PERK LABS INC.

Management's Discussion and Analysis

For the Three and Nine Months Ended August 31, 2022

(Expressed in Canadian Dollars)

For the Three and Nine Months Ended August 31, 2022

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 *Perk Hero* platform
- 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 entrepreneur's 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 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 September 27, 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 September 27, 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 and nine months ended August 31, 2022 should be read in conjunction with the condensed interim consolidated financial statements for the three and nine months ended August 31, 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 and Nine Months Ended August 31, 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 September 27, 2022. 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 and Nine Months Ended August 31, 2022

Q3 OVERVIEW

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

Q3 OPERATIONAL HIGHLIGHTS

- **New Merchants Agreements**: The company signed agreements with several restaurants to provide them with Perk's new Online Ordering services and to develop Custom Branded Apps. Perk's new online ordering feature is an easy-to-launch ordering solution that provides everything restaurants need to quickly start accepting pickup and delivery orders through their existing website.
- **Launch of Custom Branded App:** In July 2022, the company completed the build of custom branded apps for Chun Fun How and SoyTalk. Perk Hero has automated its platform and processes so that it takes minimal work from the development team to generate each new custom branded application within one day. The Company's custom branded apps are built on the Perk Hero platform and leverage its downloadable merchant app, merchant web portal, and powerful features such as mobile ordering, contactless payment, digital wallets and loyalty.
- **Entered into Share Transfer Agreement**: On June 28, 2022, the Company's subsidiary Perk Hero Software Inc. entered into share transfer agreement for the sale of 2,539,000 shares of Hero Innovation Group Inc. (formerly, Euro Asia Pay Holdings Inc., hereafter referred to as "HRO") at $0.08 per share, for total proceeds of $203,120.
- **Sale of Remaining HRO Shares**: On June 29, 2022, the Company's subsidiary Perk Hero Software Inc. entered into a share purchase agreement for the sale of its remaining balance of 5,100,000 common shares of HRO at $0.08 for gross proceeds of $408,000. These shares are subject to an escrow agreement, to be released in tranches of 1,275,000 shares every nine months.
- **ATM raise**: Between June 1, 2022 and August 31, 2022, the Company issued 3,970,000 common shares through its at-the-market program at an average price of $0.023 for gross proceeds of $92,487. Commissions paid were $2,775 for net proceeds of $89,712.
- **End of At-the-Market Equity Program:** Through the ATM program, the Company raised a total of gross proceeds of $3,241,596, since announcing the program on July 29, 2020.
- **POS integration - Deliverect Certification**: On August 4, 2022 the Company received certification from Deliverect for Point-of-Sale ("POS") integration. Deliverect supports hundreds of different POS systems, including over 30 different POS systems in the Canadian market, such as Square, Clover, TouchBistro, Lightspeed, Micros, and many more. POS integration is a mandatory requirement to support enterprise customers, and with this integration, we are well positioned to demonstrate our value to larger restaurant chains.
- **New Reservation feature:** On August 25, 2022 the Company announced a new vertical for its custom branded app with the signing of iBEAUTI Skincare, and that it will be expanding its product offering by adding a new reservation feature. The Company will be able to support many new verticals with the custom app offering, including salons, health and wellness, fitness and studios.

For the Three and Nine Months Ended August 31, 2022

HIGHLIGHTS SUBSEQUENT TO AUGUST 31, 2022

- Recruited a new Director of Sales who will be focused on signing up larger customers and enterprise accounts.

- The Company is exploring ways to increase our cash position, including potential equity, debt financing and special bank loan programs that are available as part of Government of Canada programs for startups.

COMPANY OVERVIEW

The Company's principal business is operating an online ordering, payments and loyalty platform. The Company offers merchants three main products: online ordering, digital dine-in and custom branded apps and licenses distributes its products through a unique digital franchise business model. The SaaS platform offered by the Company is called *Perk Hero* which features mobile and online ordering and payment with digital rewards on purchases.

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 online ordering, digital rewards and mobile 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
- Mobile pre-order
- Merchant downloadable app
- Merchant portal with 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.

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 August 31, 2022, management continued to optimize its use of cash resources. The Company prioritized research and development related to the *Perk Hero* platform and investor relations while reducing expenditures in other areas. We will continue to review and prioritize expenditures in order to maintain a lean and sustainable cost structure.

(Expressed in Canadian Dollars)

With much of the heavy R&D work now completed to get our platform robust and scalable and building upon our early successes in signing new customers, we are now moving to a "sales-first organization". As part of our growth plan, we are also developing partnerships with several distribution channel partners.

Assets

The Company has raised funds by liquidating its shareholding in Hero Innovation Group Inc. ("HRO"; formerly, Euro Asia Pay Holdings Inc. "EAP")

Summary

The Company believes that it has validated its franchise model with the signing of its first franchisees 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 the balance of 2022 include:

- Continued improvement of the Perk Hero platform.
- Developing integrations with leading restaurant point-of-sales systems.
- Grow the number of end-user customers, restaurants and franchisees using our platform.
- Expand our digital franchise program in Canada.
- Expand our digital franchise program to the United States.
- Grow our licensing revenue.
- Invest in sales, marketing, and communication strategies to drive growth.
- Developing partnerships with several distribution channel partners, including partnerships with a large reseller of digital services, a major point-of-sales provider, and a nationwide payment processing and loyalty provider.

