $21,000 at September 30, 2020 ($113,000 at December 31, 2019).

The cash and cash equivalents and marketable securities included in working capital was $400,000 at September 30, 2020 ($564,000 at December 31, 2019). Assets held for sale were $155,969 at September 30, 2020 ($nil at December 31, 2019). Aylen has sufficient cash and cash equivalents to provide liquidity to the Company for the next 12 months.

Analysis of Financial Condition and Financial Performance

The financial condition of the Company is dependent on the acquisition of Loc8.

During the quarter there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

While the extent of the impact is unknown, we anticipate this may affect our income with the outbreak causing reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the Company's investments.

Related Party Transactions

The following related party transactions occurred and were reflected in the financial statements during the periods ended September 30, 2020 and 2019 as follows:

REMUNERATION OF KEY PERSONNEL

		Nine Months September 30,	
		2020	2019
Salaries	$	55,000 $	55,000
Directors' fees		3,750	3,750
Consulting fees		12,000	12,500
Total	$	70,750 $	70,750

Key management personnel are those individuals having authority and responsibility for planning, directing and controlling the activities of the Company and its subsidiary including the Company's Board of Directors. The Company considers key management to be the members of the Board of Directors and the Chief Executive Officer.

Included in accounts payable and accrued liabilities are directors' fees of $31,075 (December 31, 2019 - $31,075)

Directors Compensation

The following table sets out all compensation payable to directors of the Corporation for their services as directors in the third quarter of 2020.

Name	Fees earned ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Douglas Babcook	1,250	Nil	Nil	Nil	Nil	Nil	1,250
William Hale	1,250	Nil	Nil	Nil	Nil	Nil	1,250
John Pennal	1,250	Nil	Nil	Nil	Nil	Nil	1,250

Risk Factors and Risk Management

Aylen shareholders and potential investors in Aylen should carefully consider the following risk factors when evaluating Aylen and its common shares.

An investment in Aylen's shares involves a number of risks, many of which are beyond its control. The risks and uncertainties set out below are all of the known risks which are deemed to be material to the Company's business or the results of its operations. When reviewing forward-looking statements and other information contained in this prospectus, investors and others should carefully consider these factors, as well as other uncertainties, potential events and industry-specific factors that may adversely affect the Company's future results. If any of these risks should actually occur, the Company's business, financial condition, results of operations, cash flows and prospects could be harmed. Such risks and uncertainties are not the only ones the Company faces. Additional risks and uncertainties of which the Company is currently unaware or that are deemed immaterial may also adversely affect the Company's business, financial condition, results of operations, cash flows and prospects.

Negative Cash Flows

In prior years the Company has had negative cash flow from operating activities and has had to fund its operations with cash on hand and marketable securities. The Company's cash on hand and marketable securities less liabilities at September 30, 2020 was $400,000. This money is set aside to pay out a dividend to shareholders once the Loc8 deal goes through.

Effect of General Economic Conditions

Aylen's results of operations in the period prior to 2020 were adversely affected by the global economic downturn and there is a significant risk that global economic conditions or economic conditions in North America will deteriorate again which will have a material adverse effect on the Company's business, financial condition, results of operations and cash flows. Its products and services represent discretionary expenses to the customers they serve and would be among the most likely expenses to be eliminated if economic conditions deteriorate.

During the quarter there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

While the extent of the impact is unknown, we anticipate this may affect our income with the outbreak causing reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the Company's investments.

Legal Claims and Other Contingencies

Aylen may become parties to law suits, claims and litigation arising in the ordinary course of business.

Such law suits could result in significant costs and the outcome of such law suits could have a material negative impact on the Company's financial position, operating results, or the Company's ability to continue to carry on its business activities.

Lack of Market for Aylen's Shares

The Company's common shares are listed on the Canadian Securities Exchange (symbol - AYL). The Company's shares are thinly traded and there may not be a liquid market for the shares from time to time and any market price for the shares may not reflect the underlying value of the Company's business and assets.

Critical Accounting Policies and Estimates

See the Company's 2019 Annual MD&A and the 2019 annual consolidated financial statements and the related notes thereto for a discussion of the accounting policies and estimates that are critical to the understanding of the Company's business and results of operations.

Internal Controls

Disclosure controls and procedures

Management of the Company is responsible for establishing and maintaining disclosure controls and procedures for the Company as defined under National Instrument 52-109 issued by the Canadian Securities Administrators. The Company as a venture issuer is not required to certify the design and evaluation of the issuer's disclosure controls and procedures.

Internal controls over financial reporting

Management of the Company is responsible for designing internal controls over financial reporting for the Company as defined under National Instrument 52-109 issued by the Canadian Securities Administrators. The Company as a venture issuer is not required to certify the design and evaluation of the issuer's internal controls over financial reporting.

International Financial Reporting Standards

The Company's financial statements for the three and nine months ended September 30, 2020 and the year ended December 31, 2019 and the comparative information presented in the financial statements have been prepared in accordance with IFRS applicable to the presentation of financial statements.

Future Direction

The Company is dependent upon the Loc8 proposal going through. There is no alternative plan at this moment.

Subsequent Events

In the first quarter of 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the U.S., Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by U.S., Canada and other countries to fight the virus.

While the extent of the impact is unknown, the Company anticipates that he COVID-19 outbreak will cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which will negatively impact the Company's business.

In October 2020, 1,785,663 stock options were exercised at an exercise price of $0.01 to $0.02. The total gross proceeds were $23,857.

Outstanding Share Data

The Company has authorized an unlimited number of common shares, an unlimited number of Class A common shares and an unlimited number of preferred shares issuable in series. As at September 30, 2020, there were 18,642,295 common shares issued and outstanding, There are nil options outstanding and there were no Class A common shares and no preferred shares outstanding. As of the date of this MD&A there is 18,642,295 common shares issued and outstanding, nil options outstanding and there are no Class A common shares and no preferred shares outstanding.

Date and Other Available Information

Unless otherwise indicated, the information contained in this MD&A is presented as of November 29, 2020.

Additional information concerning the Company including its regulatory filings may be found on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

Management's Discussion and Analysis

For the year ended December 31, 2019

Overview

The following Management's Discussion and Analysis ("MD&A") provides additional analysis of the operations, financial position and financial performance of Aylen Capital Inc. ("Aylen" or the "Company") for the year ended December 31, 2019. It is supplementary information and should be read in conjunction with the Company's financial statements and accompanying notes for the year ended December 31, 2019. Reference should also be made to the Company's filings with the Canadian securities regulatory authorities that are available at www.sedar.com.

This MD&A is the responsibility of the management. The Board of Directors carries out its responsibility for the review of this disclosure principally through its audit committee which is comprised of a majority of independent directors. The audit committee reviews and, prior to its publication and pursuant to the authority delegated to it by the Board of Directors, approves this disclosure.

Aylen was incorporated on October 28, 2010 under the Canada Business Corporations Act. Aylen carries on a web-based survey and data collection business based in Markham, Ontario under the name Grapevine Solutions ("Grapevine") as an unincorporated division of Aylen.

Aylen is a publicly-traded company listed on the Canadian Securities Exchange under the symbol "AYL".

FORWARD-LOOKING STATEMENTS

Matters may be included in this MD&A that constitute "forward-looking" information within the meaning of Canadian securities law. Such forward-looking statements may be identified by words such as "plans", "proposes", "estimates", "intends", "expects", "believes", "may" or words of a similar nature. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from such statements. Factors that could cause actual results to differ materially include among others, regulatory risks, risk inherent in foreign operations, commodity prices and competition. Most of these factors are outside the control of the Company. All subsequent forward-looking statements attributable to the Company or its agents are expressly qualified in their entirety by these cautionary comments. Except as otherwise required by applicable securities statutes or regulation, the Company expressly disclaims any intent or obligation to update publicly forward-looking information, whether as a result of new information, future events or otherwise.

Overall Performance in the Year 2019

The revenues of the Grapevine business increased 10% in 2019 from 2018, primarily as a result of more effective sales and marketing efforts offsetting the increased competition in the year. This increase was also aided by the continuing discount in the value of the Canadian dollar against the US dollar during the year which had a positive effect on revenues, since a majority of Grapevine's customers are based in the US and are billed in US dollars.

At December 31, 2019, the Company had cash and cash equivalents of $564,000.

The Grapevine Business

Grapevine, which operates as a division of Aylen, was acquired by Centiva Capital Inc. ("Centiva"), the Company's predecessor, in October 2007 from TriNorth Capital Inc. ("TriNorth"). For accounting purposes, TriNorth's carrying value for Grapevine was nil and the acquisition of Grapevine was recorded at that carrying value.

Grapevine's business is based in Markham, Ontario and it consists of licensing and selling web-based survey and data collection software to third parties, most of whom are companies based in North America. Its software is used to perform customizable employee evaluations such as 360º employee evaluations , employee surveys, customer surveys, training surveys, web polls and data collection . The business has three full-time employees and engages consultants to provide software programming and upgrading and design services.

The primary business objectives for Aylen over the next 12 months are to grow the revenues of the Grapevine business through increased sales and marketing efforts and to establish Grapevine as a leading Human Resources online survey firm in North America.

The following is a summary of selected financial information for Grapevine over the past three financial years ended December 31 extracted from the audited financial statements of Aylen.

	2019	**2018**	**2017**
Total Revenues	607,578	560,714	778,357
Contract Liabilities(1)	216,334	293,651	218,106
Selling Expenses	433,757	428,440	458,263

(1) Contract liabilities are unearned subscription fees collected from customers amortized on a straight – line basis over the remaining life of the contract.

Grapevine's revenues have decreased over the previous two years as a direct result of less effective sales and marketing efforts and increased competition. The increase in sales in 2019 was a result of more effective sales and marketing offsetting the increased competition. The majority of Grapevine's revenues originate in the US and the majority of Grapevine's sales are made in US dollars. The weaker Canadian dollar relative to the US dollar during 2019 had a positive impact on Grapevine's revenues which are recorded in Canadian dollars.

Investments

Leonardo Worldwide Corporation

In November 2018 the Company sold its investment in Leonardo Worldwide Corporation to Jonas Software (the "Purchaser"), an unrelated third party. The proceeds payable to the Company on closing were US $642,000. Two additional amounts of the purchase price payable to the Company in respect the sale were withheld by the Purchaser (the "Holdbacks"). The first Holdback was US$89,000 and was paid to the Company in December, 2019 and the second Holdback is approximately US$57,000 and is payable in December, 2020. The second Holdback may be reduced by the portion attributable to the Company for any claims for indemnification made by the Purchaser.

The Company's investment in Leonardo was fully written off in 2015. As a result of the sale, the Company recognized a total gain on the sale of the Leonardo shares of $1,023,000, recognized in other income on the statement of income (loss) and comprehensive income (loss) in the financial statements for the year ended December 31, 2018.

Results of Operations

Grapevine had sales revenue of $608,000 and selling expenses of $434,000 for 2019. Sales revenue for 2018 was $561,000 with selling expenses of $428,000. Contract liabilities, which represent unearned subscription fees collected from customers amortized on a straight - line basis over the remaining life of the contract, was $216,000 for 2019 ($294,000 for 2018).

The Company's other primary source of revenue arises from interest and other income from its cash and marketable securities, which for 2019 was $9,000 ($nil for 2018). During 2018 the Company sold its investment in Leonardo Worldwide Corporation. As a result of the sale, the Company recognized a total gain on sale of the Leonardo shares of $1,023,000, recognized in other income on the statement of income (loss) and comprehensive income (loss) in the December 31, 2018 financial statements.

Under the provisions of IAS 39 Financial Instruments – Recognition and Measurement and IAS 32 Financial Instruments –Presentation and IFRS 7 Financial instruments - Disclosure, unrealized mark-to-market gains and losses on the Company’s portfolio of marketable securities held for trading are recognized in computing net income. Such amounts totaled $nil for the year. A gain (loss) of $nil was realized for the year on the sale of marketable securities.

General and administrative expenses were $400,000 for the year. For the year ended December 31, 2018 general and administrative expenses were $385,000. The general and administrative expenses in 2019 was consistent with the general and administrative expenses in 2018.

As a result of the foregoing the Company recorded a net loss and comprehensive loss before taxes of $214,000 ($0.013 per share) for the 2019 year (net income and comprehensive income of $740,000 ($0.044 per share) for 2018).

Under the provisions of IAS1 - Presentation of financial statements, IFRS7 Financial Instruments – Disclosure, IAS 32 – Financial Instruments – presentation, IAS 39 Financial Instruments- recognition and measurement, unrealized gains and losses on the Company’s publicly-traded investments available for sale are recognized in other comprehensive income, net of taxes. There is no other comprehensive income in the current period and for the year.

Summary of Quarterly Information

	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Revenue								
Sales	134,423	143,635	151,423	187,023	127,737	159,189	132,403	141,385
Interest and other income	2,010	2,603	2,969	1,445	31	-	34	292
Realized gain on sale of shares in private company and other income	-	-	-	-	1,022,622	-	-	-
Gain (loss), realized and unrealized, on marketable securities	-	-	-	-	-	-	(96)	(810)
Net Comprehensive Income (Loss)	(145,338)	(8,995)	(36,979)	(22,911)	908,157	(52,166)	(65,928)	(54,470)
Per Share	(0.009)	(0.001)	(0.002)	(0.001)	0.053	(0.003)	(0.004)	(0.003)
Per Share dilute	(0.009)	(0.001)	(0.002)	(0.001)	0.051	(0.003)	(0.004)	(0.003)

Revenues at Grapevine are subject to the influences of North American economic conditions and are also subject to some seasonal fluctuations. The demand for Grapevine's product offerings, which consist primarily of surveys and polls for businesses, including employee surveys and evaluations, is directly affected by economic conditions generally. In difficult economic times such as the period from 2008 to 2010 and disruption caused by the corona virus pandemic in the first quarter of 2020, businesses tend to reduce discretionary spending, which would include Grapevine's products and conversely in more robust economic times spending on discretionary items tends to increase. In addition there is a limited amount of seasonality to Grapevine's revenues. In previous years, businesses tend to conduct the majority of employee surveys and polls at or towards the end of the calendar year and sales tend to slow down in the summer months due to vacations. As a result Grapevine's sales historically have been somewhat stronger in the fourth and first quarters and have tended to be somewhat softer in the second and third quarters.

Liquidity and Financial Position and Capital Resources

The Company's ability to generate sufficient cash to fund its operations and working capital requirements depends upon the following factors: (i) the ability of the Grapevine business to generate positive cash flow, and (ii) the interest, other income and proceeds, if any, from the sales of the Company's portfolio of marketable securities. Grapevine's ability to generate positive cash flow from its business requires it to have revenues in excess of its costs. The table set out below shows Grapevine's revenues and costs for the three years 2017 to 2019 inclusive and the net amount of cash generated by Grapevine and the portfolio of marketable securities which is available to fund other Company expenses. The cash generated by Grapevine and from the interest and gains from the portfolio of marketable securities has not been sufficient to cover the Company's general and administrative expenses and in 2017 and 2019 the Company has experienced negative cash flow and negative working capital as shown in the following table.

Summary of Cash Flow and Working Capital

	2019	2018	2017
Grapevine revenues	607,578	560,714	778,357
Grapevine costs (selling expenses)	433,757	428,440	458,263
Interest, other income	9,027	357	4,424
Net amount of cash available to fund other Company expenses	182,846	132,631	324,518
Proceeds from sale of marketable securities, net of purchase and proceeds from sale of investment	nil	852,113	20,539
Company's working capital	329,531	488,203	(217,739)

At December 31, 2019, the Company had working capital of $546,000 after deducting contract liabilities of $216,000. In 2018 the Company had a working capital after deducting contract liabilities of 782,000.

With respect to the Company's working capital requirements, the general and administrative expenses of the Company were $400,000 in 2019 which was an increase over the $385,000 in general and administrative expenses for 2018**.** The general and administrative expenses in 2019 are substantially all committed and non-discretionary expenses and are representative of the approximate amount of general and administrative expenses which would likely be incurred by the Company in a year in the normal course of business.

Current liabilities were $330,000 at December 31, 2019, and this amount includes $216,000 of contract liabilities which represents the unearned portion of subscription fees collected from customers amortized on a straight – line basis over the remaining life of the contract. Accounts payable and accrued liabilities were $113,000 at December 31, 2019.

Accounts receivable included in working capital were $11,000 at December 31, 2019. Aylen has sufficient cash and cash equivalents to provide liquidity to the Company for the next 12 months.

