PERK LABS INC.

Management's Discussion and Analysis

For the Three Months Ended February 28, 2022

(Expressed in Canadian Dollars)

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 addition of Perk Hero's digital dine-in will give the Company the ability to quickly grow across North America while providing a powerful and affordable franchise opportunity to eager entrepreneurs post-pandemic
- 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 April 28, 2022 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 franchisees, clients and licensees for its software

- 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 April 28, 2022. 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. (formerly Glance Technologies Inc.) (the "Company") for the three months ended February 28, 2022 should be read in conjunction with the condensed interim consolidated financial statements for the three months ended February 28, 2022 and the audited consolidated financial statements for the year ended November 30, 2021 which are prepared in accordance with International Financial Reporting Standards ("IFRS").

For the Three Months Ended February 28, 2022

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

These consolidated financial statements include the accounts of Perk Labs Inc. and its three wholly owned subsidiaries: Perk Hero Software Inc.; Perk Hero USA Inc. (formerly Glance Pay USA Inc.); and Perks Technologies Inc. (formerly Glance Coin Inc.).

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

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 April 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 rise of additional variants beyond Delta and Omicron, 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 Months Ended February 28, 2022

Q1 OVERVIEW

For the first quarter of 2022, the Company continued to pursue its digital franchising opportunity while investing in features on its platform to respond to market needs.

Q1 OPERATIONAL HIGHLIGHTS

- **British Columbia Restaurant and Foodservices Association (BCRFA) and the BC's Alliance of Beverage Licensees (ABLE BC) joint endorsement:** Perk Hero received a joint endorsement from BC's leading industry associations as the preferred solution for Digital Dine-in. This endorsement provides further evidence of a need for Perk Hero's offerings.

- **Launch of "PERKS" Crypto Rewards:** In February 2022, the Company launched its "PERKS" cryptocurrency rewards. Easy to understand and environmentally friendly, PERKs uses the Solana blockchain and requires near-zero energy to run.

- **Signed its first franchisee:** The Company signed up its first franchise under its new franchise program in Mississauga.

- **ATM raise:** For the quarter ended February 28, 2022, the Company issued 1,028,000 common shares through its at-the-market offering announced February 17, 2021, at an average price of $0.05 for gross proceeds of $51,400 less commissions paid of $1,542 for net proceeds of $49,858.

HIGHLIGHTS SUBSEQUENT TO FEBRUARY 28, 2022

- **Successful tradeshows:** The Company attended the Franchise Canada Show in Toronto on March 26-27 and the Annual Canadian Franchise Convention in Ottawa on April 9-11. The Company has received tremendous interest in its program with 60 franchise leads from the show. Since the shows, the Company has been conducting ongoing franchise discovery meetings with promising candidates for the Greater Toronto Area.

- **Launch new market awareness campaigns**: The Company entered into agreements with several leading marketing firms to assist with investor communication, online marketing and content creation as Perk Labs continues to achieve important milestones and grow its investor base.

- **Private placement:** On March 10, 2022, the Company announced a non-brokered private placement of up to 11,904,762 units at a price of $0.042 per unit for gross proceeds of up to $500,000. Each unit consists of one common share of the Company and one warrant which entitles the holder to purchase one additional common share at a price of $0.05 per common share for a period of 24 months from closing subject to a statutory hold period of four months and one day. Subscribers purchased a total of 7,672,138 units for total proceeds $322,231 in two tranches with participation from the Directors and Officers of the Company who subscribed for 476,190 units for proceeds of $20,000.

- **New Merchant App**: Perk Hero announced the launch of its new downloadable merchant app on the Google Play Store. To the Company's knowledge, none of its competitors specialising in in-restaurant digital ordering and payment have a downloadable merchant app available in the Google Play store. Major tech companies in the delivery space like UberEats, DoorDash, SkipTheDishes, and Grab all have downloadable merchant apps that are a key part of their product strategy and ability to scale.

  Previously Perk Hero's merchant app was part of its consumer app. By separating Perk's merchant and consumer apps, the Company is able to reduce the size, speed up the performance, and improve the reliability of both consumer and merchant apps. A further advantage of a dedicated downloadable merchant app is that it enables Perk to upgrade its merchant app at any time without disturbing end-user customers.

