DEEPSPATIAL INC.

(formerly, Aylen Capital Inc.)

REVISED MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021

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Notice to Reader

The accompanying Management's Discussion and Analysis ("MD&A") for the three months ended September 30, 2021, has been refiled on February 28, 2022. The Company is revising its previously filed management's discussion and analysis (the "Original MD&A) as a result of a continuous disclosure review by the Ontario Securities Commission which outlined certain deficiencies in the Company's disclosure in the Original MD&A. Readers are advised that this MD&A does not address all of the changes to the Company and its business since the filing of the Original MD&A.

This revised MD&A is dated February 28, 2022. The following information within the MD&A has been updated, modified and/or revised with a more detailed disclosure in particular to:

a) Discussion of Operations within the Corporate Overview Section and Covid-19 risks
b) Analysis of the Companies financial condition, financial performance and cash flows
c) Use of proceeds from prior financings and explanation of variances
d) Liquidity and Capital Resources
e) Related party transactions
f) Control and Procedures

The previously filed MD&A for the financial period was originally filed by the Company on SEDAR on November 29, 2021. The refiled MD&A replaces and supersedes the previously filed version. The revisions relate only to the MD&A and no changes were made to the financial statements for the relevant period.

DEEPSPATIAL INC. (formerly, Aylen Capital Inc.)

REVISED MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021

Introduction

Management's Discussion and Analysis ("MD&A") is intended to help the reader understand DeepSpatial Inc. (the "Company") unaudited consolidated financial statements for the three months ended September 30, 2021. This MD&A should be read in conjunction with the audited consolidated financial statements of the Company and the notes thereto for the year ended June 30, 2021 and the interim unaudited condensed consolidated financial statements and notes thereto for the three months ended September 30, 2021. The effective date of this report is February 28, 2022. 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, 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.

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, 2021 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's corporate head office is located at 77 King Street W, Suite 3000, Toronto, Ontario, Canada, M5K 1G8.

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.

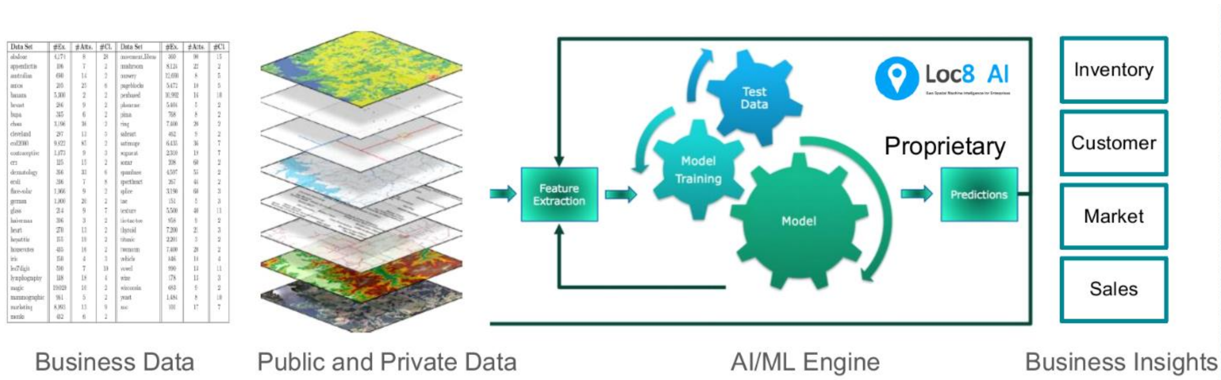
Extensive User Research has gone into its development. The Company comes from actual validation of client pain points and the value proposition would substantially improvise planning, resource allocation, and decision-making – predicting the surge in demand and supply, identifying the prospects of high and low margin, multiplying supply chain efficiency, and optimizing service delivery. The scope of solutions that can be improved with the integration of geolocation intelligence is simply endless. We bring to the customers the power of AI and GIS with an affordable SaaS product pricing.

DeepSpatial 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.

The Company'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 existing markets by locating potential customers analogous to 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 ideal 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 The Company'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: The Company's artificial algorithms **use** location context data (through various map engines) as well as public, proprietary and dynamic data in order to arrive at relevant 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 relevant features important to a particular business processes and outcomes.**

4. Generated insights will allow businesses to understand:

   - WHO:
     - are the customers that a particular business should target?
     - are the "super fans" that can improve a company's NPS (net promoter score)
     - 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, time-sensitive initiative?

- WHERE:
  - are the most profitable places for expansion?
  - should a business open a new location?
  - should a business keep its warehouse/office?
  - should a business target its marketing (traditional & digital) and spending?
  - should a company strategically increase/decrease its presence?
  - are the bottlenecks in the end of end process of the business as a whole?
- 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. Our Company 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.