The cash and cash equivalents and the income, if any, from the operations of Grapevine, are used to fund Aylen's financial requirements.

Analysis of Financial Condition and Financial Performance

The financial condition of the Company is directly dependent on the performance of Grapevine. In 2019 Grapevine's revenues were $608,000 which was an increase of 8% over the previous year.
The majority of Grapevine's customers reside in the US. The products offered by Grapevine are heavily focused on the human resources sector of businesses and include products such as employee surveys and evaluations. These products represent discretionary, non-critical expenses for most businesses.

The increase in sales in 2019 over 2018 was primarily a result of a more effective sales and marketing effort, a positive foreign exchange rate change with the US$.

Related Party Transactions

The following related party transactions occurred and were reflected in the financial statements during the years ended December 31, 2019 and 2018 as follows:

	Years Ended December 31,			
		2019		2018
Legal fees paid to a firm of which the CEO was counsel	$	nil	$	7,005

Legal fees paid to a firm of which the CEO was counsel was $7,005 in 2018. As of January 1, 2019 the law firm was not considered a related party.

Remuneration of key management

	Years Ended December 31,			
		2019		2018
Salaries	$	252,500	$	220,000
Directors' fees	$	22,500		15,000
Consulting fees	$	48,000		62,500
Stock options	$			8,703
Total	$	323,000	$	304,463

Key management personnel are those individuals having authority and responsibility for planning, directing and controlling the activities of the Company and its subsidiary including the Company's Board of Directors. The Company considers key management to be the members of the Board of Directors and the Chief Executive Officer.

Included in accounts payable and accrued liabilities are management fees of $31,075, directors' fees of $nil and consulting fees of $nil (December 31, 2018 - $nil and $2,168) and legal fees of as at December 31, 2018 - $1,158 due to a firm of which the CEO was counsel prior to January 1, 2019.

During the year ended December 31, 2018, the Company received a secured line of credit totaling $70,000 from the President and CEO. As a result, interest of $2,004 and additional fees of $7,369 were paid to the President and CEO. As at December 31, 2018 and 2019, all amounts were repaid by the Company.

Analysis of Fourth Quarter

The economy in North America, particularly in the US where the majority of Grapevine's customers are based, was largely unchanged in the fourth quarter of 2019. Revenues of Grapevine for the three months ended December 31, 2019 were $134,000 ($128,000 for the same period in 2018). Selling expenses were $143,000 in the fourth quarter compared with $112,000 in the fourth quarter of 2018. Contract liabilities, which are unearned subscription fees collected from customers amortized on a straight – line basis over the remaining life of the contract, were $218,000 at the end of the fourth quarter of 2019 ($294,000 for the same period in 2018).

The Company's other primary source of revenue arises from interest and other income which for the fourth quarter of 2019 was $2,010.

Under the provisions of IAS 39 Financial Instruments – Recognition and Measurement and IAS 32 Financial Instruments – Presentation and IFRS 7 Financial instruments - Disclosure, unrealized mark-to-market gains and losses on the Company's portfolio of marketable securities held for trading are recognized in computing net income. Such amounts totalled an unrealized loss of $nil in the fourth quarter of 2019.

General and administrative expenses totalled $132,000 for the fourth quarter of 2019 ($88,000 for the same period in 2019).

Under the provisions of IAS1 - Presentation of financial statements, IFRS 7 Financial Instruments – Disclosure, IAS 32 – Financial Instruments – presentation, IAS 39 Financial Instruments- recognition and measurement, unrealized gains and losses on the Company's publicly-traded investments available for sale are recognized in other comprehensive income, net of taxes. There is no other comprehensive income in the fourth quarter and in the year.

As a result of the foregoing the Company recorded a net loss and comprehensive loss of $145,000 ($0.009 per share) for the fourth quarter of 2019 (net income and comprehensive income of $908,000 ($0.053 per share) for the fourth quarter of 2018).

Directors and Officers Compensation

The following table sets out all compensation payable to directors of the Corporation for their services as directors in the year ended December 31, 2019.

Name	Fees earned ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Douglas Babcook	7,500	Nil	Nil	Nil	Nil	Nil	7,500
William Hale	7,500	Nil	Nil	Nil	Nil	Nil	7,500
John Pennal	7,500	Nil	Nil	Nil	Nil	Nil	7,500

Commitment

The Company has contracted with a third party to provide operations and sales management services to Grapevine for an annual fee of $103,600 plus applicable taxes. The contract may be terminated by the third party on (1) one month's notice. The contract may be terminated by the Company on four (4) months' notice.

Risk Factors and Risk Management

Aylen shareholders and potential investors in Aylen should carefully consider the following risk factors when evaluating Aylen and its common shares.

An investment in Aylen's shares involves a number of risks, many of which are beyond its control. The risks and uncertainties set out below are all of the known risks which are deemed to be material to the Company's business or the results of its operations. When reviewing forward-looking statements and other information contained in this prospectus, investors and others should carefully consider these factors, as well as other uncertainties, potential events and industry-specific factors that may adversely affect the Company's future results. If any of these risks should actually occur, the Company's business, financial condition, results of operations, cash flows and prospects could be harmed. Such risks and uncertainties are not the only ones the Company faces. Additional risks and uncertainties of which the Company is currently unaware or that are deemed immaterial may also adversely affect the Company's business, financial condition, results of operations, cash flows and prospects.

Negative Cash Flows

The Company has had negative cash flow from its operating activities and, as a result, it has had to fund its operations with cash and cash equilivants. The Company's cash and cash equilivants as at December 31, 2019 was $564,000.

Lack of Diversification of Investments

Due to the small size of the Company and the fact that it has only the Grapevine business, the Company is subject to a greater risk of a downturn in that industry than it would be if it had a diversified portfolio of investments. A concentration of the Company's invested funds in its Grapevine business means that in the event that such business is unsuccessful or experiences a downturn, this will have a direct material adverse effect on the Company's business, results from operations, and financial condition. It also means that the Company is more exposed to business cycles than it would be if it owned a larger number of investments which were diversified over various industries with differing business cycles in different geographic areas.

Industry Risks

The Grapevine business is subject to the risks inherent in the industry in which it operates. Grapevine's business is very dependent on the continued demand for on-line surveys and polls by businesses, particularly those surveys and polls relating to employees, and particularly in North America. Its business would be adversely affected by a significant downturn in its particular industry segment or a change in the demand by consumers for its products and services.

Competition

Grapevine faces intense competition, including competition from other companies with greater financial and other resources, and more advanced technological development. There can be no assurance that Grapevine will be able to successfully compete against its competitors or that such competition will not have a material adverse effect on its business, financial condition, results of operations and cash flow.

Effect of General Economic Conditions and COVID-19 Pandemic

Grapevine's results of operations in the period prior to 2010 were adversely affected by the global economic downturn and there is a significant risk that global economic conditions or economic conditions in North America will deteriorate again which will have a material adverse effect on the Company's business, financial condition, results of operations and cash flows. Its products and services represent discretionary expenses to the customers they serve and would be among the most likely expenses to be eliminated if economic conditions deteriorate.

The economic disruption in the world caused by the corona virus pandemic known as COVID-19 which began in the first quarter of 2020 will have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Currency Fluctuations

The majority of the Company's costs are incurred in Canadian dollars and more than half of its revenues are received in U.S. dollars. A deterioration in the value of the U.S. dollar against the Canadian dollar will have a significant negative effect on the Company's revenues, financial condition, results of operations and cash flows. The Company does not use currency derivatives to hedge against adverse currency fluctuations.

Legal Claims and Other Contingencies

Aylen and Grapevine may become parties to law suits, claims and litigation arising in the ordinary course of business.

Such law suits could result in significant costs and the outcome of such law suits could have a material negative impact on the Company's financial position, operating results, or the Company's ability to continue to carry on its business activities.

Lack of Market for Aylen's Shares

The Company's common shares are listed on the Canadian Securities Exchange. The Company's shares are thinly traded and there may not be a liquid market for the shares from time to time and any market price for the shares may not reflect the underlying value of the Company's business and assets.

Internal Controls

Disclosure controls and procedures

Management of the Company is responsible for establishing and maintaining disclosure controls and procedures for the Company as defined under National Instrument 52-109 issued by the Canadian Securities Administrators. The Company as a venture issuer is not required to certify the design and evaluation of the issuer's disclosure controls and procedures.

Internal controls over financial reporting

Management of the Company is responsible for designing internal controls over financial reporting for the Company as defined under National Instrument 52-109 issued by the Canadian Securities Administrators. The Company as a venture issuer is not required to certify the design and evaluation of the issuer's internal controls over financial reporting.

International Financial Reporting Standards

The Company's financial statements for the year ended December 31, 2019 and the comparative information presented in the financial statements for the year ended December 31, 2018 have been prepared in accordance with IFRS applicable to the presentation of financial statements.

Accounting standards and amendments issued but not yet applied

The International Accounting Standards Board ("IASB") has issued the following accounting standards which have not yet been adopted by the Company:

Amendment to IFRS 3 – Business Combinations
On October 22, 2018, the IASB issued Definition of a Business (Amendments to IFRS 3: Business Combinations). The amendments to IFRS 3 are applicable for acquisitions occurring on or after January 1, 2020 and are adopted prospectively. These amendments to the implementation guidance of IFRS 3 clarify the definition of a business to assist entities to determine whether a transaction should be accounted for as a business combination or an asset acquisition. The amendments to IFRS 3 – Business Combinations may affect whether future acquisitions are accounted for as business combinations or asset acquisitions, along with the resulting allocation of the purchase price between the net identifiable assets acquired and goodwill. The Company does not expect any impact to the consolidated financial statements as a result of its adoption of the amendments to IFRS 3 on its acquisitions completed subsequent to year-end.

Future Direction

The Company's main objective is to grow the revenues of its Grapevine business but this may require the investment of significant additional capital.

Outstanding Share Data

The Company has authorized an unlimited number of common shares, an unlimited number of Class A common shares and an unlimited number of preferred shares issuable in series. As at the date of this MD&A, and as at December 31, 2019 and December 31, 2018, there were 16,856,632 common shares issued and outstanding and there were no Class A common shares and no preferred shares outstanding.

Date and Other Available Information

Unless otherwise indicated, the information contained in this MD&A is as of May 28, 2020.
Additional information concerning the Company including its regulatory filings may be found on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

SCHEDULE "C"
FINANCIAL STATEMENTS OF LOC8

LOC8 CORP.

Condensed interim financial statements

For the three months ended September 30, 2020

(Unaudited - expressed in Canadian Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited consolidated interim financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

LOC8 CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED SEPTEMBER 30, 2020

(Unaudited - Amounts expressed in Canadian Dollars)

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Loc8 Corp.

Interim Statements of Financial Position
(Unaudited- expressed in Canadian dollars)

ASSETS		**September 30, 2020**		June 30, 2020
CURRENT				
Cash	$	467,574	$	560,900
Restricted cash (Note 3)		1,042,200		642,000
Sales tax receivable		7,930		-
		1,517,704		1,202,900
Intangible assets (Note 4)		1,820,152		1,897,178
TOTAL ASSETS	**$**	**3,337,856**	$	3,100,078
LIABILITIES AND SHAREHOLDERS' EQUITY				
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities (Note 6)	$	49,358	$	40,354
TOTAL LIABILITIES		49,358		40,354
SHAREHOLDERS' EQUITY				
Share capital (Note 5)		2,940,601		2,940,601
Share subscriptions (Note 5)		1,042,200		642,000
Accumulated deficit		(694,303)		(522,877)
TOTAL SHAREHOLDERS' EQUITY		3,288,498		3,059,724
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**3,337,856**	$	3,100,078

Organization and nature of operations (Note 1)
Basis of presentation and going concern (Note 2)
Subsequent events (Note 9)

Approved on behalf of the Board of Directors:

"Rahul Kushwah"
Signed: Rahul Kushwah, CEO and Director

"Sheldon Kales"
Signed: Sheldon Kales, Director

The accompanying notes are an integral part of these interim condensed financial statements

Loc8 Corp.
Interim Statement of Loss and Comprehensive Loss
For the three- month ended September 30, 2020
(Unaudited- expressed in Canadian dollars)

Expenses		
Amortization of intangible assets (Note 4)	**$**	77,026
Consulting fees (Note 6)		19,500
Legal fees		9,358
Management fees (Note 6)		44,500
Marketing expenses (Note 6)		10,500
Professional fees		4,000
Research and development (Note 6)		4,000
Vehicles use expenses (Note 6)		1,000
Travel, entertainment, and related		1,542
Loss and comprehensive loss	**$**	(171,426)
Loss per share - Basic and Diluted	**$**	(0.002)
Weighted average number of common shares outstanding - Basic and Diluted		83,575,000

The accompanying notes are an integral part of these interim condensed financial statements

Loc8 Corp.
Statement of Changes in Shareholders' Equity
(Unaudited- expressed in Canadian dollars)

	Number of common shares outstanding	Share capital	Share subscriptions	Deficit	Total
Founder shares issued	11,550,000	$ 1	$ -	$ -	$ 1
Purchase of Intellectual Property	63,450,000	2,145,000	-	-	2,145,000
Private placements	8,575,000	857,500	-	-	857,500
Share issuance costs	-	(61,900)	-	-	(61,900)
Share subscriptions	-	-	642,000	-	642,000
Net loss for the period	-	-	-	(522,877)	(522,877)
Balance as at June 30, 2020	83,575,000	$ 2,940,601	$ 642,000	$ (522,877)	$ 3,059,724
Share subscriptions	-	-	400,200	-	400,200
Net loss for the period	-	-	-	(171,426)	(171,426)
Balance as at September 30, 2020	83,575,000	$ 2,940,601	$ 1,042,200	$ (694,303)	$ 3,288,498

The accompanying notes are an integral part of these interim condensed financial statements

Loc8 Corp.
Interim Statement of Cash Flows
For the three months ended September 30, 2020
(Unaudited- expressed in Canadian dollars)

OPERATING ACTIVITIES		
Net loss	$	(171,426)
Non-cash items included in net loss and other adjustments:		
Amortization of intangible assets		77,026
Changes in non-cash working capital:		
Sales tax receivable		(7,930)
Accounts payable and accrued liabilities		9,004
CASH USED IN OPERATING ACTIVITIES		**(93,326)**
FINANCING ACTIVITIES		
Share subscriptions received		400,200
CASH PROVIDED BY FINANCING ACTIVITIES		**400,200**
NET CHANGE IN CASH DURING THE PERIOD		**306,874**
CASH, BEGINNING OF PERIOD		1,202,900
CASH, END OF PERIOD	$	**1,509,774**
Cash consists of:		
Cash	$	**467,574**
Restricted cash		**1,042,200**
	$	**1,509,774**
Cash paid for interest and income taxes	$	-

The accompanying notes are an integral part of these interim condensed financial statements

1. Organization and Nature of Operations

Loc8 Corp. (the "Company") leverages Artificial Intelligence to create robust location intelligence solutions for transforming existing location data into business outcomes. Location data can be anything from addresses and latitude/longitude coordinates, buildings, monuments or alike and when this data is correlated with internal business data, it creates business context to improve decision making backed by data driven analytics.

The Company was incorporated under the laws of the province of Ontario on September 4, 2019.

On September 9, 2019 the Company issued 63,450,000 common shares to Algo8 AI Private Limited, a company incorporated in India and its associates including their designates, being the fair value consideration for the assignment of intellectual property relating to development and creation of the work product related to geospatial artificial intelligence for enterprises.

The Company's corporate head office is located at 77 King Street W, Suite 3000, Toronto, Ontario, Canada, M5K 1G8.

The Board of Directors of the Company authorized these financial statements for issuance on December 21, 2020.

2. Basis of Presentation and Going Concern

Basis of Preparation

These condensed interim financial statements have been prepared on the historical cost basis except for financial instruments recorded at fair value. In addition, these interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional currency of the Company is the Canadian dollar, which is also the Company's reporting currency.

Statement of Compliance

These condensed interim financial statements (the "Financial Statements") are unaudited and have been prepared on a condensed basis in accordance with International Accounting Standard 34, Interim Financial Reporting issued by the International Accounting Standards Board ("IASB"), using accounting policies of International Financial Reporting Standards ("IFRS") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC. The condensed interim financial statements should be read in conjunction with the annual audited financial statements for the year ended June 30, 2020, which have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB"). The unaudited condensed interim financial statements are based on accounting policies as described in the June 30, 2020 annual financial statements.

