PERK LABS INC.

Management's Discussion and Analysis

For the Three and Nine Months Ended August 31, 2021 and 2020

(Expressed in Canadian Dollars)

For the Three and Nine Months Ended August 31, 2021 and 2020

CAUTION REGARDING FORWARD LOOKING STATEMENTS

Certain information included in this MD&A may constitute forward-looking statements. Statements in this MD&A that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. A statement we make is forward-looking when it uses what we know and expect today to make a statement about the future. Forward-looking statements are typically identified by the words *assumption*, *goal*, *guidance*, *objective*, *outlook*, *project*, *strategy*, *target* and other similar expressions or future or conditional verbs such as *aim*, *anticipate*, *believe*, *could*, *expect*, *intend*, *may*, *plan*, *seek*, *should*, *strive,* and *will*. In this MD&A, forward-looking statements include such statements as:

- the Company's belief regarding its ability to generate new revenue from its new *Perk Hero* application and website
- that there is an opportunity for our Company to support small businesses with the digital tools such as mobile ordering, contact free payment and digital loyalty that will help small businesses recover and prosper in the post-COVID-19 environment
- that the Company will emerge from the events caused by COVID-19 well positioned for long-term growth
- that the Company will continue to review and prioritize its expenditures to best use its cash resources and that its expectation that cash expenses will be further reduced in the near term
- that the Company is exploring licensing opportunities for its technology into geographies and verticals in which it currently does not have a presence
- the Company's ability to raise additional capital needed to fund operations.

Readers are cautioned not to put undue reliance on forward-looking statements. Unless otherwise indicated by us, forward-looking statements in this MD&A describe our expectations as at October 28, 2021 and, accordingly, are subject to change after that date. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Forward-looking statements, by their very nature, are subject to inherent risks and uncertainties and are based on several assumptions, both general and specific, which give rise to the possibility that actual results or events could differ materially from our expectations expressed in, or implied by, such forward-looking statements and that our business outlook, objectives, plans and strategic priorities may not be achieved. As a result, we cannot guarantee that any forward-looking statements will materialize, and we caution you against relying on any of these forward-looking statements. Forward-looking statements are presented in this MD&A for the purpose of assisting investors and others in understanding our objectives, strategic priorities and business outlook as well as our anticipated operating environment. Readers are cautioned, however, that such information may not be appropriate for other purposes. The forward-looking statements in this MD&A are based on, among other things, the following assumptions:

- the Company will be able to achieve its business objectives
- the Company will be able to develop proprietary software to implement its plans
- the Company will be successful in obtaining and retaining clients and licensees for its software and franchisees for its franchise business
- the Company will be able to expand its operations successfully in new geographic markets and industries

The forward-looking statements in this MD&A are subject to, among other things, the following risks:

- the Company's operations are dependent on key technical personnel, and the loss of such personnel could have a significant impact on the Company's ability to conduct its activities
- technological advances that could require significant additional research and development costs to our Perk Hero app
- currency fluctuations and exchange rates
- the Company's ability to continue as a going concern
- the Company may not be able to obtain all necessary funding for its operations, on terms satisfactory to the Company or at all
- credit risk
- the Company's dependence on information technology systems
- risks that the Company's software and applications may contain security problems, security vulnerabilities, or defects in design or manufacture, including "bugs" and other problems that could interfere with the intended operation of its software
- risks related to the volatility of customer demand for the Company's products
- risks associated with cybersecurity and privacy violations, in particular given the Company's operations are highly dependent on online technologies and the Company obtains a significant amount of personal information in the course of operations
- the Company may not be able to successfully expand its operations beyond the Canadian marketplace or into industries other than the restaurant industry
- duration and impact of COVID-19 on our business plans, objectives and expected operating results

We have made certain economic, market and operational assumptions in preparing the forward-looking statements contained in this MD&A. If our assumptions turn out to be inaccurate, our actual results could be materially different from what we expect.

Important risk factors including, without limitation, competitive, regulatory, economic, financial, operational, technological and other risks could cause actual results or events to differ materially from those expressed in, or implied by, the previously-mentioned forward-looking statements.

We caution readers that the risks described in this MD&A are not the only ones that could affect us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also have a material adverse effect on our financial position, financial performance, cash flows, business, or reputation. Except as otherwise indicated by us, forward-looking statements do not reflect the potential impact of any special items or of any dispositions, monetizations, mergers, acquisitions, other business combinations or other transactions that may be announced or that may occur after October 28, 2021. The financial impact of these transactions and special items can be complex and depends on facts particular to each of them. We therefore cannot describe the expected impact in a meaningful way, or in the same way we present known risks affecting our business.

