ANONYMOUS INTELLIGENCE COMPANY INC.

(Formerly Cloud Nine Web3 Technologies Inc.)

Management's Discussion and Analysis

For the three and nine months ended June 30, 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 nine months ended June 30, 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 nine months ended June 30, 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 August 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 August 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 https://www.sedarplus.ca/landingpage/ and on the Company's website at https://www.anonintelco.com/.

Significant Events and other Corporate Developments during the Quarter

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", on Thursday, May 18, 2023, and on the OTCQB under the new name and new ticker symbol, "ANICF", on Wednesday, May 17, 2023.

Turminal.ai

The Company is currently developing a new product, Turminal.ai, an artificial intelligence curation platform with a strong emphasis on privacy. Within Turminal.ai, users can access ChatGPT and, in the future, a curated selection of AI-powered programs for image creation, programming, human resources, marketing and more. The platform is designed to prioritize user privacy, ensuring an integrated layer of security.

The app is built on ANON's Limitless privacy technology that creates a private tunnel between users and the AI infrastructure system. The app is being developed in response to multiple thought leaders and governments voicing their discomfort with the data and privacy-breaching capability of AI in its current form. Turminal.ai aims to relieve users of AI privacy and data breaches, and provide the world with safe and secure access to modern AI technology.

An example of Turminal.ai's functionality is the ability to provide users with instructions on building an outdoor sprinkler system for their yard or a pergola for shade, and a comprehensive shopping list of parts required to build the projects according to the required specifications, including live online links for purchase.

The full public beta of Turminal.ai is anticipated in Q3 2023, allowing the Company to address any potential issues and gather valuable feedback from beta users. To date, the platform has received over 37,400 for its upcoming Beta release.

<u>Turminal.ai mobile app</u>

Insiders of the Company were invited to participate in the early alpha testing of the Turminal.ai mobile app. The app is expected to launch in Q3 2023, initially on iOS and later on Android. Beta testing for the iOS app will be distributed first to active beta users on the desktop platform.

<u>New Turminal.ai Website</u>

The Company launched the Turminal.ai website which serves as an informative platform providing details about the technology, features of the platform and other relevant information. The site also features a new video demonstration of Turminal AI+ functionality.

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.

Significant Events and other Corporate Developments Subsequent to the Quarter

The following is a summary of significant events and transactions that occurred subsequent June 30, 2023:

Acquisition of Haller.ai Technologies Inc. ("Haller.ai")

On July 11, 2023, the Company completed the acquisition of Haller.ai pursuant to a Share Purchase Agreement dated July 10, 2023. Haller.ai is a private company engaged in the development of an artificial-intelligence-powered software-as-a-service (SaaS) platform.

The Company acquired all of the issued and outstanding shares of Haller.ai for aggregate consideration of approximately $4,248,000 consisting of 20,000,000 common shares of the Company with a fair value of $2,900,000 and 10,000,000 performance warrants with a fair value of $1,348,000. The warrants are exercisable at a price of $0.25 per share for a period of five years. The consideration shares and performance warrants are subject to the following resale restrictions and releases based on time and certain milestones achieved:

1. 5,000,000 shall be released after 4 months +1 day from the date of closing of the Acquisition (the "Closing Date");
2. 5,000,000 shares shall be released after 8 months from the Closing Date;
3. 5,000,000 shares shall be released upon Haller.ai's initial commercial product launch;
4. 5,000,000 shares shall be released upon Haller.ai achieving revenues of $50,000 in a month; and
5. 10,000,000 warrants shall be exercisable upon Haller.ai achieving revenues of $150,000 in one quarter.

In connection with the Acquisition, the Company paid a finder's fee consisting of 2,000,000 common shares of the Company with a fair value of $290,000.

Following closing of the Acquisition, Allan Larmour resigned as a director of the Company and Tyler Koverko, the Chief Executive Officer of Haller.ai, was appointed to the board of directors.

<u>Haller.ai Alpha launch</u>

Haller.ai has begun onboarding its first five enterprise beta clients to its Alpha program and it expects to launch its full public beta by Sept. 15, 2023.

Haller.ai's Alpha program is a watershed milestone and is expected to initially include five selected enterprise level clients. The Alpha program will allow Haller.ai to optimize its UI/UX (user interface/user experience) platform, with the objective of making compliant enterprise AI (E-AI) simple and effective for all employment levels and workplace permissions.

