MANAGEMENT DISCUSSION AND ANALYSIS FOR VICTORY SQUARE TECHNOLOGIES INC.

Six months ended June 30, 2023

Prepared as of August 29, 2023

TABLE OF CONTENTS

This MD&A

This management's discussion and analysis (this "**MD&A**") of the performance, financial condition, and results of operations of Victory Square Technologies Inc. ("**Victory Square**", "**VST**", the "**Company**", "**we**" and "**our**"), should be read in conjunction with the Company's audited annual consolidated financial statements and the related notes thereto for the twelve months ended December 31, 2022 and December 31, 2021 (the "**2022 Financial Statements**") and the Company's condensed consolidated interim unaudited financial statements for the three and six months ended June 30, 2023 and 2022 (the **"Q2 2023 Financial Statements"**). The Company's reporting currency is the Canadian dollar, and all dollar amounts in this MD&A are expressed in Canadian dollars, unless otherwise specified. Unless otherwise indicated, the information contained in this MD&A is as of August 29, 2023.

The financial information of the Company contained in this MD&A is derived from the 2022 Financial Statements and the Q2 2023 Financial Statements, which were prepared in accordance with International Accounting Standards using accounting policies consistent with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee. The accounting policies and methods of computation applied in the Company's Q2 2023 Financial Statements are the same as those applied in the 2022 Financial Statements.

Additional information relating to the Company, including the Financial Statements, is available at www.sedarplus.ca.

Cautionary Statement Regarding Forward-Looking Statements

Statements that are not reported financial results or other historical information are forward-looking statements or forward-looking information within the meaning of applicable securities laws (collectively, "**forward-looking statements**"). This MD&A includes forward-looking statements regarding the Company and its Investees (as defined herein) (collectively, the "**Group**") and the industries in which the Group operates, including statements about, among other things, expectations, beliefs, plans, future operations of the Group and origination of additional companies in which the Company holds an interest and acquisition opportunities for the Group, business and acquisition strategies, opportunities, objectives, prospects, assumptions, including those related to trends and prospects, and future events and performance. Sentences and phrases containing or modified by words such as "anticipate", "plan", "continue", "estimate", "intend", "expect", "may", "will", "project", "predict", "potential", "targets", "projects", "is designed to", "strategy", "should", "believe", "contemplate" and similar expressions, and the negative of such expressions, are not historical facts and are intended to identify forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Forward-looking statements should not be read as guarantees of future events, future performance or results, and will not necessarily be accurate indicators of the times at, or by which, such events, performance or results will be achieved, if achieved at all. Forward-looking statements are based on information available at the time and/or management's expectations with respect to future events that involve a number of risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. The factors described under the heading "*Other Risks and Uncertainties*", as well as any other cautionary language in this MD&A, provide examples of risks, uncertainties and events that may cause the Group's actual results to differ materially from the expectations it describes in its forward-looking statements. Readers should be aware that the occurrence of the events described in these risk factors and elsewhere in this MD&A could have an adverse effect on, among other things, the Group's business, prospects, operations, results of operations and financial condition.

Specific forward-looking statements contained in this MD&A may include, among others, statements, management's beliefs, expectations or intentions regarding the following:

- timelines;
- strategic plans;
- the business and operations of the Group;
- the business, operations, strategies and expectations of the Group;
- the inflationary environment and uncertainty created by Russia's invasion of Ukraine;
- the Group's reliance on key management personnel, advisors and consultants;
- the continuation of the Company as a going concern;
- the impacts of changes in the legal and regulatory environment in which the Company operates;
- the Group's business objectives and discussion of trends affecting the business of the Group;
- the funds available to the Group and the principal purposes of those funds;
- anticipated revenues and cash flows from operations and funding requirements of the Group;
- capital, operating and general expenditures;
- expectations regarding the ability to raise capital;
- anticipated revenues to be realized by the Group from future contracts;
- treatment under governmental regulatory regimes and expectations with respect to regulatory approvals; and
- other forward-looking statements including, but not limited to, information concerning the intentions, plans and future actions of the Group.

Forward-looking statements are based on reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such information is made available. Forward-looking statements are inherently subject to known and unknown risks and uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Group to be materially different from those expressed or implied by such forward-looking statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended, including the factors and risks described or referred to elsewhere herein, as well as unanticipated and/or unusual events. Many of such factors are beyond the Company's ability to predict or control. Risks and uncertainties that may affect forward-looking statements include, but are not limited to, those which relate to the following:

- the limited operating history of members of the Group, including the Company;
- the current lack of profitability of members of the Group, including the Company;
- the need to obtain additional financing and uncertainty as to the availability and terms of future financing;
- the ability to acquire funds necessary for general working capital and continuing operations;
- reliance on sale of equity or investments to access funds required;
- the possibility that opportunities will arise that require more cash than the Group has or can reasonably obtain;
- uncertainties associated with business opportunities that may be presented to, or pursued by the Group;
- parameters and assumptions underlying future investments and acquisitions;
- risks relating to investments in equity securities;
- the possibility that the Group will be unable to dispose of illiquid securities;
- risks that the asset classes held in the Group's equity portfolio will underperform the market;
- risks associated with investments in blockchain, healthcare, gaming and other technologies;
- risk the Company's portfolio is too concentrated and not sufficiently diversified;
- risks associated with investments in the technology sector;

- risks associated with investments in small and mid-capitalization companies;
- the Group's operations, investment strategies and profitability may be adversely affected by competition from other similar entities;
- uncertainties related to early stage of technology and product development;
- uncertainties related to regulatory regimes and laws;
- dependence on key personnel;
- fluctuations in the currency markets and stock market volatility;
- going concern considerations;
- conflicts of interest;
- changes in the regulatory environment;
- competition for, among other things, capital, acquisitions, equipment and skilled personnel;
- operating or technical difficulties in connection with business activities;
- the possibility of cost overruns or unanticipated expenses; and
- the other factors discussed under the heading "*Other Risks and Uncertainties*".

Readers are cautioned that the foregoing list of forward-looking statements should not be construed as being exhaustive.

In making the forward-looking statements in this MD&A, the Company has made assumptions regarding general economic conditions, strength of relationships with Investees, regulatory oversight and such other risks or factors described in this MD&A and from time to time in public disclosure documents of the Group that are filed with securities regulatory authorities.

The Company notes that management can offer no assurance such forward-looking statements will occur or be accurate in the circumstances. Accordingly, readers should not place undue reliance on forward-looking statements, which speaks only to opinions, estimates and assumptions as of the date made. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement and are made as at the date of this MD&A. The Company does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. If the Company does update one or more forward-looking statements, it is not obligated to, and no inference should be drawn that it will, make additional updates with respect thereto or with respect to other forward-looking statements.

Russian invasion of Ukraine

In February 2022, Russia commenced a military invasion of Ukraine which generated a response in the form of strict economic sanctions from multiple countries and corporations around the world, including Canada. Although the Company does not have operations in Russia or Ukraine, the global impact of this conflict in commodity prices, foreign currency exchange rates, supply chain challenges and increased fuel prices may have adverse impacts on our costs of doing business.

CEO Statement

“Although uncertainty abounds domestically and globally, opportunity also abounds for investors — the challenges ahead are plain to see and, in many respects, timeless: health and safety, the desire to communicate and play, the need to eat, work and thrive. Victory Square has built a portfolio full of phenomenal companies finding creative new ways to solve these timeless needs.

We’ve been very fortunate to have such a passionate, supportive and vocal shareholder base. Victory Square is in a stronger position now than at any time in its past. Our NAV has remained strong, and we’ve seen significant growth in our portfolio companies so far in 2023. We expect this momentum to continue for the rest of the year. We have a healthy balance sheet, significant assets and have built a pipeline of new opportunities in the digital health space.”

- Shafin Diamond Tejani, CEO of Victory Square Technologies

The Company and Key Milestones

General

Victory Square is a Venture Builder focused on investing in disruptive innovation.

VST was founded to fill the early-stage investment gap for a broad range of investors.

Victory Square provides investors with a liquid way to invest in some of the world’s most innovative early-stage technology companies without buying a venture fund that requires accredited investor status or multi-year commitments. It also can be purchased by non-accredited investors who are restricted from buying venture funds. It is an excellent way to diversify into early-stage ventures.

VST invests primarily in leading edge technology, such as artificial intelligence (AI), machine learning (ML), digital health, blockchain, gaming and climate tech, which provide the potential for high growth and returns.

Our Advantage is twofold:

1. We have unparalleled access to start-ups through our internal incubator, Living Labs, and start up accelerators like Launch Academy with more than 80 global accelerator partners.
2. Second, our management team and advisors are actively involved in our investments from incubation through monetization, providing them with financial, operational, and strategic support to scale globally.