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") of the operating results and financial condition of Perk Labs Inc. (the "Company") for the three and nine months ended August 31, 2021 should be read in conjunction with the audited consolidated financial statements for the year ended November 30, 2020 which are prepared in accordance with International Financial Reporting Standards ("IFRS").

The Company's common shares trade on the Canadian Securities Exchange ("CSE") under the symbol PERK, on the OTCQB under the symbol PKLBF and on the Frankfurt Stock Exchange under the symbol PKLB.

The consolidated financial statements include the accounts of Perk Labs Inc. and its three wholly owned subsidiaries: Perk Hero Software Inc.; Perk Hero USA Inc.; and Glance Coin Inc.

The Company's office is located at Suite 1755, 555 Burrard Street, Vancouver, British Columbia, V7X 1M9.

The Company's principal business is operating an online marketplace and mobile ordering and payment service with digital rewards on every purchase made. The Company launched its *Glance Pay* application during August 2016 and officially launched *Perk Hero* on April 2, 2020. *Perk Hero* is a digital loyalty management platform that enables merchants to provide their customers with digital rewards and a more engaging and convenient customer experience. In addition to the services provided to merchants, the Company also sells consumer products and digital gift cards through its application and website. On October 12, 2021, the Company announced the launch of its National Franchise Program.

Management is responsible for the preparation and integrity of the consolidated financial statements, including the maintenance of appropriate information systems, procedures, and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board of Director's Audit Committee meets with management quarterly to review the financial statements and the MD&A and to discuss other financial, operating, and internal control matters.

This MD&A is prepared as at October 28, 2021. All dollar figures stated herein are expressed in Canadian dollars unless otherwise noted.

Readers should use the information contained in this report in conjunction with all other disclosure documents including those filed on SEDAR at www.sedar.com.

COVID-19

The outbreak of the novel coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has led to adverse impacts on the Canadian and global economies, disruptions of financial markets, and created uncertainty regarding potential impacts to the Company's supply chain and operations. The COVID-19 pandemic has impacted and could further impact the Company's operations and the operations of the Company's suppliers and vendors as a result of quarantines, facility closures, and travel and logistics restrictions. The extent to which the COVID-19 pandemic impacts the Company's business, results of operations, and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Company's suppliers and vendors, and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume.

The Company continues to monitor the impact of the COVID-19 pandemic on our business, our industry and the broader economy. COVID has disproportionately impacted brick and mortar merchants and restaurants due to lockdowns, and reduced capacity limits. This has impacted the adoption of the Company's in-person payment solutions. At this time, the Company cannot reasonably estimate the duration or severity of the economic impact to our users and merchant partners caused by the restrictions on daily life to curb the spread of COVID-19, or the ultimate impact on the Company's operations and liquidity. Even after the COVID-19 pandemic has subsided, the Company may experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future; therefore, the Company cannot reasonably estimate the impact at this time on our business, liquidity, capital resources and financial results.

For the Three and Nine Months Ended August 31, 2021 and 2020

Q3 OVERVIEW

For the third quarter of 2021, the Company invested in ongoing upgrades to its technology including front-end usability improvements, a new merchant portal, and improved order from table technology.

For the remainder of the year, the Company will be focussed on onboarding new franchisees, developing its technology and processes to support its franchise program and advancing on its plans to develop its Perk cryptocurrency.

As at August 31, 2021, Perk Hero had 108 restaurants and 149 third-party sellers on its platform with a total of 8,464 products and 98 gift card brands for sale.

Q3 OPERATIONAL HIGHLIGHTS

- **Completed phase 1 of its web-based administration portal**: The Company completed development of a new web-based internal portal that provides advanced reporting, data analytics and platform management that allows Perk Hero to customize the end user experience. This tool is the foundation on which Perk Hero's franchisees, restaurants and third-party sellers will be able to manage their business profiles with Perk Hero which includes catalogue management, promotions, data analytics, reporting and third-party integrations.
- **New platform upgrades to improve performance**: The Company completed a comprehensive technology upgrade which includes a new merchant payout system, universal shopping cart and single sign-on. The Company also optimized performance of its website which helps with loading times and ultimately, customer conversions.
- **Strengthened the balance sheet**: During the nine months ended August 31, 2021, the Company issued 15,641,000 common shares through its at-the-market offering filed July 29, 2020 at an average price of $0.10 per share for gross proceeds of $1,570,780 less commission fees of $47,123 for net proceeds of $1,523,657.