<u>Haller.ai public beta launch date</u>

Haller.ai has committed to a target launch date of September 15, 2023, for the public release of its E-AI platform.

New Haller.ai website

Haller.ai has updated its website which serves as an informative platform providing details about the technology, features of the platform and other relevant information. New additions include screenshots and videos of the alpha platform generating content for enterprise users.

Company Overview

The Company is a computational intelligence, decentralized network and data technology company, focused on leveraging its proprietary suite of AI and privacy-enabled products to empower increased confidence in technology for consumers and businesses. Its platforms enable a privacy first AI enabled world where decentralized users and machines are able to interact with data, value and other counterparties 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 products consist of the Limitless VPN (Virtual Private Network) which is currently functional and offered to the public without charge, Turminal.ai which is currently under a private invitation only beta development and Haller.ai which is currently in an alpha stage.

The Company is in the pre-revenue phase as business efforts to date have focused on customer acquisiton and product development but the company expects to begin a full product launch in the coming quarter. . As of July 28, 2023, the Company had 31,338 active registered users of the Company's Limitless VPN. The Company considers active registered users as those people who provide the Company will full time access to their hardware. 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's Turminal.ai platform also currently has a waitlist of 37, 443 potential users as of August 25, 2023.

The Company currently offers its product without charge. Instead, users who wish to use its Limitless VPN or Turminal.ai product are required to agree to the Company's terms of use and privacy policies. The Company intends to monetize its Limitless VPN and Turminal.ai products by utilizing its in-house developed ANON SDK public data mining plugin.

Limitless VPN

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.

For a complete description of the Limitless VPN including VPN Security, Services Provided to the Company by Custodians, Regulatory Frameworks Applicable to Custodians, Cryptocurrencies and Privacy and Terms of Use, please see the Company's 2022 AIF and Filing Statement dated May 12, 2023 filed by the Company on SEDAR at www.sedarplus.ca.

Trends, Commitments, Events or Uncertainties

There are no trends, commitments, events or uncertainties known to management which could reasonably be expected to have a material effect on the Issuer's business, financial condition or results of operations. There are significant risks associated with the business of the Company. For a complete disclosure of risk factors, please refer to the Company's AIF dated January 17, 2023.

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 2023(1)	Mar 2023	Dec 2022	Sep 2022(2)	Jun 2022(3)	Mar 2022(4)	Dec 2021(5)	Sep 2021
	$	$	$	$	$	$	$	$
Total expenses	933,896	448,252	429,156	659,773	476,665	1,448,826	545,146	646,177
Net (loss) income	(958,837)	(462,628)	(428,810)	(1,631,921)	(1,106,440)	(1,477,568)	666,017	(502,749)
Total comprehensive (loss) income	(977,837)	(463,628)	(438,810)	(1,577,921)	(1,924,440)	(1,477,568)	2,079,017	(502,749)
Income (loss) per share – basic and diluted	(0.01)	(0.01)	(0.01)	(0.03)	(0.02)	(0.02)	0.04	(0.01)

(1) Higher expenditures and net loss due to higher investor and public relations costs during the June 2023 quarter.

(2) 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.

(3) 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.

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

(5) 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.

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 55,312 registered users, of which 31,335 are active users.

The Company is also in the process of developing its new platforms, Turminal.ai and Haller.ai. See the description of the products above.

The following selected financial information for the three and nine months ended June 30, 2023 and 2022 is derived from the financial statements of the Company prepared within acceptable limits of materiality and is in accordance with IFRS.

	Q3 2023	Q3 2022	YTD Q3 2023	YTD Q3 2022
	$	$	$	$
Expenses:				
Consulting fees	53,355	5,500	53,355	5,500
Investor and public relations	279,519	38,120	353,545	118,816
Marketing	197,897	2,500	208,646	46,866
Office and administration	24,367	48,596	59,551	123,758
Professional fees	28,947	272	98,295	148,510
Share-based compensation	99,541	91,207	243,645	1,182,602
Other Item:				
Unrealized loss (gain) on derivative	31,000	629,000	61,000	(573,000)
OCI:				
Unrealized loss (gain) on financial asset	19,000	818,000	30,000	(595,000)
Net (loss) income	(958,837)	(1,106,440)	(1,850,275)	(1,917,991)
Comprehensive (loss) income	(977,837)	(1,924,440)	(1,880,275)	(1,322,991)
Net (loss) income per share	(0.01)	(0.02)	(0.03)	(0.03)

Q3 2023 compared with Q3 2022

During Q3 2023 and Q3 2022, the Company has not generated any revenues from operations and recorded a net loss of $958,837 and $1,106,440, respectively. The overall decrease in net loss of $147,603 during Q3 2023 was mainly attributable to a decrease in unrealized loss on derivatives of $598,000 offset by increases in consulting fees of $47,855, marketing expenses of $195,397 and investor and public relations of $241,399.