DeepSpatial 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 DeepSpatial with reliable, recurring revenue. Initially, the AI platform was 60 % replicable with a need for 40 % customization. To ensure a high fidelity, delightful user experience, we have carried out several successful proof of concept studies validating our technology and various prototypes pertaining to industry specific applications.

This means that prototypes of the software exist and that the key functions have been demonstrated and tested. The SaaS product will be integrated with operational hardware and software systems upon deployment to support 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 have successfully been able to take our technology from TRL7 to TRL9 requiring a replicability of 80 % and a customization of 20 % for the consumer and packaged goods industry vertical. This was accomplished in January of 2022 with R&D costs incurred tof approximately $48,500 . At the same time, it is important to note that considering the focus we have on the government sector, there isn't a need for TLR9 readiness for the government sector as the solutions tend to be highly customized and contracts tend to be multi-year with recurring revenue. As for enterprise segments, if we are offering a plug and play solution which addresses a common problem shared by clients throughout the segment, then achieving TLR9 will expedite business development but at the same time, if we are addressing a problem which involves a large client then there will not be a need for TLR9 readiness.

Product Pipeline

We are now in the final stages of commercializing our product pipeline. Presently, we have two specific use cases that span industry verticals ranging from transportation to ecommerce. These are a) sentiment monitoring with geosocial customer profiling, and b) supply chain optimization. As we bring these technologies to market, our goal remains to cross sell our product offerings to potential clients that can benefit from both services for a more comprehensive improvement of their business.

As our technology matures, we plan to enter the engineering, construction and urban planning verticals in the future. Our goal in these segments would be to cater to goal-specific site selection processes that improve the construction process and cost management processes end-to-end.

Verticals Targeted

Our current efforts to commercialize our technology are targeted towards the government sector as being one of the focus segments along with players in the manufacturing, retail, food and beverage, and transportation verticals. As we mature, we hope to penetrate other industry verticals with our AI and alternative data offering that provides robust geo-intelligence insights for businesses.

In March, Deepspatial announced appointment of technology and business development experts to its board to strategize technology development and to further business development. The following

Sourav Sachin, VP Engineering at BrowserStack, previously CEO of WoNoBo, Director of Engineering, Flipkart
Kapil Raval, Director, Partner Ecosystem, Azure Global Engineering at Microsoft
Andrew Mandyam, Founding Partner, Utilis Consulting, previously Director at Enbridge Gas Distribution
Robert Luciano, CEO, DecisionSMART Retail Advisory, previously Director, Starbucks Coffee Canada
Pulkit Trivedi, Director, Google, previously Director, Facebook

Sourav Sachin is an alumnus of the prestigious Indian Institute of Technology, Bombay, and brings over two decades of experience in the technology, media, and retail sectors where he has built, scaled, and

commercialized several technologies. He is currently the VP of Engineering at BrowserStack, a technology company specializing in building cloud web and mobile testing platforms that provide developers the ability to test their website and applications across on-demand browsers. Prior to joining BrowserStack, Sourav served as the CEO of WoNoBo, a cloud-based GIS platform specializing in "street view" functionality. Sourav was the Director of Engineering for Flipkart, India's largest eCommerce company, which was acquired by WalMart for $16 billion USD.
Kapil Raval is currently a director in the energy vertical for Azure Global Engineering at Microsoft. Prior to this role, he was the Director of Corporate Business Development for AI-infused Industry Solutions for Microsoft. Before his work at Microsoft, Kapil was the Global Business Leader for Telecom Solutions at Hewlett Packard Enterprise, where he led teams globally, expanding HPE's telecom solutions market by over 12%.

Andrew Mandyam is currently the founder and CEO of Utilis Consulting, an energy consulting company based out of Ontario, specializing in offering a subscription-based product to players in the energy sector. Before founding Utilis, Andrew was the Director of Regulatory Affairs at Enbridge Gas, the largest natural gas utility in Canada serving over 2 million customers and bringing over $2 billion in annual revenues.

Robert Luciano brings over 25 years of experience in the retail sector, and currently serves as the CEO of DecisionSMART advisory, a consulting firm specializing in retail expansion for firms providing in-house expertise on the real estate and demographic variables. Prior to his foray into entrepreneurship, he was the Director of Store Development for Starbucks Coffee Canada, where he led the opening of 50+ new stores across the country and managed a portfolio of 500+ existing assets.

Pulkit Trivedi is currently a Director at Google Pay, India, and brings with him over 19 years of experience in a diverse range of environments and roles. Featured in the "40 Young Business Leaders Under 40" report published by Business Today in 2015, he has previously worked in executive roles across Intel, Microsoft, and IBM. At Intel, he was singlehandedly responsible for managing a $300 MM revenue portfolio in South Asia, and also worked on launching India's prominent "all-in-one" PC with HP in 2009.