2. Basis of Presentation and Going Concern (Cont'd)

Going Concern Assumption

These financial statements have been prepared using IFRS on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business, for the next fiscal year. At September 30, 2020, the Company had cash of $467,574, restricted cash of $1,042,200, working capital of $1,468,346 and an accumulated deficit of $694,303. The continuing operations of the Company are dependent on funding provided by equity investors. The Company intends to finance its future requirements through a combination of equity and/or debt issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms.

Since February 29, 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

This uncertainty may cast significant doubt about the ability of the Company to continue as a going concern. These financial statements do not include any adjustments to the carrying value or presentation of assets or liabilities that might be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

Significant Accounting Judgments and Estimates

The preparation of these financial statements in compliance with IFRS requires management to make certain critical accounting estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the period reported.

Critical Judgements

The preparation of these interim financial statements requires management to make judgements regarding the going concern of the Company (discussed above), as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency for the Company has been determined to be the Canadian dollar.

2. Basis of Presentation and Going Concern (Cont'd)

Significant Accounting Judgments and Estimates (Cont'd)

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

Significant estimates made by management affecting the financial statements include:

Deferred tax assets & liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

Useful life of intangible assets

The intangible asset is depreciated over its estimated useful life. Estimated useful lives are determined based on current facts and past experience and takes into consideration the anticipated life of the asset, the potential for technological obsolescence, and regulations.

3. Significant Accounting Policies

The accounting policies set out in the financial statements at June 30, 2020, have been applied consistently to all periods presented in these interim financial statements.

3. Significant Accounting Policies (Cont'd)

COVID-19 Estimation Uncertainty

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. 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.

New standards adopted

Effective July 1, 2020, the Company adopted the amendments that were issued by the International Accounting Standards Board on October 22, 2018, to IFRS 3 Business Combinations, which clarified the classification of whether a transaction results in an asset or a business acquisition. The amendments include an election to use a concentration test. This is a simplified assessment that results in an asset acquisition if substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets. If a preparer chooses not to apply the concentration test, or the test is failed, then the assessment focuses on the existence of a substantive process. The adoption of the amendment to IFRS 3 had no impact on the Company's condensed interim financial statements as at and for the three months ended September 30, 2020.

4. Intangible assets

On September 9, 2019, the Company issued 63,450,000 common shares with a fair value price of $0.0338 per common share for a total fair value consideration of $2,145,000, issued to Algo8 AI Private Limited, a Company incorporated in India and its associates including their designates, being the purchase and assignment of Intellectual Property comprising of development and creation of the work product related to geospatial artificial intelligence for enterprises. The issuance of shares is being recorded as an asset acquisition. This intellectual property amount of $2,145,000 is estimated to have a useful life of 7 years and is being amortized on a straight-line basis.

(Unaudited- expressed in Canadian dollars)

4. Intangible assets (Cont'd)

		Intellectual Property
Cost:		
Balance as at September 4, 2019	$	-
Additions		2,145,000
Balance as at June 30, 2020	**$**	**2,145,000**
Additions		-
Balance as at September 30, 2020	**$**	**2,145,000**
Accumulated amortization:		
Balance as at September 4, 2019	$	-
Amortization		247,822
Balance as at June 30, 2020	**$**	**247,822**
Amortization		77,026
Balance as at September 30, 2020	**$**	**324,848**
Net book value:		
At September 30, 2020	$	**1,820,152**
At June 30, 2020	$	**1,897,178**

5. Capital Stock

The Company is authorized to issue the following shares:

- Unlimited number of common shares

a) Common shares

The holders of common shares are entitled to receive dividends which are declared from time to time and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

At September 30, 2020 and at June 30, 2020, the Company has 83,575,000 common shares issued and outstanding.

b) Share issuances

The Company did not issue any shares during the period ended September 30, 2020.

<u>During the period ended June 30, 2020</u>

- On September 4, 2019, the Company issued 11,550,000 common shares, as founders' shares, for $1.
- On September 9, 2019, the Company issued 63,450,000 common shares for the purchase of intellectual property valued at $2,145,000 (Note 4).
- On January 30, 2020, the Company issued 8,325,000 common shares at $0.10 per share in private placements and raised $832,500.
- On April 21, 2020, the Company issued 250,000 common shares at $0.10 per share in private placements and raised $25,000.

In conjunction with the above private placements, the Company incurred cash share issuance costs of $61,900.

c) Share subscription

As of September 30, 2020, the Company had received cash in escrow for $1,042,200, being subscription for 3,474,000 common shares at $0.30 per share. Subscription funds represents cash held in escrow until the completion of a Going Public Transaction which refers to (i) an initial public offering by the Corporation; (ii) completion of a qualifying transaction with a Capital Pool Company on the TSX Venture Exchange; or (iii) a merger, amalgamation, reorganization, consolidation or plan of arrangement of the Corporation with a reporting issuer in Canada or a reporting company in the United States or a public entity in a jurisdiction outside of Canada and the United States) on terms determined by the board of directors of the Corporation (Note 9).

(Unaudited- expressed in Canadian dollars)

6. Related Party Transactions

Related parties include key management personnel, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Key management of the Company are members of the Board of Directors, the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO") and the Chief Technology Officer ("CTO").

Transactions with key management personnel not disclosed elsewhere in the financial statements include the following for the three months ended September 30, 2020:

		September 30, 2020
Management fees to the Executive Chairman	$	15,000
Management fees to the CEO		19,500
Management fees to the CFO		10,000
Total Management fees		44,500
Research and development fees to a company in which the CTO and director of the Company is also a director		4,000
Marketing fees to a company controlled by a child of the Executive Chairman		10,500
Consulting fees to a company controlled by a child of the Executive Chairman		7,500
Vehicle expense to the Executive Chairman and CEO		1,000
	$	67,500

At September 30, 2020, there was $500 each due to the CEO and Executive Chairman and $10,000 due to the CFO, included in accounts payable and accrued liabilities.

7. Financial Instruments

The fair value of the Company's sales tax receivable and accrued liabilities approximates carrying value, due to their short-term nature. The Company's cash and restricted cash is measured at fair value under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

Financial risk management and objectives

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, foreign currency risk, and commodity price risk).

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flows primarily from its financing activities.

The Company manages its liquidity needs by carefully monitoring scheduled costs. Liquidity is measured in various time bands, on day to day and week-to-week basis, as well as on long term liquidity needs over 180 day to 360 day look out periods. Funding for long term liquidity needs is based on the ability of the Company to successfully complete private placements.

As at September 30, 2020, the Company had sufficient cash of $467,574 to settle current liabilities of $49,358.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

(a) 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 is not exposed to significant interest rate risk.

7. Financial Instruments (Cont'd)

(b) Price risk

The Company is not exposed to significant price risk as it does not possess investments in publicly traded securities.

(c) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The Company is not exposed to significant currency risk as it is not actively dealing in foreign currency.

8. Capital Management

The Company considers its capital to be shareholders' equity, which is comprised of share capital and deficit, which as at September 30, 2020 totaled $3,288,498. The Company's capital structure is adjusted based on the funds available to the Company such that it may continue to seek new opportunities. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business.

The sources of future funds presently available to the Company are through the sale of equity capital of the Company. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions.

9. Subsequent Events

Subscription for Shares

Subsequent to the period-end and up to the date of this report the Company has received an additional \$216,150 cash in escrow being subscription for 745,000 common shares at \$0.30 per share less commission fees of \$7,350 for the go-public transaction (see Note 5(c)).

Merger Transaction

Effective September 2, 2020, the Company entered into a reverse take-over agreement (the “Acquisition agreement”), with Aylen Capital Inc. (“Aylen”) pursuant to which Aylen will acquire all of the issued and outstanding securities of the Company, as more particularly described below.

Pursuant to the Acquisition Agreement, Aylen will consolidate its issued and outstanding shares on a one (1) new share for four (4) old share basis (the "Consolidation").

Immediately following the Consolidation, Aylen will acquire all of the issued and outstanding securities of the Company from the Company’s securityholders. Each shareholder of the Company will receive one (1) Aylen common share for each common share of the Company held. The Company will also issue 700,000 common shares as a finder’s fees in connection with the completion of the Transaction. Upon completion of the Transaction, the resultant Company will change its name to "DeepSpatial Inc.", or such other name as may be determined. The combined entity (the "Resulting Issuer") will continue the business of the Company.

The Transaction is conditional upon, among other things:

(i) The representations and warranties of each of Aylen and the Company, as set out in the Acquisition Agreement, being true and correct in all material respects at the closing of the Transaction;
(ii) The absence of any material adverse change in the business of each of the parties;
(iii) The parties receiving all requisite regulatory approval, including the approval of the Exchange, and any third-party approvals and authorizations;
(iv) The Company and Aylen obtaining the requisite shareholder approvals for the Transaction; and
(v) The Company completing a private placement financing for minimum aggregate gross proceeds of not less than \$1,000,000 at \$0.30 per share.

LOC8 CORP.

Financial Statements
June 30, 2020

(Expressed in Canadian Dollars)

LOC8 CORP.

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HARBOURSIDE CPAS

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Loc 8 Corp.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Loc 8 Corp. (the "Company"), which comprise the statement of financial position as at June 30, 2020, and the statement of loss and comprehensive loss, statement of changes in shareholders' equity and statement of cash flows for the period from incorporation on September 4, 2019 to June 30, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2020, and its financial performance and its cash flows for the period from incorporation on September 4, 2019 to June 30, 2020 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and the Auditor's Report thereon

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, included in Management's Discussion and Analysis report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Mickey Goldstein.

Vancouver, British Columbia	Harbourside CPA LLP
November 13, 2020	Chartered Professional Accountants

Loc8 Corp.
Statement of Financial Position
As at June 30, 2020
(in Canadian dollars)

ASSETS		
CURRENT		
Cash	$	560,900
Restricted cash (Note 3)		642,000
		1,202,900
Intangible assets (Note 4)		1,897,178
TOTAL ASSETS	$	3,100,078
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 6)	$	40,354
TOTAL LIABILITIES		40,354
SHAREHOLDERS' EQUITY		
Share capital (Note 5)		2,940,601
Share subscriptions (Note 5)		642,000
Accumulated deficit		(522,877)
TOTAL SHAREHOLDERS' EQUITY	$	3,059,724
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$	3,100,078

Organization and nature of operations (Note 1)
Basis of presentation and going concern (Note 2)
Subsequent events (Note 10)

Approved on behalf of the Board of Directors:

Signed: Rahul Kushwah, CEO and Director

Signed: Sheldon Kales, Director

Loc8 Corp.
Statement of Loss and Comprehensive Loss
For the period from incorporation on September 4, 2019 to June 30, 2020
(in Canadian dollars)

Expenses		
Amortization of intangible assets	**$**	247,822
Audit fees		25,000
Consulting fees (Note 6)		48,022
Legal fees		55,534
Management fees (Note 6)		111,960
Marketing expenses (Note 6)		10,000
Professional fees		10,749
Research and development (Note 6)		8,000
Travel, entertainment, and related		5,790
Loss and comprehensive loss	**$**	(522,877)
Loss per share - Basic and Diluted	**$**	(0.007)
Weighted average number of common shares outstanding - Basic and Diluted		78,947,417

The accompanying notes are an integral part of these financial statements

Loc8 Corp.
Statement of Changes in Shareholders' Equity
For the period from incorporation on September 4, 2019 to June 30, 2020
(in Canadian dollars)

	Number of common shares outstanding	Share capital	Share subscriptions	Deficit	Total
Seed shares issued for cash	11,550,000	$ 1	$ -	$ -	$ 1
Assignment of Intellectual Property	63,450,000	2,145,000	-	-	2,145,000
Private placements	8,575,000	857,500	-	-	857,500
Share issuance costs	-	(61,900)	-	-	(61,900)
Share subscriptions	-	-	642,000	-	642,000
Net loss for the period	-	-	-	(522,877)	(522,877)
Balance as at June 30, 2020	83,575,000	$ 2,940,601	$ 642,000	$ (522,877)	$ 3,059,724

The accompanying notes are an integral part of these financial statements

Loc8 Corp.
Statement of Cash Flows
For the period from incorporation on September 4, 2019 to June 30, 2020
(in Canadian dollars)

OPERATING ACTIVITIES		
Net loss	$	(522,877)
Non-cash items included in net loss and other adjustments:		
Amortization of intangible assets		247,822
Changes in non-cash working capital:		
Accounts payable and accrued liabilities		40,354
CASH USED IN OPERATING ACTIVITIES		**(234,701)**
INVESTING ACTIVITIES		
Restricted cash		(642,000)
CASH USED IN INVESTING ACTIVITIES		**(642,000)**
FINANCING ACTIVITIES		
Issuance of share capital for cash		857,501
Share issuance costs		(61,900)
Share subscriptions received		642,000
CASH PROVIDED BY FINANCING ACTIVITIES		**1,437,601**
NET CHANGE IN CASH DURING THE PERIOD		**560,900**
CASH, BEGINNING OF PERIOD		-
CASH, END OF PERIOD	$	**560,900**
Cash paid for interest and income taxes	$	-

Non-cash transactions

During the period, the Company issued 21,450,000 common shares fair valued at $2,145,000 to acquire the intangible assets.

The accompanying notes are an integral part of these financial statements

1. Organization and Nature of Operations

Loc8 Corp. (the "Company") leverages Artificial Intelligence to create robust location intelligence solutions for transforming existing location data into business outcomes. Location data can be anything from addresses and latitude/longitude coordinates, buildings, monuments or alike and when this data is correlated with internal business data, it creates business context to improve decision making backed by data driven analytics.

The Company was incorporated under the laws of the province of Ontario on September 4, 2019.

On September 9, 2019 the Company issued 63,450,000 common shares to Algo8 AI Private Limited, a company incorporated in India and its associates including their designates, being the fair value consideration for the assignment of Intellectual Property relating to development and creation of the work product related to geospatial artificial intelligence for enterprises.

The Company's corporate head office is located at 77 King Street W, Suite 3000, Toronto, Ontario, Canada, M5K 1G8.

The Board of Directors of the Company authorized these financial statements for issuance on November 13, 2020.

2. Basis of Presentation and Going Concern

Basis of Preparation

These financial statements have been prepared on the historical cost basis except for financial instruments recorded at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional currency of the Company is the Canadian dollar, which is also the Company's reporting currency.

Statement of Compliance

The financial statements have been prepared in accordance with International Accounting Standards ("IAS") 1, "Presentation of Financial Statements" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

2. Basis of Presentation and Going Concern (Cont'd)

Going Concern Assumption

These financial statements have been prepared using IFRS on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business, for the next fiscal year. At June 30, 2020, the Company had cash of $560,900, restricted cash of $642,000, working capital of $1,162,546 and an accumulated deficit of $522,878. The continuing operations of the Company are dependent on funding provided by equity investors. The Company intends to finance its future requirements through a combination of equity and/or debt issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms.

Since February 29, 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

This uncertainty may cast significant doubt about the ability of the Company to continue as a going concern. These financial statements do not include any adjustments to the carrying value or presentation of assets or liabilities that might be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

Significant Accounting Judgments and Estimates

The preparation of these financial statements in compliance with IFRS requires management to make certain critical accounting estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the period reported.

Critical Judgements

The preparation of these financial statements requires management to make judgements regarding the going concern of the Company (discussed above), as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency for the Company has been determined to be the Canadian dollar.

2. Basis of Presentation and Going Concern (Cont'd)

Significant Accounting Judgments and Estimates (Cont'd)

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

Significant estimates made by management affecting the financial statements include:

Deferred tax assets & liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

Useful life of intangible assets

The intangible asset is depreciated over its estimated useful life. Estimated useful lives are determined based on current facts and past experience and takes into consideration the anticipated life of the asset, the potential for technological obsolescence, and regulations.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Cash

Cash comprises of cash held in trust. The Company does not invest in any asset-backed deposits or investments.

3. Significant Accounting Policies (Cont'd)

Restricted Cash

Restricted cash represents cash held in escrow until the completion of the Going Public Transaction, which refers to (i) an initial public offering by the Corporation; (ii) completion of a qualifying transaction with a Capital Pool Company on the TSX Venture Exchange; (iii) a merger, amalgamation, reorganization, consolidation or plan of arrangement of the Corporation with a reporting issuer in Canada or a reporting company in the United States or a public entity in a jurisdiction outside of Canada and the United States) on terms determined by the board of directors of the Corporation.