With real skin in the game, management is aligned with investors. The company’s goal is to increase its NAV as well as spin off investments to shareholders increasing their total returns. The company funds its new investments primarily with shares and by selling off older ones for cash and keeps share dilution to a minimum.

As of the date hereof, our portfolio consists of eight subsidiaries (the "**Subsidiaries**") and certain investments in additional companies (the "**Portfolio Companies**" and, together with the Subsidiaries, the "**Investees**").

Subsidiaries

The subsidiaries are controlled by the Company. Control exists when the Company is exposed, or has rights, to the variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date the control ceases. Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

Portfolio Companies

Portfolio companies are recorded as investments (see further details in Note 2 of the 2022 Financial Statements). Investments which are classified as financial instruments under IFRS 9 are initially recorded at the fair value at the time of acquisition. Subsequent measurement depends on the classification of the financial instrument. For those investments in which the Company has significant influence the Company uses the equity method of accounting whereby an equity investment is initially recorded at cost and subsequently adjusted to reflect the investor's share of the net profit or loss of the investee. Any distributions received from the investee company reduce the carrying amount of the investment.

The Company reviews certain investments and records their fair value at each financial statement reporting date. For investments in public companies, excluding consolidated subsidiaries, fair value is determined based on the quoted market price. For investments in private companies, certain subjective measures, including recent share transactions, prices for comparable entities, review of cash flow projections and the investee's prospects, financial ratios and discounted cash flows are techniques used to determine fair value. Where possible the Company uses inputs obtained from observable market data for its valuation models. However, if observable market data is not available the Company uses judgement to determine fair value.

Investments in films and games are classified as intangible assets and recorded at the lower of amortized cost or recoverable amount. The valuation of investments in films and games are reviewed when an event or change in circumstances indicates that the fair value of a film or game is less than its unamortized cost. The Company records an impairment charge if the amount is less than the amortized cost.

Victory Square is headquartered in Vancouver, Canada, and the common shares in the capital of the Company (the "**Common Shares**") are listed on the Canadian Securities Exchange under the symbol "VST", the Frankfurt Stock Exchange under the symbol "6F6" and the OTCQX tier of the OTC Markets under the symbol "VSQTF".

Development of the Business

The Company was incorporated as Fantasy 6 Sports Inc. under the *Business Corporations Act* (British Columbia) on February 10, 2015. On October 19, 2015, the Company acquired Draft Label Technologies Inc. and its subsidiary, PDL USA Inc., pursuant to a share exchange agreement. As a result of this business combination, the Company acquired certain software, source code and cloud hosting services.

On April 29, 2016, the Company filed a long form prospectus with the BCSC, qualifying the distribution of 5,094,000 common shares issuable upon the exercise of special warrants previously issued by the Company for gross proceeds of $509,400. Trading in the common shares commenced on the CSE on May 4, 2016, under the trading symbol "FYS".

On June 9, 2017, the Company changed its name to Victory Square Technologies Inc.

Our Approach

What We Do Differently for Start-Ups

Victory Square isn't just another investor. With real skin in the game, we are committed to ensuring each Investee succeeds. Our secret sauce starts with selecting start-ups that have real solutions, not just ideas. We pair these companies with senior talent in product, engineering, customer acquisition and more. Then we let the companies do what they do best – build, innovate and disrupt. In 24 to 48 months, the companies are generally ready to scale and monetize.

What We Do Differently for Investors

For investors, we offer a liquid way to invest in some of the world's most innovative early-stage technology companies without buying a venture fund that requires accredited investor status or multi-year commitments. It also can be purchased by non-accredited investors who are restricted from buying venture funds. Our portfolio provides a uniquely liquid, and transparent way for investors to get access to the latest technologies and emerging global trends. It is an excellent way to diversify into early-stage ventures.

VST invests primarily in leading edge technology, such as artificial intelligence (AI), machine learning (ML), digital health, blockchain, gaming and climate tech, which provide the potential for high growth and returns

Philanthropic Contributions

Victory Square is dedicated to giving back to the communities in which it operates. The Company's mandate is to assist organizations through its time, talent, and treasury. The Company is committed to organizations that provide services in the youth, mental health, special needs, sport, tech, education, marginalized groups, First Nations, and accessibility sectors.

The company has provided time, knowledge and financial contributions to: Variety the Children Charity of BC, CKNW KIDS FUND, Simon Fraser University Tech Camp, The BC Sports Hall of Fame & Museum, Covenant House Vancouver, YWCA, Coast Mental Health, The Cerebral Palsy Association of BC, and the BC Children's Hospital Foundation.

Our Investees

Our Subsidiaries

The table below sets out our Subsidiaries as at the date hereof.

Subsidiary	Vertical
VS Digital Health Inc. ("**VS Digital Health**")	Digital Health, Online Pharmacy, Diagnostic Testing, Artificial Intelligence (AI), Machine Learning (ML)
Hydreight Canada Holdings Inc. ("**HCH**")	Digital Health, Online Pharmacy, Diagnostic Testing
Hydreight Technologies Inc. ("**Hydreight**")	Digital Health, Online Pharmacy, Diagnostic Testing
Hydreight Technologies Inc. ("**HTI**")	Digital Health, Online Pharmacy, Diagnostic Testing
Draft Label Technologies Inc. ("**Draft Label**")	Digital Health, Online Pharmacy, Diagnostic Testing, Artificial Intelligence (AI), Machine Learning (ML)
XR Immersive Tech Inc., (formerly Fantasy 360 Technologies Inc) ("**XR Immersive Tech**")	Virtual Reality ("**VR**"), Augmented Reality ("**AR**"), Artificial Intelligence (AI), Machine Learning (ML), Web3
Synthesis VR Inc. ("**Synthesis**")	Location-based VR content store
Victory Entertainment Inc. ("**Victory Entertainment**")	Film, TV, Digital Content
PDL USA Inc. ("**PDL USA**")	Custom Software Development
VS Blockchain Assembly Inc. ("**VS Blockchain**")	Blockchain, Artificial Intelligence (AI), Machine Learning (ML)
BlockX Capital Corp. ("**BlockX**")	Blockchain, Artificial Intelligence (AI), Machine Learning (ML)

Subsidiaries are fully consolidated with any applicable non-controlling interest ("**NCI**") taken in the condensed consolidated interim unaudited financial statements for the period ended June 30, 2023.

Our Portfolio Companies

The table below sets out our Portfolio Companies as at the date hereof.

Portfolio Company	Vertical
Victory Square Health Inc. ("**VS Health**")	Digital Health, Diagnostic Testing, Artificial Intelligence (AI), Machine Learning (ML)

Cassia Research Inc., doing business as CoPilot AI ("**CoPilot AI**")	Artificial intelligence (AI), Sales & Marketing Automation
Cloud Benefit Solutions Inc., doing business as Cloud Advisors ("**Cloud Advisors**")	Insurance Tech, Artificial Intelligence (AI), Machine Learning (ML)
MLVX Technologies Inc., doing business as Metaspectral (1) ("**Metaspectral**")	Artificial intelligence (AI), Machine Learning (ML), Computer Vision
Fansunite Entertainment Inc. ("**FansUnite**")	Sports Betting, Gaming, Esports
Flo Digital Inc. (1) ("**Flo Digital**")	Virtual Reality ("**VR**"), Augmented Reality ("**AR**"), Metaverse, Web3
Kyn Biosciences Inc. (1) ("**Kyn**")	Plant-based Science
Howyl Ventures Inc., doing business as Capaciti (1) ("**Capaciti**")	Web3, Future of Work
Turnium Technology Group Inc. (formerly Multapplied Networks Inc.) ("**Turnium**")	Software Defined Wide Area Network Platforms (SD-WAN)
Next Decentrum Technologies Inc. ("**Next Decentrum**")	Web3, Blockchain, NFTs
PayVida Solutions Inc. (1) ("**PayVida**")	Fintech
Silota Research and Development Inc. ("**Silota**")	Web3, Blockchain, DeFi, Data Infrastructure
Shop and Shout Ltd., doing business as Creator.co ("**Creator.co**")	Creator Economy, Web3, NFTs
Anonymous Intelligence Company Inc. (**"ANON"**)	Web3, EdTech, Artificial Intelligence (AI), Machine Learning (ML)
Stardust Solar Technologies Inc. ("**Stardust Solar**")	Solar Energy, Renewables, EV Charging
Flora Growth Corp. (formerly Mercury Acquisitions Corp.) (1) ("**Flora Growth Corp.**")	Plant-based Science
GameOn Entertainment Technologies Inc. (formerly V2 Games Inc.) ("**GameOn**")	Gaming, NFTs

(1) Included in "Other" in the Financial Statements in Note 8 "Investments" in 2022 Financial Statements
(2) The Company's interest in Creator.co was divested subsequent to the period ended June 30, 2023

Portfolio companies are reflected in the audited annual consolidated 2022 Financial Statements in Note 8 and 9 for movements in each distinct and material investment for the current and prior comparative year and in the condensed consolidated interim unaudited Q2 2023 Financial Statements in the Investments line items on the statements of financial position, with disclosures in Notes 7 and 8 for movements in each distinct and material investment for the current period. A majority of the Company's portfolio companies are investments in privately held companies, and as such no additional operating information is publicly disclosed beyond what is required for financial statement disclosures.