In March, Deepspatial also announced partnership with DFM foods. DFM Foods is a leading player in the snack foods market in India, and its flagship product – CRAX rings – is a household name in the second most populous nation in the world. With product differentiation, aggressive marketing, and a focus on high quality, the company has grown its earnings at an aggressive 20% year over year rate and is currently listed on the Bombay Stock Exchange (BSE) with a $250 million+ market capitalization. To continue its longstanding journey of growth, the company has partnered with DeepSpatial to leverage the power of geospatial intelligence in customer profiling and market expansion. This is an arm's length transaction and DFM has come on board as a client for Deepspatial, where initially they are starting off with a specific geolocation and following successful delivery, they will be looking at expansion into other cities in South Asia.

DFM operates in a competitive industry facing fierce competition on pricing, product choice, and distribution in India. DeepSpatial will be stepping in to assist the firm in generating the following three categories of insight:

Geodemographic customer profiles: DeepSpatial will conduct a thorough analysis of product sales within different geographies and integrate the datasets with its own to arrive at ideal customer archetypes that precisely define the success criteria for a product within a certain demography. To develop such customer archetypes, DeepSpatial will deploy its proprietary machine learning algorithms to identify the correct features that provide predictable models of successful sales. These insights will allow DFM to target its marketing and distribution through a precise, granular, data-driven approach for the highest ROI.

Market Entry and Expansion: DeepSpatial will leverage the insights generated from geodemographic customer profiling to identify alternative markets for expansion in India, given certain bounded constraints such as delivery cost, pricing power, regional competitive profiles etc.

Distributor and Supply chain optimization: DFM foods currently engages with 3,000+ distributors and subcontractors that cater to 1.2 million+ retailers for effective delivery of various products to consumers. DeepSpatial will be analyzing this dataset geospatially to identify efficient delivery mechanisms, route optimizations strategies, and create predictive models of demand and supply to better manage the production supply chain.

Deepspatial received an initial purchase order from DFM foods in November 2021 for approx. $6,000 and expects to deliver the solution to the client within the next 3-4 weeks. At the same time, Deepspatial is in discussions with DFM foods regarding technology scale up which is anticipated to lead to additional purchase orders from DFM foods.

Deepspatial is focused on growth and building long -term shareholder value. The company is focused on:

1) Expanding its technology portfolio to develop SaaS (“Software as a service”) driven AI products and has assembled a team to expedite this initiative.
2) As an AI company, Deepspatial is also developing custom solutions for clients. The company has brought on senior leadership to head sales and business development.
3) The company is also focused on establishing both data and strategic partnerships.
4) The company will also be looking at strategic acquisitions which can boost the offering of Deespatial in the geospatial space.

In line with long term growth, in April, the company announced appointment of Debojyoti (Deb) Purkayastha and Pramod Misra, to its board of advisors. The two new appointments will allow the company to scale its operations by catalyzing growth across two central pillars of its core business – scaling business activity and enabling strategic data partnerships.

Deb is the Regional Director of India for Voyager Labs, an AI powered analytics company based out of New York. Previously, he was a Director for Channel and Sales at Riverbed Technology, an enterprise software company specializing in cloud development applications. He brings over two decades of experience in scaling sales operations at enterprise software companies.

Pramod currently serves as the General Manager and Lead Data Scientist at Indian telecom company – Vodafone. Educated at the Georgia Institute of Technology, he has over a decade's worth experience in technical roles across various industries. Prior to Vodafone, Pramod has spent time at the Novartis Group and the Nuclear Power Corporation of India developing quantitative research models. His technical expertise, foresight, and experience will allow Deepspatial to access and leverage specialized data partnerships across industries.

Their addition to the team will allow Deepspatial to improve its product offering and scale its operations, paving pathways of synergistic alliances and prospective growth. The company is focused on scaling its technology platform to new/novel domains with a focus on tech development and business expansion.

In the quarter from July 1, 2021 to September 2021, the company had significant developments on the administration, technological along with the business development front.

On the administration and investor exposure front, the company announced that its common shares are now trading on the OTCQB Venture Market (OTCQB), a US trading platform that is operated by the OTC Markets Group in New York. The company is trading on the OTCQB under the symbol "DSAIF"; the Company's common shares will continue to trade on the Canadian Securities Exchange (CSE) under the symbol "DSAI". The OTCQB Venture is the premier marketplace for entrepreneurial and development stage U.S. and international companies that are committed to providing a high-quality trading and information experience for their US investors. To be eligible, companies must be current in their financial reporting, pass a minimum bid price test, and undergo an annual company verification and management certification process. The OTCQB Venture quality standards provide a strong baseline of transparency, as well as the technology and regulation to improve the information and trading experience for investors.

On the technological front, the company announced that it has filed patent application number 63244524 - Computer Implemented Method and System for Retail Management and Optimization with the United States Patent and Trademark Office (USPTO) for its proprietary methods of retail management with enhanced user experience for dynamic planning and decision making.

