ANONYMOUS INTELLIGENCE COMPANY INC.

(Formerly Cloud Nine Web3 Technologies Inc.)

Management's Discussion and Analysis

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

Management's Discussion & Analysis

This Management's Discussion and Analysis (the "MD&A") of the financial condition and results of operations of Anonymous Intelligence Company Inc. (formerly Cloud Nine Web3 Technologies Inc.) (the "**Company**" or "**ANON**") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and six months ended March 31, 2023.

The MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements and related notes thereto (the "**Interim Financial Statements**") of the Company for the three and six months ended March 31, 2023 and 2022, which were prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("IASB"), the annual audited financial statements for the year ended September 30, 2022, and the notes related thereto (the "**Annual Financial Statements**"), which were in accordance with IFRS, the annual MD&A and the Annual Information Form ("**AIF**").

All information in the MD&A is as of May 25, 2023, unless otherwise indicated. The Interim Financial Statements and MD&A have been reviewed by the Company's Audit Committee and approved by the Board of Directors on May 25, 2023.

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.

The Interim Financial Statements, Annual Financial Statements, MD&As, AIF and other information, including news releases and other continuous disclosure documents are available on SEDAR at www.sedar.com and on the Company's website at www.cloud9web3.com.

Significant Events and other Corporate Developments Subsequent to the Quarter

The following is a summary of significant events and transactions that occurred subsequent to March 31, 2023:

Change of Business

Effective May 16, 2023, the Company completed a change of business from an education technology Issuer to a technology Issuer. Concurrently, the Company changed its name to Anonymous Intelligence Company Inc. and its ticker symbol on the CSE from "CNI" to "ANON". The Company's ticker symbol on the OTCQB also changed from "CLGUF" to "ANICF".

The common shares of the Company commenced trading on the CSE under the new name, Anonymous Intelligence Company Inc., and new ticker symbol, "ANON", at market opening on Thursday, May 18, 2023, and on the OTCQB under the new name and new ticker symbol, "ANICF", on Wednesday, May 17, 2023.

Financing

On April 24, 2023, the Company completed a non-brokered private placement of 13,215,600 units at a price of $0.05 per unit for gross proceeds of $660,780. Each unit consisted of one common share and one warrant exercisable at $0.06 per share expiring April 24, 2028, subject to accelerated expiry, at the option of the Company, in the event that the shares trade at a price of $0.15 and above for ten (10) consecutive trading days.

Product Update

The Company announced the release of its proprietary anonymous data intelligence technology designed to revolutionize the way companies leverage their existing user-base data, including the Company's own VPN users. With this cutting-edge technology that has been developed in-house, ANON aims to provide real-time answers to complex data questions while offering an income generating white label monetization program for early adopters.

Modern tech companies face various challenges across different sectors, including e-commerce, cybersecurity, brand protection, SEO monitoring, and travel and hospitality. ANON's connection sharing technology enables companies to address these challenges effectively and gain a competitive edge through analysis of large amounts of digital intelligence. By utilizing a portion of each user's internet connection, ANON's innovative solution offers real-time access to valuable data, delivering unparalleled insights to enhance business strategies. Modern companies require Augmented Intelligence in order to compete effectively. Autonomous systems do not provide an edge and no longer provide value vs. systems that effectively leverage AI. ANON's data sharing feature allows users to protect their autonomy and provide meaningful public data that companies increasingly require.

The concept behind ANON's technology lies in leveraging users' underutilized bandwidth for access to a paid app or service. By doing so, users benefit from a net gain while companies gain access to a wealth of valuable data that would otherwise be challenging to obtain. This mutually beneficial arrangement contributes to user satisfaction and enables companies to generate revenue by solving their data challenges effectively. ANON's technology addresses privacy concerns by not utilizing tracking software, or identifying user identities.

Currently, the average user beta testing the new VPN software is valued at 50 cents USD per month to the company. As ANON's user base grows and partnerships expand, this value is expected to increase significantly. By adopting ANON's anonymous intelligence technology, companies can capitalize on the vast potential of this groundbreaking solution to drive revenue and gain a competitive advantage in their respective industries.

ANON's technology is not limited to a single company or sector. The Company welcomes other businesses to explore collaboration opportunities and leverage the power of anonymous intelligence mining. Early adopters of ANON's technology will receive a preferred percentage of gross revenue per user added to the network, ensuring a mutually beneficial partnership. The technology is currently in a closed beta test, which is set to expand to exiting users next, with a public launch shortly after.