  The Company also issued 8,753,000 common shares through its at-the-market offering filed February 17, 2021 at an average price of $0.104 per share for gross proceeds of $912,328 less commission fees of $27,370 for net proceeds of $884,958.

HIGHLIGHTS SUBSEQUENT TO AUGUST 31, 2021

- **Launched a National Franchise Program**: On October 12, 2021, the Company announced the launch of its mobile-first digital franchise system. With this offering, Perk Hero becomes one of a select few franchise systems that offer franchisees the ability to earn recurring software as a service (SaaS) revenue. Coinciding with this launch, Perk Hero showcased its franchise offering at the Canadian Franchise Association's virtual show in October.
- **Completed phase 1 of its cryptocurrency project with the Jonah Group**: The Company completed its project with the Jonah Group that was announced on August 17, 2021. Building upon the Company's previous research and development, Perk Hero executed a rigorous process to evaluate the market and determine the appropriate blockchain technology on which to build out its cryptocurrency. The next steps will be to develop the technology while working with securities regulators to ensure full compliance with the appropriate regulatory frameworks. With the development of this technology, Perk Hero will, to the best of its knowledge, be the first franchise system that enables franchisees to leverage the power of blockchain technology.

- **Engaged Fintory to redesign its mobile app:** Perk Hero engaged Fintory, a leading design and development agency specializing in user interfaces for startups and world-leading companies, to redesign the Perk Hero mobile app. This redesign will incorporate a revised rewards system and gamification elements coupled with usability and performance improvements.

- **ATM raises:** The Company issued 575,000 common shares through its at-the-market offering filed February 17, 2021 at an average price of $0.07 for gross proceeds of $37,625 less commission fees of $1,129 for net proceeds of $36,496.

PERK HERO **APP**

Perk Hero is an all-in-one omnichannel ordering, payment, and customer loyalty platform. It is built on a new and advanced technology stack using offerings from leading companies like Amazon, Microsoft and Stripe. It also includes many new advanced features such as:

- Apple Pay integration
- Google Pay integration
- Alipay integration
- Shopify integration
- Dropshipping to US and Canada
- Mobile pre-order
- Powerful, gamified loyalty reward platform allowing users to earn virtual coins as rewards
- All-in-one user and merchant application
- Merchant analytics and dashboard

The *Perk Hero* brand more squarely targets Gen Z and Millennials. Research shows that:

- Gen Z will account for 40% of global consumers in 2020 (McKinsey & Company)
- Millennials are three times more likely to be excited about new mobile apps and features than older users (ComScore)
- More than 2 out of 3 millennials say they're always looking for new apps and wish they could do more with the apps they already have (ComScore)
- 66% of millennial digital media time is using smartphone apps (ComScore)

Perk Hero will be building on its omnichannel e-commerce capabilities to provide businesses with additional channels to market and sell their products.

The key market drivers for the growth in mobile payments—beyond convenience and ease of use to pay for products from mobile phones—is that they can be easily integrated with card-free loyalty programs, and valuable data can be acquired such as how often customers shop, dine, what they buy, and how they respond to incentives. Merchants can use this data to better market to customers based on their shopping behaviour, patterns and preferences.

The Company launched the *Perk Hero* app on April 2, 2020. With the ongoing COVID-19 crisis, the Company sees the need and demand for mobile ordering and safe contactless digital payments. *Perk Hero* will be focussing on helping local businesses expand their reach to new markets that extend beyond the Lower Mainland which is where *Perk Hero* has traditionally focussed its efforts. We believe that this will help increase revenues for our merchants while also increasing the revenues for *Perk Hero.*

COMPANY OVERVIEW

Perk Labs Inc. ("Perk Labs" or the "Company") is a Vancouver-based technology company, that owns and operates *Perk Hero* and formerly operated *Glance Pay*. It was incorporated under the laws of the Province of British Columbia on October 24, 2014. The Company's common shares trade on the Canadian Securities Exchange ("CSE") under the symbol PERK, on the OTCQB under the symbol PKLBF; and on the Frankfurt Stock Exchange under the symbol PKLB.

Perk Hero is an all-in-one mobile ordering, payments and loyalty app that enables merchants to provide their customers with digital rewards and a more engaging and convenient customer experience.

Glance Pay was a payment and loyalty platform that allows smartphone users to make payments, access digital receipts, redeem digital deals, and earn rewards. The Company launched the *Perk Hero* app on April 2, 2020.