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
Q3/2022	August 31, 2022	$ 5,403	$ (890,672)	$ (0.00)
Q2/2022	May 31, 2022	$ 6,021	$ (1,521,850)	$ (0.01)
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)

RESULTS OF OPERATIONS

Nine Months Ended August 31, 2022

The Company's comprehensive loss for the nine months ended August 31, 2022 was $2,818,242 compared to $839,017 for the nine months ended August 31, 2021.

During the nine months ended August 31, 2022, the Company had revenue of $20,406 compared to $22,905 for the comparative period. The decrease in revenue reflects the Company's shift away from product sales toward higher margin licensing revenue. For the nine months ended August 31, 2022, total cost of sales decreased to $13,381 (August 31, 2021 - $24,327) due to lower costs associated with licensing revenues.

Depreciation slightly decreased for the period ended August 31, 2022 to $71,399 (August 31, 2021 - $73,224). This is consistent, as there have not been new additions to property, plant or equipment.

General and administration expenses increased for the nine months ended August 31, 2022 to $940,605 (August 31, 2021 - $877,514) due to increased investor relations expenditures, flat overhead expenses and slight increases related to inflation.

Research and development expenses decreased for the nine months ended August 31, 2022 to $538,014 (August 31, 2021 - $577,144), this was mainly driven by a temporary reduction in compensation and using resources more efficiently which reflects the Company's efforts to decrease costs.

Sales and marketing expenses decreased for the nine months ended August 31, 2022 to $309,053 (August 31, 2021 – $461,684) 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 nine months ended August 31, 2022 to $142,131 (August 31, 2021 - $406,142) primarily due to an RSU expense recovery of $111,206 and fewer stock options granted and vested during the current period.

Other income and expense items produced net other loss of $824,065 for the nine months ended August 31, 2022 compared to net other income of $1,558,113 for the comparative period: gain on sale of property and equipment of $18,932 (August 31, 2021 – $Nil) , gain on sale of marketable securities of $192,763 (August 31, 2021 – $181,410); government subsidies and grants of $25,275 (August 31, 2021 - $296,711) with hiring grants from the Innovate BC ISI grant and the Digital Skills for Youth grants; interest income of $2,145 (August 31, 2021 - $3,174); Interest expense decreased to $15,245 for the nine months ending August 31, 2022 (August 31, 2021 - $25,876) due to reduction on the lease liability balance (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 on marketable securities of $1,043,327 (August 31, 2021 – $1,107,160 gain) primarily driven by valuation changes during the nine months and the disposal of shares of Hero Innovation Group Inc. (formerly Euro Asia Pay Holdings Inc.)

Three Months Ended August 31, 2022

The Company's comprehensive loss for the three months ended August 31, 2022 was $890,672 compared to $1,080,350 for the three months ended August 31, 2021.

During the three months ended August 31, 2022, the Company had revenue of $5,403 compared to $6,447 for the comparative period. For the three months ended August 31, 2022, the total cost of sales increased to $4,107 (August 31, 2021 - $4,004) due to higher processing fees due to an increase in the volume of transactions.

Depreciation decreased for the period ended August 31, 2022 to $23,742 (August 31, 2021 - $32,037). This is due to fully depreciated items in 2022, in comparison with the same period in 2021.

General and administration expenses decreased for the three months ended August 31, 2022 to $295,291 (August 31, 2021 - $309,832), mainly due to a temporary compensation reduction for the Chief Executive Officer and a reduction in Directors' compensation, which reflects the Company's efforts to decrease costs.

Research and development expenses decreased for the three months ended August 31, 2022 to $132,299 (August 31, 2021 - $204,742) primarily due to a temporary compensation reduction for the Chief Technology Officer and a downsizing of the team, along with using resources more efficiently, which reflects the Company's efforts to decrease costs.

Sales and marketing expenses decreased for the three months ended August 31, 2022 to $84,330 (August 31, 2021 – $115,127) 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 increased for the three months ended August 31, 2022 to $98,600 (August 31, 2021 - $55,261 expenditure) primarily due to higher RSUs granted to officers and directors.

Other income and expense items produced net other loss of $257,706 for the three months ended August 31, 2022 versus $365,794 for the comparative period: gain on sale of property and equipment of $8,922 (August 31, 2021 – $Nil), gain on sale of marketable securities of $76,390 (August 31, 2021 – $24,055); government subsidies and grants $Nil (August 31, 2021 - $7,500) with hiring grants from the Innovate BC ISI grant and the Digital Skills for Youth grants; interest income of $916 (August 31, 2021 - $932) due to lower cash balances in Perk's interest bearing accounts; Interest expense decreased to $4,128 for the three months ending August 31, 2022 (August 31, 2021 - $7,898) due to reduction on the lease liability balance (IFRS 16 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 $338,274 (August 31, 2021 – $392,376) primarily driven by the liquidation of the investment shareholdings in Hero Innovation Group Inc. (formerly Euro Asia Pay Holdings Inc.) ("HRO").