Income taxes

Income tax on profit or loss for the period comprises of current and deferred tax. Current tax is the expected tax paid or payable on the taxable income for the period, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax paid or payable in respect of previous periods.

Deferred tax is recorded by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. The effect on deferred tax assets and liabilities of a change in income tax rates is recognized in the period that includes the date of the enactment or substantive enactment of the change. Deferred tax assets and liabilities are presented separately except where there is a right of set-off within fiscal jurisdictions.

Loss per share

Loss per share is computed by dividing the net loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted loss per common share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

Research and development expenditures

The application of the Company's accounting policy for research and development expenditures requires judgment in determining whether an activity is determined to be research or development, and if deemed to be development, whether it is probable that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If new information becomes available indicating that it is unlikely that future economic benefits will flow to the Company, the amount capitalized is written off to profit or loss in the period the new information becomes available.

3. Significant Accounting Policies (Cont'd)

Intangible assets

Intangible assets include technology acquired by the Company and have finite useful lives measured at cost less accumulated amortization and any accumulated impairment losses. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss as incurred. Amortization is recorded using the straight-line method and is intended to amortize the cost of the assets over their estimated useful lives as follows:

Intellectual property	7 years straight line

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Impairment

The carrying amount of the Company's assets is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

3. Significant Accounting Policies (Cont'd)

Financial Instruments

Financial assets and financial liabilities are recognized on the statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

The following is the Company's accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of loss and comprehensive loss in the period in which they arise.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

3. Significant Accounting Policies (Cont'd)

Financial Instruments (Cont'd)

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

The Company's financial assets and liabilities are recorded and measured as follows:

Asset or Liability	Category	Measurement
Cash	FVTPL	Fair value
Restricted cash	FVTPL	Fair value
Accounts payable and accrued liabilities	Other liabilities	Amortized cost

3. Significant Accounting Policies (Cont'd)

Financial Instruments (Cont'd)

The Company determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash has been measured at fair value using Level 1 inputs.

Impairment of financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in a separate line item. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

3. Significant Accounting Policies (Cont'd)

Financial Instruments (Cont'd)

New Accounting standards applied

IFRS 16 *Leases*

This new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. The new standard introduces a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease.

The main features of the new standard are as follows:

- An entity identifies as a lease a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
- A lessee recognizes an asset representing the right to use the leased asset, and a liability for its obligation to make lease payments. Exceptions are permitted for short-term leases and leases of low-value assets.
- A lease asset is initially measured at cost, and is then depreciated similarly to property, plant and equipment. A lease liability is initially measured at the present value of the unpaid lease payments.
- A lessee presents interest expense on a lease liability separately from depreciation of a lease asset in the statement of profit or loss and other comprehensive income.
- A lessor continues to classify its leases as operating leases or finance leases, and to account for them accordingly.
- A lessor provides enhanced disclosures about its risk exposure, particularly exposure to residual-value risk.

The impact of this new standard did not result in any additional assets or liabilities to be recorded as the Company does not have any leases.

(in Canadian dollars)

4. Intangible assets

On September 9, 2019, the Company issued 63,450,000 common shares with a fair value price of \$0.0338 per common share for a total fair value consideration of \$2,145,000, issued to Algo8 AI Private Limited, a Company incorporated in India and its associates including their designates, being the purchase and assignment of Intellectual Property comprising of development and creation of the work product related to geospatial artificial intelligence for enterprises. The issuance of shares is being recorded as an asset acquisition. This intellectual property amount of \$2,145,000 is estimated to have a useful life of 7 years and is being amortized on a straight-line basis.

		Intellectual Property
Cost:		
Balance as at September 4, 2019	$	-
Additions		2,145,000
Balance as at June 30, 2020	$	2,145,000
Accumulated amortization:		
Balance as at September 4, 2019	$	-
Amortization		247,822
Balance as at June 30, 2020	$	247,822
Net book value:		
At June 30, 2020	$	**1,897,178**

5. Capital Stock

The Company is authorized to issue the following shares:

- Unlimited number of common shares

a) Common shares

The holders of common shares are entitled to receive dividends which are declared from time to time and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

At June 30, 2020, the Company has 83,575,000 common shares issued and outstanding.

b) Share issuances

During the period ended June 30, 2020

- On September 4, 2019, the Company issued 11,550,000 common shares, as founders' shares, for $1.
- On September 9, 2019, the Company issued 63,450,000 common shares for assignment of Intellectual Property valued at $2,145,000 (Note 4).
- On January 30, 2020, the Company issued 8,325,000 common shares at $0.10 per share in private placements and raised $832,500.
- On April 21, 2020, the Company issued 250,000 common shares at $0.10 per share in private placements and raised $25,000.

In conjunction with the above private placements, the Company incurred cash share issuance costs of $61,900.

c) Share subscription

As of June 30, 2020, the Company had received cash in escrow for $642,000, being subscription for 2,140,000 common shares at $0.30 per share. Subscription funds represents cash held in escrow until the completion of the Going Public Transaction which refers to (i) an initial public offering by the Corporation; (ii) completion of a qualifying transaction with a Capital Pool Company on the TSX Venture Exchange; (iii) a merger, amalgamation, reorganization, consolidation or plan of arrangement of the Corporation with a reporting issuer in Canada or a reporting company in the United States or a public entity in a jurisdiction outside of Canada and the United States) on terms determined by the board of directors of the Corporation (Note 10).

(in Canadian dollars)

6. Related Party Transactions

Related parties include key management personnel, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Key management of the Company are members of the Board of Directors, the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO") and the Chief Technology Officer ("CTO").

Transactions with key management personnel not disclosed elsewhere in the financial statements include the following:

		June 30, 2020
Management fees to the Executive Chairman	$	45,200
Management fees to the CEO		58,760
Management fees to the CFO		8,000
Research and development fees to a company in which the CTO and director of the Company is also a director		8,000
Marketing fees to a company controlled by a child of the Executive Chairman		10,000
Consulting fees to a company controlled by a child of the Executive Chairman		2,500
	$	132,460

At June 30, 2020, there was $333 due to the CEO, $8,000 due to the CFO, and $2,500 due to a child of the Executive Chairman included in accounts payable and accrued liabilities.

7. Financial Instruments

The fair value of the Company's accrued liabilities approximates carrying value, due to their short-term nature. The Company's cash and restricted cash is measured at fair value under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

Financial risk management and objectives

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, foreign currency risk, and commodity price risk).

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

<u>Credit risk</u>

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is not exposed to significant credit risk.

<u>Liquidity risk</u>

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flows primarily from its financing activities.

The Company manages its liquidity needs by carefully monitoring scheduled costs. Liquidity is measured in various time bands, on day to day and week-to-week basis, as well as on long term liquidity needs over 180 day to 360 day look out periods. Funding for long term liquidity needs is based on the ability of the Company to successfully complete private placements.

As at June 30, 2020, the Company had sufficient cash of $560,900 to settle current liabilities of $40,354.

<u>Market Risk</u>

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

(a) 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 is not exposed to significant interest rate risk.

(in Canadian dollars)

7. Financial Instruments (Cont'd)

(b) Price risk

The Company is not exposed to significant price risk as it does not possess investments in publicly traded securities.

(c) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The Company is not exposed to significant currency risk as it is not actively dealing in foreign currency.

8. Capital Management

The Company considers its capital to be shareholders' equity, which is comprised of share capital and deficit, which as at June 30, 2020 totaled $3,059,724. The Company's capital structure is adjusted based on the funds available to the Company such that it may continue to seek new opportunities. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business.

The sources of future funds presently available to the Company are through the sale of equity capital of the Company. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions.

9. Income Taxes

The following is a reconciliation of income taxes attributable to operations computed at the statutory tax rates to income tax recovery.

		June 30, 2020
Loss for the period	$	(522,877)
Tax rate		26.5%
Expected income tax recoverable at statutory rate		(138,562)
Non-deductible items		723
Share issuance costs		(16,404)
Change in unrecognized deductible temporary differences		154,243
Total income tax recovery	$	-

(in Canadian dollars)

9. Income Taxes (Cont'd)

Deferred tax assets

The tax effects of temporary differences that give rise to deferred income tax assets are as follows:

		June 30, 2020
Non-capital losses available for future period	$	75,447
Share issuance costs		13,123
Intangible assets		65,673
Total deferred tax assets		154,243
Less: Unrecognized deferred tax assets		(154,243)
Net deferred tax assets	$	-

The significant components of the Company's unrecognized deferred tax assets are as follows:

		June 30, 2020	Expiry Date
Non-capital losses	$	284,707	2040
Share issuance costs	$	49,520	2040 – 2044
Intangible assets	$	247,822	No expiry date

Tax attributes are subject to review and potential adjustment by tax authorities.

10. Subsequent Events

Subscription for Shares

Subsequent to the period-end and up to the date of this report the Company has received an additional $643,350 cash in escrow being subscription for 2,169,000 common shares at $0.30 per share less commission fees of $7,350 for the go-public transaction (see Note 5(c)).

Merger Transaction

Effective September 2, 2020, the Company entered into a reverse take-over agreement (the "Acquisition agreement"), with Aylen Capital Inc. ("Aylen") pursuant to which Aylen will acquire all of the issued and outstanding securities of the Company, as more particularly described below.

Pursuant to the Acquisition Agreement, Aylen will consolidate its issued and outstanding shares on a one (1) new share for four (4) old share basis (the "Consolidation").

10. Subsequent Events (Cont'd)

Merger Transaction (Cont'd)

Immediately following the Consolidation, Aylen will acquire all of the issued and outstanding securities of the Company from the Company's securityholders. Each shareholder of the Company will receive one (1) Aylen common share for each common share of the Company held. The Company will also issue 700,000 common shares as a finder's fees in connection with the completion of the Transaction. Upon completion of the Transaction, the resultant Company will change its name to "DeepSpatial Inc.", or such other name as may be determined. The combined entity (the "Resulting Issuer") will continue the business of the Company.

The Transaction is conditional upon, among other things:

(i) The representations and warranties of each of Aylen and the Company, as set out in the Acquisition Agreement, being true and correct in all material respects at the closing of the Transaction;
(ii) The absence of any material adverse change in the business of each of the parties;
(iii) The parties receiving all requisite regulatory approval, including the approval of the Exchange, and any third-party approvals and authorizations;
(iv) The Company and Aylen obtaining the requisite shareholder approvals for the Transaction; and
(v) The Company completing a private placement financing for minimum aggregate gross proceeds of not less than $1,000,000 at $0.30 per share.

SCHEDULE "D"
MD&A OF LOC8

LOC8 CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

For the Three Months Ended September 30, 2020

LOC8 CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

For the Three Months Ended September 30, 2020

(Information as at December 21, 2020 unless otherwise noted)

Introduction

Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Loc8 Corp. (the "Company") unaudited financial statements for the three months ended September 30, 2020. This MD&A should be read in conjunction with the financial statements of the Company and the notes thereto for the period ended June 30, 2020 and the interim condensed financial statements for the three months ended September 30, 2020. The effective date of this report is December 21, 2020. The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless expressly stated otherwise, all financial information is presented in Canadian dollars. This MD&A contains certain forward-looking information and involves risks and uncertainties, including but not limited to, those described in the "Risk Factors" section.

Forward-Looking Statements

Certain statements contained in the following MD&A constitute forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements may include statements regarding work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not statement of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties involved in disputes and litigation, fluctuations in commodity prices and currency exchange rates; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and economic return; the need for cooperation of government agencies; the need to obtain additional financing and uncertainty as to the availability and terms of future financing; uncertainty related to the completion of the amalgamation.

It is the Company's policies that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward- looking statements contained herein are as of September 30, 2020 and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Forward-looking information or statements in this MD&A include, but are not limited to, information or statements concerning our expectations regarding the ability to raise additional funds, results of the research and development performed in relation to the products and services of the Company, positive result due to the change in business model, possibility of entering into strategic alliance, distribution agreements and other arrangements to market their products and services and possibility of producing viable products through the use of the new technologies purchased and developed.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and factors including: the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain; dependence on key personnel; dependence on corporate collaborations; potential delays; uncertainties related to early stage of technology and product development; uncertainties as to fluctuation of the stock market; uncertainties as to future expense levels and the possibility of unanticipated costs or expenses or cost overruns; and other risks and uncertainties which may not be described herein. The Company has no policy for updating forward looking information beyond the procedures required under applicable securities laws.

CORPORATE OVERVIEW

The Company was incorporated under the laws of the province of Ontario on September 4, 2019.

On September 9, 2019 the Company issued 63,450,000 common shares to Algo8 AI Private Limited, a company incorporated in India and its associates including their designates, being the fair value consideration for the assignment of Intellectual Property relating to development and creation of the work product related to geospatial artificial intelligence for enterprises. The Company leverages Artificial Intelligence to create robust location intelligence solutions for transforming existing location data into business outcomes. Location data can be anything from addresses and latitude/longitude coordinates, buildings, monuments or alike and when this data is correlated with internal business data, it creates business context to improve decision making backed by data driven analytics.

The Company’s corporate head office is located at 77 King Street W, Suite 3000, Toronto, Ontario, Canada, M5K 1G8.

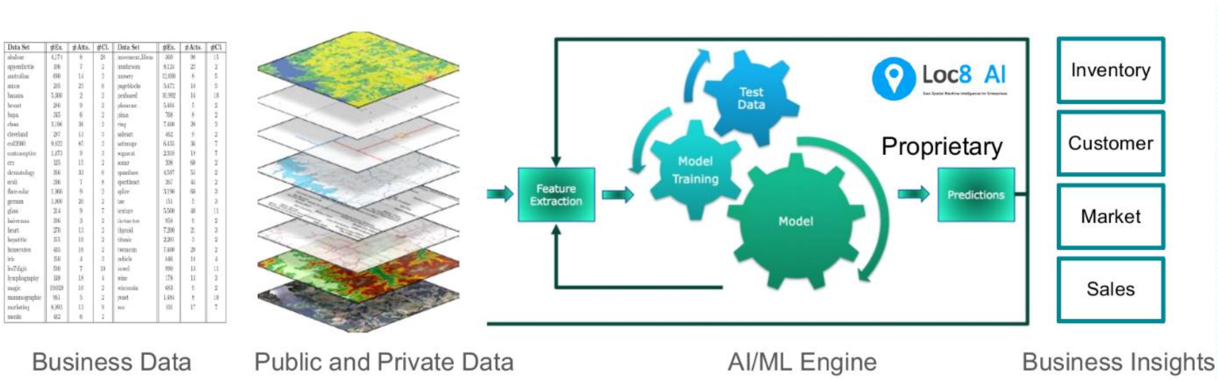
Extensive User Research has gone into the development of Loc8. Loc8 comes from actual validation of client pain points and the value proposition would substantially improvise planning, resource allocation, and decision-making – predicting the surge in demand and supply, identifying the prospects of high and low margin, multiplying supply chain efficiency, and optimizing service delivery. The scope of Loc8 is simply endless. We bring to the customers the power of AI and GIS as a SaaS product.

The Company’s corporate head office is located at 77 King Street W, Suite 3000, Toronto, Ontario, Canada, M5K 1G8.

Loc8 is an artificial intelligence technology company that provides business insight to enterprises using geospatial information. The unique insights that location intelligence can provide is one of the many reasons that this type of analytics is considered essential for many businesses, including those selling a particular products or service. Accordingly, businesses have come to rely on accurate location data and mobility information to help it optimize its distribution, plan site selection and extract market insights. The challenge frequently faced, is how to apply this in a meaningful way.

Loc8's unique technology unites business data with business operations to help it understand: (1) customer personas (to distinguish and classify personalized product preferences and SKU relativity); (2) predict inventory consumption and link it to effective supply chains and warehouse planning; (3) expand its market by locating potential customers analogous to its already existing clientele; and (4) to promote targeted pricing and discount strategies on a geospatial basis. Its technology helps businesses better understand important questions including: who a company's customers are, how it can more effectively manage inventory and where to open new locations or expand.

The following chart highlights the four steps involved in Loc8's business solution:



1. Collect business data: **including SKU (Stock Keeping Unit) level, inventory levels and other business key performance indicators (KPIs).**

2. Collect public and private data: Loc8's artificial algorithms **uses** location context data (though various map engines) as well as public, proprietary and dynamic data in order to arrive at its insights. The company's pre-built algorithms customize this data in order to generate a unique geospatial algorithm for its clients that is used to optimize their business.