Letter of Intent

On May 23, 2023, the Company entered into a non-binding letter of intent to acquire Haller.AI Technologies Inc. ("Haller") (the "Acquisition"). Haller aggregates the world's leading GPT-powered apps for enterprise into a unified, best-in-class UI layer. Think 'Google flights' for enterprise AI, 'too many flight sites, no single aggregator'. Haller turbocharges companies with an all-in-one enterprise AI dashboard.

The Company will acquire all of the issued and outstanding shares of Haller for aggregate consideration of approximately $3,155,000 consisting of 20,000,000 common shares (the "Consideration Shares") of the Company at a deemed price of $0.10 per share and 10,000,000 bonus warrants (the "Consideration Warrants") exercisable at a price of $0.25 per share for a period of five years (the "Purchase Price"). The Purchase Price shall be paid to the Vendor subject to the following resale restrictions and releases based on certain milestones achieved:

1. 25% of the Consideration Shares shall be released after 4 months +1 day from the date of closing of the Acquisition (the "Closing Date");
2. 25% of the Consideration Shares shall be released after 8 months from the Closing Date;
3. 25% of the Consideration Shares shall be released upon initial commercial product launch;
4. 25% of the Consideration Shares shall be released upon ANON achieving revenues of $50,000 in a month; and
5. 10,000,000 Consideration Warrants shall be issued upon ANON achieving revenues of $150,000 in one quarter.

In connection with the Acquisition, the Company will pay a finder's fee consisting of 2,000,000 common shares of the Company.

The Acquisition is subject to a number of conditions, including but not limited to, completion of due diligence, negotiation of a definitive agreement, satisfaction of the conditions negotiated therein and receipt of all necessary regulatory approvals.

Company Overview

Anonymous Intelligence Company Inc. is a leading decentralized network, computational intelligence and data storage technology company, focused on leveraging its proprietary Web 3.0 technology products to enable the decentralized movement among consumers and business alike. Web 3.0 enables a sustainable world where decentralized users and machines are able to interact with data, value and other counterparties via a substrate of peer-to-peer networks without the need for third parties creating many benefits such as giving each user full control and ownership of all personal and corporate data.

The Company's current sole product is the Limitless VPN (Virtual Private Network) which is currently functional and offered to the public without charge.

The Company has not commenced cryptocurrency mining operations but intends to do so shortly. The Company is in the pre-revenue phase as business efforts to date have focused on growing the Company's userbase to generate a sufficient Hash Rate for cryptocurrency mining operations. The Company is not acting and will not act as an exchange, is not offering and will not offer coins or tokens, nor is it acting nor will it act as a platform that facilitates the trading of crypto assets that are securities or instruments or contracts involving crypto assets. As of the date hereof, the Company had 31,200 active registered users of the Company's Limitless VPN. The Company considers active registered users as those persons who provide the Company will full time access to their hardware at a sufficient Hash Rate to generate operations. Those users who do not provide full time access or who have outdated or legacy hardware are not considered active registered users by the Company.

The Company currently offers its product without charge. Instead, users who wish to use its Limitless VPN product are required to agree to the Company's terms of use and privacy policies. The Company intends to monetize its Limitless VPN product by accessing and utilizing the Hash Rate of the Company's userbase for cryptocurrency mining through a third party or directly with its existing technology. Future monetization through cryptocurrency mining may occur directly or through third parties.

The decentralized web is a concept that proposes the reorganization of the internet in order to remove centralized data hosting services by instead using peer-to-peer infrastructure. Currently, a relatively small number of corporations control a disproportionate amount of online functioning, including control over personal data and activities. In a decentralized ecosystem, proponents believe that content creators and users will have more power, control and revenue channels. While the concept of the decentralized web is in its infancy, proponents like the Company are pursuing their business models by offering peer-to-peer products.

Product

The Limitless VPN is a proprietary product owned by the Company and offered to users which relates to the usage of network infrastructure to perform distributed computational processing and to provide the user secure and encrypted connection to the internet. The initial version of the Limitless VPN (www.limitlessvpn.com) was released and available to the public on September 23, 2021.

The Limitless VPN consists of a novel process for utilizing the Hash Rate that computers and mobile devices have to perform distributed computational processing within a network infrastructure while providing secure and encrypted access to the internet. When a user connects to a network infrastructure, which can be implemented either in hardware or software form, a process is used to evaluate the user's unused computational power. One potential embodiment of a hardware - implemented network infrastructure is a connection to a carrier or internet service provider's physical network.

The Company's software intelligently monitors user's computers to check on resource availability and ensure the Company's program never interferes with the main user's day to day activities. As a privacy first company, the Company currently manually checks and validates all sign ups, and is developing a secure algorithm to automate and accelerate the process.