The company is currently working on 3 patent applications – one has been filed, and two are in process. The other two patents pertain to crop yield prediction which has applications in the government sector and sentiment monitoring, which has applications both in the government as well as the enterprise segment. The patent portfolio is anticipated to grow as the company expands into additional verticals which is anticipated to yield novel IP for which the company will seek patent protection. Therefore, the company expects to file patents on an on-going basis. At the same time, as part of our IP strategy, Deepspatial is also working towards filing the same patents in jurisdictions where the company is planning to operate in from a client business perspective. Over the next 12 months, the company anticipates spending approximate $16,000 relating to the costs and fees pertaining to filing of patents and anticipates additional costs of approximate $100,000 on Research and development and/or consulting time using services of either outside or in-house consultants. The company is focusing on filing patents in the US, Canada and India which are seen as favorable jurisdictions to maintain patent protection and patent infringement by a third party does carry significant penalties in these jurisdictions.

Nandan Mishra, who is the CEO of Algo8, has come on board as a director. Deepspatial has now set up its own technology team and all the R&D, operations and business development are being carried out in house at Deepspatial by its own team with no dependence on Algo8.

The Company incurred $5,500 of R&D expenses for the year ended June 30, 2021, and nil for the three months ended September 30, 2021 which was largely due to the impact of COVID-19 and the Company realigning its vision to hire in-house consultants for development. The COVID-19 pandemic influenced the strategy and the trajectory of the company's growth as certain verticals which were initially expected to be significant became de-prioritized. Since October 2021, the Company has been building its internal R&D team and has successfully been able to establish its own R&D team to carry on with development

Challenge:

Advancements in information technology have revolutionized the landscape for e-commerce and retail. As digital transformations enrich and enhance existing businesses, retail businesses face new frontiers for expansion along with a novel constraint - location. As organizations adopt omni-channel strategies to deliver value, traditional retail needs to adapt to find novel solutions to thrive. In 2019, retailers in the United States announced over 9,000 store closings. In 2020, the onset of the current pandemic has only exacerbated the problem. Optimization of inventory management, pricing, supply chain, customer sentiment at existing locations along with identification of new markets and identification of stores which need to be shut down are unique challenges which need to be addressed in the retail segment.

COVID-19 has impacted Deepspatial on two specific fronts – recruitment of talent for tech development along with customer acquisition in certain verticals such as retail. In the current environment, although potential customers have reduced the IT spend and are not focusing on expanding operations, the focus has turned towards optimization of operations and improving margins. This has allowed us to re-focus and re-position our solution as being a technology that can assist in making decisions, improving productivity which has a downstream impact on margins.

One of our initial focus areas was retail as well as the food & beverage sector which has been dramatically impacted by COVID-19. Initially, our solution was being positioned as the one which could offer insights on where to open and where to expand. However, in the current landscape, the expansion plans of retailers have come to a standstill. Therefore, we had to add certain modules, expand the technology focus towards providing insights on distribution optimization, customer archetypes, customer acquisition, marketing and optimizing supply chain. Although the government sector was initially not a top focus area for us, the COVID-19 landscape paved an opportunity which has allowed us to engage with government authorities in education and infrastructure.

The partnerships that we have announced are focused on the government sector where there are specific budgetary allocations focusing on infrastructure, education and health. Our partners are deeply entrenched in these sectors and see a need for our offering. As such, currently, we have begun to focus extensively on the government sector where we are working towards capitalizing on these potential business opportunities.

Although COVID-19 has significantly impacted workplaces, being an IT/AI company, our team of scientists/engineers are working remotely, and we have Key Performance Indicators (KPIs) in place to ensure progress is being made in a regular manner. At the same time, on the business front, due to the restrictions imposed globally due to COVID-19, we have pivoted heavily towards establishing a partner program for business development while also having our in- house team of business development professionals to work with partners as well as to onboard clients.

Deepspatial's Solution:

The company's technology (patent pending) is a complete solution that addresses all the pain points encountered in the retail sector. Deepspatial's proprietary Artificial Intelligence (AI) driven algorithms and the company's proprietary data sets are used in conjunction with the customer's data and insights which are client-specific to assist the customer in making critical business decisions.

Key features of the retail management platform include Inventory Optimization, E-Commerce Optimization, New Location Identification and Evaluation, Customer Persona Targets, Pricing Recommendations, Trend Prediction and more. Layering together proprietary, public and client data sets, along with social media sentiment analysis to capture consumer and customer perspectives, Deepspatial's Artificial Intelligence and Machine Learning engine determines what it the current state and predicts the future state for users to make critical, bottom-line, business decisions.

Furthermore, the company also announced recruitment of lead data scientist – Dr. Bushra Zaman. Leading the company's AI team is now Dr. Bushra Zaman, a senior data scientist who's an adjunct professor at the University of Utah and previously led high-profile projects with World Bank.