- **Order Now, Pay Later:** With this new feature, restaurants have the option of setting up Order-from-Table™ as either requiring their customer to pay upon placing an order or the customer can pay (and tip) at the end of the meal – which consumers are more accustomed to as part of the dining experience. With this new feature, we can also accommodate restaurants that only want to Order-from-Table™ but want to settle their customer's bill in cash. We see this as a great way to onboard restaurants that are either not ready to go fully digital with mobile payments or are sensitive to credit card payment processing fees.
- **Website embedding feature**: Perk developed an online ordering feature for pickup and delivery that merchants can embed directly into their own websites. This feature enables Perk to offer an in-demand entry-level feature to restaurants that enables future upselling on more advanced features.
- **POS Integrations**: Perk commenced research and development on building integrations with some of the most popular restaurant point-of-sale systems through one of the leading POS integration companies.

COMPANY OVERVIEW

The Company's principal business is operating a digital franchisor in which franchisees can sell Software as a Service (SaaS) licenses. This provides franchisees with regular recurring income.

The SaaS platform offered by the Company is called *Perk Hero* which features mobile and online ordering and payment with blockchain powered digital rewards on purchases. Users can access Perk Hero through its online website (www.perkhero.com), through the Apple and Google app stores and via QR code in select brick and mortar merchants.

Merchants use the platform to provide a more engaging and convenient customer experience. By using the *Perk Hero* platform, merchants are able to more efficiently provide digital rewards and payments to their customers while allowing their staff to focus on the customer experience.

The *Perk Hero* platform is built on a new and advanced technology stack using offerings from leading companies like Amazon, Microsoft and Stripe and was officially launched on April 2, 2020. It also includes many new advanced features such as:

- Apple Pay/Google Pay integration
- Alipay integration
- Shopify integration
- Drop shipping to US and Canada
- Mobile pre-order
- Powerful, gamified loyalty reward platform allowing users to earn virtual block-chain based 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:

- 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)

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.

With the ongoing COVID-19 crisis, the Company sees the need and demand for mobile ordering and safe contactless digital payments. We believe that our continued efforts into improving the mobile ordering experience will help businesses increase revenues which will ultimately result in revenues for our franchisees and the Company.

Cost and Controls

During the quarter ended February 28, 2022, management continued to optimize its use of cash resources. The Company prioritized research and development related to the *Perk Hero* platform while reducing expenditures in other areas. We will continue to review and prioritize expenditures in order to drive the growth of Perk Hero and maintain a lean and sustainable cost structure.

Assets

In addition to our cash resources from previous financings, the Company owns a significant number of equity instruments in Euro Asia Pay Holdings Inc. ("EAP"). The Company has the option to raise funds through liquidating its shareholdings in this entity when appropriate. EAP shares are subject to a pooling agreement and an escrow agreement that releases tranches of EAP shares from escrow, with the last escrow release occurring in February 2024.

Summary

The Company believes that it has validated its franchise model with the signing of its first franchisee and the significant interest from prospects arising from the franchising events that it raised. In the upcoming quarter, it expects to sign additional franchisees and roll out its improved platform to restaurants. We believe that these developments in conjunction with increased marketing resources will provide the required visibility to Perk's operations that will enable growth.

The Company's strategic priorities for 2022 include:

- Continued improvement of the Perk Hero platform.
- Developing integrations with leading restaurant point-of-sales systems.
- Expand the utility of PERKs crypto rewards.
- Grow the number of end-user customers, restaurants and franchisees using our platform.
- Expand our digital franchise program in Canada.
- Launch a special rewards zone that includes NFTs.
- Expand our digital franchise program to the United States.
- Grow our licensing revenue.
- Invest in sales, marketing, and communication strategies to drive growth.

(Expressed in Canadian Dollars)

As well, we are always looking at new opportunities to expand our operations. While our present liquid resources in cash and marketable securities are available to fund our Company, we are also always alert to partnership, joint ventures, and acquisition opportunities.

SUMMARY OF QUARTERLY REPORTS

	Quarter Ended		Revenue		Net Income (Loss)		Income (Loss) Per Share
Q1/2022	February 28, 2022	$	8,982	$	(405,720)	$	(0.00)
Q4/2021	November 30, 2021	$	6,042	$	(648,296)	$	(0.00)
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)

RESULTS OF OPERATIONS

Three Months Ended February 28, 2022

The Company's comprehensive loss for the three months ended February 28, 2022 was $405,720 compared to income of $1,589,790 for the three months ended February 28, 2021.