The Company continues to test its crypto-mining capabilities with a small group of users (less than 1,000) to ensure proper testing. The Company has not commenced cryptocurrency mining operations but intends to do so shortly. This user group is to ensure operational stability and troubleshoot tech support issues with our third party monetization relationship with Argent Crypto, an arm's length party.

As the Company expands, it intends to add additional personnel. However, the Company has determined it does not need to do so at this time. Users are not rewarded in crypto, but the Company plans to develop a loyalty and rewards program for power to users that provide above average hash rate.

Limitless VPN Security

The Limitless VPN currently uses military grade Advanced Encryption Standard (AES) 256-bit encryption protocols and primitives to ensure secure transmission of information across the network. The Company utilizes several protocols within its framework to facilitate secure transmission. Anything stored via decentralized storage among users of the Limitless VPN is secure as it is data is broken down into 'parcels' and stored in multiple locations across the network. Nothing being stored on the user's device can be accessed, as only a fraction of each file is stored on each system. Unpackaging and repackaging is handled via a modified CD erasure coding protocol. Furthermore, personal information and other information of the owner of the computer remains completely isolated from VPN access in the same way that occurs when one connects to the internet using industry standard practices of an internet service provider (in this case, as well, the user's system files remain private). The Limitless VPN adds layers of security and protection against outside data breach attacks for systems who are not otherwise running additional protection software.

Current Third-Party Agreements

The Company has not commenced cryptocurrency mining operations but intends to do so shortly. ANON has entered into the Argent Services Agreement with Argent Crypto, an arm's length third party, to operate as both a payment processor and temporary holder of crypto assets on ANON's behalf. For any crypto assets held by Argent Crypto on the Company's behalf, Argent Crypto will temporarily hold such assets in an exchange wallet hosted by Payward Inc., a financial services company that is arm's length to the Company that does business as Kraken. To the Company's knowledge, Argent Crypto and Kraken are arm's length parties to each other. Pursuant to the terms of the Argent Services Agreement, Argent Crypto also agreed to access and utilize the Company's Hash Rate to mine digital assets, collect digital assets from such activity and convert such assets into fiat currency on behalf of the Company. Argent Crypto has not utilized the Company's Hash Rate for any mining activities to date.

When mining operations are initiated by the Company, any crypto assets collected by Argent Crypto from mining activities will be temporarily held in a Kraken exchange wallet before being converted to fiat currency by Argent Crypto on the first of every month. The fiat currency would then be split between ANON and Argent Crypto at a ratio of 93:7 in favour of ANON. The result is that Argent Crypto will perform all mining, holding and conversion activities associated with any crypto assets before transferring profits in the form of fiat currency to ANON. ANON does not currently mine or hold any crypto assets. The Company has no independent agreement or contract with Kraken, and all services provided by Kraken are facilitated and authorized through Argent Crypto's contractual arrangement with Kraken.

Services Provided to the Company by Custodians

Argent Crypto can operate as both a payment processor and temporary holder of crypto assets for ANON. Argent Crypto may also access and utilize the Hash Rate to mine crypto assets pursuant to the terms of the Argent Services Agreement.

Kraken provides exchange wallet services to Argent Crypto for the period of time between collection of crypto assets and conversion to fiat currency. Argent Crypto uses the Kraken exchange wallet solely for the purpose of temporarily holding crypto assets collected from mining activities and does not use the platform to trade, invest, or purchase crypto assets.

Newton provides an exchange wallet in which ANON may temporarily hold crypto assets received in exchange for renting out ANON's Hash Rate on the NiceHash platform. ANON will convert any crypto assets held in the Newton Wallet to fiat currency on the first day of each calendar month.

NiceHash provides a marketplace in which users can buy and sell hash power necessary for crypto mining activities. ANON may offer its Hash Rate for rent on the NiceHash platform and receive compensation from NiceHash in the form of crypto assets paid by other NiceHash users for use of the Hash Rate. NiceHash also provides an online wallet to hold crypto assets prior to transfer and conversion to fiat currency in the Newton Wallet.

Regulatory Frameworks Applicable to Custodians

Argent Crypto is not a Canadian financial institution as defined in NI 45-106. Argent Crypto is a non-reporting money services business incorporated under the laws of the Province of British Columbia. There is no provincial regulatory framework for money services businesses in British Columbia, although such businesses are required to register with FINTRAC. Argent Crypto is registered with FINTRAC.