On the business development front, the company announced hiring of VP, Businesss development along with Sales Head for the South Asia division. Furthermore, the company also announced a partnership with one of the leading system integrators in India.

Deepspatial also announces addition of senior team members to lead global business development efforts. Debojoyti Purkayastha (Deb), previously an advisor to Deepspatial, has transitioned to the role of VP, Global business development. Deb has 23 years of experience in technology sales and helped scale up major global tech companies such as Voyager labs and Riverbed. Kunal Singhal has been hired as the head of sales for India. Kunal has 15 years of experience in enterprise software sales and managing channel partners. He previously worked with global tech corporations such as Checkpoint and Riverbed.

The company announced a partnership with SISL Infotech, to provide its patented AI (artificial intelligence) & GIS (geographic information systems) solutions to SISL Infotech's vast, industry-wide client base. SISL Infotech is a leading system integrator in India, helping customers automate their business functions with IT software and services. Some of their partners include Microsoft, IBM, Cisco, HP, Dell, and ESRI. SISL Infotech is one of the largest technology system integrators in India with more than 4000 employees and 6000 global customers. The Deepspatial / SISL Infotech partnership will empower businesses to tap into previously unserved markets by taking advantage of geo-spatial intelligence and AI-driven business insights. Our partnership with SISL will allow SISL infotech to offer our solutions to their wide range of clientele and the compensation for SISL will be a percentage of revenue share depending on the size of the order.

As part of the push into the government sector, in October, Deepspatial announced a partnership with IPE Global to provide its solutions to IPE Global's clients throughout government and private sectors. IPE Global will be leveraging Deepspatial's technology to assist their global client base in addition to working together towards jointly proposing their solutions to specific markets and clients identified by IPE Global. IPE Global Limited is a leading international development consulting group, providing Information and Communication Technology solutions for development and sustainable growth in developing countries. IPE Global currently operates in 8 countries encompassing Africa, Asia, and Europe with a workforce of over 1100 employees globally. This will broaden the reach of Deepspatial to government clients in several jurisdiction and the partnership will work on a revenue share basis. The partnership with IPE Global Limited is expected to generate revenue in Q2 of 2023.

Furthermore, Deepspatial also announced a partnership with Staqo in October. Staqo is an enterprise IT platform and services organization operating in many countries with over 200 experts in various domains of enterprise technology such as Deep Learning, Machine Learning, Blockchain, IoT, Image Recognition, Solutions Engineering, Cloud computing, AI, and IT infrastructure. Leveraging Staqo's strong grip in the areas of AI, Facial Recognition, Image Analytics, Application Development, and Cloud delivery – Deepspatial will be working alongside Staqo to empower its global client base to deliver a full spectrum of enterprise technology solutions. One of the key product offering of Staqo is a real time monitoring solution for employee attendance and distribution which is being used by clients in the industrial and retail space. This is complementary to Deepspatial platform as integration with Deepspatial leads to real time insights which can have an immediate impact in enhancing productivity. The two companies have executed a Joint Marketing Agreement whereby Staqo will be offering its real time monitoring solution as an enterprise solution combined with Deepspatial's proprietary platform. The companies are currently pitching a joint solution to clients and expects revenue generation in Q2 of 2023.

The addition of new team members, combined with technological advancement and business partnerships is setting the stage for long term growth on both the technology as well as business front. Deepspatial is currently working on securing additional partnerships with system integrators and solution providers. These partnerships will be on a revenue share basis where the cost to Deepspatial will typically be somewhere between 5-10 % of the revenue share on the contracts provided by these system integrators due to which there will be no capital costs for Deepspatial with the exception of sharing revenue from the contracts that the company gets through these partnerships.At the same time, Deepspatial has allocated approximately $50,000 in its annual budget for data partnerships, which will allow the company to layer additional data sets into the technology. There are several new accounts and business opportunities currently being worked upon by the company.

In October, the company also announced a partnership with Sheela Foam Ltd . Sheela Foam Ltd (NSE: SFL) is a publicly traded company on the National Stock Exchange in India (NSE) and is currently trading at a market cap of over CAD$ 2 billion and is the largest polyurethane foam manufacturer in Asia Pacific with footprints in India, Australia and Spain and also the largest manufacturer of mattresses in India under renowned brand name Sleepwell. Deepspatial will assist Sheela Foam in identifying new market opportunities for expansion and provide better coverage for their existing markets. Deepspatial's AI-driven solutions will be adopted by Sheela Foam Ltd., to help maximize its distribution & retail coverage which is expected to reduce costs and increase profitability, margins, and revenue. The partnership is expected to generate revenue in Q2 of 2023.