3. Utilize artificial intelligence and machine learning **engine to: arrive at future data sets (which are used as pre usage data sets); geospatially stitch information together to allow the automatic geocoding and display of such data; and apply its machine learning algorithms to arrive at various features important to a particular business and develop alongside the business.**

4. Provide business insights to help understand:

- WHO:
  - are the customers that a particular business should target?
  - are the most active on social media?
  - should we be focusing our business efforts towards?
- WHEN:
  - is the best time to launch a product or service?
  - is the best time to expand?
  - is the best time to scale back?

    - should a business allocate resources to a specific initiative?
- WHERE:
    - is the most profitable place to expand?
    - should a business open a new location?
    - should a business keep its warehouse/office?
    - should a business target its marketing and spending?
    - should a company increase/decrease its presence?
- HOW:
    - can a business/brand better connect with people?
    - can a business optimize its inventory and/or service management?
    - can a business build better supply chains?
    - can a business use social media and location data to discover unique factors of consumer behavior including regarding a consumer's hobbies and interests, lifestyle preferences, relationships, diet choices, entertainment preferences and his or her culture and beliefs?
    - can a business predict the probability that a service or product will succeed in a particular market?
- WHY:
    - is a business not obtaining the intended results?
    - is a business or segment growing?
    - isn't a business or segment growing?

The result? Smart, data driven decisions for business growth across multiple industries including retail, food and beverage, government as well as agriculture and engineering construction.

One of the most common challenges faced by companies is how to how to apply data (that is largely unstructured) in a meaningful way to their business. Loc8 helps bridge that gap by synthesizing the collected data into a format that can easily understood by companies to provide data-driven answers. The data fusion platform together with the machine learning platform allows business to stitch data which is multi variable and analyze the same.

Loc8 will charge customers an upfront implementation cost, as well as an annual license fee for an enterprise license. The license fee will be determined upon the completion and deployment of its products to customers and is expected to provide Loc8 with reliable, recurring revenue. Currently, the AI platform is 60 % replicable with a need for 40 % customization. However, the User Experience has been standardized and is of high fidelity. We have carried out successful Proof of Concept studies and we have validation of technology along with high fidelity prototypes.

This means that prototypes of the software exist and that the key functions have been demonstrated and tested. The SaaS will be integrated with operational hardware and software systems to support its operational feasibility. Also included at this stage is that most software "bugs" are removed and that tests have been performed to demonstrate that it will be successful for business predictions. As we move forward, we are targeting a replicability of 80 % and a customization of 20 % which will increase our margins and reduce the time needed for technology deployment due to low customization cost while also allowing for scaling up.

Reverse take-over agreement

Effective September 2, 2020, the Company entered into a reverse take-over agreement (the “Acquisition agreement”), with Aylen Capital Inc. (“Aylen”) pursuant to which Aylen will acquire all of the issued and outstanding securities of the Company, as more particularly described below.

Pursuant to the Acquisition Agreement, Aylen will consolidate its issued and outstanding shares on a one (1) new share for four (4) old share basis (the "Consolidation").

Immediately following the Consolidation, Aylen will acquire all of the issued and outstanding securities of the Company from the Company’s securityholders. Each shareholder of the Company will receive one (1) Aylen common share for each common share of the Company held. The Company will also issue 700,000 common shares as a finder’s fees in connection with the completion of the Transaction. Upon completion of the Transaction, the resultant Company will change its name to "DeepSpatial Inc.", or such other name as may be determined. The combined entity (the "Resulting Issuer") will continue the business of the Company.

The Transaction is conditional upon, among other things:

(i) The representations and warranties of each of Aylen and the Company, as set out in the Acquisition Agreement, being true and correct in all material respects at the closing of the Transaction;
(ii) The absence of any material adverse change in the business of each of the parties;
(iii) The parties receiving all requisite regulatory approval, including the approval of the Exchange, and any third-party approvals and authorizations;
(iv) The Company and Aylen obtaining the requisite shareholder approvals for the Transaction; and
(v) The Company completing a private placement financing for minimum aggregate gross proceeds of not less than $1,000,000 at $0.30 per share.

Directors and Management

The Company’s current leadership team includes:

Rahul Kushwah, CEO and Director

Sheldon Kales, Executive Chairman and Director

Nandan Mishra, Director

Rakesh Malhotra, CFO

SELECTED FINANCIAL INFORMATION

The following table contains selected financial information of the Company for the three months ended September 30, 2020.

	September 30, 2020 *$*
Total expenses	(171,426)
Net loss and comprehensive loss	(171,426)
Loss per common share – basic and diluted	(0.002)
Weighted average number of common shares outstanding-	83,575,000

The chart below presents the summary financial information of the Company:

	As at June 30, 2020 *($)*	*As at September 30, 2020* *($)*
Current assets	1,202,900	1,517,704
Non-current assets	1,897,178	1,820,152
Total assets	3,100,078	3,337,856
Current liabilities	40,354	49,358
Shareholders' equity	3,059,724	3,288,498
Cash dividends per common share	-	-

The chart below presents the summary financial information of the Company for the three months ended September 30, 2020

Expenses

Amortization of intangible assets	$	77,026
Consulting fees		19,500
Legal fees		9,358
Management fees		44,500
Marketing expenses		10,500
Professional fees		4,000
Research and development		4,000
Vehicle use expenses		1,000
Travel, entertainment, and related		1,542
Loss and comprehensive loss	$	171,426

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Expenses and Net Loss for the three months ended September 30, 2020

Total operating expenses for the three month period ended September 30, 2020, were $171,426.

Significant items

Management fees consist of fees paid to senior management or to Companies owned by senior management, including (1) $15,000 to the Executive Chairman for services; (2) $19,500 to the CEO for services and (3) $10,000 to the CFO for services.

Amortization of intangible assets for the period was $77,026. This non-cash expense is the amortization relating to the acquisition of intangible asset on September 9, 2019 being amortized straight line over the useful life of seven years.

Research and development costs for $4,000 was to a company in which the CTO and director of the Company is also a director. This expense was for the development and creation of the work product related to geospatial artificial intelligence for enterprises.

No cash dividends have been paid by the Company. The Company has no present intention of paying cash dividends on its common shares as it anticipates that all available funds will be invested to finance existing activities.

CRITICAL ACCOUNTING ESTIMATES

Preparing financial statements in conformity with IFRS requires the Company to select from possible alternative accounting principles. Estimates also affect classification and reported amounts for various assets, liabilities, equity balances, revenues and expenses. Prior estimates are revised as new information is obtained and are subject to change in future periods. Management believes the accounting policies and estimates used in preparing the financial statements are considered appropriate in the circumstances but are subject to numerous judgments and uncertainties inherent in the financial reporting process.

The preparation of these financial statements requires management to make judgements regarding the going concern of the Company, as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates and has been determined for the Company. The functional currency for the Company has been determined to be the Canadian dollar.

Significant estimates made by management affecting the financial statements include:

Deferred tax assets & liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

Useful life of intangible assets

The intangible asset is depreciated over its estimated useful life. Estimated useful lives are determined based on current facts and past experience and takes into consideration the anticipated life of the asset, the potential for technological obsolescence, and regulations.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2020, the Company had cash of $467,574 and working capital of $1,468,346. During the three month period ended September 30, 2020, the Company received $400,200 from financing activities (subscription to common shares), and used $93,326 in operating activities.

The Company has financed its operations from inception to date through the issuance of equity shares.

The Company currently has no source of revenues; as such, administrative and other expenses may exceed available cash resources and additional funding may be required to further its projects and to meet ongoing requirements for general operations. The ability of the Company to continue as a going concern is dependent on raising additional financing, development of its projects and generation of profitable operations in the future.

Subsequent to September 30, 2020, the Company raised an additional $216,150 cash in escrow, being subscription for 745,000 common shares at $0.30 per share less commission fees of $7,350 for the go-public transaction by issuance of shares.

The Company believes it has enough cash to maintain itself for the next 12 months.

The Company's objectives when managing its capital structure are to preserve the Company's access to capital markets and its ability to meet its financial obligations.

Based on available funds, the Company manages its capital structure and makes adjustments to it to maintain flexibility while achieving the objectives stated above as well as support future business opportunities.

To manage the capital structure, the Company may adjust its project plans, operating expenditure plans, or issue new common shares. The Company monitors its capital structure using annual forecasted cash flows, expenditure budgets and targets for the year as well as corporate capitalization schedules. This is achieved by the Board of Directors' review and acceptance of expenditure budgets that are achievable within existing resources and the timely matching and release of the next stage of expenditures with the resources made available from private placements or other funding.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is not subject to externally imposed capital requirements or covenants.

OUTSTANDING SHARE DATA

At September 30, 2020, the Company had 83,575,000 common shares outstanding. As of date of the MD&A, the Company has 83,575,000 common shares outstanding.

Information with respect to outstanding common shares as at September 30, 2020 and the date of the MD&A are as follows:

	Date of MD&A	**September 30, 2020**
Common shares	83,575,000	83,575,000
Stock options	-	-
Warrants	-	-
Fully diluted shares outstanding	**83,575,000**	**83,575,000**

Share issuances during the period ended June 30, 2020:

- On September 4, 2019, the Company issued 11,550,000 common shares, as founders' shares, for $1.
- On September 9, 2019, the Company issued 63,450,000 common shares for assignment of Intellectual Property valued at $2,145,000.
- On January 30, 2020, the Company issued 8,325,000 common shares at $0.10 per share in private placements and raised $832,500.
- On April 21, 2020, the Company issued 250,000 common shares at $0.10 per share in private placements and raised $25,000.

In conjunction with the above private placements, the Company incurred cash share issuance costs of $61,900.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized on the statements of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

The following is the Company's accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

The Company's financial assets and liabilities are recorded and measured as follows:

Asset or Liability	**Category**	**Measurement**
Cash	FVTPL	Fair value
Restricted cash	FVTPL	Fair value
Accounts payable and accrued liabilities	Other liabilities	Amortized cost

The Company determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash has been measured at fair value using Level 1 inputs.

Impairment of financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in a separate line item. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Financial risk management and objectives

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, foreign currency risk, and commodity price risk).

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flows primarily from its financing activities.

The Company manages its liquidity needs by carefully monitoring scheduled costs. Liquidity is measured in various time bands, on day to day and week-to-week basis, as well as on long term liquidity needs over 180 day to 360 day look out periods. Funding for long term liquidity needs is based on the ability of the Company to successfully complete private placements.

As at September 30, 2020, the Company had sufficient cash of $467,574 to settle current liabilities of $49,358.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

(a) 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 is not exposed to significant interest rate risk.

(b) Price risk

The Company is not exposed to significant price risk as it does not possess investments in publicly traded securities.

(c) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The Company is not exposed to significant currency risk as it is not actively dealing in foreign currency.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

TRANSACTIONS WITH RELATED PARTIES

Related parties include key management personnel, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Key management of the Company are members of the Board of Directors, the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO") and the Chief Technology Officer ("CTO").

Transactions with key management personnel include the following for the three months:

		September 30, 2020
Management fees to the Executive Chairman	$	15,000
Management fees to the CEO		19,500
Management fees to the CFO		10,000
Total Management fees		44,500
Research and development fees to a company in which the		4,000

CTO and director of the Company is also a director		
Marketing fees to a company controlled by a child of the Executive Chairman		10,500
Consulting fees to a company controlled by a child of the Executive Chairman		7,500
Vehicle expense to the Executive Chairman and CEO		1,000
	$	67,500

At September 30, 2020, there was $500 each due to the CEO and Executive Chairman and $10,000 due to the CFO, included in accounts payable and accrued liabilities.

BOARD PURPOSE AND FUNCTION

The directors and management of the company have experience operating in Canada and taking projects through to various stages of development.

The Board's purpose is to ensure corporate governance, risk, strategy and shareholder interests are priorities at all times. At the end of the quarter, the board consisted of three members.

MERGER TRANSACTION

Effective September 2, 2020, the Company entered into a reverse take-over agreement (the "Acquisition agreement"), with Aylen Capital Inc. ("Aylen") pursuant to which Aylen will acquire all of the issued and outstanding securities of the Company, as more particularly described below.

Pursuant to the Acquisition Agreement, Aylen will consolidate its issued and outstanding shares on a one (1) new share for four (4) old share basis (the "Consolidation").

Immediately following the Consolidation, Aylen will acquire all of the issued and outstanding securities of the Company from the Company's securityholders. Each shareholder of the Company will receive one (1) Aylen common share for each common share of the Company held. The Company will also issue 700,000 common shares as a finder's fees in connection with the completion of the Transaction. Upon completion of the Transaction, the resultant Company will change its name to "DeepSpatial Inc.", or such other name as may be determined. The combined entity (the "Resulting Issuer") will continue the business of the Company.

The Transaction is conditional upon, among other things:

(i) The representations and warranties of each of Aylen and the Company, as set out in the Acquisition Agreement, being true and correct in all material respects at the closing of the Transaction;

(ii) The absence of any material adverse change in the business of each of the parties;

(iii) The parties receiving all requisite regulatory approval, including the approval of the Exchange, and any third-party approvals and authorizations;

(iv) The Company and Aylen obtaining the requisite shareholder approvals for the Transaction; and

(v) The Company completing a private placement financing for minimum aggregate gross proceeds of not less than $1,000,000 at $0.30 per share.

CONTROL AND PROCEDURES

The Chief Executive Officer and Chief Financial Officer are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this Management Discussion and Analysis.

Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could burden the Company's financial resources, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and workload will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial accounting and reporting.

RISKS AND UNCERTAINTIES

The Company is subject to a number of risks and uncertainties due to the nature of its business and the present stage of development of its business. Current and potential investors should give special consideration to the risk factors involved.

<u>Management</u>

Dependence on Key Personnel, Contractors and Service Providers, shareholders of our Company rely on the good faith, experience and judgment of the Company's management and advisors in supervising and providing for the effective management of the business and the operations of the Company and in selecting and developing new investment and expansion opportunities. The Company may need to recruit additional qualified contractors and service providers to supplement existing management. The Company will be dependent on a relatively small number of key persons, the loss of any one of whom could have an adverse effect on the Company.

<u>Value of Our Common Shares</u>

The value of the Company's common shares could be subject to significant fluctuations in response to variations in and annual operating results, the success of the Company's business strategy, competition or other applicable regulations which may affect the business of the Company and other factors.

Impact of Covid-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specially identified as "COVID-19" has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods.

Additional Funding and Financing Risk

Additional funds will be required for future development. The source of future funds available to the Company is through the sale of additional equity capital or borrowing of funds. There is no assurance that such funding will be available to the Company. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favorable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position. In addition, any future equity financings by the Company may result in substantial dilution for existing shareholders.

Uninsured Hazards

The Company currently carries no insurance coverage. The potential costs that could be associated with any liabilities not covered by insurance or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the Company's financial position.

Conflicts of Interest

Certain Directors and Officers of the Company also serve as Directors and officers of other companies involved in development and production. Consequently, there exists the possibility that such Directors or Officers may be in a position of conflict of interest. Any decision made by such Directors or Officers involving the Company are made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such Directors will declare and refrain from voting on, any matter in which such Directors may have a material conflict of interest.

Permits, Licenses and Approvals

The operations of the Company may require licenses and permits from various governmental authorities. The Company believes it holds or is in the process of obtaining all necessary licenses and permits to carry on the activities which it is currently conducting under applicable laws and regulations. Such licenses and permits are subject to changes in regulations and in various operating circumstances. There can be no guarantee that the Company will be able to obtain all necessary licenses and permits that may be required to maintain its activities.

General Venture Company Risks

The common shares must be considered highly speculative due to the nature of the Company's business, the early stage of its deployment, its current financial position and ongoing requirements for capital. An investment in the common shares should only be considered by those persons who can afford a total loss of investment and is not suited to those investors who may need to dispose of their investment in a timely fashion. Investors should consult with their own professional advisors to assess the legal, financial and other aspects of an investment in common shares.

Uncertainty of Revenue Growth

There can be no assurance that the Company can generate substantial revenue growth, or that any revenue growth that is achieved can be sustained. Revenue growth that the Company has achieved or may achieve may not be indicative of future operating results. In addition, the Company may increase further its operating expenses in order to fund increase its sales and marketing efforts and increase its administrative resources in anticipation of future growth. To the extent that increases in such expenses precede or are not subsequently followed by increased revenues, the Company's business, operating results and financial condition will be materially adversely affected.