Kraken is not a Canadian financial institution as defined in NI 45-106. Kraken is a U.S.-based crypto firm, placing it within the regulatory framework of the *Bank Secrecy Act*, 31 U.S.C. 5311. Kraken also recently received a Special Purpose Depository Institution ("**SPDI**") Bank Charter from the State of Wyoming, which allows Kraken to house digital currencies alongside fiat currencies under an independent affiliate called "Kraken Bank".[1] Assets held with Kraken Bank will be subject to Wyoming's forward-facing regulatory framework and oversight from the Wyoming Division of Banking.[2]

Newton is not a Canadian financial institution as defined in NI 45-106. Newton is incorporated in Canada under the federal *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, and is subject to Canadian securities regulation. Newton has not provided a pre-registration undertaking pursuant to the Canadian Securities Administrators' announcement on August 15, 2022, but has been granted relief to distribute crypto contracts and operate a platform in Canada that facilitates the buying, selling and holding of crypto assets while seeking registration as an investment dealer and membership with IIROC.[3] Newton does hold fiat cash currency on clients' behalf in an account at a Canadian financial institution that is a qualified custodian for cash under applicable securities laws, separate and apart from Newton's own assets.[4]

NiceHash is not a Canadian financial institution as defined in NI 45-106. NiceHash is incorporated under the *BVI Business Companies Act* of the British Virgin Islands. The British Virgin Islands does not currently have a specific regulatory framework for virtual assets or cryptocurrencies, although it is expected that the jurisdiction will in time develop a regulatory framework tailored specifically for virtual assets.[5] In the meantime, the BVI FSC has issued the FSC Guidance outlining which types of crypto assets and activities are subject to the regulatory remit of the BVI FSC and other pertinent securities regulation.[6] A virtual asset or other digital property which is only a medium of exchange with no benefits or rights other than ownership of the coin would not be considered an investment and the FSC Guidance confirms that such

[1] "SPDI: Special Purpose Depository Institution Bank Charter", https://www.kraken.com/en-us/learn/finance/spdi-bank-charter.
[2] "Frequently asked questions", https://www.kraken.com/bank.
[3] Ontario Securities Commission, *supra* note 1.
[4] Newton Relationship Disclosure, *supra* note 6.
[5] Padarin, Michael and Daniel Moore, "Virtual assets regulation in BVI: Challenges and opportunities", Carey Olsen Offshore Law Firm, https://www.careyolsen.com/articles/virtual-assets-regulation-bvi-challenges-and-opportunities.
[6] BVI FSC Guidance on Regulation of Virtual Assets in the Virgin Islands, https://www.bvifsc.vg/sites/default/files/guidance_on_regulation_of_virtual_assets_in_the_virgin_islands_bvi_final.pdf.

assets will generally fall outside the scope of regulation.[7] The Company's proposed use of the NiceHash platform relates only to activities involving virtual assets that are used as a medium of exchange and do not fall within the regulatory remit of the BVI FSC or related securities legislation.

Cryptocurrencies

Once cryptocurrency mining operations commence, and if the Company maintains its service agreement with Argent Crypto, the Hash Rate will likely be used to mine the cryptocurrency Monero. The Company is not aware of any risk of decreased rewards for mining Monero in particular. The amount of revenue ANON is able to receive from mining operations will depend on the market demand for Monero. Unfavourable and unforeseen market conditions may cause decreased rewards for mining any particular crypto asset, including Monero. Cryptocurrencies have a limited history and the fair value historically has been very volatile. Historical performance of cryptocurrencies are not indicative of their future price performance.

If the Company opts to provide its Hash Rate for rent on the NiceHash platform, ANON anticipates that the Hash Rate will be used by NiceHash users to mine Monero. As stated above, the Company is not aware of any risk of decreased rewards for mining Monero in particular. ANON will be paid in USD Coin by NiceHash in exchange for providing the Hash Rate to NiceHash users to mine Monero. USD Coin is a stablecoin that is pegged to the US Dollar and can be exchanged for US Dollars at a 1:1 ratio. USD Coin is also a fully-reserved stablecoin, meaning every USD Coin on the internet is 100% backed by cash and short-dated US treasuries held in the custody of US financial institutions, including BlackRock and BNY Mellon. USD Coin was developed by Circle Internet Financial, LLC ("**Circle**"), which is a peer-to-peer payments technology company licensed as a Money Transmitter by the New York State Department of Financial Institutions. Circle's financial statements are audited annually and subject to review by the US SEC.[8] Given that it is pegged to the US Dollar, USD Coin's value is tied to the performance of the US Dollar and not to the intrinsic value of the coin itself. This means USD Coin is less vulnerable to fluctuations in value due to speculation in cryptocurrency markets. However, USD Coin will still be susceptible to normal currency fluctuations and all factors that regularly affect fluctuations in fiat currencies. These may include global supply and demand, interest rates, exchange rates, inflation or deflation and global political and economic conditions. USD Coin will also be at risk of theft or loss due to business failure or security breaches of the custodial service or trading platform where the USD Coin is held. The amount of USD Coin received from NiceHash in exchange for renting the Hash Rate through NiceHash will also depend on the number of NiceHash users who use the Hash Rate to mine Monero. A decrease in the value of Monero may reduce the demand for Monero, which may subsequently reduce the volume of NiceHash users who are willing to use the Hash Rate to mine Monero. This could ultimately reduce the amount of USD Coin that ANON receives from NiceHash. The Company has not hedged the conversion of any of its cryptocurrency revenue or future mining of cryptocurrencies.

