CLOUD NINE WEB3 TECHNOLOGIES INC.

(Formerly Cloud Nine Education Group Ltd.)

Management's Discussion and Analysis

For the three and nine months ended June 30, 2021

Management's Discussion & Analysis

The management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Cloud Nine Web3 Technologies Inc. (the "Company" or "Cloud Nine") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and nine months ended June 30, 2021. The MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended June 30, 2021, and the notes related thereto (the "Interim Financial Statements") and the annual audited consolidated financial statements for the year ended September 30, 2020. A copy of the Interim and Annual Financial Statements is posted on the SEDAR website, www.sedar.com.

The Interim Financial Statements were prepared in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standards 34, "Interim Financial Reporting" ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). All information in this MD&A is current as of August 25, 2021, unless otherwise indicated. All dollar figures are expressed Canadian dollars unless otherwise noted.

Management is responsible for the information contained in this MD&A and its consistency with information presented to the Audit Committee and Board of Directors. The Interim Financial Statements and MD&A have been reviewed by the Company's Audit Committee and approved by the Board of Directors on August 25, 2021.

This MD&A may contain forward-looking statements and should be read in conjunction with the cautionary statement on forward-looking statements at the end of this MD&A. These forward-looking statements are based on assumptions and judgments of management regarding events or results that may prove to be inaccurate resulting from risk factors beyond its control. Actual results may differ materially from the expected results.

Company Overview

The Company is a development stage technology issuer. Currently, its principal focus is on the continued development and marketing of its interactive and proprietary Cloud Nine Education Platform as well as its integration with the recently acquired Next Decentrum EdTech platform. Although the Company's principal business is the advancement of its educational technology platforms, with the assistance of its strategic advisors it intends to expand on its platform capabilities by pursuing a growth strategy that includes the following elements: the Limitless Technologies VPN platform; a digital wallet; and a decentralized storage application.

The Company intends to incorporate monetization and integration strategies with Cloud Nine's existing platform to build out new and efficient ways of educating and furthering user experience in the world of Web 3.0. Cloud Nine will leverage the latest technology to deliver products and services for an open and more secure internet and to deliver innovations that change the way the world manages information, analyzes data, purchases and consumes goods, and communicates across the globe. Cloud Nine anticipates that it will incur a further $500,000 in development costs to advance the platform to the beta testing phase and hopes to offer a finished product before the end of 2021.

With Cloud Nine's education platform, the Company aims to revolutionize the education sector with smart and adaptive learning ready for a world dominated by emerging technologies, where speed of learning is as important as the quality of learning. The Company's education platform provides a selection of technology products that cover the needs of the education and business sector to learn emerging technologies at the speed of the market and the speed of progress. The Company expects to target the education and stay-at-home sectors with selective learning modules and critical information related to the cybersecurity, crypto and blockchain sectors. To supplement its existing educational technology platform, the Company may invest in joint ventures or acquire assets or businesses in the blockchain or cryptocurrency sector, if opportunities arise.

Products

The Company's current products consist of two educational technology platforms, the Cloud Nine Education Platform and the Next Decentrum EdTech Platform and the development stage Limitless Technologies Platforms, all of which are described below.

Cloud Nine Education Platform

The Company's principal business is the continued development, marketing and sale of the Cloud Nine Education Platform. The Cloud Nine Education Platform is a cloud-based digital curriculum designed to be used by teachers to teach beginner to advanced English to students aged 15 and older. The digital curriculum is designed to be used in Canada and internationally by universities, schools, and English learning centres to replace or augment textbook learning systems. A digital curriculum has the advantage of supporting a multi-media delivery platform that can be more engaging for both the teacher and the student, which can improve learning outcomes. The ESL market is still a textbook dominated market; however, the Company expects this to rapidly change.

Next Decentrum EdTech Platform

The EdTech platform is designed to provide users with easy and simple guides to cybersecurity, wearable technologies, blockchain technology, crypto currencies and decentralized Finance (DeFi).