Marketing and Distribution Capabilities

In order to commercialize its technology, the Company must either acquire or develop an internal marketing and sales force with technical expertise and with supporting distribution capabilities or arrange for third parties to perform these services. In order to market certain of its products, the Company must either acquire or develop a sales and distribution infrastructure. In order to maximize sales of other products, the Company may determine that it needs to either acquire or develop a sales and distribution infrastructure. The acquisition or development of a sales and distribution infrastructure would require substantial resources, which may divert the attention of its management and key personnel and defer its product development and deployment efforts. To the extent that the Company enters into marketing and sales arrangements with other companies, its revenues will depend on the efforts of others. These efforts may not be successful. If the Company fails to develop substantial sales, marketing and distribution channels, or to enter into arrangements with third parties for those purposes, it will experience delays in product sales and incur increased costs.

Rapid Technological Development

The markets for the Company's products and services are characterized by rapidly changing technology and evolving industry standards, which could result in product obsolescence or short product life cycles. Accordingly, the Company's success is dependent upon its ability to anticipate technological changes in the industries it serves and to successfully identify, obtain, develop and market new products that satisfy evolving industry requirements. There can be no assurance that the Company will successfully develop new products or enhance and improve its existing products or that any new products and enhanced and improved existing products will achieve market acceptance. Further, there can be no assurance that competitors will not market products that have perceived advantages over the Company's products or which render the products currently sold by the Company obsolete or less marketable. Regardless of the Industry as a whole, the less lethal sector moves somewhat slower in the adaptation and integration of new products.

The Company must commit significant resources to developing new products before knowing whether its investments will result in products the market will accept. To remain competitive, the Company may be required to invest significantly greater resources then currently anticipated in research and development and product enhancement efforts and result in increased operating expenses.

Competition

The Company's industry is competitive and composed of many foreign companies. The Company expects to experience competition from competitors whom it expects to continue to improve their products and technologies. Competitors may announce and introduce new products, services or enhancements that better meet the needs of end-users or changing industry standards, or achieve greater market acceptance due to pricing, sales channels or other factors. Competitors may be able to respond more quickly than the Company to changes in end-user requirements and devote greater resources to the enhancement, promotion and sale of their products.

Intellectual Property

The Company's ability to compete effectively will depend, in part, on its ability to maintain the proprietary nature of its technology and manufacturing processes. Although the Company considers certain of its product designs as well as manufacturing processes involving certain of its products to be proprietary, patents or copyrights do not protect all design and manufacturing processes. The Company has adopted procedures to protect its intellectual property and maintain secrecy of its confidential business information and trade secrets. However, there can be no assurance that such procedures will afford complete protection of such intellectual property, confidential business information and trade secrets. There can be no assurance that the Company's competitors will not independently develop technologies that are substantially equivalent or superior to the Company's technology.

To protect the Company's intellectual property, it may become involved in litigation, which could result in substantial expenses, divert the attention of its management, cause significant delays and materially disrupt the conduct of its business.

STRATEGY AND OUTLOOK

Our objective is to maximize the value of the Company for our shareholders and our strategy to obtain this result is to continually seek opportunities to participate in new ventures in any sector.

The Company's short-term list of objectives is as follows:

The Company intends to work closely with Aylen Capital Inc. to complete the proposed RTO transaction

LOC8 CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

For the period September 4, 2019 to June 30, 2020

LOC8 CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

For the period September 4, 2019 to June 30, 2020

(Information as at November 13, 2020 unless otherwise noted)

Introduction

Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Loc8 Corp. (the "Company") financial statements for the period September 4, 2019 to June 30, 2020. This MD&A should be read in conjunction with the financial statements of the Company and the notes thereto for the period ended June 30, 2020. The effective date of this report is November , 2020. The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless expressly stated otherwise, all financial information is presented in Canadian dollars. This MD&A contains certain forward-looking information and involves risks and uncertainties, including but not limited to, those described in the "Risk Factors" section.

Forward-Looking Statements

Certain statements contained in the following MD&A constitute forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements may include statements regarding work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not statement of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties involved in disputes and litigation, fluctuations in commodity prices and currency exchange rates; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and economic return; the need for cooperation of government agencies; the need to obtain additional financing and uncertainty as to the availability and terms of future financing; uncertainty related to the completion of the amalgamation.

It is the Company's policies that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward- looking statements contained herein are as of June 30, 2020 and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Forward-looking information or statements in this MD&A include, but are not limited to, information or statements concerning our expectations regarding the ability to raise additional funds, results of the research and development performed in relation to the products and services of the Company, positive result due to the change in business model, possibility of entering into strategic alliance, distribution agreements and other arrangements to market their products and services and possibility of producing viable products through the use of the new technologies purchased and developed.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and factors including: the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain; dependence on key personnel; dependence on corporate collaborations; potential delays; uncertainties related to early stage of technology and product development; uncertainties as to fluctuation of the stock market; uncertainties as to future expense levels and the possibility of unanticipated costs or expenses or cost overruns; and other risks and uncertainties which may not be described herein. The Company has no policy for updating forward looking information beyond the procedures required under applicable securities laws.

CORPORATE OVERVIEW

The Company was incorporated under the laws of the province of Ontario on September 4, 2019.

On September 9, 2019 the Company issued 63,450,000 common shares to Algo8 AI Private Limited, a company incorporated in India and its associates including their designates, being the fair value consideration for the assignment of Intellectual Property relating to development and creation of the work product related to geospatial artificial intelligence for enterprises. The Company leverages Artificial Intelligence to create robust location intelligence solutions for transforming existing location data into business outcomes. Location data can be anything from addresses and latitude/longitude coordinates, buildings, monuments or alike and when this data is correlated with internal business data, it creates business context to improve decision making backed by data driven analytics.

The Company's corporate head office is located at 77 King Street W, Suite 3000, Toronto, Ontario, Canada, M5K 1G8.

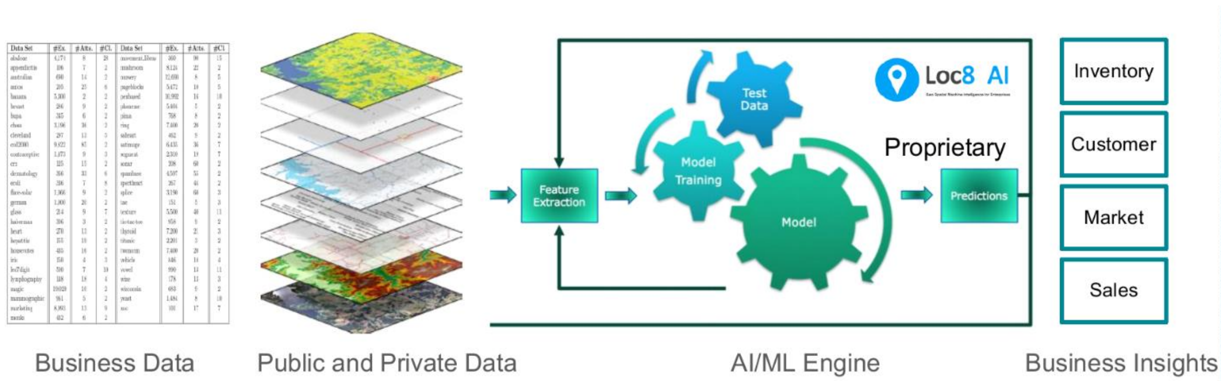
Extensive User Research has gone into the development of Loc8. Loc8 comes from actual validation of client pain points and the value proposition would substantially improvise planning, resource allocation, and decision-making – predicting the surge in demand and supply, identifying the prospects of high and low margin, multiplying supply chain efficiency, and optimizing service delivery. The scope of Loc8 is simply endless.We bring to the customers the power of AI and GIS as a SaaS product.

The Company's corporate head office is located at 77 King Street W, Suite 3000, Toronto, Ontario, Canada, M5K 1G8.

Loc8 is an artificial intelligence technology company that provides business insight to enterprises using geospatial information. The unique insights that location intelligence can provide is one of the many reasons that this type of analytics is considered essential for many businesses, including those selling a particular products or service. Accordingly, businesses have come to rely on accurate location data and mobility information to help it optimize its distribution, plan site selection and extract market insights. The challenge frequently faced, is how to apply this in a meaningful way.

Loc8's unique technology unites business data with business operations to help it understand: (1) customer personas (to distinguish and classify personalized product preferences and SKU relativity); (2) predict inventory consumption and link it to effective supply chains and warehouse planning; (3) expand its market by locating potential customers analogous to its already existing clientele; and (4) to promote targeted pricing and discount strategies on a geospatial basis. Its technology helps businesses better understand important questions including: who a company's customers are, how it can more effectively manage inventory and where to open new locations or expand.

The following chart highlights the four steps involved in Loc8's business solution:



1. Collect business data: **including SKU (Stock Keeping Unit) level, inventory levels and other business key performance indicators (KPIs).**

2. Collect public and private data: Loc8's artificial algorithms **uses** location context data (though various map engines) as well as public, proprietary and dynamic data in order to arrive at its insights. The company's pre-built algorithms customize this data in order to generate a unique geospatial algorithm for its clients that is used to optimize their business.

3. Utilize artificial intelligence and machine learning **engine to: arrive at future data sets (which are used as pre usage data sets); geospatially stitch information together to allow the automatic geocoding and display of such data; and apply its machine learning algorithms to arrive at various features important to a particular business and develop alongside the business.**

4. Provide business insights to help understand:

    - WHO:
        - are the customers that a particular business should target?
        - are the most active on social media?
        - should we be focusing our business efforts towards?
    - WHEN:
        - is the best time to launch a product or service?

- is the best time to expand?
- is the best time to scale back?
- should a business allocate resources to a specific initiative?

- WHERE:
  - is the most profitable place to expand?
  - should a business open a new location?
  - should a business keep its warehouse/office?
  - should a business target its marketing and spending?
  - should a company increase/decrease its presence?
- HOW:
  - can a business/brand better connect with people?
  - can a business optimize its inventory and/or service management?
  - can a business build better supply chains?
  - can a business use social media and location data to discover unique factors of consumer behavior including regarding a consumer's hobbies and interests, lifestyle preferences, relationships, diet choices, entertainment preferences and his or her culture and beliefs?
  - can a business predict the probability that a service or product will succeed in a particular market?
- WHY:
  - is a business not obtaining the intended results?
  - is a business or segment growing?
  - isn't a business or segment growing?

The result? Smart, data driven decisions for business growth across multiple industries including retail, food and beverage, government as well as agriculture and engineering construction.

One of the most common challenges faced by companies is how to how to apply data (that is largely unstructured) in a meaningful way to their business. Loc8 helps bridge that gap by synthesizing the collected data into a format that can easily understood by companies to provide data-driven answers. The data fusion platform together with the machine learning platform allows business to stitch data which is multi variable and analyze the same.

Loc8 will charge customers an upfront implementation cost, as well as an annual license fee for an enterprise license. The license fee will be determined upon the completion and deployment of its products to customers and is expected to provide Loc8 with reliable, recurring revenue. Currently, the AI platform is 60 % replicable with a need for 40 % customization. However, the User Experience has been standardized and is of high fidelity. We have carried out successful Proof of Concept studies and we have validation of technology along with high fidelity prototypes.

This means that prototypes of the software exist and that the key functions have been demonstrated and tested. The SaaS will be integrated with operational hardware and software systems to support its operational feasibility. Also included at this stage is that most software "bugs" are removed and that tests have been performed to demonstrate that it will be successful for business predictions. As we move forward, we are targeting a replicability of 80 % and a customization of 20 % which will increase our margins and reduce the time needed for technology deployment due to low customization cost while also allowing for scaling up.

Reverse take-over agreement

Effective September 2, 2020, the Company entered into a reverse take-over agreement (the “Acquisition agreement”), with Aylen Capital Inc. (“Aylen”) pursuant to which Aylen will acquire all of the issued and outstanding securities of the Company, as more particularly described below.

Pursuant to the Acquisition Agreement, Aylen will consolidate its issued and outstanding shares on a one (1) new share for four (4) old share basis (the "Consolidation").

Immediately following the Consolidation, Aylen will acquire all of the issued and outstanding securities of the Company from the Company’s securityholders. Each shareholder of the Company will receive one (1) Aylen common share for each common share of the Company held. The Company will also issue 700,000 common shares as a finder’s fees in connection with the completion of the Transaction. Upon completion of the Transaction, the resultant Company will change its name to "DeepSpatial Inc.", or such other name as may be determined. The combined entity (the "Resulting Issuer") will continue the business of the Company.

The Transaction is conditional upon, among other things:

(i) The representations and warranties of each of Aylen and the Company, as set out in the Acquisition Agreement, being true and correct in all material respects at the closing of the Transaction;
(ii) The absence of any material adverse change in the business of each of the parties;
(iii) The parties receiving all requisite regulatory approval, including the approval of the Exchange, and any third-party approvals and authorizations;
(iv) The Company and Aylen obtaining the requisite shareholder approvals for the Transaction; and
(v) The Company completing a private placement financing for minimum aggregate gross proceeds of not less than $1,000,000 at $0.30 per share.

Directors and Management

The Company’s current leadership team includes:

Rahul Kushwah, CEO and Director

Sheldon Kales, Executive Chairman and Director

Nandan Mishra, Director

Rakesh Malhotra, CFO

SELECTED FINANCIAL INFORMATION

The following table contains selected financial information of the Company for the period from September 4, 2019 (date of incorporation) to June 30, 2020.

	From September 4, 2019 to June 30, 2020
Revenues	-
Total operating expenses	(522,877)
Net loss and comprehensive loss for the period	(522,877)
Loss per share	
Loss per common share:	
Basic and diluted	(0.007)
Weighted average number of common shares outstanding:	
Basic and diluted	78,947,417

The chart below presents the summary financial information of the Company:

	As at June 30, 2020
Current assets	$1,202,900
Noncurrent assets	$1,897,178
Total assets	3,100,078
Current liabilities	40,354
Total long-term liabilities	-
Shareholders’ equity	3,059,724
Cash dividends per common share	NIL

The chart below presents the summary financial information of the Company for the period September 4, 2019 (date of incorporation) to June 30, 2020:

Expenses

Amortization of intangible assets	**$**	247,822
Audit fees		25,000
Consulting fees		48,022
Legal fees		55,534
Management fees		111,960
Marketing expenses)		10,000
Professional fees		10,749
Research and development		8,000
Travel, entertainment, and related		5,790
Loss and comprehensive loss	**$**	(522,877)

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Expenses and Net Loss for the period from September 4, 2019 to June 30, 2020

Total operating expenses for the period ended June 30, 2020, were $522,877.

Significant items

Management fees consist of fees paid to senior management or to Companies owned by senior management, including (1) $45,200 to the Executive Chairman for services; (2) $58,760 to the CEO for services and (3) $8,000 to the CFO for services.

Amortization of intangible assets for the period was $247,822. This non-cash expense is the amortization relating to the acquisition of intangible asset on September 9, 2019 being amortized straight line over the useful life of seven years.

Research and development costs for $8,000 was to a company in which the CTO and director of the Company is also a director. This expense was for the development and creation of the work product related to geospatial artificial intelligence for enterprises.

No cash dividends have been paid by the Company. The Company has no present intention of paying cash dividends on its common shares as it anticipates that all available funds will be invested to finance existing activities.

CRITICAL ACCOUNTING ESTIMATES

Preparing financial statements in conformity with IFRS requires the Company to select from possible alternative accounting principles. Estimates also affect classification and reported amounts for various assets, liabilities, equity balances, revenues and expenses. Prior estimates are revised as new information is obtained and are subject to change in future periods. Management believes the accounting policies and estimates used in preparing the financial statements are considered appropriate in the circumstances but are subject to numerous judgments and uncertainties inherent in the financial reporting process.

The preparation of these financial statements requires management to make judgements regarding the going concern of the Company, as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates and has been determined for the Company. The functional currency for the Company has been determined to be the Canadian dollar.

Significant estimates made by management affecting the financial statements include:

Deferred tax assets & liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

Useful life of intangible assets

The intangible asset is depreciated over its estimated useful life. Estimated useful lives are determined based on current facts and past experience and takes into consideration the anticipated life of the asset, the potential for technological obsolescence, and regulations.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2020, the Company had cash of $560,000 and working capital of $1,162,546. During the period from September 4, 2019 to June 30, 2020 the Company received $1,437,601 from financing activities (common shares), and used $234,701 in operating activities and $642,000 in investing activities.