During the three months ended February 28, 2022, the Company had revenue of $8,982 compared to $15,373 for the comparative period. The decrease in revenue reflects the Company's shift away from product sales towards higher margin licensing revenue. For the three months ended February 28, 2022, total cost of sales decreased to $3,030 (February 28, 2021 - $18,558) due to lower costs associated with licensing revenues.

Depreciation increased for the period ended February 28, 2022 to $23,825 (February 28, 2021 - $16,922). This reflects the costs associated with the Company's lease that spanned an entire quarter as compared to a partial quarter in the prior period.

General and administration expenses increased for the three months ended February 28, 2022 to $277,387 (February 28, 2021 - $272,551) as the Company kept overhead expenses flat with slight increases related to inflation.

Research and development expenses increased for the three months ended February 28, 2022 to $202,954 (February 28, 2021 - $168,644) which reflects the Company's continued investments into its platform.

Sales and marketing expenses decreased for the three months ended February 28, 2022 to $105,787 (February 28, 2021 – $162,381) as the Company decreased expenditures for the promotion of the *Perk Hero* app to end users, instead focusing on businesses and franchisees.

Share-based compensation decreased for the three months ended February 28, 2022 to $66,888 (February 28, 2021 - $288,381) 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 $265,170 for the three months ended February 28, 2022 versus $2,501,854 for the comparative period: gain on sale of marketable securities of $79,350 (February 28, 2021 – $118,005); government subsidies and grants of $15,275 (February 28, 2021 - $63,902) with hiring grants from the Innovate BC ISI grant and the Digital Skills for Youth grants; interest income of $722 (February 28, 2021 - $235) reflecting higher cash balances in Perk's interest bearing accounts; Interest expense decreased to $5,978 for the three months ending February 28, 2022 (February 28, 2021 - $9,248) 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 $176,275 (February 28, 2021 – $2,233,180) primarily driven by valuation changes in Euro Asia Pay.

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 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 Months Ended February 28, 2022

		February 28 2022		February 28 2021
Net and comprehensive loss for the year	**$**	**(405,720)**	$	1,589,790
Depreciation		**23,825**		16,922
Interest expense, net		**5,256**		9,013
EBITDA from operations		**(376,639)**		1,615,725
Cash expenditures for lease		(29,148)		(22,725)
EBITDAaL from operations		**(405,787)**		1,593,000
Foreign exchange loss		**2,875**		4,220
Gain on sale of property		**(2,400)**		-
Gain on sale of marketable securities		**(79,350)**		(118,005)
Government subsidies and grants		**(15,275)**		(63,902)
Share-based compensation		**66,888**		288,381
Unrealized (gain) loss on marketable securities		**(176,275)**		(2,333,180)
Adjusted EBITDAaL	**$**	**(609,324)**	$	(629,486)

LIQUIDITY

Assets

Total assets decreased by 10% from $3,184,524 at November 30, 2021 to $2,852,630 at February 28, 2022.

Cash at February 28, 2022 of $788,179 (November 30, 2021 - $1,287,468) comprises 27.6% (November 30, 2021– 40%) of total assets.

Marketable securities have been split into current and non-current. Current marketable securities increased to $1,304,217 as at February 28, 2022 (November 30, 2021 - $987,828) and non-current marketable securities decreased to $487,064 (November 30, 2021 - $651,994). This increase primarily reflects the changes of the valuation of the Company's holdings in Euro Asia Pay ("EAP") offset by the sale Better Plant Sciences Inc. and EAP shares as escrow holds are released on its investments.

The amounts receivables increased 1% to $29,770 (November 30, 2021 - $29,579) at February 28, 2022 comprising of GST receivable from the Canada Revenue Agency and amounts owing from licensees.

The prepaid expenses and deposits increased 36% to $113,046 (November 30, 2021 - $83,360). Included in prepaid expenses is $49,697 (November 30, 2021 - $49,697) which represents the deposit on the office lease commenced June 1, 2020 and $63,349 (November 30, 2021 - $33,663) 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.

(Expressed in Canadian Dollars)

Liabilities

Total liabilities decreased by 16% from $458,776 at November 30, 2021 to $384,624 at February 28, 2022. The decrease is primarily attributed to the Company reducing its accounts payable and accrued liabilities as well as lower lease liabilities as the lease term for the Company's head office is shorter in duration.