Cost and Controls

During the three and nine months ended August 31, 2021, management continued to manage expenditures to support the Company's progress. As at August 31, 2021, the Company had working capital of $2,514,280.

The Company continues to maintain a lean and sustainable cost structure. Increases to marketing expenditures are expected as the Company continues to drive the growth of Perk Hero.

Fobisuite

Fobisuite has granted Perk Hero a non-exclusive licence to use Fobisuite's technology which allows for the digitization of receipts for data collection and the ability to customize and append receipts with advertisements, deals, and coupons for merchants in the hospitality industry.

Converge Joint Venture

The Company has entered into a joint venture with Kinect Technologies Inc. to form Converge MobiSolutions Inc. and granted it a license to sell the Company's products.

Assets

In addition to our cash resources from previous financings, the Company owns a significant number of equity instruments in Canadian publicly-traded companies including Better Plant Sciences (formerly Yield Growth Corp) ("BPS"), and Euro Asia Pay Holdings Inc. ("EAP"). The Company has the option to raise funds through liquidating its shareholdings in these entities when appropriate. BPS shares are subject to an escrow agreement in which 1,350,000 shares were released in June 2021 and an additional 1,350,000 shares will be released in December 2021. EAP shares are subject to both a pooling and an escrow agreement in which 425,000 shares were available to the Company on IPO day, 637,500 shares were released in August 2021, 2,337,500 shares will be released in February 2022 and the remaining 5,100,000 shares will be released in 1,275,000 share tranches every six months starting in August 2022.

Summary

With the Company's capital resources, we believe we now have the resources to expand our marketing efforts to drive user and merchant growth. Based on our experiences in using these new features and the early market feedback, we are confident that products with features such as these will become the dominant form of payment and customer loyalty and we are working hard to ensure *that Perk Hero is* the leading company to deliver these features in the future.

(Expressed in Canadian Dollars)

The Company's strategic priorities for the remainder of 2021 include:

- Signing new franchisees to its digital franchise program.
- Continued development of the Perk Hero product including implementing a new user interface of its app and website to add new promotional, loyalty and cryptocurrency capabilities.
- Investor relations initiatives including video updates for investors, hosting investor webinars, taking part in roadshows to meet new investors, and attending industry events.
- Continuing to add useful spending tools that build upon Perk's existing platform, including enabling customers to make purchases using digital wallets and cryptocurrency.
- Developing Perk Coin as a blockchain-based digital loyalty-reward currency and exploring the conditions and requirements to distribute Perk Coin as a cryptoreward.

SUMMARY OF QUARTERLY REPORTS

	Quarter Ended		Revenue		Net Income (Loss)		Income (Loss) Per Share
Q3/2021	August 31, 2021	$	6,447	$	(1,080,350)	$	(0.01)
Q2/2021	May 31, 2021	$	1,085	$	(1,348,456)	$	(0.01)
Q1/2021	February 28, 2021	$	15,373	$	1,589,790	$	0.01
Q4/2020	November 30, 2020	$	45,990	$	(1,309,560)	$	(0.01)
Q3/2020	August 31, 2020	$	10,053	$	(744,352)	$	(0.01)
Q2/2020	May 31, 2020	$	1,811	$	(1,219,520)	$	(0.01)
Q1/2020	February 29, 2020	$	6,042	$	(1,217,508)	$	(0.01)
Q4/2019	November 30, 2019	$	7,558	$	(2,316,783)	$	(0.01)

RESULTS OF OPERATIONS

Nine Months Ended August 31, 2021

The Company's net loss and comprehensive loss for the nine months ended August 31, 2021 was $839,017 compared to a loss of $3,181,380 for the nine months ended August 31, 2020.

During the nine months ended August 31, 2021, the Company had revenue of $22,905 compared to $17,906 for the comparative period. The increase in revenue reflects an increase in product sales by the Company coupled with the recognition of licensing revenue. For the nine months ended August 31, 2021, total cost of sales increased to $24,327 (August 31, 2020 - $18,502) due to fulfilment costs related to product sales and higher sales volumes of products and product costs.

Depreciation and amortization increased for the nine months ended August 31, 2021 to $73,224 (August 31, 2020 - $50,637). This reflects the increased cost associated with the Company's lease that it did not have in the comparative period.

General and administration expenses increased for the nine months ended August 31, 2021 to $877,514 (August 31, 2020 - $803,503). The Company recognized lower expenses for the Directors in the prior year due to the treatment of restricted stock units. Professional fees were higher due to expenses associated with its at-the-market offering.

