Xigem Technologies Corporation

Management's Discussion and Analysis

As at June 30, 2021, and for the three and six-month periods ended June 30, 2021 and 2020

Introduction

This Management's Discussion and Analysis ("MD&A") is provided to enable a reader to assess the results of operations and financial condition of Xigem Technologies Corporation for the six-month period ended June 30, 2021. This MD&A is dated August 30, 2021 and should be read in conjunction with the interim financial statements and related notes for the period ended June 30, 2021 ("Financial Statements"). Unless the context indicates otherwise, references to "Xigem", "the Company", "we", "us" and "our" in this MD&A refer to Xigem Technologies Corporation and its operations.

Forward-Looking Information

Certain information included in this MD&A contains forward-looking information within the meaning of applicable Canadian securities laws. This information includes, but is not limited to, statements made in *Business Overview and Strategy, Results from Operations, Debt Profile* and other statements concerning Xigem's objectives, its strategies to achieve those objectives, as well as statements with respect to management's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking information generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "should", "plan", "continue", or similar expressions suggesting future outcomes or events or the negative thereof. Such forward-looking information reflects management's beliefs and is based on information currently available. All forward-looking information in this MD&A is qualified by the following cautionary statements.

Forward looking information necessarily involves known and unknown risks and uncertainties, which may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, assumptions may not be correct and objectives, strategic goals and priorities may not be achieved. A variety of factors, many of which are beyond Xigem's control, affect the operations, performance and results of the Company and its subsidiaries, and could call actual results to differ materially from current expectations of estimated or anticipated events or results.

Although Xigem believes that the expectations reflected in such forward-looking information are reasonable and represent the Company's projections, expectations and beliefs at this time, such information involves known and unknown risks and uncertainties which may cause the Company's actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking information. Important factors that could cause actual results to differ materially include but are not limited to: **Business Overview**, **Results from Operations**, **Liquidity and Capital Resources**, **Capital Structure**. See **Risks and Uncertainties** for further information. The reader is cautioned to consider these factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking information, as there can be no assurance that actual results will be consistent with such forward-looking information.

The forward-looking information included in this MD&A is made as of the date of this MD&A and should not be relied upon as representing Xigem's views as of any date subsequent to the date of this MD&A. Management undertakes no obligation, except as required by applicable law, to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

Business Overview and Growth Strategy

Business Overview

Xigem was founded and is led by skilled entrepreneurs and operators, with extensive start-up experience and a proficiency in the capital markets and was established to address increasing opportunities emerging from the Remote Economy.

The Xigem Platform is based on a US patented technology 15/651,458 filed on July 17, 2017 and titled "SIMULTANEOUS MESSAGING SYSTEMS AND METHODS", which is a continuation-in-part of U.S. Patent Application No. 15/182,029 filed on June 14, 2016 and titled "SIMULTANEOUS MESSAGING SYSTEM AND METHOD" (now US Patent No. 9,756,492 issued on September 5, 2017) (the "Platform" or the "Xigem Platform") Xigem obtained the worldwide rights to the Platform, also known as iAgent, through an exclusive license from its original developer. The Platform consists of a comprehensive cloud-computing solution for remote business operations, giving increased safety and access to remote virtual work environments. The Platform's focus is synchronizing business practice and management productivity.

The Platform will generate revenue through a variety of platform-as-a-service ("PaaS") and software-as-a-service ("SaaS") models. The subscription plans offered to customers will vary depending on the level of service the customers opt into. On custom development projects, every contract will be tailored to the customers' needs dependent on the criteria best suited for their business. The Company has also announced plans to sell a more standardized version of its Platform on an "out of the box" basis. The Company anticipates significant platform usage supported by its highly targeted sales and marketing strategies.

Xigem's business objectives are to complete the customization and upgrading of the Platform, while acquiring other technologies or an interest in other technologies, via their developers, in order to create a technology ecosystem capable of supporting its Platform or creating significant shareholders value. A soft commercial launch in the various industries that make up the company's understanding of the remote economy is being worked towards within approximately 24-months of the completion of the Transaction ("Business Objective").