[7] Padarin, Michael and Daniel Moore, *supra* note 2.
[8] USD Coin Home Page,
https://www.circle.com/en/usdc#:~:text=USDC%20is%20a%20fully%2Dreserved,equivalence%20to%20the%20U.S.%20dollar.

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	Mar 2023	Dec 2022	Sep 2022(1)	Jun 2022(2)	Mar 2022(3)	Dec 2021(4)	Sep 2021	Jun 2021(5)
	$	$	$	$	$	$	$	$
Total expenses	448,252	429,156	659,773	476,665	1,448,826	545,146	646,177	1,592,656
Net (loss) income	(462,628)	(428,810)	(1,631,921)	(1,106,440)	(1,477,568)	666,017	(502,749)	(1,613,845)
Total comprehensive (loss) income	(463,628)	(438,810)	(1,577,921)	(1,924,440)	(1,477,568)	2,079,017	(502,749)	(1,613,845)
Income (loss) per share – basic and diluted	(0.01)	(0.01)	(0.03)	(0.02)	(0.02)	0.04	(0.01)	(0.03)

(1) The increase in net loss during the quarter was primarily attributable to an impairment charge to intangible assets related to the Limitless VPN of $1,087,646.

(2) Net loss during the quarter was largely attributable to an unrealized fair value loss of $629,000 on derivative related to the warrant component of the investment in Next Decentrum. The increase in comprehensive loss was primarily attributable to the unrealized fair value loss of $818,000 on the share component of the investment in Next Decentrum.

(3) Higher expenditures and net loss during the quarter were primarily attributable to stock-based compensation of $1,009,870.

(4) Net income during the quarter was primarily attributable to the unrealized gain on the fair value of derivative of $1,225,000 related to the warrant component of the investment in Next Decentrum. Comprehensive income during the quarter was mainly due to the unrealized gain on the fair value of the shares of Next Decentrum of $1,413,000.

(5) Higher expenditures and net loss due to higher advertising and promotion, consulting, investor relations and marketing costs of $1,523,819 and $1,449,841 during the March 2021 and June 2021 quarters, respectively, as well as other expenditures due to increased corporate activity related to the Company's corporate reorganization and the Limitless VPN acquisition.

Results of Operations

ANON currently offers the Limitless VPN to users without charge. The Company is currently focusing on growing its userbase through marketing and offering additional content, and once its userbase increases to a sufficient number, the Company intends to monetize the Limitless VPN product by accessing and utilizing the Hash Rate of the Company's userbase for cryptocurrency mining through a third party or directly with its existing technology. As of the date of this MD&A, the Company had 55,177 registered users, of which 31,200 are active users. Please see "Product" above.

The following selected financial information for the three and six months ended March 31, 2023 and 2022 is derived from the financial statements of the Company prepared within acceptable limits of materiality and is in accordance with IFRS.

	Q2 2023	Q2 2022	YTD Q2 2023	YTD Q2 2022
	$	$	$	$
Expenses:				
Marketing	7,397	25,366	10,749	44,366
Office and administration	13,623	40,727	35,184	75,162
Professional fees	38,344	46,255	69,348	148,238
Share-based compensation	77,590	1,009,870	144,104	1,091,395
Other Item:				
Unrealized loss (gain) on derivative	14,000	23,000	30,000	(1,202,000)
OCI:				
Unrealized loss (gain) on financial asset	1,000	-	11,000	(1,413,000)
Net (loss) income	(462,628)	(1,477,568)	(891,438)	(811,551)
Comprehensive (loss) income	(463,628)	(1,477,568)	(902,438)	601,449
Net (loss) income per share	(0.01)	(0.02)	(0.01)	0.01

Q2 2023 compared with Q2 2022

During Q2 2023 and Q2 2022, the Company has not generated any revenues from operations and recorded a net loss of $462,628 and $1,477,568, respectively. The overall decrease in net loss of $1,014,940 during the Q2 2023 was mainly attributable to a decrease in share-based compensation of $932,280.

