SpotLite360 IOT Solutions, Inc.
(Formerly SpotLite360 Technologies, Inc.)

Management Discussion and Analysis

For the six months ended June 30, 2021

This management's discussion and analysis ("MD&A") provides an analysis of our financial situation which will enable the reader to evaluate important variations in our financial situation for the six months ended June 30, 2021, compared to the six months ended June 30, 2020. This report prepared as at August 30, 2021 intends to complement and supplement our condensed interim consolidated financial statements (the "financial statements") as at June 30, 2021 which have been prepared in accordance with International Financial Reporting Standards, and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and should be read in conjunction with the condensed interim consolidated financial statements and the accompanying notes. Readers are also advised to read the Company's audited financial statements (the "financial statements") and accompanying notes for the year ended December 31, 2020, (the "financial statements"), which have been prepared in accordance with International Financial Reporting Standards.

Our condensed interim consolidated financial statements and the management's discussion and analysis are intended to provide a reasonable base for the investor to evaluate our financial situation.

Our condensed interim consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). All dollar amounts contained in this MD&A are expressed in Canadian dollars, unless otherwise specified.

Where we say "we", "us", "our", the "Company" or "numbered company", we mean SpotLite IOT Solutions Inc., as it may apply.

This management discussion and analysis may contain forward-looking statements in respect of various matters including upcoming events and include without limitation, statements regarding discussions of the Company's business strategy, future plans, projections, objectives, estimates and forecasts and statements as to management's expectations with respect to, among other things, the development of the Company's business. These forward-looking statements involve numerous risks and uncertainties and actual results may vary. Important factors that may cause actual results to vary include without limitation include certain transactions; rapid technological change in the industry in which the Company operates; managing growth in a high-tech environment; a highly competitive industry; failure to obtain or maintain required regulatory approvals; possibility of data breaches and inadequacy of consumer protection and data privacy policies; and increased research and development costs and reduced profitability as a result. In making the forward-looking statements in this MD&A, the Company has applied several material assumptions, including without limitation, the assumptions that any additional financing needed will be available on reasonable terms.

Additional factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements include, among other factors, the state of the global economy and economic and political events, including the deterioration of the global capital markets, affecting supply and demand and economic and political events affecting supply and demand; and exposure to information systems security threats.

The Company cannot assure you that any of these assumptions will prove to be correct.

The words "expect," "anticipate," "estimate," "may," "will," "should," "intend," "believe," "target," "budget," "plan," "projection" and similar expressions are intended to identify forward-looking statements. Information concerning mineral reserve and mineral resource estimates also may be considered forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present during operations or if and when an undeveloped project is actually developed.

These factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements. The Company believes that the expectations reflected in the forward-looking statements, including future-oriented financial information, contained in this MD&A and any documents incorporated by reference are reasonable, but no assurance can be given that these expectations will prove to be correct. In addition, although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, including future-oriented financial information, there may be other factors that cause actions, events, or results not to be as anticipated, estimated, or intended. The Company undertakes no obligation to disclose publicly any future revisions to forward-looking statements, including future-oriented financial information, to reflect events or circumstances after the date of this MD&A or to reflect the occurrence of unanticipated events, except as expressly required by law.

Additionally, the forward-looking statements, including future-oriented financial information, contained herein are presented solely for the purpose of conveying our reasonable belief of the direction of the Company and may not be appropriate for other purposes.

The results or events predicted in these forward-looking statements may differ materially from the actual results or events. The Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

BACKGROUND

The Company was incorporated under the *Business Corporations Act* (British Columbia) on September 23, 2014. The principal business of the Company is to provide a software-as-a-service based asset management and a supply chain execution platform which leverages blockchain and a broad array of Internet of Things technologies.

Effective June 4, 2021, the Company changed its name from 1014379 B.C. Ltd. to Spotlite360 Technologies Inc. Effective August 24, 2021, the Company changed its name from Spotlite360 Technologies Inc. to SpotLite360 IOT Solutions Inc. The address of its head office is 810 - 789 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2.