Research and development expenses increased for the nine months ended August 31, 2021 to $577,144 (August 31, 2020 - $531,811) as the Company increased headcount and improved its infrastructure.

Sales and marketing expenses decreased for the nine months ended August 31, 2021 to $461,684 (August 31, 2020 – $495,414) as the Company decreased headcount.

Share-based compensation increased for the nine months ended August 31, 2021 to $406,142 (August 31, 2020 - $185,198) with fewer stock options granted and vested during the current period offset by RSU's that were granted during the period.

Other income and expense items produced net other income of $1,558,113 for the nine months ended August 31, 2021 versus net expenses of $1,114,221 for the comparative period: gain on sale of marketable securities of $181,410 (August 31, 2020 – $396,504) reflecting the lower average price of Better Plant Science's shares; government subsidies and grants of $296,711 (August 31, 2020 - $287,705) with the Canada Emergency Wage Subsidy received from the Government of Canada to assist businesses with decreased revenues as a result of COVID-19 and the Canada Emergency Rent Subsidy; interest income of $3,174 (August 31, 2020 - $8,344) reflecting the use of cash to sustain operations; Interest expense increased to $25,876 for the nine months ending August 31, 2021 (August 31, 2020 - $11,002) due to the implementation of IFRS 16 which requires companies to recognize interest expenses on lease liabilities and depreciation expenses on right-of-use assets associated with their leases; and unrealized gain of marketable securities of $1,107,160 (August 31, 2020 – loss of $1,792,287) due to the IPO of Euro Asia Pay at a market price greater than our original acquisition cost.

Three Months Ended August 31

During the three months ended August 31, 2021, the Company had revenue of $6,447 compared to $10,053 for the comparative period. The decrease in revenue reflects a decrease in product sales and transaction volume by the Company offset by new licensing revenue. For the three months ended August 31, 2021, total cost of sales decreased to $4,004 (August 31, 2020 - $11,240) due to lower volumes.

Depreciation and amortization increased for the period ended August 31, 2021 to $32,037 (August 31, 2020 - $27,608). This reflects the increased cost associated with the Company's lease as compared to the comparative period.

General and administration expenses increased for the three months ended August 31, 2021 to $309,832 (August 31, 2020 - $111,260). The Company recognized lower expenses for the Directors in the prior year due to the treatment of restricted stock units. Professional fees were higher due to expenses associated with its at-the-market offering.

Research and development expenses decreased for the three months ended August 31, 2021 to $204,742 (August 31, 2020 - $209,766) as the Company managed costs related to infrastructure and headcount.

Sales and marketing expenses decreased for the three months ended August 31, 2021 to $115,127 (August 31, 2020 – $168,353) as the Company decreased in headcount in sales and marketing.

Share-based compensation increased for the three months ended August 31, 2021 to $55,261 (August 31, 2020 - $42,242) with fewer stock options granted and vested during the current period offset by RSU's that were granted during the period.

Other income and expense items produced net expenses of $365,794 for the three months ended August 31, 2021 versus net expenses of $183,936 for the comparative period: gain on sale of marketable securities of $24,055 (August 31, 2020 – $104,011); government subsidies and grants of $7,500 (August 31, 2020 - $203,543) from the Innovator Skill Initiative Grant program for tech companies to take top talent and train future employees, comparative period include the Canada Emergency Wage Subsidy received from the Government of Canada to assist businesses with decreased revenues as a result of COVID-19 and the Canada Emergency Rent Subsidy; interest income of $932 (August 31, 2020 - $746) reflecting the use of cash to sustain operations; Interest expense increased to $7,898 for the three months ending August 31, 2021 (August 31, 2020 - $11,002) due to the implementation of IFRS 16 which requires companies to recognize interest expenses on lease liabilities and depreciation expenses on right-of-use assets associated with their leases; and unrealized loss of marketable securities of $392,376 (August 31, 2020 – loss of $475,491) due to the decrease in share price of Better Plant Sciences Inc. compared to the prior quarter.

NON-IFRS EARNINGS MEASURE

Effective for the quarter ending August 31, 2020 and subsequent quarters, the Company reports "Adjusted EBITDAaL (EBITDA after Leases)" instead of "Adjusted EBITDA". We believe that the disclosure of this metric allows investors to evaluate the operational and financial performance of the Company's ongoing business, using the same evaluation that Management uses, and is therefore a useful indicator of the Company's performance or expected performance of recurring operations.