Market Overview

Remote work is changing how the global workspace operates. In 2016, the number of American workers working remotely was 43%[1]. The COVID-19 pandemic that began in 2020 accelerated the transition to a work-from-home model or a hybrid model, which involves a combination of working at the office and elsewhere. Initially considered by many employers to be a temporary measure to protect workers during the pandemic, the remote work model has found widespread acceptance and changed the expectations of many workers.

A study of 209,000 people in 190 countries completed in late 2020 by Boston Consulting Group and The Network found that 89% of respondents worldwide now prefer to work from home at least occasionally. The preference was strongest among digital and knowledge-based workers, among whom 70% had worked remotely on a full or partial basis during COVID-19. [2] A separate survey of U.S. workers by Prudential found that 68% believe a hybrid workplace model allowing at least one day of remote work per week is ideal; the figure was 87% among those who had been working remotely during the pandemic. Of the current remote workers surveyed, 42% said they would look for a new job if their current company did not continue to offer remote work options long term.[3]

[1] Gallup, Inc. "State of the American Workspace." Gallup, 2019.
[2] BCG, Decoding Global Ways of Working, June 30, 2021
[3] Prudential Financial, Inc., Pulse of the American Worker Survey, April 6, 2021

Business Overview and Growth Strategy (Cont'd)

Market Overview (Cont'd)

The shift towards a remote work model has led to a growing need for specialized products and services catering to business operations that exceed the physical boundaries of the office floor.

Organizations around the world are proactively building information technology departments to support the sector as the adoption of remote work continues to grow. Governments and labor unions are updating labor market regulations as labor reforms are beginning to emerge and complement new organizational models. The World Economic Forum issued a stable employment outlook for remote work over the coming five years, with a positive impact on the growth in the number of jobs due to mobile internet and cloud technology, signaling the widespread application of telework. [4]

For the successful adoption of a distributed workplace, organizations need to compensate for physical efficiencies lacking in a home environment. The right tools are necessary for working experiences to enable management and employees to be as productive as possible when they work from home.

With consistent innovation in communication technology, an increasing number of professionals are working remotely either from home, a customer's location, or simply from the road with the use of mobile and other portable devices. Some major companies have partially or fully eliminated traditional offices in favor of remote work solutions. Organizations will continue streamlining operations as emergency preparation and as education and consulting resources increase, businesses will feel more supported in the conversion process and will quickly adopt the benefits of distributed operations, including better controlled overhead costs and higher productivity.

Growth Strategy

The Company's efforts will be directed toward executing the Business Objectives. The Company expects to use a variety of marketing tools including grassroots marketing, web advertising, affiliate marketing programs, public relations, investor relations and key strategic alliances to support its Business Objectives.

The Company aims to do this by:

- Emphasize a 'product first' approach by directing funds and efforts towards the betterment of the Platform to surpass customers' expectation on functionality and experience;
- Building long-term relationship relationships with customers, advertising partners, medical institutions and offices, academic and other education facilities;
- Focus on offerings proactively to customers specifically aligned with the solutions provided by Xigem; and
- A strategy of aggregating a portfolio of innovative technologies capable of disrupting traditional customer acquisition and retention business models, while supporting the Company's Platform.

[4] World Economic Forum. "The Future of Jobs - Employment, Skills and Workforce Strategy for the Fourth Industrial Revolution." The Future of Jobs, World Economic Forum, 2020.

Presentation of Financial Information and Non-IFRS Measures

Presentation of Financial Information

Unless otherwise specified herein, financial results, including historical comparatives, contained in this MD&A are based on Xigem's 2020 Financial Statements, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations of the IFRS Interpretations Committee ("IFIRC"). Unless otherwise specified, amounts are in Canadian dollars and percentage changes are calculated using whole numbers.

Non-IFRS Measures

In addition to the reported IFRS measures, industry practice is to evaluate entities giving consideration to certain non-IFRS performance measures, such as earnings before interest, taxes, depreciation and amortization ("EBITDA") or adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA").