BUSINESS COMBINATION

On June 21, 2020, the Company entered into a share exchange agreement (the "Share Exchange Agreement") with Captios, LLC. ("Captios"). Captios is a United States based technology company that provides logistics technologies solutions for all participants in a supply chain. On June 4, 2021, the Company completed the acquisition of all the issued and outstanding ordinary shares in the capital of Captios. As consideration, the Company issued 20,100,000 common shares of the Company.

The acquisition of Captios constituted a business combination as Captios met the definition of a business under IFRS 3 - Business Combinations.

Purchase price:	**$**
20,100,000 common shares	5,025,000
Total consideration paid	**5,025,000**
Cash	111,202
Investments	158,995
Loan receivable	18,031
Intangible asset – software platform	1,900,000
Accounts payable and accrued liabilities	(542,402)
Loan liabilities	(371,291)
Net assets assumed	1,274,535
Goodwill	3,750,465
Total	**5,025,000**

The business of Captios is primarily the Spotlite360 Software, a SaaS-based supply chain execution and sustainability platform for enterprise customers in the pharmaceutical, healthcare and agricultural industries. By leveraging IoT technologies, blockchain, machine learning and analytics, the Spotlite360 Software is uniquely positioned to meet customer needs for supply chain execution, tracing, tracking, and sustainability. Customers will benefit by realizing improved visibility, a reduction in loss and theft, increased supply chain velocity, labor efficiency, improves asset utilization, and support of their global sustainability initiatives. The Spotlite360 Software is owned by and operated through Spotlite360, a wholly-owned subsidiary of Captios.

The primary objective business objective for the Company over the next 12 months is to develop Captios' business.

HIGHLIGHTS

On April 21, 2021, the Company completed a non-brokered private placement of 10,460,000 units at a price of $0.25 per unit, for gross proceeds of $2,615,000. Each unit consists of one common share and one share purchase warrant of the Company. Each warrant will entitle the holder thereof to purchase one additional common share a price of $0.75 per common share for a period of two years. In connection with the private placement, the Company paid finder's fees consisting of $116,100 cash commission, 332,400 warrants (the "Brokers Warrants") and 190,400 shares to arm's-length finders. Each Brokers Warrant is exercisable into one common share at a price of $0.75 per common share for a period of two years.

On February 26, 2021, the Company completed a non-brokered private placement of 2,600,337 common shares at a price of $0.15 per share, for gross proceeds of $390,05. No finder's fees were paid in connection with the Private Placement.

On July 5, 2021, the Company issued 700,000 restricted shares units of the Company ("RSUs") under the Company's restricted share unit plan (the "RSU Plan") to the President of the Company, as compensation and an incentive for the President to drive the growth of the Company. The RSUs and the RSU Plan remain subject to shareholder approval and ratification at the next annual general and special meeting of shareholders, scheduled for August 30, 2021.

An initial 70,000 RSUs will vest on the date of shareholder approval, and the remaining six tranches of 105,000 RSUs per tranche will vest every six months over a period of 36 months from June 15, 2021. Once vested, each RSU shall entitle the holder to acquire one common share of the Company underlying each such RSU by delivering a notice of acquisition to the Company in accordance with the RSU Plan for a period of 5 years.

RESULTS OF OPERATIONS

Three-months ended June 30, 2021 and 2020

During the three months ended June 30, 2021, the Company had no revenue (2020 - $Nil), reported a net loss of $2,035,399 (2020 - $29,505). The Company incurred consulting fees of $526,466 (2020 - $8,551), filing fees of $41,550 (2020 - $368), marketing fees of $22,734 (2020 - $12,500), office expenses of $18,971 (2020 - $86), and professional fees of $200,460 (2020 - $8,000), share-based compensation of $1,113,005 (2020 - $Nil). The Company also recognized an unrealized loss on investments of $82,126 during 2021 (2020 - $Nil). The increase in expenses was due to increased activity, mainly as a result of the acquisition of Captios during the period ended June 30, 2021.