Cloud Nine partnered with Next Decentrum and released and marketed "The Quick & Dirty Guide to NFTs", a blockchain guide giving full historical context in bite-sized information with visually stunning graphics. It is designed to help those interested to learn blockchain at a quick pace without the need to decipher tech jargon. The Blockchain guide can be accessed at Cloud9Web3.com/Register. The Company expects to release more programs over the course of the next few months.

Limitless Technologies Network (VPN Miner) – Development Stage

The Limitless Technologies platform is being developed to give consumers 'plug and play' opportunities to mine favorite cryptocurrencies which will be then immediately stored in the consumer's in-app digital wallet.

Digital Wallet for Desktop and Mobile – Development Stage

The Company's development stage digital wallet is a crypto credit card paired with user friendly cryptocurrency banking services on desktop, mobile and hardware wallets.

Decentralized Storage Application – Development Stage

The Company's development stage decentralized storage application or AirBnB of Storage, will take under-utilized computer resources and will provide secure and affordable databases.

Significant Events and other Corporate Developments Subsequent to the Quarter

The following is a summary of significant events and transactions that occurred subsequent to June 30, 2021:

Financings

On August 10, 2021, the Company filed a preliminary short form base shelf prospectus (the "Base Shelf Prospectus") with the securities regulatory authorities in each of the provinces and territories of Canada, other than Quebec. The Base Shelf Prospectus, when made final or effective, will allow the Company to make offerings of up to $100 million of common shares, warrants, subscription receipts, units, debt securities, share purchase contracts, or any combination thereof, from time to time, during the 25-month period that the Base Shelf Prospectus remains effective. The specific terms of any future offering of securities, including the use of proceeds, will be established in a prospectus supplement to the Base Shelf Prospectus which will be filed with the applicable Canadian securities regulatory authorities.

Director Resignation

Effective August 6, 2021, Mr. Dalton Larson resigned as a Director of the Company.

Significant Events and Corporate Developments During the Quarter

The following is a summary of significant events and transactions that occurred during the three months ended June 30, 2021:

Financings

In May 2021, the Company closed a non-brokered private placement of 1,116,155 units at $1.37 per unit for gross proceeds of $1,528,882. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable into one common share at a price of $1.75 per share for a period of one year from the date of issuance subject to accelerated expiry if the shares trade at $2.50 for ten consecutive days. The Company paid a finder's fee of $17,502 related to the private placement.

The net proceeds from the financing will be used to fund software development, marketing and general working capital purposes.

Director and Officer Appointments

Effective April 1, 2021, Mr. Sefton Fincham was appointed as President of the Company. Former President, Allan Larmour, remains a director and CEO of the Company.

Advisory Board Appointments

Effective May 11, 2021, Shin-Young Park was appointed as Cloud Nine's Strategic Advisor. Shin-Young Park is the CEO of Wepay Korea, a private company engaged in the development, distribution and support of various platforms including Payment Gateway (PG) settlement platforms.

Effective May 18, 2021, Richard Oh, a former executive at PayPal Asia, and Eric Sim, CEO of GLOCONTECH, were appointed as Strategic Advisors of Cloud Nine.

Effective June 16, 2021, Dan Reitzik, a co-founder and CEO of DMG Blockchain Solutions Inc. until March 2021, was appointed as a Special Advisor of Cloud Nine.

Strategic Investment

On April 20, 2021, the Company entered into a strategic partnership with Next Decentum Technologies Inc. ("Next Decentrum"), a technology startup focused on education and emerging technologies. Next Decentrum designs and builds dynamic, relevant, and human-led emerging tech education content and software, inspired by the modern theories of continuous innovations, lean thinking, and agile development.

On June 28, 2021, the Company entered into the following agreements with Next Decentrum, each dated June 25, 2021: (i) a strategic alliance agreement, pursuant to which Next Decentrum is to provide development services to Cloud Nine; (ii) a share purchase agreement ("SPA"), to facilitate Cloud Nine's strategic investment in Next Decentrum; and (iii) an investor rights agreement, which grants Cloud Nine a right of first refusal to acquire Next Decentrum in the event of a potential change in control sale.