The Company has financed its operations from inception to date through the issuance of equity shares.

The Company currently has no source of revenues; as such, administrative and other expenses may exceed available cash resources and additional funding may be required to further its projects and to meet ongoing requirements for general operations. The ability of the Company to continue as a going concern is dependent on raising additional financing, development of its projects and generation of profitable operations in the future.

Subsequent to June 30, 2020, the Company raised an additional $643,350 cash in escrow, being subscription for 2,169,000 common shares at $0.30 per share less commission fees of $7,350 for the go-public transaction by issuance of shares.

The Company believes it has enough cash to maintain itself for the next 12 months.

The Company's objectives when managing its capital structure are to preserve the Company's access to capital markets and its ability to meet its financial obligations.

Based on available funds, the Company manages its capital structure and makes adjustments to it to maintain flexibility while achieving the objectives stated above as well as support future business opportunities.

To manage the capital structure, the Company may adjust its project plans, operating expenditure plans, or issue new common shares. The Company monitors its capital structure using annual forecasted cash flows, expenditure budgets and targets for the year as well as corporate capitalization schedules. This is achieved by the Board of Directors' review and acceptance of expenditure budgets that are achievable within existing resources and the timely matching and release of the next stage of expenditures with the resources made available from private placements or other funding.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is not subject to externally imposed capital requirements or covenants.

OUTSTANDING SHARE DATA

At June 30, 2020, the Company had 83,575,000 common shares outstanding. As of date of the MD&A, the Company has 83,575,000 common shares outstanding.

Information with respect to outstanding common shares as at June 30, 2020 and the date of the MD&A are as follows:

	Date of MD&A	**June 30, 2020**
Common shares	83,575,000	83,575,000
Stock options	-	-
Warrants	-	-
Fully diluted shares outstanding	**83,575,000**	**83,575,000**

Share issuances during the period ended June 30, 2020:

- On September 4, 2019, the Company issued 11,550,000 common shares, as founders' shares, for $1.
- On September 9, 2019, the Company issued 63,450,000 common shares for assignment of Intellectual Property valued at $2,145,000.
- On January 30, 2020, the Company issued 8,325,000 common shares at $0.10 per share in private placements and raised $832,500.
- On April 21, 2020, the Company issued 250,000 common shares at $0.10 per share in private placements and raised $25,000.

In conjunction with the above private placements, the Company incurred cash share issuance costs of $61,900.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized on the statements of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

The following is the Company's accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising

from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

<u>Impairment of financial assets at amortized cost</u>

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

<u>Derecognition</u>

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

The Company's financial assets and liabilities are recorded and measured as follows:

Asset or Liability	**Category**	**Measurement**
Cash	FVTPL	Fair value
Restricted cash	FVTPL	Fair value
Accounts payable and accrued liabilities	Other liabilities	Amortized cost

The Company determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash has been measured at fair value using Level 1 inputs.

Impairment of financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in a separate line item. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Financial risk management and objectives

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, foreign currency risk, and commodity price risk).

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flows primarily from its financing activities.

The Company manages its liquidity needs by carefully monitoring scheduled costs. Liquidity is measured in various time bands, on day to day and week-to-week basis, as well as on long term liquidity needs over 180 day to 360 day look out periods. Funding for long term liquidity needs is based on the ability of the Company to successfully complete private placements.

As at June 30, 2020, the Company had sufficient cash of $560,900 to settle current liabilities of $40,354.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

(a) 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 is not exposed to significant interest rate risk.

(b) Price risk

The Company is not exposed to significant price risk as it does not possess investments in publicly traded securities.

(c) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The Company is not exposed to significant currency risk as it is not actively dealing in foreign currency.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

TRANSACTIONS WITH RELATED PARTIES

Related parties include key management personnel, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Key management of the Company are members of the Board of Directors, the Chief Executive Officer (“CEO”), the Chief Financial Officer (“CFO”) and the Chief Technology Officer (“CTO”).

Transactions with key management personnel not disclosed elsewhere in the financial statements include the following:

		June 30, 2020
Management fees to the Executive Chairman	$	45,200
Management fees to the CEO		58,760
Management fees to the CFO		8,000

Research and development fees to a company in which the CTO and director of the Company is also a director		8,000
Marketing fees to a company controlled by a child of the Executive Chairman		10,000
Consulting fees to a company controlled by a child of the Executive Chairman		2,500
	$	132,460

At June 30, 2020, there was $333 due to the CEO, $8,000 due to the CFO, and $2,500 due to a child of the Executive Chairman included in accounts payable and accrued liabilities

BOARD PURPOSE AND FUNCTION

The directors and management of the company have experience operating in Canada and taking projects through to various stages of development.

The Board's purpose is to ensure corporate governance, risk, strategy and shareholder interests are priorities at all times. At the end of the financial year under review, the board consisted of three members.

MERGER TRANSACTION

Effective September 2, 2020, the Company entered into a reverse take-over agreement (the "Acquisition agreement"), with Aylen Capital Inc. ("Aylen") pursuant to which Aylen will acquire all of the issued and outstanding securities of the Company, as more particularly described below.

Pursuant to the Acquisition Agreement, Aylen will consolidate its issued and outstanding shares on a one (1) new share for four (4) old share basis (the "Consolidation").

Immediately following the Consolidation, Aylen will acquire all of the issued and outstanding securities of the Company from the Company's securityholders. Each shareholder of the Company will receive one (1) Aylen common share for each common share of the Company held. The Company will also issue 700,000 common shares as a finder's fees in connection with the completion of the Transaction. Upon completion of the Transaction, the resultant Company will change its name to "DeepSpatial Inc.", or such other name as may be determined. The combined entity (the "Resulting Issuer") will continue the business of the Company.

The Transaction is conditional upon, among other things:

(i) The representations and warranties of each of Aylen and the Company, as set out in the Acquisition Agreement, being true and correct in all material respects at the closing of the Transaction;

(ii) The absence of any material adverse change in the business of each of the parties;

(iii) The parties receiving all requisite regulatory approval, including the approval of the Exchange, and any third-party approvals and authorizations;

(iv) The Company and Aylen obtaining the requisite shareholder approvals for the Transaction; and

(v) The Company completing a private placement financing for minimum aggregate gross proceeds of not less than $1,000,000 at $0.30 per share.

CONTROL AND PROCEDURES

The Chief Executive Officer and Chief Financial Officer are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this Management Discussion and Analysis.

Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could burden the Company's financial resources, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and workload will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial accounting and reporting.

RISKS AND UNCERTAINTIES

The Company is subject to a number of risks and uncertainties due to the nature of its business and the present stage of development of its business. Current and potential investors should give special consideration to the risk factors involved.

Management

Dependence on Key Personnel, Contractors and Service Providers, shareholders of our Company rely on the good faith, experience and judgment of the Company's management and advisors in supervising and providing for the effective management of the business and the operations of the Company and in selecting and developing new investment and expansion opportunities. The Company may need to recruit additional qualified contractors and service providers to supplement existing management. The Company will be dependent on a relatively small number of key persons, the loss of any one of whom could have an adverse effect on the Company.

Value of Our Common Shares

The value of the Company's common shares could be subject to significant fluctuations in response to variations in and annual operating results, the success of the Company's business strategy, competition or other applicable regulations which may affect the business of the Company and other factors.

Impact of Covid-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specially identified as "COVID-19" has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods.

Additional Funding and Financing Risk

Additional funds will be required for future development. The source of future funds available to the Company is through the sale of additional equity capital or borrowing of funds. There is no assurance that such funding will be available to the Company. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favorable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position. In addition, any future equity financings by the Company may result in substantial dilution for existing shareholders.

Uninsured Hazards

The Company currently carries no insurance coverage. The potential costs that could be associated with any liabilities not covered by insurance or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the Company’s financial position.

Conflicts of Interest

Certain Directors and Officers of the Company also serve as Directors and officers of other companies involved in development and production. Consequently, there exists the possibility that such Directors or Officers may be in a position of conflict of interest. Any decision made by such Directors or Officers involving the Company are made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such Directors will declare and refrain from voting on, any matter in which such Directors may have a material conflict of interest.

Permits, Licenses and Approvals

The operations of the Company may require licenses and permits from various governmental authorities. The Company believes it holds or is in the process of obtaining all necessary licenses and permits to carry on the activities which it is currently conducting under applicable laws and regulations. Such licenses and permits are subject to changes in regulations and in various operating circumstances. There can be no guarantee that the Company will be able to obtain all necessary licenses and permits that may be required to maintain its activities.

General Venture Company Risks

The common shares must be considered highly speculative due to the nature of the Company’s business, the early stage of its deployment, its current financial position and ongoing requirements for capital. An investment in the common shares should only be considered by those persons who can afford a total loss of investment and is not suited to those investors who may need to dispose of their investment in a timely fashion. Investors should consult with their own professional advisors to assess the legal, financial and other aspects of an investment in common shares.

Uncertainty of Revenue Growth

There can be no assurance that the Company can generate substantial revenue growth, or that any revenue growth that is achieved can be sustained. Revenue growth that the Company has achieved or may achieve may not be indicative of future operating results. In addition, the Company may increase further its operating expenses in order to fund increase its sales and marketing efforts and increase its administrative resources in anticipation of future growth. To the extent that increases in such expenses precede or are not subsequently followed by increased revenues, the Company's business, operating results and financial condition will be materially adversely affected.

Marketing and Distribution Capabilities

In order to commercialize its technology, the Company must either acquire or develop an internal marketing and sales force with technical expertise and with supporting distribution capabilities or arrange for third parties to perform these services. In order to market certain of its products, the Company must either acquire or develop a sales and distribution infrastructure. In order to maximize sales of other products, the Company may determine that it needs to either acquire or develop a sales and distribution infrastructure. The acquisition or development of a sales and distribution infrastructure would require substantial resources, which may divert the attention of its management and key personnel and defer its product development and deployment efforts. To the extent that the Company enters into marketing and sales arrangements with other companies, its revenues will depend on the efforts of others. These efforts may not be successful. If the Company fails to develop substantial sales, marketing and distribution channels, or to enter into arrangements with third parties for those purposes, it will experience delays in product sales and incur increased costs.

Rapid Technological Development

The markets for the Company's products and services are characterized by rapidly changing technology and evolving industry standards, which could result in product obsolescence or short product life cycles. Accordingly, the Company's success is dependent upon its ability to anticipate technological changes in the industries it serves and to successfully identify, obtain, develop and market new products that satisfy evolving industry requirements. There can be no assurance that the Company will successfully develop new products or enhance and improve its existing products or that any new products and enhanced and improved existing products will achieve market acceptance. Further, there can be no assurance that competitors will not market products that have perceived advantages over the Company's products or which render the products currently sold by the Company obsolete or less marketable. Regardless of the Industry as a whole, the less lethal sector moves somewhat slower in the adaptation and integration of new products.

The Company must commit significant resources to developing new products before knowing whether its investments will result in products the market will accept. To remain competitive, the Company may be required to invest significantly greater resources then currently anticipated in research and development and product enhancement efforts and result in increased operating expenses.

Competition

The Company’s industry is competitive and composed of many foreign companies. The Company expects to experience competition from competitors whom it expects to continue to improve their products and technologies. Competitors may announce and introduce new products, services or enhancements that better meet the needs of end-users or changing industry standards, or achieve greater market acceptance due to pricing, sales channels or other factors. Competitors may be able to respond more quickly than the Company to changes in end-user requirements and devote greater resources to the enhancement, promotion and sale of their products.

Intellectual Property

The Company’s ability to compete effectively will depend, in part, on its ability to maintain the proprietary nature of its technology and manufacturing processes. Although the Company considers certain of its product designs as well as manufacturing processes involving certain of its products to be proprietary, patents or copyrights do not protect all design and manufacturing processes. The Company has adopted procedures to protect its intellectual property and maintain secrecy of its confidential business information and trade secrets. However, there can be no assurance that such procedures will afford complete protection of such intellectual property, confidential business information and trade secrets. There can be no assurance that the Company’s competitors will not independently develop technologies that are substantially equivalent or superior to the Company’s technology.

To protect the Company’s intellectual property, it may become involved in litigation, which could result in substantial expenses, divert the attention of its management, cause significant delays and materially disrupt the conduct of its business.

STRATEGY AND OUTLOOK

Our objective is to maximize the value of the Company for our shareholders and our strategy to obtain this result is to continually seek opportunities to participate in new ventures in any sector.

The Company's short-term list of objectives is as follows:

The Company intends to work closely with Aylen Capital Inc. to complete the proposed RTO transaction

SCHEDULE "E"
CARVE OUT FINANCIAL STATEMENTS OF THE ARTIFICIAL INTELLIGENCE BUSINESS

LOC8 INDIA
A BUSINESS SEGMENT OF ALOG8 AI PRIVATE LIMITED

Financial Statements
March 31, 2019 and 2018

(Expressed in Canadian Dollars)

Loc8 India (a business segment of Algo8 AI Private Limited)

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INDEPENDENT AUDITORS' REPORT

To the directors of Loc8 Corp.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Loc8 India (a business segment of Algo8 AI Private Limited), which is part of the transaction with Loc8 Corp. (the "Segment"), which comprise the statement of financial position as at March 31, 2019 and 2018, and the statement of income and comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the years ended March 31, 2019 and 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Segment as at March 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Segment in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and the Auditor's Report thereon

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, included in Management's Discussion and Analysis report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Segment's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Segment or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Segment's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Segment’s internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Segment’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Segment to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is Mickey Goldstein.

Vancouver, British Columbia	Harbourside CPA LLP
November 13, 2020	Chartered Professional Accountants

Loc8 India (a business segment of Algo8 AI Private Limited)
Statement of Financial Position
As at
(in Canadian dollars)

		March 31, 2019		March 31, 2018
ASSETS				
CURRENT				
Due from parent	**$**	**-**	$	21,782
TOTAL ASSETS	**$**	**-**	$	21,782
LIABILITIES AND SHAREHOLDERS' EQUITY				
LIABILITIES				
CURRENT				
Due to parent	**$**	**34,071**	$	-
TOTAL LIABILITIES		**34,071**		-
SHAREHOLDERS' EQUITY				
Retained earnings (loss)		**(31,869)**		21,923
Accumulated other comprehensive income		**(2,202)**		(141)
TOTAL SHAREHOLDERS' EQUITY		**(34,071)**		21,782
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**-**	$	21,782

Organization and nature of operations (Note 1)
Basis of presentation and going concern (Note 2)
Subsequent events (Note 8)

Approved on behalf of the Board of Directors:

Signed: Rahul Kushwah, CEO and Director

Signed: Sheldon Kales, Director

The accompanying notes are an integral part of these financial statements

Loc8 India (a business segment of Algo8 AI Private Limited)
Statement of Income and Comprehensive Income
For the years ended
(in Canadian dollars)

		March 31, 2019		March 31, 2018
Sales	**$**	**22,348**	$	94,544
Cost of sales		**-**		(30,886)
Gross profit		**22,348**		63,658
Expenses				
Audit and accounting		**267**		234
General and administrative		**7,938**		1,754
Management fees		**13,473**		9,703
Research and development		**54,462**		11,349
Total operating expenses		**76,140**		23,040
Income (loss) before income taxes		**(53,792)**		40,618
Income taxes		**-**		11,782
Net income (loss)		**(53,792)**		28,836
Foreign exchange translation adjustment for the year		**(2,061)**		114
Comprehensive income (loss)	**$**	**(55,853)**	$	28,950

The accompanying notes are an integral part of these financial statements

Loc8 India (a business segment of Algo8 AI Private Limited)
Statement of Changes in Shareholders' Equity (Deficiency)
For the years ended March 31, 2019 and 2018
(in Canadian dollars)

		Accumulated other comprehensive income (loss)		Income (deficit)		Total
Balance as at March 31, 2017	$	(255)	$	(6,913)	$	(7,168)
Foreign exchange translation		114		-		114
Net income (loss) for the year		-		28,836		28,836
Balance as at March 31, 2018		(141)		21,923		21,782
Foreign exchange translation		(2,061)		-		(2,061)
Net income (loss) for the year		-		(53,792)		(53,792)
Balance as at March 31, 2019	$	(2,202)	$	(31,869)	$	(34,071)

The accompanying notes are an integral part of these financial statements

Loc8 India (a business segment of Algo8 AI Private Limited)
Statement of Cash Flows
For the years ended
(in Canadian dollars)

		March 31, 2019		March 31, 2018
OPERATING ACTIVITIES				
Net income (loss) for the year	**$**	**(53,792)**	$	28,836
Non-cash items included in net loss and other adjustments:				
Foreign exchange		**(2,061)**		114
Changes in non-cash working capital:				
Due to/from parent		**55,853**		(28,950)
CASH USED IN OPERATING ACTIVITIES		**-**		-
NET CHANGE IN CASH DURING THE PERIOD		**-**		-
CASH, BEGINNING OF PERIOD		**-**		-
CASH, END OF PERIOD	**$**	**-**	$	-
Cash paid for interest and income taxes	**$**	**-**	$	-

The accompanying notes are an integral part of these financial statements

1. Organization and Nature of Operations

Loc8 India (a business segment of Algo8 AI Private Limited) (the "Segment"), leverages Artificial Intelligence to create robust location intelligence solutions for transforming existing location data into business outcomes. Location data can be anything from addresses and latitude/longitude coordinates, buildings, monuments or alike and when this data is correlated with internal business data, it creates business context to improve decision making backed by data driven analytics.