These measures are not in accordance with IFRS and have no standardized definitions, and as such, our computations of these non-IFRS measures may not be comparable to measures by other reporting issuers. In addition, Xigem's method of calculating non-IFRS measures may differ from other reporting issuers, and accordingly, may not be comparable.

Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")

EBITDA is used as an alternative to net income because it includes major non-cash items such as interest, taxes and amortization, which management considers non-operating in nature. A reconciliation of EBITDA to IFRS net income is presented under the section **Results from Operations** of this MD&A.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")

Adjusted EBITDA is used as an alternative to net income because it excludes major non-cash items such as amortization, stock-based compensation, current and deferred income tax expenses and other items management considers non-operating in nature. A reconciliation of adjusted EBITDA to IFRS net income is presented under section **Results from Operations** of this MD&A.

EBITDA and Adjusted EBITDA are measured used by management as inputs in our internal metrics and in evaluating our ability to satisfy the Company's obligations. EBITDA and Adjusted EBITDA are used as alternatives to IFRS net income (loss) because it excludes major non-cash items (including depreciation and amortization, interest, taxes and share-based payments) and other items that management considers non-operating in nature.

Management believes that these measures are helpful to investors because they are widely recognized measures of Xigem's performance and provides a relevant basis of comparison to other entities. In addition to IFRS results, these measures are also used internally to measure the operating performance of the Company.

(Expressed in Canadian dollars)

Results from Operations

Select Annual Information

	For the 3 months ended June 30, 2021	For the 6 months ended June 30, 2021	For the 15 days ended June 30, 2020
	$	**$**	$
Operating results			
Loss before income taxes	**(1,027,301)**	**(3,380,428)**	-
Net loss and comprehensive loss	**(1,039,505)**	**(3,392,632)**	-
Per share basis			
Basic loss per share	**(0.014)**	**(0.064)**	-
Diluted loss per share	**(0.010)**	**(0.045)**	-

	June 30, 2021	December 31, 2020
Total assets	**$ 2,924,122**	$ 2,978,477
Total debt (ii)	**$ 469,761**	$ 51,167
Debt to total assets (i) (iii)	**16%**	1%

(i) Represents a non-IFRS measure. The Company's method for calculating non-IFRS measures may differ from other reporting issuers' methods and accordingly may not be comparable. For definitions and basis of presnetation of non-IFRS measures, refer to **Non-IFRS Measures**.
(ii) Total debt is defined as accounts payable and accrued liabilities and due to related party.
(iii) Debt to total assets is a non-IFRS measure and is calculated as total debt divided by total assets.

Revenues

The Company does not currently generate any revenues from operations (see **Risks and Uncertainties**). The Company will generate revenue through a variety of platform-as-a-service ("PaaS") and software-as-a-service ("SaaS") models. Subscription plans offered to customers can vary considerably depending on the level of service and will be tailored based on the needs of the user given their business and industry.

Operating Expenses

	For the 3 months ended June 30, 2021	For the 6 months ended June 30, 2021	For the 15 days ended June 30, 2020
	$	**$**	$
Share-based payments	**148,937**	**1,193,979**	-
Acquisition costs	**-**	**1,013,897**	-
Advertising and promotion	**721,136**	**721,136**	-
Professional fees	**68,894**	**302,194**	-
Listing expenses	**55,662**	**85,638**	-
Amortization of intangible assets	**29,935**	**59,541**	-
Dues and subscriptions	**1,250**	**2,290**	-
Interest and bank charges	**1,487**	**1,753**	-
	1,027,301	**3,380,428**	-

(Expressed in Canadian dollars)

Results from Operations (Cont'd)

Share-based payments for the three-month and six-month periods ended June 30, 2021 were $148,937 and $1,193,979, respectively. The increase from the prior period related to the IFRS accretion of stock-based compensation for options granted for services.

Acquisition costs for the three-month and six-month period ended were $nil and $1,013,897, respectively. The increase from the prior period relates to legal fees, issuance of warrants for consulting services, and other related costs incurred relating to the Transaction (section **Reverse take-over transaction**).