Expense

The decrease in share-based compensation in Q2 2023 by $932,280 was mainly due to the grant of new stock options and RSUs during Q2 2022. Share-based compensation in Q2 2023 of $77,590 relate to vested RSUs during the period.

Other item

During Q2 2023, the Company recorded an unrealized loss on the fair value of derivative of $14,000 (Q2 2022 - $23,000) related to the fair value change of the warrant component of the investment in Next Decentrum.

YTD Q2 2023 compared with YTD Q2 2022

During YTD Q2 2023 and YTD Q2 2022, the Company has not generated any revenues from operations and recorded a net loss of $891,438 and $811,55, respectively. The overall increase in net loss of $79,887 during YTD Q2 2023 was largely attributable to a decrease in share-based compensation of $947,291 and a decrease on the unrealized fair value gain on derivative asset of $1,232,000. The comprehensive income of $601,449 in YTD Q2 2022 resulted from the unrealized gain recorded on the fair value of the investment in Next Decentrum of $1,413,000.

Expenses

Marketing costs decreased in YTD Q2 2023 by $33,617 as a result of a billboard advertising campaign in the Metaverse undertaken in YTD Q2 2022 for the Company's Limitless VPN. No such expense was incurred in the YTD Q2 2023.

Office and administration decreased by $39,978 during YTD Q2 2023 due to a reduced shared office rent in YTD Q2 2023 and expired office lease during fiscal 2022.

The decrease in professional fees in YTD Q2 2023 by $78,890 was largely attributable to higher legal fees incurred in YTD Q2 2022 related to the Company's Base Shelf Prospectus. The Prospectus lapsed in February 2022, and the Company decided not to file another Prospectus at that time. Professional fees during YTD Q2 2023 primarily relate to legal fees incurred in connection with the Company's change of business transaction.

Share-based compensation decreased in YTD Q2 2023 by $947,291 mainly due to the grant of new stock options and RSUs during YTD Q2 2022. Share-based compensation in YTD Q2 2023 of $144,104 relate to vested options and RSUs during the period.

Other item

During YTD Q2 2023, the Company recorded an unrealized loss on the fair value of derivative of $30,000 (YTD Q2 2022 – unrealized gain of $1,202,000) related to the change in the fair value of the warrant component of the investment in Next Decentrum. The fair value change of the warrants in YTD Q2 2023 resulted mainly from foreign exchange difference. The fair value of the warrants in YTD Q2 2022 was calculated using the Black-Sholes option pricing model using the last financing price of Next Decentrum of USD$0.246 or CAD$0.33 per share.

OCI

During YTD Q2 2023, the Company recorded an unrealized loss on the fair value of investment of $11,000 (YTD Q2 2022 – unrealized gain of $1,413,000) related to the change in the fair value of the share component of the investment in Next Decentrum. The fair value change of the shares in YTD Q2 2023 resulted mainly from foreign exchange difference. The fair value of the shares in YTD Q2 2022 was calculated based on Next Decentrum's most recent financing priced at USD$0.246 or CAD$0.33 per share.

Liquidity and Capital Resources

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 March 31, 2023, the Company had working capital of $436,992 (September 30, 2022 - $955,851) and cash and cash equivalents of $643,924 (September 30, 2022 - $1,104,535). The decrease in working capital of $518,859 in Q2 2023 was largely attributable to the funding of the Company's operating expenses, repayment of loan and IP asset development. Net cash on hand decreased by $460,611 as at March 31, 2023 due to cash used in operating activities of $329,370, investing activities of $91,241 and financing activity of $40,000.

Subsequent to March 31, 2023, the Company raised $158,500 from the exercise of warrants and $660,780 from a non-brokered private placement of 13,215,600 units at a price of $0.05 per unit for gross proceeds of $660,780. Each unit consisted of one common share and one warrant exercisable at $0.06 per share expiring April 24, 2028.

As of the date of the MD&A, the Company had working capital of approximately $850,000 available for the principal purposes of achieving its business objectives and milestones for the next twelve month period, general and administrative expenses and unallocated working capital. Notwithstanding the foregoing, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Company to achieve its objectives. The Company may also require additional funds in order to fulfill its expenditure requirements to meet existing and any new business objectives and expects to either issue additional securities or incur debt to do so. There can be no assurance that additional funding required by the Company will be available on acceptable terms or at all. However, it is anticipated that the available funds will be sufficient to satisfy the Company's objectives over the next twelve months. The Company's inability to raise financing to fund capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability.