Selected Investee Highlights

Recent highlights from certain subsidiaries and Investees are described below.

Hydreight - Hydreight is an on-demand home healthcare and wellness platform that makes it possible to book health and wellness services at home. Registered nurses and other licensed providers on the platform can be their own bosses and offer services independently with the oversight of a Hydreight medical director. The platform provides them with access to a digital pharmacy, as well as a full suite of HIPAA-compliant tools to manage their businesses.

Hydreight's performance for the first and second quarters of 2023 has seen a significant increase across all revenue streams over the first and second quarters of 2022:

- Total top-line Non-GAAP Adjusted Revenue[1] for the three and six months ended June 30, 2023, increased 130% and 148% over the three and six months ended June 30, 2022, reaching $8,083,524 YTD.

- Total revenue for the three and six months ended June 30, 2023, increased 225% and 250% over the three and six months ended June 30, 2022, reaching $5,048,084.

- Contract revenue from business partners who provide services via the platform has increased by approximately 323% for the six months ended June 30, 2023.

- Commission revenue on services booked through the platform has increased by approximately 107% for the six months ended June 30, 2023.

- Pharmacy sales through the Company's digital pharmacy have increased by approximately 251% for the six months ended June 30, 2023.

Hydreight management believes the following Non-GAAP[1] financial measures provide meaningful insight to aid in the understanding of Hydreight's performance and may assist in the evaluation of the Hydreight's business relative to that of its peers:

	Three months ended June 30,			Six months ended June 30,		
	2023	2022	% change	2023	2022	% change
Adjusted Revenue	$ 4,416,103	$ 1,922,339	130%	$ 8,083,524	$ 3,262,157	148%
Deduct - deferred business partner contract revenue	190,934	465,421		171,886	539,963	
Deduct - business partner payouts on app service gross revenue	1,525,501	626,849		2,863,554	1,278,391	
GAAP Revenue	$ 2,699,668	$ 830,069	225%	$ 5,048,084	$ 1,443,803	250%
Adjusted Gross Margin	$ 1,270,762	$ 884,797	44%	$ 2,294,147	$ 1,215,517	89%
Deduct - deferred business partner contract revenue	190,934	465,421		171,886	539,963	
Deduct - inventory impairment	-	-		-	-	
GAAP Gross Margin	$ 1,079,828	$ 419,376	157%	$ 2,122,261	$ 675,554	214%

[1]See use of Non-GAAP financial measures

Q2 2023 Key Milestones

Hydreight completed several key improvements from January 1 to June 30, 2023, that played a pivotal role in the growth throughout 2023 thus far:

- The platform attracted 389 new business Partner account sign-ups in the first two quarters of 2023.
- The app received a significant update to enable service providers to take greater control of their service offering, and also access additional in-app training
- Hydreight commenced operations with its second Pharmacy Whitelabel
- Hydreight achieved record sales across all revenue streams YTD 2023
- Hydreight entered into a co-marketing agreement with one of the largest Aesthetic manufacturers in the United States
- Hydreight Released a major enterprise level software upgrade to provide additional functionality for the company's expansion across a variety of areas.
- Major partnerships were secured with pharmaceutical partners including Empower, McKesson, Medline, and Olympia, to ensure consistent supply as well as preferred pricing on products and medications.
- Hydreight made substantial expenditures in technical development and legal fees to position itself in the heavily regulated US healthcare industry to be able to compete with the largest companies, private and public, across the United States.

GameOn (CSE:GET) (OTCQB: GMETF) partners with the world's best sports, media, and entertainment IPs to launch brand-building, money-making web3 games (with intuitive web2-friendly rails). We turn fans into superfans - engaging, retaining, and monetizing audiences. With a diverse team of web3, gaming, and sports veterans with experience at Take-Two Interactive, Twitch, EA, Dapper Labs, and the Brooklyn Nets, our platform is executed at scale with millions of users, gameplays, and revenue. GameOn has partnered with NBCUniversal, Bravo, the PFL, Karate Combat, the WNBA, Times Internet, DICK'S Sporting Goods, and Gaming Society.

- On March 2, 2023, the Company announced non-dilutive funding from the HBAR Foundation ("Hedera").
- On June 13, 2023, the Company announced a strategic financing raising a total of $1.81M from two instruments:
    - A series of convertible notes led by a Digital Asset Investment Firm signed on June 8, 2023. The investment has a face value of $1.31M and simple interest at the annual rate of 10% per annum. Unless earlier converted into common shares ("Shares"), the principal and accrued interest of the Investment will be due and payable by GameOn to the holders of the Investment (the "Holders") on the date that is twenty-four (24) months from the date of the issuance of the Investment (the "Maturity Date"); prior to the Maturity Date with the acceptance of the Holders (provided GameOn pays the Holder all of the interest that would have been due had the Holders held the Investment until the Maturity Date), or upon demand by the Holders. The Investment plus any accrued but unpaid interest thereon will be convertible into Shares of GameOn at a price of $0.10 per Share. The securities issued will be subject to a 4-month and one day hold period from the date of issue of the convertible notes forming the Investment, or the Shares. The proceeds of the offering will be used for general working capital purposes and to finance the acquisition of major league partnerships.

    - A non-dilutive grant from a blockchain platform fund signed on June 5, 2023, which is subject to certain project milestones.
- On June 30, 2023, the Company announced it achieved Non-GAAP Adjusted Revenue[1] for 2022 of $1.005M in its first full year as a B2B technology platform. Net loss and comprehensive loss for the year was $4.24M (2022 - $9.07M). The Company's net cash flow used in operating activities was $2.16M (2022 - $5.40M).
- On August 15, 2023, the Company announced it achieved record Q2 YTD Revenue of $836,329 compared to $330,481 in 2022 (153% increase year-on-year), a Net loss and comprehensive loss of $2,036,909 compared to $2,549,184 in 2022 (25% decrease year-on-year), and Net cash flows used in operations of $1,045,319 compared to $1,455,493 in 2022 (39% decrease year-on-year).
- During the period ended June 30, 2023, the Company announced a partnership with Professional Fighters League ("PFL") to launch playable collectibles and next-gen fantasy games based on real world PFL fighters and events. PFL is the #2 Mixed Martial Arts ("MMA") company globally and has propelled itself into the co-leader of the sport with recently signed combat sports superstars Jake Paul and Francis Ngannu to fight exclusively in MMA for the PFL.

XR Immersive (CSE:VRAR) – XR Immersive is a leading location-based virtual reality ("LBVR") content distribution and facility management platform for location-based entertainment centers around the world. In the six months ended June 30, 2023, the Company wound down its Uncontained business with the final project concluding in the period. The primary focus of the consolidated entity is the Synthesis VR ("SVR") business moving forward.

The Synthesis VR software platform is one of the largest VR out of home entertainment marketplace for games, educational and training experiences worldwide. Synthesis has over 450 VR arcades globally and a market of over 400+ VR games.

- The companies focus is to build leading software and distribution capabilities that will establish its accelerated growth in the fast growing $140 Billion VR/AR market (see PwC market analysis here)
- The SVR software engine provides everything the modern VR arcade and Family Entertainment Center needs to power its VR experiences, a vital component of many locations internationally
- SVR is the only platform that supports Free Roam, Room-Scale, and Android-based tetherless Virtual Reality entertainment, a Gold Standard for VR arcade operators
- SVR provides over 400 Games and other experiences available through its extensive store catalogue
- SVR supports over 450 entertainment centre clients with locations across Europe, North America, India, South East Asia and Latin America
- SVR software platform manages all guest bookings, payment processing, game licensing which supports multiple billing options such as pay per minute, monthly and a combination of both, self-serve in headset game launcher, membership & player tracking, leaderboards, that include email offers directly targeted to the client and many more client friendly offerings
- SVR, in addition to the entertainment market, also provides educational content to locations that want to diversify from the entertainment market.
- SVR also provides Education, Training and R&D services in the Enterprise sector

  Current SVR developments:
  - New software updates to improve the SVR platform.
  - New SVR content store page
  - Building out VR MDM (Mobile-Device-Management) services for Corporate/Enterprise customers:

- Currently adapting our services to be offered as SaaS on AWS Marketplace
- Azure, Google Cloud and Oracle are next on the list

- Investing in Developing SVR proprietary content
- Establishing SVR as a Publisher
- SVR will be adding an RSVP system that allows VR arcade players to create AI Avatars at home and use them in VR arcades.
- Building out VR Education, Training and R&D Library, it is much safer to train professionals in the healthcare industry, architecture , automation and aircraft design and many others. It is much cheaper to use VR than real-life test fields.
- Artificial Intelligence (AI) applications for SVR and our partners. When it comes to LBVR studios, AI can be used to generate worlds and relatively random environments. This increases the replayability value and the world generation cost can be significantly reduced. It makes even more sense for XR games that use the camera's passthrough mode to add virtual elements to your actual environment. AI could better recognize the environment and generate obstacles and maps intact with your physical environment. This can be further improved by using asset generation through a more human-like AI (e.g.: https://www.reuters.com/technology/meta-releases-human-like-ai- image-creation-model-2023-06-13/). It has a similar use case for enterprise training and education.
- Developing a quality and detailed VR experience takes a lot of effort, AI is light-speeding the process.