Some of the significant charges to operations are as follows:

- Consulting fees of $526,466 (2020 - $8,551) were charged as the Company engaged consultants to assist in the execution of the Company's business plan. This increased during 2021 as a result of the acquisition of Captios and the increased operations associated with the new business.
- Filing fees of $41,550 (2020 - $368) were charged as the Company is keeping its filings up to date and increased the filings were undertaken in 2021.
- Marketing fees of $22,734 (2020 - $12,500) were paid to marketing companies which increased in 2021 as the company increased operations as the result of the Captios acquisition.
- Office expenses of $18,971 (2020 - $86) was paid mainly for administration costs, travel, internet and technology costs, and bank charges. This increased in 2021 as the Company increased operations as the result of the Captios acquisition.
- Professional fees of $200,460 (2020 - $8,000) increased as legal and accounting fees increased as a result of the additional accounting and legal costs associated with the acquisition of Captios and the increased operations associated with it.
- Share-based compensation of $1,113,005 (2020 - $Nil) increased as a result of the grant of stock options on June 14, 2021, to consultants to purchase an aggregate of 6,000,000 common shares at an exercise price of $0.25 per common share for up to five years. The options vested upon grant.
- The Company incurred an unrealized loss on investments of $82,126 during 2021 (2020 - $Nil). This was the result of the Company having investments during 2021 and not having any investments in the 2020 period.

RESULTS OF OPERATIONS (Continued)

Six-months ended June 30, 2021 and 2020

During the six months ended June 30, 2021, the Company had no revenue (2020 - $Nil), reported a net loss of $2,056,449 (2020 - $57,585). The Company incurred consulting fees of $536,231 (2020 - $17,401), filing fees of $41,550 (2020 - $4,857), marketing fees of $22,734 (2020 - $12,500), office expenses of $19,072 (2020 - $163), and professional fees of $210,910 (2020 - $22,664), share-based compensation of $1,113,005 (2020 - $Nil). The Company also recognized an unrealized loss on investments of $82,126 during 2021 (2020 - $Nil). The increase in expenses was due to the increased activity, mainly as a result of the acquisition of Captios during the period ended June 30, 2021.

Some of the significant charges to operations are as follows:

- Consulting fees of $536,231 (2020 - $17,401) Corporate fees were charged as the Company engaged consultants to assist in the execution of the Company's business plan. This increased during 2021 as a result of the acquisition of Captios and the increased operations associated with the new business.
- Filing fees of $41,550 (2020 - $4,857) were incurred as the Company is keeping its filings up to date and increased the filings undertaken in 2021.
- Marketing fees of $22,734 (2020 - $12,500) were incurred and increased in 2021 as the Company increased operations as the result of the Captios acquisition.
- Office expenses of $19,072 (2020 – $163) was paid mainly for administration costs, travel, internet and technology costs, and bank charges. This increased in 2021 as the Company increased operations as the result of the Captios acquisition.
- Professional fees of $210,910 (2020 - $22,664) increased as legal and accounting fees increased as a result of the additional accounting and legal costs associated with the acquisition of Captios and the increased operations associated with it.
- Share-based compensation of $1,113,005 (2020 - $Nil) increased as a result of the grant of stock options on June 14, 2021, to consultants to purchase an aggregate of 6,000,000 common shares at an exercise price of $0.25 per common share for up to five years. The options vested upon grant.
- The Company incurred an unrealized loss on investments of $82,126 during 2021 (2020 - $Nil). This was the result of the Company having investments during 2021 and not having any investments in the 2020 period.

Cash flow analysis
Operating Activities

During the six-month period ended June 30, 2021 and 2020, cash used in operating activities was $1,328,480 and (2020 – $29,928) respectively for activities as described above. The increase in cash used in operating activities was the result of an increase in net loss as well as an increase in cash payments for accounts payables and prepaid expenses during the six months ended June 30, 2021.

Investing activities

During the six-month period ended June 30, 2021, the Company acquired cash of $111,202 from the business combination with Captios. During the six-month period ended June 30, 2020, the Company did not use or generate any cash from investing activities.

Financing activities

During the six-month period ended June 30, 2021 and 2020, the Company received $2,849,300 (2020 - $89,153) from financing activities. The amount received from financing activities comprised of $Nil of subscriptions received in advance (2020 - $21,805), $2,849,300 net received from private placements (2020 - $49,545), $nil received from loans (2020 – $17,803).