As part of the company's push into the government sector, the company announced major developments in January and February. In January, the company announced the addition of a new partner and a new contract in India focusing on Health and Sanitation Planning, Waste Disposal Planning, Infrastructure Planning, and Tourism Site Planning and Development. Due to privacy reasons, this partner and client wish to remain anonymous. The contract marks a new entry in the infrastructure and urban planning sector for Deepspatial, where its solutions will be used to support organizations and provide AI & data driven decision making for key Government personnel, ensuring a better future and quality of life for its citizens. Furthermore, in February, Deepspatial announced a Memorandum of Understanding (MoU) with a Government of India Educational Program under the Ministry of Education in one of the States with the outcome of improving the quality and access to education while enabling schools to better prepare students for rewarding career paths. Deepspatial will be working closely with the officials of the flagship program under the Ministry of Education to identify key areas of opportunity for improving access to education and ensure students are prepared for higher education from the State. Throughout the discovery process, Deepspatial may provide additional services if deemed suitable and valuable to the underlying outcomes, which may lead to further commercial contracts. The partnership is expected to generate revenue in Q4 of 2022.

Reverse merger

During the year ended June 30, 2021 the Company completed the following acquisition:

Effective December 22, 2020, Aylen was part of a three-cornered amalgamation among Aylen, 2774951 Ontario Limited. (a wholly owned subsidiary) and Loc8 (the "Transaction"). The result of the transaction was that Aylen acquired all the issued and outstanding securities of Loc8 on the basis of one share of Aylen for each share of Loc8. At completion of the transaction, Aylen changed its name to DeepSpatial Inc. and Loc8 was amalgamated into 2774951 Ontario Limited.

This transaction was considered a Reverse Merger and Recapitalization (commonly referred to as a Reverse Take Over or "RTO"). The Company issued 4,660,509 shares to the shareholders of former Corporation valued at $0.30 per share, with a total value of $1,398,153 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:		-
Liabilities assumed by the Company:		-
Net assets (liabilities) assumed		-
Consideration:		
4,660,509 common shares issued at a fair value of $0.30 per share		(1,398,153)
700,000 common shares being finders' shares at a fair value of $0.30 per share		(210,000)
Listing expense	$	(1,608,153)

Directors and Management

The Company's current leadership team includes:

Sheldon Kales, Chairman of the Board of Directors

Rahul Kushwah, Director and Chief Executive Officer

Nandan Mishra, Director and Chief Technology Officer

Rakesh Malhotra, Chief Financial Officer and Secretary

Tomos Sipos, Director

SELECTED FINANCIAL INFORMATION

The following table contains selected financial information of the Company for the three months ended September 30, 2021 and 2020.

	For the three months ended September 30, 2021 *$*	*For the three months ended September 30, 2020* *$*
Total operating expenses	(479,764)	(171,426)
Net loss and comprehensive loss	(479,764)	(171,426)
Loss per common share – basic and diluted	(0.005)	(0.002)
Weighted average number of common shares outstanding-	93,415,379	83,575,000

The chart below presents the summary financial information of the Company:

	As at September 30, 2021 *($)*	*As at June 30, 2021* *($)*
Current assets	968,342	1,140,370
Non-current assets	1,514,143	1,590,750
Total assets	2,482,485	2,731,120
Current liabilities	88,817	81,052
Non-Current liabilities	30,000	30,000
Shareholders' equity	2,363,668	2,620,068
Cash dividends per common share	-	-

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Expenses and Net Loss

Total operating expenses for the three months ended September 30, 2021 were $479,764 (September 30, 2020 – $171,426).

The following table summarizes financial information for the three months ended September 30, 2021, and the preceding quarters:

	Q1 2022
	$
Revenue	-
Net loss	(479,764)
Loss per share, basic and fully diluted	(0.005)

	Q1 2021	**Q2 2021***	**Q3 2021**	**Q4 2021**
	$	$	$	$
Revenue	-	-	-	-
Net loss	(171,426)	(1,893,727)	(245,882)	(414,649)
Loss per share, basic and fully diluted	(0.002)	(0.022)	(0.003)	(0.004)

* Includes loss of $1,608,153 on acquisition of the subsidiary (listing expense)

Summary of quarterly results for the period prior to Q12021 have not been provided as these quarterly results relate to periods prior to the Company becoming a reporting issuer and were not prepared.

		For the Three months ended September 30, 2021		For the Three months ended September 30, 2020
Expenses:				
Amortization of intangible assets	$	76,607	$	77,026
Audit and accounting		14,650		
Consulting fees		62,050		19,500
Legal fees		1,902		9,358
Management fees		44,400		44,500
Marketing expenses		57,725		10,500
Office and miscellaneous		8,198		-
Professional fees		-		4,000
Research and development		-		4,000
Stock based compensation		205,864		-
Transfer agent and regulatory fees		5,368		-
Travel, entertainment, and related		-		1,542
Vehicles use expenses		3,000		1,000
	$	(479,764)	$	(171,426)
Loss and comprehensive loss	$	(479,764)	$	(171,426)

The Company reported a comprehensive loss from operations for the three months ended September 30, 2021 of $479,764 compared to $171,426 for the three months ended September 30, 2020.