In accordance with the terms and conditions of the SPA, Cloud Nine will acquire a 19.7% ownership interest in Next Decentrum, on an undiluted basis, by providing a total cash payment of $500,000 in eight tranches over a period of six months, in exchange for the issuance of an aggregate of 2,673,792 units of Next Decentrum, at a price of $0.187 per unit. Each unit is comprised of: (i) one common share of Next Decentrum, and (ii) one non-transferable common share purchase warrant, with each warrant entitling Cloud Nine to acquire one additional common share of Next Decentrum at a price of $0.2805 per share for a period of 24 months from the date of issuance. Cloud Nine has the right to increase its ownership in Next Decentrum to up to 28.2% by providing an additional investment of up to $750,000 in connection with the exercise of all 2,673,792 warrants granted under the SPA.

As of the date of this MD&A, Cloud Nine has closed the first three tranches of its strategic investment in Next Decentrum and acquired an aggregate of 802,497 units for $150,000. The final tranche is scheduled to be completed by December 31, 2021.

Results of Operations

During the three months ended June 30, 2021, the Company incurred a net loss of $1,613,845 compared to $37,793 for the corresponding period in 2020. The overall increase in net loss was attributed to increased corporate activity in the current period related to corporate reorganization, asset acquisitions and financings.

Expenses

Advertising and promotion of $227,049 and $647,660 during the three and nine months ended June 30, 2021, included advertising and publication costs to create and increase public awareness of Cloud Nine's activities, strategic plans and investment opportunities. The Company retained a news media consulting firm with respect to news media feature articles and article coverages to generate exposure and presence within the public markets. No such expenses were recorded in the prior year.

Consulting fees increased by $152,455 and $361,342 during the three and nine months ended June 30, 2021, due to various fees related to business development services, due diligence activities, strategic capital markets advisory services and corporate strategic financing consulting.

Investor and public relations increased by $224,128 and $441,330 during the three and nine months ended June 30, 2021, respectively. The increase was primarily attributable to various initiatives undertaken by the Company to market to existing shareholders and potential investors, its financing activities and communicate its plans for growth which included the recent IP assets acquisition and strategic partnerships. Cloud Nine also retained the services of newswire companies to increase brand awareness and online visibility through press release distributions.

Marketing expenses of $846,209 and $1,292,526 during the three and nine months ended June 30, 2021, included marketing campaigns and key branding initiatives which featured a complete rebranding of the Company including a name change, Cloud Nine corporate identity, new website, logos and banners and other new promotional and corporate presentation materials.

Office and administration of $48,729 and $91,568 during the three and nine months ended June 30, 2021, included shared office costs, rent, office and other general expenses as a result of the Company's reorganization and increased corporate activity.

Professional fees increased by $40,145 and $98,482 during the three and nine months ended June 30, 2021, due to increased corporate activities related to acquisitions, due diligence, financings and various negotiations with third parties related to potential acquisitions and investments.

Other Items

Finance costs during the three and nine months ended June 30, 2021, consisted primarily of interest and accretion expenses of $35,595 and $89,336, respectively (three and nine months ended June 30, 2020 - $7,609 and $22,911) related to promissory notes and convertible debentures.

During the three and nine months ended June 30, 2021, the Company recorded a government grant of $Nil and $4,249 (three and nine months ended June 30, 2020 - $Nil) related to a $20,000 interest free loan received during the period from the Government of Canada under the CEBA Covid – 19 relief loan. The amount represents the difference between the loan proceeds received and the carrying value of the loan measured at fair value using the Company's incremental borrowing rate of 12% per annum.

Summary of Quarterly Results

The following table sets forth selected financial information of the Company for each of the last eight quarters:

Three Months Ended	Jun 2021(1)	Mar 2021(1)	Dec 2020	Sep 2020	Jun 2020	Mar 2020	Dec 2019	Sep 2019
	$	$	$	$	$	$	$	$
Expenses	1,592,656	1,870,309	26,636	25,526	13,165	58,810	344,457	90,799
Net loss	(1,613,845)	(1,839,406)	(24,572)	(38,574)	(37,793)	(83,414)	(349,821)	(144,978)
Loss per common share	0.03	0.05	0.00	0.00	0.00	0.00	0.02	0.01

(1) Higher expenditures and net loss due to higher advertising and promotion, consulting, investor relations and marketing costs of $1,449,841 incurred by Cloud Nine during the period, as well as higher other expenses due to increased corporate activity.