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.

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.

(Expressed in Canadian Dollars)

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.

		August 31 2022		August 31 2021
Net and comprehensive loss for the year	**$**	**(2,818,242)**	$	(839,017)
Depreciation		**71,399**		73,224
Interest expense, net		**13,100**		22,702
EBITDA from operations		**(2,733,743)**		(743,091)
Cash expenditures for lease		(88,138)		(80,327)
EBITDAaL from operations		**(2,821,882)**		(823,418)
Foreign exchange loss		**4,617**		4,466
Gain on sale of property		**(18,932)**		-
Gain on sale of marketable securities		**(192,763)**		(181,410)
Government subsidies and grants		**(25,275)**		(296,711)
Share-based compensation		**142,131**		406,142
Unrealized (gain) loss on marketable securities		**1,043,327**		(1,107,160)
Adjusted EBITDAaL	**$**	**(1,868,776)**	$	(1,988,091)

LIQUIDITY

Assets

Total assets decreased by 68.3% from $3,184,524 at November 30, 2021 to $1,011,173 at August 31, 2022.

Cash at August 31, 2022 of $718,892 (November 30, 2021 - $1,287,468) comprises 71.1% (November 30, 2021– 40%) of total assets.

Marketable securities have been split into current and non-current. Current marketable securities decreased to $12,484 as at August 31, 2022 (November 30, 2021 - $987,828) and non-current marketable securities decreased to $Nil (November 30, 2021 - $651,994). This is mainly due to the liquidation of the Company shareholdings in Hero Innovation Group Inc. (formerly Euro Asia Pay Holdings Inc.) ("HRO") to raise cash to fund operations.

The amounts receivable decreased 77.2% to $6,737 (November 30, 2021 - $29,579) at August 31, 2022 comprising of GST receivable from the Canada Revenue Agency and a write-off of amounts owing from licensees.

(Expressed in Canadian Dollars)

The prepaid expenses and deposits increased 136.9% to $197,520 (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 $147,823 (November 30, 2021 - $33,663), for other prepayments which consist of payments for annual expenses that are recognized over the course of the year, $116,875 refers to new contracts for the launch of our new sales and market awareness campaign, and $30,948 refers to insurance and exchange fees expenses.

Liabilities

Total liabilities decreased by 23.9% from $458,776 at November 30, 2021 to $349,016 at August 31, 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 72% (November 30, 2021 – 66%) of the total liabilities. Accounts payable are $211,545 (November 30, 2021 - $229,812). Accrued liabilities are $6,667 (November 30, 2021 - $Nil). Accrued payroll liabilities are $29,017 (November 30, 2021 - $40,965). There are payments due to officers, directors and other related parties of $4,000 (November 30, 2021 - $31,333) for various consulting, management, and director fees.

Total deferred revenue was $14,014 as of August 31, 2022 (November 30, 2021 - $Nil) this encompasses annual merchant contracts for Custom Branded App and franchisees, which will be recognized as revenue on a monthly basis.

At August 31, 2022, the Company's working capital was $599,856 (November 30, 2021 - $1,995,497). The decrease in working capital reflects the use of cash for Company operations and a decline in capital raised as the Company's ATM offering was finalized.

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	(88,138)
Interest expenses on lease liabilities	15,245
Balance at August 31, 2022	**83,773**
Current portion	83,773
Non-current portion	-

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.

(Expressed in Canadian Dollars)

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:

	August 31 2022	August 31 2021
Directors' fees	**$ 38,333**	$ 105,000
Remuneration and fees	**347,752**	519,239
Share based compensation	**124,594**	318,270
	$ 510,594	$ 942,510

At August 31, 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 August 31, 2022, the Company owed $9,387 (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).

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, 2022 $**
Marketable securities	11,038	1,446	-	12,484

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 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, 2022, financial instruments were converted at a rate of $1 US dollar to $1.3111 (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 August 31, 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 August 31, 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. This program ended in July 2022.

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 August 31, 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	14,670,138
Shares issued for services	3,587,969
RSUs vested	358,417
Balance, September 27, 2022	**200,930,443**

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, September 27, 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	(72,500)	$ 0.06
Expired	(630,834)	$ 0.12
Balance, September 27, 2022	**8,599,166**	**$ 0.19**

Restricted Share Units

	Number of RSU	Weighted Average Issue Price
Balance, November 30, 2021	8,755,068	**$ 0.09**
Granted	9,111,108	$ 0.03
Vested, issued and released	(358,417)	$ 0.11
Forfeited	(1,919,005)	$ 0.07
Balance, September 27, 2022	**15,588,754**	**$ 0.05**

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
Gary Zhang	Chief Technology Officer
Vanessa Altamirano	Interim Chief Financial Officer

ADDITIONAL INFORMATION

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