The Company recognized a 3-year lease starting June 1, 2020. Under IFRS 16, the lease for the Company's office premises is capitalized with a right-of-use asset and a corresponding lease liability. The asset is straight-line depreciated while an interest expense is recognized with the lease liability using effective interest rate. Compared to prior periods, all things being equal, the Company will recognize a lower rent expense and higher depreciation and amortization expense under IFRS 16, but the net impact of adopting IFRS 16 on the lease is not expected to be material to our operating results.

To allow for more accurate comparisons to prior periods, the cash outflows, consisting of net interest expenses and payments made on the lease liability are subtracted from EBITDA to calculate EBITDAaL. EBITDA is calculated as earnings before interest, income taxes, depreciation and amortization.

The Company defines adjusted EBITDAaL as EBITDAaL excluding gains or losses on foreign exchange, gains or losses on the sale of marketable securities, government subsidies and grants, COVID-19 related concessions, share-based compensation and gains or losses on marketable securities held.

EBITDA, Adjusted EBITDA, EBITDAaL and Adjusted EBITDAaL do not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies and should not be considered as an alternative to measures of performance prepared in accordance with IFRS.

(Expressed in Canadian Dollars)

For the Three and Nine Months Ended August 31, 2021 and 2020

		August 31 2021		August 31 2020
Net and comprehensive loss for the period	**$**	**(839,017)**	$	(3,181,380)
Depreciation and amortization		**73,224**		50,637
Interest expense, net		**22,702**		2,658
EBITDA from operations		**(743,091)**		(3,128,085)
Cash expenditures for lease		**(80,327)**		(28,454)
EBITDAaL from operations		**(823,418)**		(3,156,539)
Foreign exchange loss		**4,466**		3,485
Loss/(gain) on sale of marketable securities		**(181,410)**		(396,504)
Government subsidies and grants		**(296,711)**		(287,705)
COVID-19 concessions on lease		**-**		(29,993)
Share-based compensation		**406,142**		185,198
Unrealized (gain) loss on marketable securities		**(1,107,160)**		1,792,287
Adjusted EBITDAaL	**$**	**(1,988,091)**	$	(1,889,771)

LIQUIDITY

Assets

Total assets increased by 118% from $1,636,989 at November 30, 2020 to $3,562,649 at August 31,2021.

Cash at August 31, 2021 of $1,692,639 (November 30, 2020 - $784,117) comprises 48% (November 30, 2020– 48%) of total assets.

Marketable securities have been split into current and non-current. Current marketable securities increased to $984,880 as at August 31, 2021 (November 30, 2020 - $286,910) and non-current marketable securities increased to $601,190 (November 30, 2020 - $90,000). This increase reflects the IPO of Euro Asia Pay which increased the value of the Company's holdings based on market value.

The amounts receivables decreased 58% to $24,047 (November 30, 2020 - $57,390) at August 31, 2021 comprising GST receivable from the Canada Revenue Agency and customers.

The prepaid expenses and deposits increased 19% to $91,541 (November 30, 2020 - $76,791). Included in prepaid expenses is $49,697 (November 30, 2020 - $49,697) which represents the deposit on the office lease commenced June 1, 2020 and $41,844 (November 30, 2020 - $27,094) for other prepayments which consist of payments for annual expenses that are recognized over the course of the year such as insurance and exchange fees.

Liabilities

Total liabilities decreased by 36% from $580,151 at November 30, 2020 to $371,902 at August 31, 2021. The decrease is primarily attributed to the Company reducing its accounts payable.

(Expressed in Canadian Dollars)

The accounts payable and accrued liabilities comprise 44% (November 30, 2020 – 60%) of the total liabilities. Accounts payable are $145,363 (November 30, 2020 - $263,007). Accrued liabilities are $23,333 (November 30, 2020 - $23,333). Accrued payroll liabilities are $16,336 (November 30, 2020 - $51,614). There are payments due to officers, directors and other related parties of $8,000 (November 30, 2020 - $8,875) for various consulting, management, and director fees.

At August 31, 2021, the Company's working capital was $2,514,280 (November 30, 2020 - $791,584). The increase in working capital reflects the success of the Company's at-the-market offering programs coupled with the IPO of Euro Asia Pay.

OPERATING LEASE COMMITMENTS

On June 1, 2020, the Company commenced a three-year lease for its office premises. It is a triple net lease with a base rent of $9,485 per month in Year 1; $9,716 per month in Year 2; and $9,947 per month in Year 3. Upon commencement of the lease, the Company recognized a right-of-use asset and a lease liability.

The following is a reconciliation from the undiscounted lease payments to the lease liabilities.