Cash Flow Highlights

The table below summarizes the Company's cash flows for the three months ended March 31, 2023 and 2022:

	YTD Q2 2023	YTD Q2 2022
	$	$
Cash used in operating activities	(329,370)	(650,399)
Cash used in investing activities	(91,241)	(337,395)
Cash used in financing activities	(40,000)	89,390
Decrease in cash	(460,611)	(898,404)

Cash flow used for operations decreased in YTD Q2 2023 as the Company had less corporate and marketing activities.

Investing activities during YTD Q2 2023 mainly consisted of Limitless VPN development costs of $91,241. Investing activities in YTD Q2 2022 consisted of Limitless VPN development costs of $87,295 and an investment in Next Decentrum of $250,000.

Financing activity in YTD Q2 2023 mainly consisted of the repayment of $40,000 of the outstanding $60,000 CEBA loan. The remaining $20,000 was forgiven and classified as a government grant. In YTD Q2 2022, the Company raised $89,390 from the exercise of warrants.

Contractual Obligations and Commitments

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

	Total	< 1 year	1 – 3 years	3 – 5 years
	$	$	$	$
Accounts payable and accrued liabilities	151,539	151,539	-	-
Loans and borrowings	100,000	100,000	-	-
	251,539	251,539	-	-

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 immediate obligations for the 12 months.

	March 31, 2023	September 30, 2022
	$	$
Cash and cash equivalents	643,924	1,104,535
Working capital	436,992	955,851
Current liabilities	251,539	370,055
Shareholders' equity	5,763,234	6,521,568

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. 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 andrisk 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.

There are no third party working capital requirements, covenants or other similar restrictions. There were no capital expenditure commitments as at the reporting date or as of the date of this MDA.

Off-Balance Sheet Arrangements

The Company had no material off-balance sheet arrangements as at March 31, 2023, 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 and six months ended March 31, 2023 and 2022, compensation to key management personnel included a salary to the CFO of $51,785 and $110,360 (three and six months ended March 31, 2022 - $38,087 and $82,510), respectively, salary to the CEO of $30,000 and $60,000 (three and six months ended March 31, 2022 - $20,000 and $20,000), respectively, and share-based compensation to key management personnel during the three and six months ended March 31, 2022 of $57,804 and 99,011 (three and six months ended March 31, 2022 - $318,498 and $338,419), respectively.

As at March 31, 2023, included in loans and borrowings was $100,000 due to a former director of the Company under a promissory note dated September 30, 2014. The loan is unsecured, non-interest bearing and matured on December 1, 2016.

As at March 31, 2023, included in accounts payable and accrued liabilities was $50,000 due to a director and former CEO of the Company for salaries.

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 consolidated 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 assets, liabilities, revenues and expenses. Estimates and associated assumptions are based on historical experience and other factors. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated for reasonableness and relevancy. Where revisions to accounting estimates are required, they are recognized in the period in which the estimates are revised for the current as well as future periods that are affected.

Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the Company's consolidated financial statements are described in the Annual Financial Statements.

New Accounting Pronouncements

The Company has performed an assessment of new standards issued by the IASB that are not yet effective and has determined that any new standards that have been issued would have no or very minimal impact on the Company's financial statements.

Financial Instruments

Recognition and classification

The Company recognizes a financial asset or financial liability on the consolidated statement of financial position when it becomes party to the contractual provisions of the financial instrument. The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("**FVTPL**"), at fair value through other comprehensive income or loss ("**FVOCI**") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of financial assets is generally based on the business model in which the financial assets are managed 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 at FVOCI.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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 the Company has opted to measure them at FVTPL.

Measurement

Initial measurement

On initial recognition, all financial assets and financial liabilities are measured at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as FVTPL, in which case the transaction costs are expensed as incurred.

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial instruments:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses including any interest or dividend income, are recognized in profit and loss. Transaction costs are expensed as incurred.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in 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.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income is calculated using the effective interest rate 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.
Financial liabilities at amortized cost	These are subsequently measured at amortized cost using the effective interest method. Other financial liabilities are derecognized, when the obligations are discharged, cancelled or expired.

Impairment of financial instruments

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For financial assets measured at amortized cost, and debt investments at FVOCI, the Company applies the expected credit loss model. 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 profit or 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.

Convertible debentures

Convertible notes are compound financial instruments which are accounted for separately by their components: a financial liability and an equity instrument. The financial liability, which represents the obligation to pay coupon interest on the convertible notes in the future, is initially measured at its fair value and subsequently measured at amortized cost. The residual amount is accounted for as an equity instrument at issuance.

Transaction costs are apportioned to the debt liability and equity components in proportion to the allocation of proceeds as a reduction to the carrying amount of the liability and equity component.