Significant variances for the three months ended September 30, 2021 and 2020

Management fees for the three months ended September 30, 2021 consist of fees paid to senior management or to Companies owned by senior management (1) $19,500 (prior period $19,500) paid to the CEO for services, (2) $16,500 (prior period $15,000) paid to the Executive Chairman for services, (3) $2,400 (prior period $10,000) paid to the CFO for services and (4) $6,000 (prior period $nil) paid to the CTO for services. The management fees paid to these executives are routine and regular compensation for services provided on an ongoing basis to the Company.

Transfer agent and regulatory costs for $5,368 for the three months ended September 30, 2021 (prior period $nil) are primarily the costs of compliance for the Company's listing on the CSE and the costs for initiating listing process on the OTC.

Amortization of intangible assets for $76,607 for the three months ended September 30, 2021 (prior period $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.

Consulting fees costs for $62,050 for the three months ended September 30, 2021 (prior period $19,500). The increase in consulting cost is due to employing in house consultants for both development of the business and to lead to hire a team of in- house professionals with specific skillsets to conduct R&D for the Company.

Included in the consultant fees costs for the current period is a non- cash expense of $17,500, being the fair value for the issue of 100,000 common shares to the consultant for services.

Research and development costs for $nil for the three months ended September 30, 2021 (prior period $4,000) include costs for $nil (prior period $4,000) 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. Nandan Mishra, who is the CEO of Algo8, is now a member of the company's board of directors. Deepspatial has now set up its own technology team and all the R&D, operations and business development are being carried out in house at Deepspatial by its own team with no dependence on Algo8.

Stock based compensation expense for $205,864 for the three months ended September 30, 2021 (prior period $nil) relates to the non-cash cost for vesting of options issued to the Company's directors, officers and consultants on June 4, 2021 to purchase up to 9,400,000 common shares. These options were issued at an exercise price of $0.13 per share.

Marketing expenses for $57,725 for the three- month period ended September 30, 2021 (prior period $10,500) consists of expenses incurred to market the public Company and its products. The increase in costs is due to the Company's overall increased business after becoming a public company with additional costs for market making, decks, content creation and website support and maintenance.

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.

During the year ended June 30, 2021, the Company had financed two tranches for total proceeds of $1,265,700. The table below reflects the allocation of funds from the financing to be used for its planned usage, excluding the funds allocated to working capital use.

Use of Proceeds	**Original Allocation of Net Proceeds**	**Revised Allocation of Net Proceeds***	**Amount Spent**	**Remainder to be spent**
Research and development	$200,000	$100,000	$48,337	$51,663
Marketing fees	$30,000	$30,000	$30,000	nil
Patent and trademark expenses	$16,000	$16,000	$3,750	$12,250

*Since the Company has made the strategic decision to build an internal research and development team, it now expects that it will be spending less on research and development relative to its original estimates. Furthermore, in the prior estimates, the company allocated $16,000 towards "patent and trademark expense" and the estimated cost to filing a patent being approximately $100,000. This is to clarify that the $16,000 referred to the legal and filing costs and $100,000 referred to the R&D associated costs towards developing the intellectual property.

The Company has adequate cash to spend towards the remainder of the use of proceeds.

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, 2021, the Company had cash of $821,412 (June 30, 2021: $1,024,054) and working capital of $879,525 (June 30, 2021: $1,059,318). During the three months ended September 30, 2021, the Company received $nil (September 30, 2020: $400,200) from financing activities, being the subscription to common shares and used $202,642 (September 30, 2020: $93,326) in operating activities.

During the three months ended September 30, 2021, the Company had cash outflows from operating activities of $202,642 (prior period outflows for $93,326), which was a result of the net loss of $479,764 (prior period $171,426), reduced by the non- cash items included in net loss of $299,971 (prior period $77,026) and increased by changes in non-cash working capital of $22,849 (prior period reduced by $1,074). The overall increase in cash outflows from operating activities by $109,316 is attributable to the added spend the Company incurred in marketing costs after the Company became public and an increase in consulting costs as a result of employing in house consultants for both development of the business and to lead to hire a team of in- house professionals with specific skillset to conduct R&D for the Company.

The non- cash items included in net loss for the three months ended September 30, 2021, includes amortization of intangible assets for $76,607 (prior period $77,026), shares issued for services for $17,500 (prior period $nil) and stock- based compensation for $205,864 (prior period $nil).

The non-cash working capital adjustments for the three months ended September 30, 2021, includes outflow as a result of increase in sales tax receivable for $14,723 (prior period increase of $7,930), increase in prepaid expenses for $15,891 (prior period $nil) and inflow as a result of increase in accounts payable and accrued liabilities for $7,765 (prior period increase for $9,004).