Year Ended		Amount
2021	$	**29,148**
2022		**117,980**
2023		**59,684**
Total remaining contractual cash flows		206,812
Less: interest		(27,941)
Lease liabilities, August 31, 2021	**$**	**178,870**

PROPOSED TRANSACTIONS

There are no proposed asset or business acquisitions or dispositions, other than those in the ordinary course of business as disclosed herein, before the Board of Directors for consideration.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

RELATED PARTY TRANSACTIONS

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling activities of the entity, directly or indirectly. The key management personnel of the Company are the members of the Company's executive management team and Board of Directors. Compensation provided to key management personnel is as follows:

(Expressed in Canadian Dollars)

For the Three and Nine Months Ended August 31, 2021 and 2020

	August 31 2021	August 31 2020
Directors' fees	**$ 105,000**	$ 29,167
Remuneration and fees	**519,239**	341,727
Share-based compensation	**318,270**	101,685
	$ 942,510	$ 472,579

At August 31, 2021, the Company owed $6,667 (November 30, 2020- $6,667) to a director of the Company which is included in accounts payable and accrued liabilities.

At August 31, 2021, the Company owed $6,667 (November 30, 2020- $6,667) to a director of the Company which is included in accounts payable and accrued liabilities.

At August 31, 2021, the Company owed $5,000 (November 30, 2020 - $5,000) to a director of the Company which is included in accounts payable and accrued liabilities.

At August 31, 2021, the Company owed $5,000 (November 30, 2020 - $5,000) to a director of the Company which is included in accounts payable and accrued liabilities.

Amounts due to or from related parties are unsecured, do not bear interest, and are classified as a current asset or liability due to their nature and expected time of repayment.

CONFLICTS OF INTEREST

The Company’s directors and officers may serve as directors or officers, or may be associated with other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding on terms with respect to the transaction. If a conflict of interest arises, the Company will follow the provisions of the Business Corporations Act (BC) (“Corporations Act”) dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith, and in the best interest of the Company.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value of financial assets and liabilities that are measured at fair value on a recurring basis

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether the price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Under IFRS 13, Fair Value Measurement establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

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

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist.

	Fair value measurements using			
	Quoted prices in active markets for identical instruments (Level 1) $	**Significant other observable inputs (Level 2) $**	**Significant unobservable inputs (Level 3) $**	**Balance, August 31, 2021 $**
Marketable securities	1,498,895	87,175	-	1,586,070

The fair values of other financial instruments, including cash, amounts receivable, investment in joint venture, accounts payable and accrued liabilities, and lease liabilities approximate their fair values due the short-term nature of the financial instrument.

Market risk

Market risk is the risk of loss that the fair value of future cash flows of a financial instrument held by the Company will fluctuate because of changes in market prices. The Company faces market risk from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

Interest rate risk

Interest rate risk consists of two components: to the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and to the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to fair value interest rate risk.

Current financial assets and financial liabilities are generally not exposed to significant cash flow interest rate risk because of their short-term nature, fixed interest rates, and maturity. The Company is not exposed to cash flow interest rate risk on cash balances as the rate of interest is currently very low.

The Company may be exposed to fair value interest rate risk if the prevailing market rates increase or decrease compared to the interest rates associated with its financial assets. Management does not believe this risk is significant.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in a foreign currency.

The Company is exposed to foreign currency risk with respect to its US denominated bank account. At August 31, 2021, financial instruments were converted at a rate of $1 US dollar to $1.2617 (November 30, 2020 – $1.2965) Canadian. A 10% change in foreign exchange rates is not expected to have a material impact on the condensed consolidated interim financial statements.

The Company has not entered into any foreign currency contracts to mitigate foreign currency risk.

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. Financial instruments that potentially subject the Company to credit risk consist primarily of cash and amounts receivable. The Company limits its exposure to credit risk by placing its cash with a high credit quality financial institution in Canada. For amounts receivable, the Company limits its exposure to credit risk by dealing with what management believes to be financially sound counter parties. At August 31, 2021 and November 30, 2020, all amounts receivable were current.

The Company's financial assets are not subject to material credit risk as it does not anticipate significant loss for non-performance.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments, or the proposed transaction. The Company manages liquidity risk by maintaining adequate cash balances when possible.