The accounts payable and accrued liabilities comprise 65% (November 30, 2021 – 66%) of the total liabilities. Accounts payable are $209,880 (November 30, 2021 - $229,812). Accrued liabilities are $12,317 (November 30, 2021 - $Nil). Accrued payroll liabilities are $20,931 (November 30, 2021 - $40,965). There are payments due to officers, directors and other related parties of $8,000 (November 30, 2021 - $31,333) for various consulting, management, sand director fees.

At February 28, 2022, the Company's working capital was $1,893,988 (November 30, 2021 - $1,995,497). The decrease in working capital reflects the use of cash for Company operations and a slow down in capital raised through the Company's ATM offering.

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.

	$
Balance, November 30, 2021	**156,666**
Lease payments	(29,148)
Interest expenses on lease liabilities	5,978
Balance at February 28, 2022	**133,496**
Current portion	104,450
Non-current portion	29,046

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)

		February 28 2022		February 28 2021
Directors' fees	**$**	**18,333**	$	35,000
Remuneration and fees		**142,035**		181,123
Share based compensation		**54,897**		193,929
	$	**215,265**	$	410,052

At February 28, 2022, the Company owed $6,667 (November 30, 2021- $6,667) to a director of the Company which is included in accounts payable and accrued liabilities.

At February 28, 2022, the Company owed $12,499 (November 30, 2021 - $Nil) to the Chief Technology Officer 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).

(Expressed in Canadian Dollars)

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, February 28, 2022 $**
Marketable securities	1,778,158	13,123	-	1,791,281

The fair values of other financial instruments, including cash and cash equivalents, notes receivable, 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 February 28, 2022, financial instruments were converted at a rate of $1 US dollar to $1.2698 (November 30, 2021 – $1.2792) 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 February 28, 2022 and 2021, 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 February 28, 2022 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 and notes 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 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.

Recent Accounting Pronouncements

Amendment to IAS 1, Classification of Liabilities as Current or Non-Current

On January 23, 2020, and amended on July 15, 2020, the IASB issued an amendment to IAS 1, Classification of Liabilities as Current or Non-Current ("IAS 1") and has been revised to: i) clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period; (ii) clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and (iii) make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets, or services.

The amendment to IAS 1 is effective for annual reporting periods on or after January 1, 2023 and is applied retrospectively. Early adoption of this amendment is permitted. The Company is currently evaluating the impact of this amendment to its consolidated financial statements.

Amendment to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors

On February 12, 2021, the IASB issued an amendment to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") to introduce the definition of an accounting estimate and include other amendments to help entities to distinguish changes in accounting estimates from changes in accounting policies.

The amendment to IAS 8 is effective for annual reporting periods on or after January 1, 2023 and early adoption is permitted. The Company is currently evaluating the impact of this amendment on its consolidated financial statements.

Other new standards and amendments to standards and interpretations are not effective for the period ended February 28, 2022 and have not been early adopted by the Company and are not expected to have a material impact on the Company's consolidated financial statements.

(Expressed in Canadian Dollars)

CAPITAL RESOURCES

Common Shares

	Issued Number
Balance, November 30, 2021	182,313,919
Shares issued for cash	8,700,138
Shares issued for services	1,357,208
RSUs vested	153,792
Balance, April 28, 2022	**192,525,057**

Warrants

	Number of warrants	Weighted Average Exercise Price
Balance, November 30, 2021	3,149,672	$ 0.08
Granted	7,672,138	$ 0.05
Expired	(3,149,672)	$ 0.08
Balance, April 28, 2022	**7,672,138**	**$ 0.05**

Stock Options

	Number of Options	Weighted Average Exercise Price
Balance, November 30, 2021	7,902,500	$ 0.19
Granted	1,400,000	$ 0.07
Forfeited	(172,500)	$ 0.06
Balance, April 28, 2022	**9,130,000**	**$ 0.19**

Restricted Share Units

	Number of RSU	Weighted Average Issue Price
Balance, November 30, 2021	8,755,068	**$ 0.09**
Granted	3,180,369	$ 0.04
Vested, issued and released	(153,792)	$ 0.10
Forfeited	(260,833)	$ 0.07
Balance, February 28, 2022	**11,520,812**	**$ 0.07**

OFFICERS AND DIRECTORS

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

ADDITIONAL INFORMATION

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