Stardust Solar - Founded in 2017, Stardust Solar is a leader in renewable energy education, providing CSA/NABCEP approved design and installation training with hands-on experience. Stardust Solar is also one of the first companies in North America to offer a franchise opportunity dedicated to the installation of solar PV systems. With a network of solar training centers across North America, Stardust Solar is already widely regarded as the leader in solar education now having certified over 2,000 solar installers across Canada and the USA. With a growing list of franchise locations across North America, Stardust leans on its background to educate homeowners about important key differences in solar products and their warranties and offers choices when purchasing life-changing solar equipment, including Sunpower.

Revenues have been doubling year over year since inception. They exited 2021 with $946K in revenue, and are expected to close out 2022 with north of $2M with a total of 15 active franchise territories. Additionally, they recently became authorized as a TESLA distribution partner which is a huge milestone for Stardust as very few solar installers are able to achieve this certification level. Stardust management expects revenues to double in 2023. Stardust is preparing for a 2023 public listing.

VS Health dba Safetest Comércio de Diagnósticos - VS Health is 360-degree health care offering smart, connected devices, at-home diagnostic tests, personalized digital guidance and monitoring, 24/7/365 access to health care professionals, and prescription delivery in Latin America.

- Safetest was selected to receive a federal grant in Brazil for a project using Artificial Intelligence in the diagnosis of neglected diseases, generating quantitative results and data processing to generate epidemiological information in real time.
- Safetest and Biominas partnered up on a project called Artificial Intelligence in a Point-of-Care Cervical Cancer test, which was selected for a state grant, being the second-best project among hundreds of companies that submitted for this grant.

- Safetest was selected for a national open innovation program called IBMP (Molecular Biology Institute of Paraná) Hunting. The goal of the program was to find projects that can add innovative solutions to IBMP's in vitro diagnostics and therapeutic biomolecules technological platforms. Safetest and IBMP are signing an NDA to develop a Rapid PCR Point-of-Care test, which has the potential to change the Point-of-Care Diagnostics sector.
- Safetest signed a contract with one of the largest Vet products companies in Latin America for the development and production of an unprecedented rapid test that has the potential to be a game changer in the Vet diagnostics sector.
- Safetest concluded the development of the HTLV 1 and 2 rapid test and is now going to perform the clinical validation for registering the test at ANVISA. There are currently no tests in the market that differentiate HTLV 1 from 2.
- The development of the Cervical Cancer Rapid Test is moving forward quickly with good results. The next step is to expand the number of samples and the clinical validation.

Victory Square Digital Health - Victory Square Digital Health provides a white label virtual care platform and nationwide clinician network to customers including other digital health startups, brick and mortar clinics, retailers and pharmacies as an alternative to the considerable time and money organizations might otherwise invest in creating their own virtual care service.

A number of factors make virtual-first care a priority right now, including the pandemic, but there are other overarching reasons for why virtual care has become a necessity…ie. The shrinking pool of clinicians – many of whom are burned out or even leaving their profession – won't be able to scale with the growing demand for patient care. Virtual-first care models allow clinicians to be more efficient with their time by leaning on technology to easily triage patients and their care needs.

The future of healthcare is hybrid, and so the future of the clinician workforce is also hybrid. Victory Square Digital Health is enabling that journey and ensuring that the clinician is supported along the way.

The focus for Victory Square Digital Health in 2023 is to ramp up sales and marketing to provide their full-suite of mobile digital health solutions and telemedicine platform to surgery centers, skilled nurses, home care agencies and hospice care.

Next Decentrum - @NextDecentrum, the creative force behind @CryptoPharaohs_, has officially partnered with @flovatar @Piggos_nft @The_Goobz_NFT @Bl0xNFT to bring the best digital collectibles to PopCon ME, the largest pop culture and gaming event in the Middle East.

FansUnite (TSX:FANS) - Achieved total revenue and EBITDA of $5.3 and $4.3 million in Q2 Fiscal 2023, an increase of 14% and $15.3 million over Q2 Fiscal 2022.

- On May 2, 2023, the Company announced the signing of a definitive agreement dated May 1, 2023 pursuant to which the Company has sold to an arm's length third-party all of the shares in its wholly owned subsidiary, McBookie Ltd. ("McBookie"), a Scottish private limited company. FansUnite sold McBookie for $5.5 million in cash, a sale price which equates to 7x their 2022 EBITDA. The transaction resulted in a gain on sale of $4.4 million.
- On May 9, 2023, the Company announced the signing of a definitive asset purchase agreement dated May 8, 2023 pursuant to which the Company has sold the source code related to the Company's Chameleon Gaming Platform to Betr Holdings Inc. for total consideration of $10 million. The sale of the Chameleon iGaming Platform led to a gain on sale of $3.1 million being recognized.
- On June 16, 2023, the Company announced it had received approval from the Toronto Stock Exchange to renew its normal course issuer bid for a 12-month period.

Draft Label Technologies - Draft Label subsidiary executed a definitive agreement to complete business combination. Draft Label became a wholly owned subsidiary of Acquisition Co, which is launching microsites focused on Men's and Women's health (ie. Hormone testing, TRT, Perimenopause, PCOS, fertility, weight loss). Draft Label is preparing for a 2023 public listing.

Turnium Technology Group Inc (TSXV:TTGI) - - Turnium generated $1.29 million in revenue in Q1 2023, a period-over-period increase of 4.9% compared to Q1 of 2022. The year also saw substantial operating achievements and cost cutting initiatives combined with management and staffing changes, strengthening its financial foundation for Turnium and positioning the company for future growth. Turnium, (TTGI) has a non-binding letter of intent with respect to a potential share purchase transaction with one of its publicly listed strategic partners, ActivePort Group Ltd. (ASX: ATV), an Australian software company. The parties have extended the exclusivity period for the negotiation of definitive documents through to May 31, 2023. The parties are now in due diligence and the Special Committee will undergo a process of negotiation and consideration of a definitive and binding purchase agreement. If the potential transaction goes through, Turnium anticipates closing the transaction before the end of the third quarter of 2023.

Covalent CQT - In February of 2023, Covalent announced a partnership with Coinbase (NASDAQ: COIN) to launch a blockchain network. This partnership allows Coinbase to look beyond currency exchange and towards decentralized finance, gaming, and social media.

CloudAdvisors - CloudAdvisors listed as 2022 New Innovators in Canadian Business and was named as a 5-Star Insurance Technology Provider in 2022 by Insurance Business Canada Magazine.

CoPilot - CoPilot exited FY 2022 with $520K MRR and are projected to achieve 40% revenue growth in 2023. In 2022, CoPilot raised 9M in non-dilutive funding.

The Company and its Executive Team have been featured in a variety of publications which include Forbes, Entrepreneur, and Newsweek. Additionally, the Company participated in a number of webinars.

Summary of Quarterly Results

The table below sets out a summary of certain financial results of the Company over the past eight quarters and is derived from the audited annual consolidated financial statements and condensed consolidated interim unaudited financial statements of the Company.

Fiscal Quarter Ended	Revenue	Net Loss for the Period	Comprehensive Loss for the Period	Basic and Diluted Loss Per Share
June 30, 2023	2,638,892	(1,199,873)	(851,936)	(0.01)
March 31, 2023	2,877,325	(1,150,300)	(1,273,881)	(0.01)
December 31, 2022	2,076,995	(14,794,620)	(14,837,225)	(0.12)
September 30, 2022	1,620,221	(3,473,694)	(1,273,881)	(0.05)
June 30, 2022	1,214,783	(5,789,611)	(5,790,884)	(0.05)
March 31, 2022	1,017,097	(4,530,443)	(4,516,836)	(0.04)
December 31, 2021	742,824	(12,062,119)	(12,058,693)	(0.14)
September 30, 2021	337,761	(3,942,795)	(3,942,212)	(0.04)

The Company invests in early-stage technology companies. Increases and decreases in the value of those companies have the greatest impact on the results of operations of the Company from quarter to quarter. It is within the business cycle to see periods of net losses when first investing in a new company, spending 18-36 months incurring expenses and building the business, and then in subsequent periods realizing the gains and revenues from those early investments. This trend can be seen in the quarterly information above as the Company made major investments in 2018 through 2021, incurred expenses and losses throughout these periods while investing in those companies, and then began to monetize and realize increased revenues and gains as the companies mature and increase in value.