The Company manages liquidity risk by ensuring, as far as reasonably possible, that it has sufficient capital to meet working capital and operating requirements as well as its financial obligations and commitments. The Company has historically financed its operations and met its capital requirements primarily through debt and equity financings.

As of June 30, 2021, the Company had working capital of $2,344,787 (September 30, 2020 – deficit of $791,652) and cash and cash equivalents of $2,788,255. The Company's ability to meet its obligations as they fall due and to continue to operate as a going concern is dependent on the continued financial support of its creditors and the shareholders. There can be no assurance that funding from this or other sources will be sufficient in the future to continue its operations. Even if the Cloud Nine is able to obtain new financing, it may not be on commercially reasonable terms or terms that are acceptable to the Company.

The increase in working capital of $3,136,443 was primarily due to debt and equity financings carried out during the period. Net cash on hand increased by $2,785,718 as at June 30, 2021 due to cash inflows from financing activities of $7,526,507 offset by cash used for operating activities of $4,078,777 and cash outflows for investing activities of $662,012.

Operating Activities

For the nine months ended June 30, 2021, cash flow used in operating activities was $4,078,777 compared to $264,666 for the nine months ended June 30, 2020. The increase in cash flow used for operations of $3,814,111 was primarily attributable to the cash used to finance working capital of $678,052 and higher expenditures during the period of $3,400,725.

Investing Activities

For the nine months ended June 30, 2021, the Company had net cash outflows related to investing activities of $662,012 as compared to $Nil for the nine months ended June 30, 2020. Investing activities during the period relate to software development costs of $257,758, finder's fee of $300,000 related to the acquisition of IP Assets, investment in shares and derivatives of $100,000, and a purchase of a computer equipment of $4,254.

Financing Activities

Cash provided by financing activities for the nine months ended June 30, 2021, were $7,526,507 compared to $53,650 for the nine months June 30, 2020. The increase in cash was mainly due to cash of $1,185,409 generated from the issuance of convertible debentures, $4,182,225 from unit offerings and $2,168,373 from exercise of stock options and warrants.

During the period, the Company secured an additional loan of $20,000 from the Government of Canada under the Canada Emergency Business Account ("CEBA") Covid-19 relief loan. The CEBA loan is interest free and matures on December 31, 2022.

Contractual Obligations

A summary of the Company's contractual obligations which outlines the year the payments are due is as follows:

	Total	< 1 year	1 – 3 years	3 – 5 years
	$	$	$	$
Accounts payable and accrued liabilities	380,467	206,202	-	174,265
Loans and borrowings	150,255	100,000	50,255	-
Convertible debentures	786,405	786,405	-	-
Investment in shares and derivatives	400,000	400,000	-	-
	1,717,127	1,492,607	50,255	174,265

Management is committed to raising additional capital to meet its financial obligations and commitments, fund its operations, growth initiatives and capital expenditures. The Company believes that its current capital resources will be sufficient to meet all of its anticipated obligations for the next twelve months.

Capital Disclosure

The Company considers its capital structure to include net residual equity of all assets, less liabilities. Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at June 30, 2021, the Company's shareholders' equity was $7,498,096 (September 30, 2020 - $(933,553)) and it had current liabilities of $1,092,607 (September 30, 2020 - $794,190). Management's objective is to manage its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of share capital and working capital.

To achieve this objective, management adjusts its capital resources to respond to changes in economic conditions and risk characteristics of the underlying assets. The capital resources used for operations were mainly from loans and borrowings and proceeds from the issuance of common shares.

Off-Balance Sheet Arrangements

The Company had no material off-balance sheet arrangements as at June 30, 2021, and as at the date of this MD&A, that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company.

Transactions with Related Parties

During the three months ended June 30, 2021, compensation to key management personnel included a salary of $50,000 (2020 - nil) and share-based compensation of $41,269 (2020 - $9,875).