The Company's expected source of cash flow in the upcoming year will be through sales and debt or equity financing. Cash on hand at August 31, 2021 and expected cash flows for the next 12 months are not sufficient to fund the Company's ongoing operational and expansion needs. The Company will need funding through equity or debt financing, entering into joint venture agreements, or a combination thereof. On February 17, 2021, the Company announced an at-the-market equity program that allows the Company to issue and sell up to $4,000,000 of common shares in the capital of the Company from treasury to the public, from time to time, at the Company's discretion.

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through a suitable debt and equity balance appropriate for an entity of the Company's size and status. The Company's overall strategy remains unchanged from last year.
The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, reserves, and deficit. The availability of new capital will depend on many factors including positive stock market conditions, the Company's track record, and the experience of management. The Company is not subject to any external covenants on its capital and there was no material change from the prior year.

Price risk

Price risk is the risk that the fair value of investments will decline below the cost of the underlying investments. The Company's marketable securities are exposed to price risk.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, 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 the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas requiring the use of estimates include revenue recognition, the collectability of amounts receivable, the useful lives and carrying values of property and equipment and intangible assets, the carrying value of marketable securities and investments, the measurement of share-based compensation, and unrecognized deferred income tax assets.

Judgments made by management in the application of IFRS that have significant effect on the consolidated financial statements include the factors that are used in determining the fair value of privately held investments, the fair value of share-based compensation, the discount rates applied on marketable securities held in escrow and for the lack of liquidity in the trading volume of the Company's investment in certain marketable securities, and the application of the going concern assumption which requires management to take into account all available information about the future, at least but not limited to twelve months from the year end of the reporting period.

ADOPTION OF NEW STANDARD – IFRS 16, LEASES

In January 2016, the IASB issued IFRS 16 Leases ("IFRS 16") and brings most leases onto the statement of financial position for lessees under a single model, eliminating the distinction between operating and finance leases. Under IFRS 16, a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly, and the liability accrues interest. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease or an entity's incremental borrowing rate if the implicit rate cannot be readily determined. Lessees are permitted to make an election for leases with a term of 12 months or less, or where the underlying asset is of low value, and not recognize lease assets and lease liabilities. The expense associated with these leases can be recognized on a straight-line basis over the lease term or on another systematic basis.

The Company implemented IFRS 16 for the year beginning December 1, 2019. The Company used the election for short-term leases for its existing office premises lease which had a nine-month term at inception. There was no impact on the consolidated statement of financial position at the date of initial application.

On June 1, 2020, the Company commenced a three-year lease for its office premises. Right-of-use assets recognized as a result of IFRS 16 are included in property and equipment in the consolidated statement of financial position and in Note 8. The current and non-current portion of lease liabilities are presented separately in the consolidated statement of financial position and in Note 20 of the condensed consolidated interim financial statements of the Company for the three months ended February 28, 2021.

Right-of-use assets are subsequently amortized over the remaining term of the lease, which is approximately 3 years. Lease liabilities are subsequently reduced by lease payments net of interest expense calculated using the effective interest method.

(Expressed in Canadian Dollars)

CAPITAL RESOURCES

Common Shares

	Issued Number
Balance, November 30, 2020	152,474,995
Shares issued for cash	24,969,000
Shares issued for services	1,703,049
Stock options exercised	60,000
RSUs vested	585,750
Warrants exercised	687,173
Balance, October 28, 2021	**180,479,967**

Warrants

	Number of warrants	Weighted Average Exercise Price
Balance, November 30, 2020	3,836,845	$ 0.08
Exercised	(687,173)	$ 0.08
Balance, October 28, 2021	**3,149,672**	**$ 0.08**

Stock Options

	Number of Options	Weighted Average Exercise Price
Balance, November 30, 2020	7,451,000	$ 0.23
Granted	1,420,000	$ 0.07
Forfeited	(187,500)	$ 0.06
Expired	(658,500)	$ 0.14
Exercised	(60,000)	$ 0.15
Balance, October 28, 2021	**7,965,000**	**$ 0.19**

Restricted Share Units

	Number of Units	Weighted average issue price
Balance, November 30, 2020	5,916,053	$ 0.08
Granted	4,571,548	$ 0.10
Vested and issued	(585,750)	$ 0.10
Forfeited	(1,118,750)	$ 0.09
Balance, October 28, 2021	**8,783,101**	**$ 0.09**

OFFICERS AND DIRECTORS

Jonathan Hoyles	President, Chief Executive Officer, Director
Norman Tan	Chief Financial Officer
Gary Zhang	Chief Technology Officer
Kirk Herrington	Independent Director
James Topham	Independent Director
Steve Cadigan	Independent Director
Larry Timlick	Independent Director

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com.