- The net loss for the quarter ended June 30, 2023, is primarily due to operating losses from consolidated subsidiaries, partially offset by increased revenue from Hydreight and a decrease in revenue from XRI.
- The net loss for the quarter ended March 31, 2023, is primarily due to operating losses from consolidated subsidiaries, partially offset by increased revenue from Hydreight.
- The net loss for the quarter ended December 31, 2022, is primarily due to the fair value write-down on portfolio investments due to the market environment as well as operating losses from consolidated subsidiaries, partially offset by increased revenue from Hydreight.
- The net loss for the quarter ended June 30, 2022, is primarily due to the fair value write-down on portfolio investments due to the market environment as well as operating losses from consolidated subsidiaries.
- The net loss for the quarter ended March 31, 2022, is due to continuing operating losses in XRI and VST.
- The net loss for the quarter ended December 31, 2021, is largely related to losses and write downs on portfolio investments as well as the reclassification of research and development costs incurred in XRI, Hydreight, and VSDH from intangible asset to expense.
- The net loss for the quarter ended September 30, 2021, is largely related to losses and write downs on portfolio investments as well as losses incurred by subsidiary XR Immersive Tech due to building the UNCONTAINED business unit as well as increased general and administrative expenses. This loss was reduced by a capitalization of research and development expenses incurred by XR Immersive Tech.

Discussion of Operations

The Q2 2023 Financial Statements comprise the financial statements of the Company plus the financial statements of the subsidiaries of the Company described in the table below:

	Percentage Ownership as at	
	June 30, 2023	**December 31, 2022**
Draft Label	100.00%	100.00%
PDL USA	100.00%	100.00%
XRI[(1)]	54.55%	69.80%
Victory Entertainment	100.00%	100.00%
BlockX Capital	100.00%	100.00%
VS Blockchain Assembly	100.00%	100.00%
VS Digital Health	100.00%	100.00%
VS Digital Health USA	100.00%	100.00%
HTI[(2)]	73.72%	100.00%

[1] SVR is a wholly owned subsidiary of XRI
[2] HCH and Hydreight are wholly owned subsidiaries of HTI

Revenue

Revenue for the three- and six-month period ended June 30, 2023, was $2,638,892 and $5,516,217 compared to $1,214,783 and $2,231,880 for the comparative periods. The increase in revenues is primarily related to substantial growth in Hydreight revenues and user base resulting in increasing subscription, pharmacy and net commission revenues.

The table below sets out revenues of the Company:

	Three months ended June 30		Six months ended June 30,	
	2023	**2022**	**2023**	**2022**
Immersive experiences	$ 155,483	$ 414,812	$ 356,142	$ 525,201
Health	2,417,272	713,638	5,048,084	1,493,855
Health tech	-	504	25,854	1,474
Management fees	54,137	56,279	54,137	157,100
Sublease	12,000	29,550	32,000	54,250
	$ 2,638,892	$ 1,214,783	$ 5,516,217	$ 2,231,880

Cost of Goods Sold

Cost of goods sold for the three and six months ended June 30, 2023, was $1,578,314 and $2,948,453 compared to $577,921 and $1,020,878 for the comparative periods. The increase in cost of goods sold is related to the above-described changes in revenues, primarily due to the cost of pharmacy purchases associated with the increased pharmacy sales of Hydreight.

The table below sets out the cost of goods sold of the Company:

	Three months ended June 30		Six months ended June 30,	
	2023	2022	2023	2022
Immersive experiences	$ 4,718	$ 72,000	$ 8,864	$ 154,123
Health	1,566,599	505,921	2,925,823	795,880
Software	6,997	-	13,766	70,875
	$ 1,578,314	$ 577,921	$ 2,948,453	$ 1,020,878

Gross Margin

The gross margin for the three and six months ended June 30, 2023, was $1,060,578 and $2,567,764 compared to $636,862 and $1,211,002 for the corresponding comparative periods. The current period gross margin is driven primarily by the online pharmacy sales of Hydreight. Also, Hydreight revenue includes subscription revenue earned over time, which doesn't have a corresponding cost of expense as with pharmacy purchases.

The table below sets out gross margins of the Company:

	Three months ended June 30				Six months ended June 30,			
		2023		2022		2023		2022
Immersive experiences	97%	$ 150,765	83%	$ 342,812	98%	$ 347,278	71%	$ 371,078
Health	35%	850,673	29%	207,717	42%	2,122,261	47%	697,975
Health tech	N/A	(6,997)	100%	504	47%	12,088	N/A	(69,401)
Management fees	100%	54,137	100%	56,279	100%	54,137	100%	157,100
Sublease	100%	12,000	100%	29,550	100%	32,000	100%	54,250
		$ 1,060,578		$ 636,862		$ 2,567,764		$ 1,211,002

Expenses

For the three and six months ended June 30, 2023, total expenses were $3,206,546 and $5,668,918 compared to $3,365,483 and $6,842,996 for the three and six months ended June 30, 2022. Material variances over this period are discussed below.

Amortization and Depreciation

Amortization and depreciation for the three and six months ended June 30, 2023, were $656,174 and $1,382,435 compared to $655,753 and $1,299,866 for the three and six months ended June 30, 2022. The increase in this amount is attributable to the amortization of SVR intangible assets, which hadn't been valued in the comparative period end.

General and Administration

For the three and six months ended June 30, 2023, general and administration expenses was $422,724 and $696,290 compared to $337,899 and $607,329 for the corresponding three and six months ended June 30, 2022. The increase was due to a general increase in overhead costs in Hydreight to support organic growth in the business, partially offset by a sharp decrease in general and administration expenses in XRI due to the winding down of the legacy business in early 2023.

Management Fees

Management fees for the three and six months ended June 30, 2023, were $46,784 and $73,836 compared to $Nil and $35,728 for the corresponding three-and six-month period ended June 30, 2022. The increase in the amount was due to changes in management fees charged and compensation.

Professional and Consulting Fees

For the three and six months ended June 30, 2023, professional and consulting fees were $1,054,235 and $1,673,536 compared to $785,355 and $1,244,704 for the corresponding three-and six-month period ended June 30, 2022. The increase in this amount is primarily due to Hydreight's increase in professional fees, including legal and technical consulting incurred in the current period to support future growth of the business and compliance with public company reporting, partially offset by XRI's higher comparative period fees incurred on the acquisition of SVR.

Research and Development

For the three and six months ended June 30, 2023, research and development expense was $159,080 and $177,613 compared to $79,702 and $413,516 for the corresponding three-and six-month period ended June 30, 2022. During the year ended December 31, 2021, XR Immersive Tech began incurring costs related to the UNCONTAINED project, both relating to the internal development of intangible software as well as a physical, customized shipping container. These costs were primarily incurred in 2021 with XRI completing most of its development in the first quarter of 2022. The UNCONTAINED project was discontinued at the end of 2022. The decrease in XRI was partially offset by sustained software development in Hydreight to support ongoing development.

Sales and Marketing

For the three and six months ended June 30, 2023, sales and marketing expense were $105,623 and $332,088 compared to $240,451 and $561,267 for the corresponding three-and six-month period ended June 30, 2022. The majority of the decrease in sales and marketing expense is due to a decrease in Company expenditures in promotion and investor relations, partially offset by an increase in Hydreight sales and marketing expense to support continued growth.

Share based payments

Share based payments for the three and six months ended June 30, 2023, was $151,397 and $166,726 compared to an expense recovery of $189,711 and expense of $337,095 for the corresponding three-and six-month period ended June 30, 2022. This amount was driven by stock options granted and related share-based compensation expense recognized within the Company and XRI, with most of the expense and vesting occurring in 2021, the first half of 2022 and a reversal of expense in XRI on cancellation and expiration of options in the second half of 2022.

Wages

For the three and six months ended June 30, 2023, wage expense was $389,430 and $766,073 compared to $822,726 and $1,510,934 for the corresponding three-and six-month period ended June 30, 2022. The decrease in wage expense in the period is due to the reduction in XRI head-count from 2022 to 2023, offset by the increase in executive compensation to the CEOs of SVR and Hydreight as well as additions to the head-count in Hydreight's Canadian operations.