During the three months ended June 30, 2021, related party transactions included professional fees of $7,500 (2020 - $9,031) paid to a company controlled by a director of the Company, and shared office expenses of $25,214 (2020 - $Nil) paid to a company with common directors and officers.

As at June 30, 2021, included in accounts payable and accrued liabilities was $50,000 (September 30, 2020 - $22,100) due to a director and an officer of the Company for salaries.

As at June 30, 2021, included in loans and borrowings was $100,000 (September 30, 2020 - 126,000) due to a former director of the Company pursuant to an unsecured promissory note.

All related party transactions were in the ordinary course of business and were conducted on terms substantially similar to arm's length transactions.

Critical Accounting Estimates

The preparation of the Company's Interim Financial Statements in conformity with IFRS requires management to exercise judgment and to make estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets, liabilities and disclosures. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Refer to Note 2(d) to the Interim Financial Statements and Note 2 to the 2020 Annual Audited Financial Statements of the Company for a detailed discussion of the areas in which critical accounting estimates were made and where actual results may differ from the estimates under differentassumptions and conditions that may materially affect financial results of the Company's statement of financial position reported in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

New Accounting Pronouncements

The following IFRS standard has been recently issued by the IASB. Pronouncements that are not expected to have a significant impact have been excluded.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

The amendments to IAS 1 clarify the requirements relating to determining whether a liability should be presented as current or non-current in the statement of financial position. Under the new requirements, the assessment of whether a liability is presented as current or non-current is based on the contractual arrangements in place as at the reporting date and does not impact the amount or timing of recognition. The amendment applies retrospectively for annual reporting periods beginning on or after January 1, 2022. The Company is currently evaluating the potential impact of these amendments on the Company's consolidated financial statements.

Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in theprincipal (or most advantageous) market at the measurement date under current market conditions (an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The Company uses the following hierarchy for determining fair value measurements:

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

Financial instruments are measured at either fair value or amortized cost. The following table sets out the valuation methods used to determine fair value of each financial instrument:

Financial instruments	Fair value method
Measured at fair value	
Investments (FVTOCI)	Implied share price as at measurement date (Level 3)
Derivatives (FVTPL)	Black-Scholes option pricing model (Level 3)

Financial instruments	Fair value method
Measured at amortized cost	
Cash and cash equivalents	Carrying amount (approximates fair value due to short-term nature)
Accounts payable and accrued liabilities	Carrying amount (approximates fair value due to short-term nature)
Convertible debentures and short-term loans and borrowings	Carrying value discounted at the effective interest rate

During the period, there were no transfers of amounts between level 1, 2 and 3 of the fair value hierarchy.

Financial Instruments Risk

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

(1) Credit Risk

Credit risk is the risk of a potential loss to the Company associated with a counterparty's inability to fulfill its contractual obligations. The Company's credit risk is primarily attributable to cash and cash equivalents. The risk for cash and cash equivalents balances are mitigated by holding these instruments with highly rated and reputable Canadian financial institutions.

(2) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations associated with its financial liabilities as they come due. The Company's approach to managing liquidity risk is to ensure that it hassufficient liquidity to settle obligations and liabilities when they are due. As at June 30, 2021, the Company had a working capital of $2,344,787 (as at September 30, 2020 – deficiency of $791,652). The Company is currently actively pursuing additional sources of financing to ensure that it can meet its ongoing operating requirements and planned capital expenditures. There is no assurance that the Company will be successful in these initiatives. As of the date hereof, the Company has no commitments for capital expenditures. Accounts payable and accrued liabilities are due within 90 days and loans and borrowings mature within 1 to 3 years.

(3) Market risk

Market risk is the risk that changes in the market related factors, such as interest rates and market prices, which will affect the Company's (loss) income or the fair value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

(a) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. It arises when the Company invests in interest bearing financial instruments. As at June 30, 2021, the Company did not have any financial instruments subject to significant interest rate risk.

(b) Price risk

Price risk is the risk of variability in fair value due to movements in equity or market prices. The Company's marketable securities and investments are susceptible to price risk arising from uncertainties about their future outlook, future values and the impact of market conditions. The fair value of marketable securities and derivatives held in publicly traded entities are based on quoted market prices which the shares of the investments can be exchanged for. As at June 30, 2021, the Company did not have any financial instruments subject to significant price risk.