Expenses

Consulting fees increased by $47,855 in Q3 2023 due to fees paid related to business development services, due diligence activities, strategic capital markets advisory services and corporate strategic financing consulting. No such expenses were incurred in Q3 2022.

Investor and public relations costs increased in Q3 2023 by $241,399 as a result of various initiatives undertaken by the Company to communicate its plans for growth to existing shareholders and potential investors. During the period, the Exchange approved the Company's change of business to a technology issuer. Since then, the Company started to develop a new product, Turminal.ai, and acquired Haller.ai. The Company carried out investor relations campaigns to increase public awareness of the Company's activities, strategic plans and investment opportunities. News media consulting firms were engaged to create news media features and article coverages to generate exposure and presence within the public markets. During Q3 2022, investor and public relations expenditures primarily consisted of newswire packages for press releases and recurring fees paid to a market maker and investor relations consultant.

During Q3 2023, marketing costs increased by $195,397 as in conjunction with the investor and public relations campaigns, marketing campaigns and key branding initiatives were carried out including online programs, news media features, presentation decks, article coverages and web development to create a greater following and increase brand awareness in order to drive users to the ANON's Limitless VPN platforms and Turminal.ai beta signups. No such expenditures were incurred in Q3 2022.

Office and administration decreased by $24,229 during Q3 2023 due to new and additional office sharing arrangements such as shared rent and corporate and accounting staff. Additional public companies have started sharing office spaces, staff and other office resources thereby decreasing the Company's portion of shared expenses.

The increase in Professional fees in Q3 2023 by $28,675 was primarily attributable to legal costs incurred related to the Company's change of business and Haller.ai acquisition. No such expenditures were incurred in Q3 2022.

Other item and OCI

During Q3 2023, the Company recorded an unrealized loss on the fair value of derivative of $31,000 (Q3 2022 - $629,000) related to the fair value change of the warrant component of the investment in Next Decentrum. The fair value change of the warrants in Q3 2023 resulted mainly from foreign exchange difference..

During Q3 2023, the Company recorded an unrealized loss on the fair value of investment of $19,000 (Q3 2022 - $818,000) in OCI related to the fair value change of the share component of the investment in Next Decentrum. The fair value change of the shares in Q3 2023 resulted mainly from foreign exchange difference.

YTD Q3 2023 compared with YTD Q3 2022

During YTD Q3 2023 and YTD Q3 2022, the Company has not generated any revenues from operations and recorded a net loss of $1,850,275 and $1,917,991, respectively. The overall decrease in net loss of $67,716 during YTD Q3 2023 was largely attributable to a decrease in share-based compensation of $938,957 offset by a decrease on the unrealized fair value gain on derivative asset of $634,000 and increases in investor and public relations of $234,729 and marketing expenses of $161,780.

Expenses

Consulting fees increased by $47,855 in YTD Q3 2023 due to fees paid related to business development services, due diligence activities, strategic capital markets advisory services and corporate strategic financing consulting. No such expenses were incurred in YTD Q3 2022.

Investor and public relations costs increased in YTD Q3 2023 by $234,729 as a result of various initiatives undertaken by the Company to communicate its plans for growth to existing shareholders and potential investors. During the period, the Exchange approved the Company's change of business to a technology issuer. Since then, the Company started to develop a new product, Turminal.ai, and acquired Haller.ai. The Company carried out investor relations campaigns to increase public awareness of the Company's activities, strategic plans and investment opportunities. News media consulting firms were engaged to create news media features and article coverages to generate exposure and presence within the public markets. During YTD Q3 2022, investor and public relations expenditures primarily consisted of news wire packages for news releases dissemination and fees paid to a market maker and investor relations consultant.