Algo8 AI Private Limited was incorporated in India under the Indian Companies Act on September 29, 2015 under the name Stockbay Services Private Limited.

On September 9, 2019, Loc8 Corp, a Canadian company issued 63,450,000 common shares to Algo8, and its associates including their designates, being the fair value consideration for the assignment of Intellectual Property relating to development and creation of the work product related to geospatial artificial intelligence for enterprises. On completion of this transaction, the Segment ceased to exist.

Algo8's corporate head office is located at 6, C2D Janakpuri, New Delhi 110058, India.

The Board of Directors of Loc8 Corp authorized these financial statements for issuance on November 13, 2020.

2. Basis of Presentation and Going Concern

Basis of Preparation

These financial statements have been prepared on the historical cost basis except for financial instruments recorded at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional currency of the Segment is the Indian Rupee, while the reporting currency is the Canadian Dollar.

Statement of Compliance

The financial statements for the Segment have been prepared in accordance with International Accounting Standards ("IAS") 1, "Presentation of Financial Statements" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

2. Basis of Presentation and Going Concern (Cont'd)

Going Concern Assumption

The going concern assumption under IFRS presumes the realization of assets and discharge of liabilities in the normal course of business for the next fiscal year. As of September 9, 2019, the Segment ceased operations. Consequently, these financial statements have not been prepared on a going concern basis.

Significant Accounting Judgments and Estimates

The preparation of these financial statements in compliance with IFRS requires management to make certain critical accounting estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the years reported.

Critical Judgements

The preparation of these financial statements requires management to make judgements regarding the going concern of the Segment (discussed above), as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency for the Segment has been determined to be the Indian Rupee.

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

2. Basis of Presentation and Going Concern (Cont'd)

Significant Accounting Judgments and Estimates (Cont'd)

Significant estimates made by management affecting the financial statements include:

Deferred tax assets & liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Segment's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income. To the extent that management's assessment of the Segment's ability to utilize future tax deductions changes, the Segment would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Foreign currency translation

Foreign currency transactions are translated into Canadian dollars as follows:

The Segment maintains its books and records in Indian Rupees, which is its functional currency. The Segment's financial statements are converted to Canadian dollars for reporting purposes. The translation method used is the current rate method. Under the current rate method, all assets and liabilities are translated at the closing rate at the date of the balance sheet, shareholders' equity accounts are translated at historical rates, and revenues and expenses are translated at the average rate for the year. The resulting translation adjustment has been included in accumulated other comprehensive income (loss). Gains or losses resulting from transactions in currencies other than the functional currency are reflected in the statement of operations and comprehensive income (loss) for the reporting periods.

3. Significant Accounting Policies (Cont'd)

Income taxes

Income tax on profit or loss for the period comprises of current and deferred tax. Current tax is the expected tax paid or payable on the taxable income for the period, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax paid or payable in respect of previous periods.

Deferred tax is recorded by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. The effect on deferred tax assets and liabilities of a change in income tax rates is recognized in the period that includes the date of the enactment or substantive enactment of the change. Deferred tax assets and liabilities are presented separately except where there is a right of set-off within fiscal jurisdictions.

Research and development expenditures

The application of the Segment's accounting policy for research and development expenditures requires judgment in determining whether an activity is determined to be research or development, and if deemed to be development, whether it is probable that future economic benefits will flow to the Segment, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If new information becomes available indicating that it is unlikely that future economic benefits will flow to the Segment, the amount capitalized is written off to profit or loss in the period the new information becomes available.

Revenue

Under IFRS 15, the Segment classified its revenue as being principally derived from the following sources:

Revenue is derived primarily from data science advisory and development service billings to customers.

The Segment has evaluated its revenue streams and major contracts with customers using the IFRS 15 five step model and concluded that there are no material changes to the timing of revenue recognized compared to the prior year.

3. Significant Accounting Policies (Cont'd)

Financial Instruments

Financial assets and financial liabilities are recognized on the statements of financial position when the Segment becomes a party to the contractual provisions of the financial instrument.

The following is the Segment's accounting policy for financial instruments under IFRS 9:

Classification

The Segment classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Segment determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Segment's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Segment can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Segment has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of income (loss) and comprehensive income (loss). Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of income (loss) and comprehensive income (loss) in the period in which they arise.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

3. Significant Accounting Policies (Cont'd)

Financial Instruments (Cont'd)

Impairment of financial assets at amortized cost

The Segment recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Segment measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Segment measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Segment shall recognize in the statements of income (loss) and comprehensive income (loss), as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Segment derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Segment derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Segment also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

The Segment's financial assets and liabilities are recorded and measured as follows:

Asset or Liability	Category	Measurement
Due from parent	Loans and receivables	Amortized cost
Due to parent	Other liabilities	Amortized cost

3. Significant Accounting Policies (Cont'd)

Financial Instruments (Cont'd)

The Segment determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash has been measured at fair value using Level 1 inputs.

Impairment of financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in a separate line item. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

3. Significant Accounting Policies (Cont'd)

Financial Instruments (Cont'd)

New Accounting standards applied

IFRS 16 *Leases*

This new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. The new standard introduces a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease.

The main features of the new standard are as follows:

- An entity identifies as a lease a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
- A lessee recognizes an asset representing the right to use the leased asset, and a liability for its obligation to make lease payments. Exceptions are permitted for short-term leases and leases of low-value assets.
- A lease asset is initially measured at cost, and is then depreciated similarly to property, plant and equipment. A lease liability is initially measured at the present value of the unpaid lease payments.
- A lessee presents interest expense on a lease liability separately from depreciation of a lease asset in the statement of profit or loss and other comprehensive income.
- A lessor continues to classify its leases as operating leases or finance leases, and to account for them accordingly.
- A lessor provides enhanced disclosures about its risk exposure, particularly exposure to residual-value risk.

The impact of this new standard did not result in any additional assets or liabilities to be recorded as the Segment does not have any leases.

(in Canadian dollars)

4. Related Party Transactions

Related parties include key management personnel, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Key management of the Segment are its directors and executive officers. The Segment did not pay post-employment benefits or long-term benefits to key management.

Transactions with key management personnel not disclosed elsewhere in the financial statements include the following:

		March 31, 2019		March 31, 2018
Management fees to director Nandan Mishra	$	7,555	$	3,444
Management fees to director Himanshu Ujjwal		5,918		6,258
	$	13,473	$	9,702

5. Financial Instruments

The fair value of the Segment’s assets and liabilities approximates carrying value, due to their short-term nature.

Financial risk management and objectives

The Segment’s activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, foreign currency risk, and commodity price risk).

The Segment thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Segment is not exposed to significant credit risk as the Segment periodically invoices for ongoing projects to ensure that payment is received as services are provided.

Liquidity risk

Liquidity risk is the risk that the Segment will not have sufficient cash resources to meet its financial obligations as they come due. The Segment’s liquidity and operating results may be adversely affected if its access to capital hindered as a result of matters specific to the Segment. The Segment generates cash flows primarily from its parent, Algo8.

As at March 31, 2019, the only liability was the amount due to parent for $34,071.

5. Financial Instruments (Cont'd)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

(a) 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 Segment is not exposed to significant interest rate risk.

(b) Price risk

The Segment is not exposed to significant price risk as it does not possess investments in publicly traded securities.

(c) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The Segment is not exposed to significant currency risk as it is not actively dealing in foreign currency.

6. Capital Management

The Segment considers its capital to be shareholders' equity, which is comprised of retained earnings (deficit) and accumulated other comprehensive income (loss), which as at March 31, 2019 totalled a deficiency of $34,071. The Segment's capital structure is adjusted based on the funds available to the Segment such that it may continue to seek new opportunities. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business.

The sources of future funds presently available to the Segment are through funding from its parent. The ability of the Segment to arrange such financing in the future will depend in part upon the business performance of the Segment. There can be no assurance that the Segment will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Segment.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Segment, is reasonable. The Segment is not subject to externally imposed capital restrictions.

(in Canadian dollars)

7. Income Taxes

The following is a reconciliation of income taxes attributable to operations computed at the statutory tax rates to income tax recovery.

		March 31, 2019		March 31, 2018
Loss for the period	$	(53,792)	$	40,618
Tax rate		30.0%		35.0%
Expected income tax recoverable at statutory rate		(16,138)		14,216
Non-deductible items		-		(15)
Change in unrecognized deductible temporary differences		16,138		(2,419)
Total income tax expense	$	-	$	11,782

Deferred tax assets

The tax effects of temporary differences that give rise to deferred income tax assets are as follows:

		March 31, 2019		March 31, 2018
Non-capital losses available for future period	$	16,138	$	-
Total deferred tax assets		16,138		-
Less: Unrecognized deferred tax assets		(16,138)		-
Net deferred tax assets	$	-	$	-

The significant components of the Segment's unrecognized deferred tax assets are as follows:

		March 31, 2019	Expiry Date
Non-capital losses	$	53,792	2039

Tax attributes are subject to review and potential adjustment by tax authorities.

8. Subsequent Events

On September 9, 2019, Algo8 assigned its intellectual property relating to the development and creation of the work product related to geospatial artificial intelligence for enterprises to Loc8 Corp., a Canadian company in exchange for 63,450,000 common shares of Loc8 Corp. issued to Algo8 and its associates including their designates. As a result, the Loc8 India business segment ceased to exist.

SCHEDULE "F"
PRO FORMA FINANCIAL STATEMENTS

DEEPSPATIAL INC. (formerly Aylen Capital Inc.)
Unaudited Pro Forma Condensed Statement of Financial Position
September 30, 2020
(In CAD Dollars)

	Historical				Pro Forma					
		LOC8 CORP. (as at September 30, 2020)		**Aylen Capital Inc. (as at September 30, 2020)**		**Adjustments**	**Notes**		**Combined**
Assets									
Current assets:									
Cash and cash equivalents	$	467,574	$	400,000	$	223,500	a		
						(7,350)	a		
						23,857	b		
						115,969	b		
						(539,826)	b		
						1,042,200	a	$	1,725,924
Restricted cash		1,042,200				(1,042,200)	a		-
Assets held for sale				155,969		(40,000)	b		
						(115,969)	b		-
Other receivable						40,000	b		40,000
HST receivable		7,930		-		-	b		7,930
Total current assets		1,517,704		555,969		(299,819)			1,773,854
Non-Current assets									
Intangible assets		1,820,152		-		-			1,820,152
Total assets		3,337,856		555,969		(299,819)			3,783,428
Liabilities									
Current liabilities									
Accounts payable and accrued liabilities	$	40,354	$	70,940	$	(70,940)	b	$	40,354
Other payable						(146,300)	b		
						146,300	b		-
Contract liabilities				203,298		(203,298)	b		-
Total current liabilities		40,354		274,238		(274,238)			40,354
Non-current liabilities									
CEBA loan payable				40,000					40,000
Total liabilities		40,354		314,238		(274,238)			80,354

Stockholders' Equity					
Share Capital			1,285,350	a	
			23,857	b	
			1,398,172	c	
			210,000	c	
93,154,574 shares issued and outstanding	2,940,601	1,350,570	(1,374,427)		5,834,123
Share subscriptions	642,000		650,700	a	
			(7,350)	a	
			(1,285,350)	a	-
Contributed surplus		320,765	(320,765)		-
			320,765		
			1,374,427		
			146,300	b	
			40,000	b	
			(509,582)	b	
Accumulated deficit	(522,877)	(1,371,910)	(1,608,172)	c	(2,131,049)
Total shareholders' equity	3,059,724	299,425	343,925		3,703,074
Total liabilities and stockholders' equity	$ 3,100,078	$ 613,663	$ 69,687		$ 3,783,428

Notes to Unaudited Condensed Combined Pro Forma Financial Statements

These unaudited condensed combined proforma financial statements have been prepared in order to present combined financial position of the Registrant and Loc8 Corp. as if the acquisition had occurred as of September 30, 2020

The unaudited proforma condensed statement of financial position has been prepared using the unaudited condensed interim statements of financial position of the Registrant and Loc8 Corp. as of September 30, 2020.

The following proforma adjustments are incorporated into the condensed combined proforma statement of financial position as of September 30, 2020

a) Subsequent to September 30, 2020, Loc 8 Corp. received an additional $223,500 in cash and paid $7,350 as commission, being subscription for 745,000 common shares at $0.30 per share for the go-public transaction. As of September 30, 2020, the Company had received cash in escrow (restricted cash) for $1,042,200 being subscription for 3,474,000 common shares at $0.30 per share. On close of acquisition transaction, 4,219,000 common shares are issued and $1,258,350 is transferred from share subscription account to share capital account.

b) Pursuant to the Acquisition Agreement, and as a consideration of the Amalgamation, Aylen agreed to transfer its assets and liabilities to its subsidiary Grapevine Analytics Inc. (**the "**Grapevine Sale**")** and selling the shares of Grapevine Analytics Inc. to 177 RDH Inc**.** in the manner contemplated by the Grapevine Purchase and Sale Agreement for 1$ and the assumption of all liabilities related to the Grapevine Analytics business not sheltered by the Corporation's tax-loss carryforwards. In addition, the parties agreed that the late John D Pennal's employment agreement with the Corporation would be cancelled. Aylen raised $23,857 on exercise of 1,785,663 options, increasing its number of common shares to 18,642,295. Pursuant to the acquisition agreement, Aylen consolidated its outstanding and issued shares on a one (1) new share for four (4) old shares basis resulting in 4,660,574 shares issued and outstanding post consolidation. In connection with the Grapevine Sale, Aylen agreed to pay a dividend to all holders of the Common Shares prior to the completion of the Amalgamation, with such dividend to be equal to the Corporation's unencumbered cash on the ex-dividend date.

c) Parties to the Transaction: Aylen Capital Inc. (the "Corporation"), a public company existing under the laws of Canada Business Corporation Act, Loc 8 Corp. ("Company"), and 2774951 Ontario Limited. ("Aylen Sub"), a private company incorporated under the laws of Ontario.

   Description of the Transaction: The Corporation completed the acquisition of all of the issued and outstanding shares of the Company by way of a three-cornered amalgamation, pursuant to which the Aylen Sub amalgamated with the Company (the "Transaction"). Pursuant to the Transaction, each registered shareholder of the Company (a "Company Shareholder") received one (1) common share in the capital of the Corporation for each Company common share held (each a "Company Share"), resulting in the issuance of an aggregate of 87,794,000 common shares of the Corporation to Company Shareholders and an additional 700,000 finder's shares resulting in a total issuance of 93,244,574 common shares. On completion of the transaction, the Corporation changed its name from "Aylen capital Inc." to "DeepSpatial Inc."

   Under IFRS, this was considered to be a Reverse Merger and Recapitalization (commonly referred to as a Reverse Take Over or "RTO").

The Company issued 4,660,574 shares to the shareholders of former Corporation valued at $0.30 per share (refer to note 1), with a total value of $1,398,172 and 700,000 common shares (finder shares) valued at $210,000 for the acquisition.

The fair value of the acquired assets and liabilities assumed is as follows:

Assets acquired by the Company:		
Other receivable	$	40,000
Liabilities assumed by the Company:		
CEBA loan payable		(40,000)
Net assets assumed		-
4,660,574 common shares at a fair value of $0.30 per share		(1,398,172)
700,000 common shares being finders' shares at a fair value of $0.30 per share		(210,000)
Listing expense (Loss on acquisition of subsidiary)	$	(1,608,172)