Segmented Operations

The Company operates in several segments, broken down by entity as follows:

Legal Entities	Segment
Draft Label	Health Tech
PDL USA	Health Tech
XRI	Immersive Services
SVR	Immersive Services
Victory Entertainment	Investments
Victory Square Technologies (1)	Investments
BlockX Capital	Investments
VS Blockchain	Investments
VS Digital Health	Health
VS Digital Health (Delaware)	Health
Hydreight Technologies Inc	Health
Hydreight Canada Holdings Inc	Health
IV Hydreight Inc	Health

(1) Parent corporation

Segmented operations were as follows as at and for the period ended June 30, 2023:

	Investments	Health Tech	Immersive Services	Health	Total
Current assets	$ 702,547	$ 49,011	$ 224,754	$ 2,298,610	$ 3,274,922
Non-current assets	17,253,433	20,235	1,086,695	976,872	19,337,235
	$ 17,955,980	$ 69,246	$ 1,311,449	$ 3,275,482	$ 22,612,157
Current liabilities	$ 1,226,824	$ 346,756	$ 1,225,750	$ 3,404,928	$ 6,204,258
Non-current liabilities	633,759	41,569	4,491,695	17,640	5,184,663
	$ 1,860,583	$ 388,325	$ 5,717,445	$ 3,422,568	$ 11,388,921

	Investments	Health Tech	Immersive Services	Health	Total
Revenue	$ 86,137	$ 25,854	$ 356,142	$ 5,048,084	$ 5,516,217
Cost of goods sold	-	-	-	(2,948,453)	(2,948,453)
Gross margin	86,137	25,854	356,142	2,099,631	2,567,764
Expenses	(1,389,130)	(50,234)	(659,896)	(3,569,658)	(5,668,918)
Deferred tax recovery	55,322	-	-	-	55,322
Other gains (losses)	938,223	(14,837)	(229,261)	1,534	695,659
Net income (loss)	(309,448)	(39,217)	(533,015)	(1,468,493)	(2,350,173)
Other Comprehensive Income	224,356	-	-	-	224,356
Comprehensive income (loss)	$ (85,092)	$ (39,217)	$ (533,015)	$ (1,468,493)	$ (2,125,817)

Liquidity

As at June 30, 2023, the Company had a working capital deficit of $2,929,336 (December 31, 2022 working capital of $1,353,420) comprised of total current assets of $3,274,922 (December 31, 2022 - $4,525,967) and total current liabilities of $6,204,258 (December 31, 2022 - $5,879,387).

As at June 30, 2023, the Company had total current assets of $3,274,922 (December 31, 2022 - $4,525,967) comprised of $2,637,344 (December 31, 2022 - $3,836,815) in cash, $283,445 (December 31, 2022 - $471,762) in prepaids, $178,782 (December 31, 2022 - $27,034) in trade receivables, $84,335 (December 31, 2022 - $86,085) in government sales tax receivable, and $91,016 (December 31, 2022 - $104,271) in inventories.

As at June 30, 2023, the Company had total current liabilities of $6,204,258 (December 31, 2022 - $5,879,387), comprised of $1,573,634 (December 31, 2022 - $783,819) in trade payables, $853,919 (December 31, 2022 - $1,213,765) in accrued liabilities, $1,816,315 (December 31, 2022 - $1,703,821) in deferred revenue, $1,225,616 (December 31, 2022 - $1,187,700) in related party loans, $370,417 (December 31, 2022 - $417,604) in loan payable, $80,592 (December 31, 2022 - $80,581) in income taxes payable, $158,765 (December 31, 2022 - $158,765) in other payables, $125,000 (December 31, 2022 - $121,136) in current portion of convertible debt, and $Nil (December 31, 2022 - $212,196) in current portion of lease liability.

The Company's ability to meet its ongoing obligations and activities depends on its ability to generate cash flow through the issuance of common shares of the Company pursuant to equity financings and short-term or long-term loans. Capital markets may not be receptive to future offerings of new equity from treasury or debt, whether by way of private placements or public offerings. The Company currently has ample funding from the latest private placement transaction. Future funding is available through sale of shares in publicly held companies that are becoming unrestricted in 2023 and onwards.

Contractual Obligations As at June 30, 2023	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**After 5 years**
Trade payables and accrued liabilities	$2,427,553	$2,427,553	$ -	$ -	$ -
Other payables	158,765	158,765	-	-	-
Related party loans	1,225,616	$1,225,616			
Leases	42,001	42,001	-	-	-
Loans payable	5,045,390	370,417	4,674,973	-	-
CEBA Loans	180,000	-	180,000	-	-
Total Contractual Obligations	$6,651,772	$1,796,799	$4,854,973	$ -	$ -

Capital Resources

As at June 30, 2023, there are 99,564,971 common shares, 6,878,218 common share purchase warrants and 7,632,500 stock options outstanding. As of the date hereof, there are 7,557,500 stock options outstanding.

Each warrant is exercisable for the purchase of one common share. Of the warrants, 5,806,526 are 2020 SW Unit Warrants and exercisable at $0.78 per common share and expire on November 9, 2023. As at the date of this MD&A, there are also 298,825 warrants exercisable at $0.78 and expiring on November 9, 2023, and 772,867 broker warrants exercisable at $0.52 and expiring on November 9, 2023, issued to certain finders, brokers and agents in connection with the Company’s prior financing transactions.

Each option is exercisable for the purchase of one common share. Of the options, 4,137,500 are exercisable at $0.15 per common share and expire on March 17, 2025; 2,745,000 are exercisable at $0.60 per common share and expire on January 11, 2024; 250,000 are exercisable at $0.51 per common share and expire on July 22, 2024; 125,000 are exercisable at $0.43 and expire on December 21, 2023, and 300,000 are exercisable at $0.43 and expire on March 17, 2025.

There are no other sources of financing arranged but not yet used by the Company. There are no commitments for capital expenditures.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial performance or financial condition, including with respect to revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Transactions Between Related Parties

Related Party Transactions

During the period ended June 30, 2023, and 2022, the Company entered into the following transactions with related parties:

		June 30, 2023		June 30, 2022
Management fees revenue	$	-	$	157,100
Professional fees paid to ARO Consulting Inc., a company owned by CFO	$	228,523	$	168,017
Executive compensation	$	461,500	$	323,000
Share-based compensation of subsidiaries	$	-	$	60,833

Key Management Compensation

The Company’s key management personnel have authority and responsibility for overseeing, planning, directing, and controlling the activities of the Company and consist of the Company’s Board of Directors and the Company’s executive leadership team. Such compensation was comprised of:

- $461,500 (June 30, 2022 - $323,000) in executive compensation to the CEO and Chief Growth Officer of VST and executive officers of XRI and Hydreight.
- $228,523 (June 30, 2022 - $168,017) in professional fees to company controlled by the CFO, for controller, bookkeeping, corporate secretarial and CFO services;
- $53,801 (June 30, 2022 - $60,833) in share-based compensation related to XRI stock options to the CEO and CFO.

Due from Related Parties

		June 30, 2023		December 31, 2022
Due from a Director	$	250	$	250
Due from Subsidiary Management		195		215
Due from GameOn		132,956		67,159
Due from Shop & Shout		185,450		185,450
Due from Victory Square Health		7,000		7,000
Due from Safetest		26,000		10,000
Due from CoPilot.AI		2,095		2,095
	$	353,946	$	272,169

Amounts are unsecured, non-interest bearing, and due on demand.

Due to Related Parties

		June 30, 2023		December 31, 2022
Due to former owners of SVR		300,000		300,000
Due to former owners of SVR - contingent consideration		114,583		-
Due to Shop & Shout		801,654		801,654
Due to CEO		9,379		86,046
	$	1,225,616	$	1,187,700

These related party loans are unsecured, due on demand, and non-interest bearing.

The amount due to former owners of SVR is owed by XRI to the former shareholders of SVR, being the balance of the initial purchase price to be settled in cash as well as the initial value attributable to contingent consideration at the time of the acquisition.

The amount due to Shop & Shout relates to a clause within the Shop & Shout investment agreement from the fourth quarter of 2021 wherein the Company shall pay amount equal to difference between aggregate value of already issued or transferred VST shares and the sum of $1,000,000 to reach a total sum of $1,000,000. On the date of closing of the investment transaction, the value of VST common shares issued for the investment was $425,000 and using historical stock price data and scenario modelling, the contingent consideration was valued at $550,352, such that the total investment book value on the date of investment was $975,352. The value of this contingent consideration as of June 30, 2023, was determined to be $652,247 (December 31, 2022 - $652,247) after a $Nil (December 31, 2022 - $101,894) revaluation of the contingent liability based on the Company's share price as at June 30, 2023. As at the period ended June 30, 2023, the Company has advanced a total of $224,935 to Shop & Shout in anticipation of a final settlement to be agreed upon at a later date.

As at June 30, 2023, the Company has $7,211 (December 31, 2022 - $50,515) in related party loans due to the CEO, which includes $2,168 (December 31, 2022 - $2,168) in accrued interest. This related party loan is unsecured, due on demand, and bear interest at 3%.