<u>Other Risks and Uncertainties</u>

The Company's business is subject to other risks and uncertainties that may have a material adverse effect on the Company's business, assets, liabilities, financial condition, results of operations, prospects, and cash flows and the future trading price of the common shares. Due to the nature of Cloud Nine's business, the legal and economic climate in which it operates and its present stage of development and proposed operations, Cloud Nine is subject to significant risks. For additional risk factors, please refer to the Company's most recent Annual Information Form under the Company's issuer profile on SEDAR at www.sedar.com.

Summary of Outstanding Share Data

As at the date of this MD&A, the Company had the following issued and outstanding securities:

Description of securities	Number of securities
Issued and outstanding common shares	62,595,656
Warrants	19,322,861
Stock options	710,000
Convertible debentures	4,000,000
	86,628,517

Controls and Procedures

In connection with National Instrument 52-109 ("NI 52-109"), the CEO and CFO of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the Interim Financial Statements and accompanying MD&A as at June 30, 2021 (together the "Interim Filings").

In contrast to the certificate under NI 52-109, the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Interim Filings on SEDAR at www.sedar.com.

Disclosure Controls and Procedures

Disclosure controls and procedures (“DC&P”) are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls overfinancial reporting (“ICFR”) are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with IFRS.

Venture companies are not required to provide representations in the Interim Filings relating to the establishment and maintenance of DC&P and ICFR, as defined in NI 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s IFRS. The issuer’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Cautionary Statement Regarding Forward-Looking Information

This MD&A contains "forward-looking statements" or "forward-looking information" (collectively referred to hereafter as "forward-looking statements") within the meaning of applicable Canadian securities legislation.

All statements that address activities, events or developments that Cloud Nine expects or anticipates will, or may, occurin the future, including statements regarding the plans, intentions, beliefs and current expectations of the Company with respect to future business activities and operating performance. In some cases, forward-looking statements are preceded by, followed by or include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "proposes", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Forward-looking information is based on certain key expectations and assumptions made by the management of Cloud Nine, including, but not limited to:

- the Company's anticipated cash needs and its needs for additional financing;
- the Company's anticipated use of proceeds and business strategy;
- the Company's ability to protect, maintain and enforce its intellectual property;
- the Company’s future growth plans;
- the Company's expectations with respect to advancement of its business, operations products, and services, including the Cloud Nine Education Platform;
- the Company's ability to attract new customers and develop and maintain existing customers;
- the Company's competitive position;
- the COVID-19 pandemic and other global health pandemics and events that could substantially affect the Company’s business; and
- anticipated trends and challenges in the Company's business and in particular, the education market.

Investors are cautioned that forward-looking information is not based on historical facts but instead reflect the Company's expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although the management of Cloud Nine believes that the assumptions made and the expectations represented by such statements are reasonable, there can be no assurance that a forward-looking statement herein will prove to be accurate. Actual results and developments may differ materially from those contemplated by these statements.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Cloud Nine to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others: risks related to the Company's business, financial position, financial performance, and cash flows; the impact on the business of broader economic factors; Cloud Nine's limited operating history and needs for additional capital; uncertainty relating to liquidity and capital requirements; risks inherent in Cloud Nine's acquisition strategy; Cloud Nine may not be able to obtain financing necessary to implement Cloud Nine's business plan; reliance on key management; and compliance with financial reporting and other requirements as a public company. Additional risks and uncertainties applicable to the Company, as well as trends identified by the Company affecting it can be found in the Company's continuous disclosure documents and Annual Information Form available on SEDAR.

Although Cloud Nine has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, or intended.

Such cautionary statements qualify all forward-looking statements made in this MD&A. Except as required by law, the Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future event or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. Neither the Company nor any of its representatives make any representation or warranty, express or implied, as to the accuracy, sufficiency or completeness of the information in this MD&A. Neither the Company nor any of its representatives shall have any liability whatsoever, under contract, tort, trust or otherwise, to the reader or any person resulting from the use of the information in this MD&A by the reader or its representatives or for omissions from the information in this MD&A.