SUMMARY OF QUARTERLY RESULTS

	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
	$	$	$	$
Revenue	Nil	Nil	Nil	Nil
Net loss	(2,035,399)	(21,050)	(568,625)	(43,343)
Basic and diluted loss per share	(0.06)	(0.00)	0.03	(0.00)

	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019
	$	$	$	$
Revenue	Nil	Nil	Nil	Nil
Net loss	(29,505)	(28,080)	(30,760)	(25,916)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.05)

During the three months period ended June 30, 2021 the Company recorded a loss of $2,035,399. The increase during this quarter was the result of increased operations as a result of the acquisition of Captios and share-based compensation of $1,113,005 as a result of the grant of 6,000,000 stock options to consultants. During the three months period ended March 31, 2021 the Company recorded a loss of $21,050 compared to $28,080 for the same quarter during the prior your due to conservative spending. As at December 31, 2020, the Company recorded a net loss of $568,625 compared to a net loss of $30,760 in the same quarter the prior year, mainly because of the issuance of non-cash stock-based compensation of $515,940 (2019 - $Nil) during the fourth quarter of 2020.

The Company has current liabilities of $838,718 (2020 - $485,381) and will be required to obtain continued deferral of payments to related parties or raise additional financing to satisfy its liabilities and to identify an interest in a business or assets.

EQUITY

At June 30, 2021 there were 53,713,600 (December 31, 2020 – 20,362,864) issued and fully paid common shares outstanding.

On April 20, 2021, the Company completed a non-brokered private placement of 10,460,000 units at a price of $0.25 per unit, for gross proceeds of $2,615,000. Each unit consists of one common share and one share purchase warrant of the Company. Each warrant will entitle the holder thereof to purchase one additional common share a price of $0.75 per common share for a period of two years.

On February 26, 2021, the Company completed a non-brokered private placement of 2,600,337 common shares at a price of $0.15 per share, for gross proceeds of $390,050. No finder's fees were paid in connection with the private placement.

On September 3, 2020, the Company completed a non-brokered private placement consisting of 4,090,506 common shares at $0.15 per share, for gross proceeds of $613,576. In connection with the private placement, the Company issued 286,335 finder's fee common shares, to arm's-length finders, with a fair value of $42,950.

On May 8, 2020, the Company completed a non-brokered private placement consisting of 2,040,000 common shares at $0.025 per share, for gross proceeds of $51,000. In connection with the private placement, the Company paid a cash finder's fee of $1,455 to PI Financial Corp.

On November 21, 2019, pursuant to debt settlement agreements, the Company issued 13,440,000 common shares with a fair value of $336,000 to certain creditors of the Company, including a company controlled by a director of the Company, to settle accounts payable of $336,000. No gains or losses have been recorded on the settlement of debt. Of the $336,000 accounts payable settled, $301,500 was owed to companies controlled by the former CEO, CFO and Director of the Company. Prior to entering into debt settlement agreements, the accounts payable of $301,500 was assigned to various arms-length creditors. After the debt was assigned, the Company issued common shares to settle the debt to these arms-length creditors.

Share Purchase Options

The Company has 10,000,000 stock options outstanding at June 30, 2021 (December 31, 2020 – 4,000,000).

Warrants

The Company has 10,792,400 share purchase warrants outstanding at June 30, 2021 (December 31, 2020 - Nil).

LIQUIDITY AND CAPITAL RESOURCES

The interim condensed consolidated financial statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to acquire resource property or business interests and develop profitable operations or a combination thereof, which is not assured, given today's volatile and uncertain financial markets. The Company may revise programs depending on its working capital position.

As at June 30, 2021 the Company had working capital of $1,757,523 (December 31, 2020 – $485,381) which primarily consisted of cash of $1,950,129 (2020 - $352,167). Current liabilities, being accounts payable and accrued liabilities and loan of $838,718 (December 31, 2020 – $122,342).

Cash used in operating activities were $1,328,480 compared to cash used of $29,928 for the same period in the prior year.

During the six-month period ended June 30, 2021, the Company acquired cash of $111,202 from the business combination with Captios. During the six-month period ended June 30, 2020, the Company did not use or generate any cash from investing activities.

Cash provided by financing activities were $2,849,300 (2020 - $89,153) mainly from a private placement for the six month periods ended June 30, 2021 and 2020.