During YTD Q3 2023, marketing costs increased by $161,780 as in conjunction with the investor and public relations campaigns, marketing campaigns and key branding initiatives were carried out including online programs, news media features, article coverages and web development to create a greater following and increase brand awareness in order to drive users to the ANON's Limitless VPN platforms and Turminal.ai beta signups. Marketing costs in YTD Q3 2022 consisted of social media and a customer outreach campaign and advertising to increase visibility to potential VPN users.

Office and administration decreased by $64,207 during YTD Q3 2023 due to new and additional office sharing arrangements such as shared rent and corporate and accounting staff. Additional public companies have started sharing office spaces, staff and other office resources thereby decreasing the Company's portion of shared expenses.

The decrease in professional fees in YTD Q3 2023 by $50,215 was largely attributable to higher legal fees incurred in YTD Q3 2022 related to the Company's Base Shelf Prospectus and investment in Next Decentrum. The Prospectus lapsed in February 2022, and the Company decided not to file another Prospectus at that time. Professional fees during YTD Q3 2023 primarily relate to legal fees incurred in connection with the Company's change of business transaction and Haller.ai acquisition.

Share-based compensation decreased in YTD Q3 2023 by $938,957 mainly due to the grant of new stock options and RSUs during YTD Q3 2022. Share-based compensation in YTD Q3 2023 of $243,645 relate to vested options and RSUs during the period.

The share-based compensation ("SBC") recorded during YTD Q3 2022 of $1,182,602 consisted of:

- the fair value of new and vested stock options and RSUs (collectively, "Securities") of $1,101,077 granted to directors, officers, employees and consultants; and
- a fair value of $81,525 recorded on the accelerated vesting of cancelled options.

The allocation of SBC of $1,101,077 was as follows:

Optionees	SBC ($)	Allocation
Directors and Officers	375,122	34%
Employees	198,194	18%
Consultants	494,729	45%
Investor Relations	33,032	3%
	1,101,077	100%

Below is the breakdown of SBC to consultants and corresponding services provided:

Services	SBC ($)	Allocation
Marketing	88,086	8%
Legal	65,309	6%
Strategic capital markets advisory, M&A and business development (1)	341,334	31%(1)
	494,729	45%

(1) Approximately 19% (SBC of $205,752) of the Securities granted to consultants were forfeited due to termination of services, hence, total SBC to consultants was reduced to 26% or $288,977.

(2) Reduced from 31% to 12% due to forfeited options.

Other item

During YTD Q3 2023, the Company recorded an unrealized loss on the fair value of derivative of $61,000 (YTD Q3 2022 – unrealized gain of $573,000) 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 Q3 2023 resulted mainly from foreign exchange difference. The fair value of the warrants in YTD Q3 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 Q3 2023, the Company recorded an unrealized loss on the fair value of investment of $30,000 (YTD Q3 2022 – unrealized gain of $595,000) 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 Q3 2023 resulted mainly from foreign exchange difference. The fair value of the shares in YTD Q3 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 June 30, 2023, the Company had working capital of $434,198 (September 30, 2022 - $955,851) and cash and cash equivalents of $554,736 (September 30, 2022 - $1,104,535). The decrease in working capital of $521,653 in Q3 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 $549,799 as at June 30, 2023 due to cash used in operating activities of $1,209,705 and investing activities of $174,483 offset by cash provided by financing activities of $734,389.

During the nine months ended June 30, 2023, the Company raised an aggregate of $113,610 from the exercise of warrants and options and $660,780 from a non-brokered private placement of 13,215,600 units at a price of $0.05 per unit. 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 $220,000 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. The Company requires 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. 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 nine months ended June 30, 2023 and 2022:

	YTD Q3 2023	YTD Q3 2022
	$	$
Cash used in operating activities	(1,209,705)	(994,423)
Cash used in investing activities	(174,483)	(374,302)
Cash provided by financing activities	734,389	89,390
Decrease in cash	(649,799)	(1,279,335)

Cash flow used for operations increased in YTD Q3 2023 as a result of increases in marketing and investor and public relations activities.

Investing activities during YTD Q3 2023 consisted of Limitless VPN development costs of $46,489 and Turminal.ai development costs of $127,994. Investing activities in YTD Q2 2022 consisted of Limitless VPN development costs of $124,302 and an investment in Next Decentrum of $250,000. Additions to intangible assets during the current and prior periods consist mainly of fees paid to contractors who are developing the products.