As at June 30, 2023, the Company has $325,857 (December 31, 2022 - $132,680) due to related parties included in trade payables and accrued liabilities. As at June 30, 2023, the Company has $110,923 (December 31, 2022 - $27,034) due from related parties included in trade receivables. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

Proposed Transactions

There are no proposed transactions for the Company as at the date hereof. All events which have completed subsequent to the date of the Financial Statements and prior to the date of this MD&A are summarized in the subsequent event note to the financial statements.

Critical Accounting Estimates

The Company's significant accounting estimates are presented in Note 2 in the notes to the 2022 Financial Statements. The preparation of the Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period presented and reported amounts of expenses during the same period. Actual outcomes could differ from these estimates. The 2022 Financial Statements include estimates, which, by their nature, are uncertain. The impact of such estimates may require accounting adjustments based on future occurrences. Any revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods if the revision affects the future. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty at the end of the reporting period that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made include, but are not limited to, the following:

- The preparation of the 2022 Financial Statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, and expenses.
- The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.
- Critical judgements are made in particular with regard to assessment of impairment to the carrying value of the Company's assets.
- At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount and the impairment loss is recognized in the statement of income (loss) and comprehensive income (loss) for the period.
- Changes in any of the assumptions used in impairment testing could materially affect the result of the analysis.

As at June 30, 2023, the Company reviewed the carrying value of its remaining assets and determined that there were no indicators of impairment further to the impairments recognized in the Q2 2023 Financial Statements.

Changes in Accounting Policies including Initial Adoption

Financial Instruments

IFRS 9 – *Financial Instruments* uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39. The Company has applied IFRS 9 in the preparation of the current and prior period financial statements.

Revenues

IFRS 15 – *Revenues* replaced the previous revenue standard IAS 18 and the related Interpretations on revenue recognition. The standard scopes out contracts that are considered to be lease contracts, insurance contracts and financial instruments. The new standard is a control-based model as compared to the existing revenue standard which is primarily focused on risks and rewards. Under this standard, revenue is recognized when a customer obtains control of a good or service. Transfer of control occurs when the customer has the ability to direct the use of and obtain the benefits of the good or service. We have applied IFRS 15 in the preparation of the current and prior period financial statements and noted no material impact upon adoption.

Financial Instruments and Other Instruments

Fair Value

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies, as disclosed below. However, considerable judgment is required to develop certain of these estimates. Accordingly, these estimated values are not necessarily indicative of the amounts the Company could realize in a current market exchange. The estimated fair value amounts can be materially affected by the use of different assumptions or methodologies. The methods and assumptions used to estimate the fair value of each class of financial instruments are discussed below.
The different levels for valuation of financial instruments carried at fair value have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Quoted market prices for an identical asset or liability represent a Level 1 valuation. When quoted market prices are not available, the Company maximizes the use of observable inputs within valuation models. When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the use of significant unobservable inputs are considered Level 3.

Cash, marketable securities and certain investments are measured using Level 1 inputs. Investments in private companies are measured using Level 3 inputs.

The Company’s financial instruments consist of cash, trade receivables, marketable securities, certain investments, amounts due from related parties, advances, trade payables, loan payable, other payables, convertible debentures and related party loans. The carrying value of financial instruments approximates the fair value as at June 30, 2023.

U.S. Income Tax Status

U.S. federal tax legislation was enacted in 2004 to address perceived U.S. tax concerns in “corporate inversion” transactions. A “corporate inversion” generally occurs when a non-U.S. corporation acquires “substantially all” of the equity interests in, or the assets of, a U.S. corporation or partnership, if, after the acquisition, former equity holders of the U.S. corporation or partnership own a specified level of stock in the non-U.S. corporation. The tax consequences of these rules depend upon the percentage identity of stock ownership that results. Generally, in the “80-percent identity” transactions, i.e. former equity holders of the U.S. corporation owns 80% or more of the equity of the non-U.S. acquiring entity (excluding certain equity interests), the tax benefits of the inversion are limited by treating the non-U.S. acquiring entity as a domestic entity for U.S. tax purposes. Note, the ownership percentage is computed under section 7874 which varies from legal ownership.

Management is of the view that a corporate inversion has resulted from HTI’s RTO transaction completed in November 2022. Management has determined that HTI is subject to the "80 percent" identity with respect to the transactions undertaken. The tax implication resulting from this transaction would be annual filing of US corporate income tax return and additional withholding tax payment to IRS on future distribution to minority shareholders.

Use of Non-GAAP Financial Measures

This release contains references to non-GAAP financial measures of Hydreight, Adjusted Revenue and Adjusted Gross Margin. The Company defines Adjusted Revenue as gross cash income before adjustment for the deferred portion of business partner contract revenue and gross receipts from Hydreight App service sales. Hydreight defines Adjusted Gross Margin as GAAP gross margin plus inventory impairment plus the deferred portion of business partner contract revenue. Hydreight believes that the measures provide information useful to its shareholders and investors in understanding the Hydreight’s operating cash flow growth, user growth, and cash generating potential and may assist in the evaluation of the Hydreight’s business relative to that of its peers more accurately than GAAP financial measures alone. This data is furnished to provide additional information and does not have any standardized meaning prescribed by GAAP. Accordingly, it should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP and is not necessarily indicative of other metrics presented in accordance with GAAP.

Neither TSXV nor its Regulation Services Provider (as that term is defined in policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release. This press release does not constitute an offer of securities for sale in the United States. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and such securities may not be offered or sold within the United States absent U.S. registration or an applicable exemption from U.S. registration requirements.

Other Risks and Uncertainties

The Company is in the investment management business and as such is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. The Company has no material ongoing revenue or income from operations. The Company has limited capital resources and must rely upon the sale its assets or sale of its common shares for cash required to make new investments and to fund the administration of the Company.

These risks may not be the only risks faced by the Company. Additional risks and uncertainties not presently known by the Company, or which are presently considered immaterial may also adversely impact the

Company's business, results of operations and financial performance. The most significant risks and uncertainties faced by the Company are set out below.

Financial Risk Management

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

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company’s primary exposure to credit risk is on its cash held in bank accounts. The cash is deposited in bank accounts in Canada and the USA. As most of the Company’s cash is held by one bank there is a concentration of credit risk. This risk is managed by using a bank that is a high credit quality financial institution as determined by rating agencies. The Company's exposure to credit risk on cash is assessed as low.

The Company’s receivables consist of trade receivables, government sales tax receivable, loan receivable and due from related parties. Based on the evaluation of receivables as at June 30, 2023, the Company believes that its receivables are collectable and assesses credit risk as low.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company’s normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company’s main source of funding has been the issuance of equity securities through private placements and loans from related parties. The Company’s access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

The Company's exposure to liquidity risk is assessed as high.

Foreign Exchange Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The Company is not exposed to significant foreign exchange risk.

Limited Operating History

The Company has limited operating history as an investment company and no operating history as a portfolio manager in making investments in the technology industry. The Company and its business prospects must be viewed against the background of the risks, expenses and problems frequently encountered by companies in the early stages of their development, particularly companies in new and rapidly evolving markets.

Limited History of Profitability

Fiscal 2020 was the first year that the Company had made profits since its incorporation. Its future profitability will depend upon its success in making strategic investments in and monetize those investments. Because of the limited operating history and the uncertainties regarding the development of certain technologies and industries in which the Company invests, there are significant risks associated with the Company's investment strategy.

Going-Concern Risk

The 2022 Financial Statements have been prepared on a going-concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing equity or debt financing or in achieving profitability. The 2022 Financial Statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

Negative Cash Flow

The Company has a limited history of operations, and very little history of earnings, positive cash flows, or profitability. The Company has had negative operating cash flow since inception, and the Company will continue to have negative operating cash flow for the foreseeable future. No assurance can be given that the Company will ever attain positive cash flow or profitability or that additional funding will be available for operations.

Additional Requirements for Capital

Substantial additional financing may be required if the Company is to be successful in developing a diversified and material portfolio of investments. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated investments.

Risks Relating to Existing and Future Investments

The Company may, in the future, make investments that may, in part, be financed by the Company. Existing investments and future investments made by the Company should be considered speculative and there is no guarantee that any such investment will earn any positive return in the short term or long term. Businesses that the Company invests in may also request additional funding from the Company to support their operations and growth, and there is no assurance that such funding will be available to the Company from external sources on acceptable terms or at all.