Other than the above-mentioned current liabilities, the Company has no short-term capital spending requirements and future plans and expectations are based on the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. There can be no assurance that the Company will be able to obtain adequate financing in the future or if available that such financing will be on acceptable terms. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Company may seek such additional financing through debt or equity offerings. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

The Company has no assets and has no pledges as security for loans, or otherwise and is not subject to any debt covenants.

Historically, the Company's sole source of funding has been loans from related parties and private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as low.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

DIRECTORS AND OFFICERS

The Directors and Executive Officers of the Company are as follows:

Eugene Beukman	- Director and Chief Executive Officer, member of the audit committee.
Joel Dumaresq	- Director, member of the audit committee.
Alexander Somjen	- Director, member of the audit committee.
Peter Nguyen	- Director
Gene McConnell	- Chief Financial Officer, Corporate Secretary
James Greenwell	- President

TRANSACTIONS WITH RELATED PARTIES

During the six months period ended June 30, 2021, an amount of $46,978 (2020 – $16,350) corporate services and $19,900 (2020 - $15,000) accounting fees was charged by a company controlled by a director of the Company.

During the six months period ending June 30, 2021, the Company owed a principal loan of $15,000 (December 31, 2020 - $15,000) obtained from a company controlled by a director of the Company to cover ongoing operational expenses. The loan is unsecured, bearing interest at 8% per annum and is due on demand. During the six months period ended June 30, 2021, the Company accrued interest of $595 (year ending December 31, 2020 - $1,138).

As at June 30, 2021, there was $6,962 (December 31, 2020 - $13,288) included in accounts payable and accrued liabilities owing to a former officer and director and companies controlled by the former director. The balances are unsecured, payable on demand and non-interest bearing.

As at June 30, 2021, there was $207,450 (December 31, 2020 - $81,018) included in accounts payable and accrued liabilities owing to directors and a company controlled by a director of the Company. The balances are unsecured, payable on demand and non-interest bearing.

PROPOSED TRANSACTIONS

The Company has no proposed transactions

CRITICAL ACCOUNTING ESTIMATES

The preparation of condensed interim consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's condensed interim consolidated financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the determination if acquisitions represent business combinations;
- the determination of the fair value of assets and liabilities acquired in a business combination;
- the determination of functional currencies;
- the recoverability of long-lived assets;
- the estimated useful life of long-lived assets; and
- the fair value of stock-based compensation.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's condensed interim consolidated financial statements.

FINANCIAL INSTRUMENTS AND RISKS

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

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 and arises principally from the Company's cash. The Company limits exposure to credit risk through maintaining its cash with high-credit quality Canadian financial institutions. The Company is not exposed to significant credit risk. The carrying amount of financial assets represents the maximum credit exposure.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company has funds of $1,950,129 (December 31, 2020 – $352,167) to satisfy its financial obligations of $838,718 (December 31, 2020 - $122,342). The Company will be required to raise additional financing to be able and to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses.

Historically, the Company's sole source of funding has been loans from related parties and private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as low.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company has assessed its foreign exchange risk as low as at June 30, 2021.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's sensitivity to interest rates is minimal.

Management of capital

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

OUTSTANDING SHARE DATA

As at the date of this MD&A the Company had 53,713,600 common shares issued and outstanding. The Company has 10,000,000 Options outstanding, 10,792,400 warrants outstanding and 700,000 restricted share units outstanding.

CONTINGENCIES

The Company is not aware of any contingencies or pending legal proceedings as of June 30, 2021 and as of the date of this report.

CAUTIONARY STATEMENT ON FORWARD LOOKING INFORMATION

Certain statements contained in this document constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements.

ADDITIONAL DISCLOSURE FOR VENTURE COMPANIES WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's general and administrative expenses is provided in the Company's statement of loss and comprehensive loss and note disclosures contained in its condensed interim consolidated financial statements for the six month period ended June 30, 2021 and annual financial statements for the year ended December 31, 2020. These statements are available on SEDAR - Site accessed through www.sedar.com.

DISCLAIMER

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

CHANGES IN ACCOUNTING POLICIES

See Note 2 "Basis of Presentation and Significant Accounting Policies" of the condensed interim consolidated financial statements for the period ended June 30, 2021 and the financial statements for the year ended December 30, 2020.

CRITICAL ACCOUNTING POLICIES

New accounting standards issued but not yet effective

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's condensed interim consolidated financial statements.