Financing activities in YTD Q32 2023 consisted of $660,780 raised from a non-brokered private placement, $113,610 raised from the exercise of warrants and options offset by the repayment of $40,000 on the outstanding $60,000 CEBA loan. The remaining $20,000 was forgiven and classified as a government grant. In YTD Q3 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	139,434	139,434	-	-
Loans and borrowings	100,000	100,000	-	-
	239,434	239,434	-	-

Management is committed to raising additional capital to meet its financial obligations and commitments, fund its operations, growth initiatives and capital expenditures.

	June 30, 2023	September 30, 2022
	$	$
Cash and cash equivalents	454,736	1,104,535
Working capital	434,198	955,851
Current liabilities	239,434	370,055
Shareholders’ equity	5,659,328	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.

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 (the "Offering"). Each unit consisted of one common share and one warrant exercisable at $0.06 per share expiring April 24, 2028. The Offering was completed pursuant to the listed issuer financing exemption ("LIFE") under Part 5A of National Instrument 45-106 - Prospectus Exemptions. The proposed use of proceeds was included in the LIFE Offering Document filed on SEDAR on March 27, 2023.

The Company intended to use the net proceeds from the Offering for software development, marketing, working capital and general corporate purposes. However, there where circumstances where, for sound business reasons, a reallocation of funds was necessary for the Company to achieve its objectives. During the period, the Company started developing Turminal.ai and entered into an agreement to acquire Haller.ai. As a result, a portion of the Offering proceeds has been allocated to the Turmina.ai development, costs related to the Haller.ai acquisition and advances to Haller.ai. **(1)**

Below is a summary of the proportionate allocation of use of proposed proceeds according to the amount of financing closed and actual use of proceeds as at June 30, 2023:

Description	Proposed Use of Proceeds	Actual Use of Proceeds	Variance	Reason for Variance
	$	$	$	
Limitless VPN enhancement and development	37,000	-	37,000	N/A
Turmina.ai development	0	49,498	(49,498)	(1)New platform
Advance to Haller.ai	0	100,000	(100,000)	(1)Pursuant to proposed acquisition of Haller.ai; Acquisition closed subsequent to June 30, 2023.
Commencement of internal monetization activities	37,000	-	37,000	N/A
Marketing – growing userbase to 100,000 registered active users	168,780	-	168,780	N/A
General and administration ("G&A)	372,000	56,546	315,454	N/A
Unallocated working capital	46,000	-	46,000	N/A
Total	**660,780**	**206,044**	**454,736**	

Off-Balance Sheet Arrangements

The Company had no material off-balance sheet arrangements as at June 30, 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 nine months ended June 30, 2023 and 2022, compensation to key management personnel consisted of:

	Three months ended June 30,		Nine months ended June 30,	
	2023	2022	2023	2022
			$	$
CEO management fee[1]	30,000	30,000	90,000	50,000
CFO salary	34,708	41,779	145,068	124,289
Share-based compensation[2]	23,847	36,703	122,858	375,122

(1) CEO management fee is paid to Walrus Enterprises, a company controlled by Lucas Russell, CEO.

(2) Share-based compensation represents the fair value of options granted and RSUs vested to directors and officers of the Company.

During the three and nine months ended June 30, 2023, the Company paid $Nil (2022 - $21,000) and $14,600 (2022 - $51,000), respectively, to Norsemont Mining Inc. ("Norsemont"). John Bean is a director of the Company and Norsemont, and Kulwant Sandher is a director of Norsemont and a former CFO and director of the Company.

As at June 30, 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 June 30, 2023, included in accounts payable and accrued liabilities was $50,000 due to a director and former CEO of the Company for salaries.

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.

Fair Value of Financial Instruments

At June 30, 2023, the Company's financial instruments consist of cash and cash equivalents, other assets, accounts payable and accrued liabilities and loans and borrowings. The carrying amounts of these financial instruments approximate fair value due to their immediate or short-term maturity.

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 June 30, 2023, the Company had a working capital of $434,198 (September 30, 2022 - $955,851). 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 expenditures consist of the development of its Limitless VPN and Turminal.ai. 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, 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 June 30, 2023, the Company would incur an associated increase or decrease in net loss of approximately $86,752 (2022 - $90,604) and in comprehensive loss of approximately $80,400 (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	108,061,253
Warrants	41,082,587
Stock options	3,325,000
RSUs	800,000
	153,268,840

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 nine months ended June 30, 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 such statement.

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.