The liability component of the convertible notes was valued using Company specific interest rates assuming no conversion features existed. The resulting debt component is accreted to its fair value over the term to maturity as a non-cash interest charge and the equity component is presented in convertible notes reserve as a separate component of shareholders' equity.

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 (FVOCI)	Recent share transactions (Level 2) or implied share price as at measurement date (Level 3)
Derivatives (FVTPL)	Black-Scholes option pricing model (Level 3)
Measured at amortized cost	
Cash and cash equivalents	Carrying amount (approximates fair value due to short-term nature)
Other assets	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 (Level 2)

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 is exposed to a variety of financial instrument related risks. The Board mitigates these risks by assessing, monitoring and approving the Company's risk management processes.

Risk management overview

The Company's activities are exposed to a variety of financial risks such as credit risk, liquidity risk and market risk. This section contains information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Company employs risk management strategies and policies to ensure that any exposures to risk are in compliance with the Company's business objectives and risk tolerance levels.

(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 and other assets. 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 has sufficient liquidity to settle obligations and liabilities when they are due. As at March 31, 2023, the Company had a working capital of $436,992 (September 30, 2022 - $955,851) and raised an additional $660,780 subsequent to March 31, 2023. The Company is actively pursuing additional sources of financing to ensure that it can meet its ongoing operating requirements, planned capital expenditures and business objectives. There is no assurance that the Company will be successful in these initiatives. The Company's capital expenditure mainly consists of the development of its Limitless VPN. 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 March 31, 2023, 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 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 investment and derivatives held in a privately held company is based on certain valuation techniques as outlined in Note 5 to the Interim Financial Statements.

If the fair value of these financial assets were to increase or decrease by 10% as of March 31, 2023, the Company would incur an associated increase or decrease in net loss of approximately $88,991 (2022 - $90,604) and in comprehensive loss of approximately $83,299 (2022 - $86,363). See Note 5 to the Interim Financial Statements for additional details regarding the fair value of investment and derivatives.

Other Risks and Uncertainties

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 ANON's business, the legal and economic climate in which it operates and its present stage of development and proposed operations, ANON is subject to significant risks. For additional risk factors, please refer to the Company's AIF dated January 17, 2023.

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	82,700,753
Warrants	34,413,665
Stock options	3,275,000
RSUs	1,100,000
	121,489,418

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 for the three and six months ended March 31, 2023 (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 Annual 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 Note Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in suchstatement.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. For a complete list of the factors that could affect the Company, please make reference to those risk factors further detailed under the heading "*Risk Factors*". Readers are cautioned that such risk factors, uncertainties and other factors are not exhaustive. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward- looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, forward-looking statements in this MD&A include, but are not limited to, statements with respect to:

- timelines;
- 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, including growth of its userbase;
- the Company's expectations with respect to advancement of its business, operations, products, and services, including its monetization strategies;
- 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.

The actual results, performance or achievements of the Company could differ materially from those anticipated in the Forward-Looking Statements as a result of the risk factors set forth below and under the heading “Risk Factors”, including, but not limited to, risks related to: (i) the Company’s ability to generate sufficient cash flow from operations and obtain financing, if needed, on acceptable terms or at all; (ii) general economic, financial market and regulatory conditions in which the Company operates; (iii) advancement of technology to support the Company’s operations; (iv) customer interest in the Company’s products; (v) competition; (vi) anticipated and unanticipated costs; (vii) government regulation of the Company’s products and operations, including privacy, cryptocurrency and cybersecurity laws and regulations; (viii) the timely receipt of any required regulatory approvals; (ix) the Company’s ability to obtain qualified staff, equipment and services in a timely and cost efficient manner; (x) the Company’s ability to conduct operations in a safe, efficient and effective manner; and (xi) the Company’s plans and timeframe for completion of such plans.

Readers are cautioned that these factors are difficult to predict and that the assumptions used in developing the Forward-Looking Statements may prove to be incorrect. Readers are also cautioned that the list of risk factors contained in this MD&A is not exhaustive. Accordingly, readers are cautioned that the Company’s actual results may vary from the Forward-Looking Statements, and the variations may be material.

Although the Company believes that the expectations reflected in the Forward-Looking Statements are reasonable, it can give no assurance that such expectations will prove to be correct, and the Forward-Looking Statements are expressly qualified in their entirety by this cautionary statement. The purpose of the Forward-Looking Statements is to provide the reader with a description of management’s expectations, and the Forward-Looking Statements may not be appropriate for any other purpose. The reader should not place undue reliance on the Forward-Looking Statements. The Forward-Looking Statements are made as at the date hereof and the Company undertakes no obligation to update or revise any of the Forward-Looking Statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.