The Company had no inflow or outflow from investing activities during the three- month period ended September 30, 2021 (prior period $nil).

The Company had no inflow or outflow from financing activities during the three- month period ended September 30, 2021 (prior period inflow of $400,200). The prior period inflow was a result of receipt of $400,200 as subscription for 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.

The Company has financed its operations from inception to date through the issuance of equity shares. The Company intends to finance its future requirements through a combination of equity and/or debt issuance and exercise of stock options. There is no assurance that future equity capital will be available to the Company or at the times desired by the Company or on terms that are acceptable to it, if at all. See “Caution Regarding Forward Looking Statements”, and “Risks and Uncertainties”

The Company believes it has enough cash to maintain itself for the next 12 months. The Company has no material commitments.

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.

Going Concern Uncertainty

For three months ended September 30, 2021, the Company incurred a net loss of $479,764 (September 30, 2020 - $171,426) and had negative operating cash flows of $202,642 (September 30, 2020 - $93,326). The Company has not yet generated revenue from customer sales. The Company has an accumulated deficit of $3,728,325 since inception (June 30, 2021 - $3,248,561). The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to generate cash flows from operations and to obtain and successfully close additional funding from equity financing, debt financing or through other arrangements. While the Company has been successful in arranging financing in the past, there can be no assurance the debt financing or any equity offering will be successful. These conditions indicate the existence of a material uncertainty that may cast significant doubt regarding the Company's ability to continue as a going concern.

While the Company has been successful in obtaining financing to date, there can be no assurance that it will be able to do so in the future on terms favorable for the Company. The Company may need to raise additional capital to fund operations. This need may be adversely impacted by uncertain market conditions, approval by regulatory bodies, and adverse results from operations.

OUTSTANDING SHARE DATA

At September 30, 2021, the Company had 93,504,509 common shares outstanding. As of date of the MD&A, the Company has 93,654,509 common shares outstanding.

Information with respect to outstanding common shares as at September 30, 2021 and the date of the MD&A are as follows:

	Date of MD&A	**September 30, 2021**
Common shares	93,654,509	93,504,509
Stock options	9,400,000	9,400,000
Warrants	-	-
Fully diluted shares outstanding	**103,054,509**	**102,904,509**

Share issuances

During the three- month period ended September 30, 2021

- The Company issued 100,000 common shares fair valued at $17,500 to a consultant for services.

During the year ended June 30, 2021

- On December 22, 2020, the Company issued 4,219,000 common shares at $0.30 per share in private placements which included subscription funds for $642,000 received during the prior period. The Company incurred share issuance costs for $99,350.
- The Company issued 4,660,509 shares in connection with the Acquisition and an additional 700,000 shares as finder's fee.
- The Company issued 250,000 common shares fair valued at $32,500 to a consultant for services.

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.

<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	**Measurement**
Cash	Fair value
Restricted cash	Fair value
Accounts payable	Amortized cost
Government assistance loans	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, 2021, the Company had sufficient non-restricted cash of $821,412 to settle current liabilities of $88,817.

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.

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:

		September 30, 2021		**September 30, 2020**
Management fees to the Executive Chairman	$	16,500	$	15,000
Management fees to the CEO		19,500		19,500
Management fees to the CFO		2,400		10,000
Management fees to the CTO		6,000		-
Total Management fees	$	44,400	$	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 (b)		12,500		10,500
Consulting fees to a company controlled by a child of the Executive Chairman (c)		7,500		7,500
Rent to the CEO included in office and miscellaneous expenses		3,000		-
Vehicle expense to the Executive Chairman and CEO		3,000		1,000
	$	70,400	$	67,500

The Company's Executive Chairman, CEO, CFO and CTO are Sheldon Kales, Rahul Kushwah, Rakesh Malhotra and Nandan Mishra respectively.

At September 30, 2021, there was $nil due to any related parties.

As 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.

Notes:
a) The management fees paid to the Executive Chairman, CEO, CFO and CTO as detailed above are routine and regular compensation for services provided on an ongoing basis to the Company.
b) Marketing fees paid to a Company owned by a child of the Executive Chairman relates to services for marketing, website development/support/maintenance as well as content creation services.
c) Consulting fees paid to a Company owned by a child of the Executive Chairman relates to services for providing operational and project management services which includes working with the tech and business development teams to ensure timely preparation of presentations for clients, assisting with on boarding of new consultants and tracking projects progress.

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.

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 four members.

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.

(a) The Company being a venture issuer, is not required to certify the design and evaluation of the Company's Disclosure Control and Procedures ("DC&P") and Internal Control Over Financial Reporting ("ICFR") and has not completed such an evaluation; and

(b) inherent limitations on the ability of the certifying officers to design and implement on a cost effective basis DC&P and ICFR for the issuer may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

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.

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. Although the Company considers certain of its technology to be proprietary, patents or copyrights do not protect all design and technology. 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.