The Company intends to pursue opportunities outside of the Company's existing business segments that would diversify the asset base, the success of which will depend, in part, on its ability to: identify suitable investments; negotiate the purchase of such investments on terms acceptable to it; complete the investments within expected time frames; and capitalize on such investments. Further, the profitability of such investments will be dependent upon a variety of potential factors depending on the underlying industry, for example, the market price of commodities, the level of interest rates, global economic conditions, political conditions, speculative activities, stability of exchange rates and other factors beyond the control of the Company. Investments in companies with publicly traded securities may experience substantial volatility and would be subject to market trends and macroeconomic conditions generally, notwithstanding any potential success of such companies in creating revenues, cash flows or earnings and may not accurately reflect the long-term value of such companies. There can be no assurance that continual fluctuations in price will not occur in such instances. The Company invests in and may make future investments in securities of private companies. In some cases, the Company may be restricted by contract or by applicable securities laws from selling such securities for a period of time. Such securities may not have a ready market and the inability to sell such securities or to sell such securities on a timely basis or at acceptable prices may impair the Company's ability to exit such investments when the Company considers it appropriate. Foreign investments that may be made by the Company in specific sectors such as natural resource, industrial or technology may be subject to political risks, risks associated with changes in foreign exchange rates, foreign exchange control risks and other similar risks. The Canadian dollar equivalent of the Company’s net denominated assets and dividends would be adversely affected by reductions in the value of the applicable foreign currencies relative to the Canadian dollar and would be positively affected by increases in the value of the applicable foreign currencies relative to the Canadian dollar.

The Company invests in and may make future investments in securities of companies that the Company does not control. These investments will be subject to the risk that the company in which the investment is made may make business, financial or management decisions with which the Company does not agree or that the majority stakeholders or management of the company may take risks or otherwise act in a manner that does not serve the Company's interests. If any of the foregoing were to occur, the values of investments by the Company could decrease and the Company's financial condition and cash flow could suffer as a result.

The due diligence process undertaken by the Company in connection with investments it makes or that it wishes to make may not reveal all relevant facts in connection with an investment. Before making investments, the Company will conduct due diligence investigations that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence investigations, the Company may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants, and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. The due diligence investigations that are carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such investigation will not necessarily result in the investment being successful.

Equity Investment Risk

Equities such as common shares give the holder part ownership in a company. The value of an equity security changes with the fortunes of the company that issued it. General market conditions and the health of the economy can also affect equity prices. Certain securities may be particularly sensitive to general market movements, which may result in a greater degree of price volatility for such securities and for securities of companies that invest in such securities under specific market conditions and over time. Equity related securities that provide indirect exposure to the equity securities of an issuer, such as convertible debentures, can also be affected by equity risk.

Illiquid Securities

If the Company is unable to dispose of some or all of the securities held by it, the Company may experience a delay in the receipt of the proceeds of disposition until such time as it is able to dispose of such securities or may be able to do so only at prices which may not reflect the true value of such investments.

Asset Class Risk

The equity investments held by the Company may underperform the returns of other securities that have exposure to other countries, regions, industries, asset classes or sectors. Various asset classes tend to experience cycles of outperformance and under performance in comparison to the general securities markets.

Digital Assets Risk

The Company holds digital currencies or service tokens. Prices of digital currencies are volatile, and they are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. The digital assets are accounted for under IAS 28 at the cost to the Company, being $Nil. The Company may not be able to liquidate its inventory of digital currency at its desired price if required.

The Company may hold some or all of the Company's digital assets in wallets directly controlled by the Company or through third party custodian services. Such wallets may be susceptible to cyber-attacks and/or mishandling which could cause the loss of funds.

Technology Sector Risk

The Company obtains exposure to the securities of technology companies. General risks of technology companies include the risks of rapidly changing technologies, short product life cycles, fierce competition, aggressive pricing and reduced profit margins, loss of patent, copyright and trademark protections, cyclical market patterns, evolving industry standards and frequent new product introductions. Certain technology companies may be smaller and less experienced companies, with markets or financial resources and fewer experienced management or marketing personnel.

Small and Mid-Capitalization Companies Risk

Certain of the equity securities to which the Company obtains exposure may be small and/or mid-capitalization company common shares. Such common shares have customarily involved material investment risk. Small and mid-capitalization companies may have limited product lines, markets or financial resources; may lack management depth or experience; and may be more vulnerable to adverse general market or economic developments than large companies. Some of these companies may distribute, sell or produce products which have recently been brought to market and may be dependent on key personnel.

The prices of small and mid-capitalization company securities are often more volatile than prices associated with large company issues, and can display abrupt or erratic movements at times, due to limited trading volumes and less publicly available information. Also, because small and mid-capitalization companies normally have fewer common shares outstanding and these common shares trade less frequently than those of large companies, it may be more difficult for the Company to buy and sell significant amounts of such common shares. The securities of small and mid-capitalization companies are often traded on "over the counter" markets and may not be traded in the volumes typical of a national securities exchange.

Regulatory Risks

Changes in, or more aggressive enforcement of, laws and regulations could adversely impact companies involved in the health, digital health, insurance, gaming, and cryptocurrency businesses. Failure or delays in obtaining necessary approvals, changes in government regulations and policies and practices could have an adverse impact on such businesses' future cash flows, earnings, results of operations and financial condition.

Dependence on Internet Infrastructure; Risk of System Failures, Security Risks and Rapid Technological Change

The success of any developer of technology platforms will depend by and large upon the continued development of a stable public infrastructure, with the necessary speed, data capacity and security, and the timely development of complementary products such as high-speed modems for providing reliable internet access and services. Technology platforms have experienced and are expected to continue to experience significant growth in the number of users, amount of content and bandwidth availability. It cannot be assured that the infrastructure will continue to be able to support the demands placed upon it by this continued growth or that the performance or reliability of the technology will not be adversely affected by this continued growth.

Intellectual Property Rights

Companies involved in the development and operation of technologies may be dependent on intellectual property rights; the loss of which could harm its business, results of operations and its financial condition. There can be no assurance that any company's products will not violate proprietary rights of third parties or that third parties will not assert or claim that such violation has occurred. Any such claims and disputes arising may result in liability for substantial damages which in turn could harm the underlying business, results of operations and financial condition of the Company.

Cyber Security Risks

The Company is dependent on information technologies to conduct its operations, including management information systems and computer control systems. Business and supply chain disruptions, plant and utility outages and information technology system and network disruptions due to cyber-attacks could seriously harm operations and materially adversely affect operation results, Cyber security risks include attacks on information technology and infrastructure by hackers, damage or loss of information due to viruses, the unintended disclosure of confidential information, the issue or loss of control over computer control systems, and breaches due to employee error.

The Company's exposure to cyber security risks includes exposure through third parties on whose systems it places significant reliance for the conduct of its business. There can be no assure that the Company has the resources or technical sophistication to anticipate, prevent, or recover from rapidly evolving types of cyber-attacks. Compromises to its information and control systems could have severe financial and other business implications.

Competition

The market for investment opportunities is highly competitive. The Company will compete with a large number of other investors focused on similar investments, such as private equity funds, mezzanine funds, investment banks, and other equity and non-equity based public and private investment funds. Competitors may have a lower cost of funds and may have access to funding sources that are not available to the Company. In addition, certain competitors of the Company may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships and build their respective market common shares. As a result of this competition, there can be no assurance that the Company will be able to locate suitable investment opportunities, acquire such investments on acceptable terms, or achieve an acceptable rate of return on the investments it does make. The competitive pressures faced by the Company may have a material adverse effect on its activities, financial condition, and results of operations.

Key Personnel

The Company is dependent upon the continued availability and commitment of its management, whose contributions to immediate and future operations of the Company are of significant importance. The loss of any such management could negatively affect the Company's business operations. From time to time, the Company will also need to identify and retain additional skilled management to efficiently operate its business. Recruiting and retaining qualified personnel is critical to the Company's success and there can be no assurance of its ability to attract and retain such personnel. If it is not successful in attracting and training qualified personnel, the Company's ability to execute its business model and growth strategy could be affected, which could have a material and adverse impact on its profitability, results of operations and financial condition.

Conflicts of Interest

Certain of the Company's directors and officers may, from time to time, serve as directors or officers of other companies involved in similar businesses to the Company and, to the extent that such other companies may participate in the same ventures in which the Company may seek to participate, such directors and officers may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such conflicts of the Company's directors and officers may result in a material and adverse effect on the Company's results of operations and financial condition.

Share Price Volatility Risk

External factors outside of the Company's control may have a significant impact on the market price of the common shares. Global stock markets have experienced extreme price and volume fluctuations from time to time. There can be no assurance that an active or liquid market will develop or be sustained for the common shares.

Russian invasion of Ukraine

In February 2022, Russia commenced a military invasion of Ukraine which generated a response in the form of strict economic sanctions from multiple countries and corporations around the world, including Canada. Although the Company does not have operations in Russia or Ukraine, the global impact of this conflict in commodity prices, foreign currency exchange rates, supply chain challenges and increased fuel prices may have adverse impacts on our costs of doing business.

Disclosure of Internal Controls and Procedures

In connection with National Instrument 52-109 – *Certification of Disclosure in Issuer's Annual and Interim Filings* ("**NI 52-109**"), the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the Financial Statements and this MD&A. 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.

Information Available on SEDAR

Additional information about the Company, including historical financial statements and management discussion and analyses, is available on SEDAR at www.sedarplus.ca.