Advertising and promotion for the three-month and six-month period ended were $721,136 and $721,136, respectively. The increase from the prior period relates to social media and communication services and investor relation related expenditures.

Professional fees for the three-month and six-month periods ended June 30, 2021 were $68,894 and $302,194, respectively. The increase from the prior period was due to fees for corporate services, accounting fees, legal fees, and executive management services retaining the Chief Executive Office, Chief Financial Officer and Chief Technical Officer.

Listing expenses for the three-month and six-month periods ended June 30, 2021 were $55,662 and $85,638, respectively. The increase from the prior period was due to quarterly costs relating to Company's transfer agent, CSE and OTC related costs.

Amortization of intangible assets for the three-month and six-month periods ended June 30, 2021 were $29,935 and $59,541, respectively, relating to the stub-period amortization of the Company's iAgent technology.

<u>EBITDA and Adjusted EBITDA</u>

The following table presents a summary of the non-IFRS measures that management uses to assess Xigem's operating performance for the period ended June 30, 2021:

Six months ended June 30,	**2021**
	$
Net loss and comprehensive loss	**(3,392,632)**
Add (deduct):	
Amortization of intangible assets	**59,541**
EBITDA (i)	**(3,333,091)**
Add:	
Share-based payments	**1,193,979**
Acquisition costs	**1,013,897**
Adjusted EBITDA (i)	**(1,125,215)**

(i) Refer to non-IFRS measures section of this MD&A for further details.

(Expressed in Canadian dollars)

Liquidity and Capital Resources

Liquidity and Cash Management

The Company expects to meet all its obligations and other commitments as they become due. The Company has various financing sources to fund operations and will continue to fund working capital needs through these sources until cash flows generated from operating activities is sufficient.

Capital Management Framework

Xigem defines capital as the aggregate of common shares and debt. The Company's capital management framework is designed to maintain a level of capital that funds the operations and business strategies and builds long-term shareholder value. The Company's objective is to manage its capital structure in such a way as to diversify its funding sources, while minimizing its funding costs and risks. For 2021, Xigem expects to be able to satisfy all of its financing requirements through use of some or all of the following: cash on hand, cash generated by operations, and through the public offerings of common equity.

Capital Structure

Xigem's capital structure is as follows:

	June 30, 2021	December 31, 2020
	$	$
Accounts payable and accrued liabilities	**469,761**	21,376
Total debt	**469,761**	21,376
Share capital	**2,778,758**	2,392,159
Contributed surplus	**3,046,766**	700,314
Total capital	**5,825,524**	3,092,473
Total assets	**2,924,122**	2,978,477
Ratio of total debt to total assets	**16%**	1%

Outstanding Share Data

The following table details Xigem's outstanding share data as of June 30, 2021 and the date of this MD&A:

	June 30, 2021	**Date of this MD&A**
	#	**#**
Common shares	79,343,597	**79,343,597**

Private placement

On June 1, 2020, the Company completed a private placement of 4,135,048 units at $0.1575 per unit for gross proceeds of $651,270. Each unit consisted of one common share and one purchase warrant to acquire a further common share at $0.23 per share. The value split between common share and warrants was $264,986 and $386,234, respectively.

(Expressed in Canadian dollars)

Outstanding Share Data (Cont'd)

The fair value allocated between the common shares and warrants on the issuance of the units was based on a relative fair value allocation between the common shares issued and warrants issued.

Issuance costs

Issuance costs of $91,632 for the period ended June 30, 2021, associated with the private placement have offset share capital on the statement of financial position. On June 1, 2020, the Company issued 257,382 finder's purchase warrants to acquire a further common share at $0.23 per share. The finder's warrants have been allocated a fair value of $59,094, determined using the Black-Scholes pricing model.

Warrants

As of June 30, 2021, the Company had the following warrants outstanding with the corresponding average exercise prices:

	Expiry date	Number of warrants	Weighted-avg. exercise price
		#	$
Balance December 31, 2020	**19-Jan-21**	**125,000**	**0.152**
Stock-split	19-Jan-21	80,663	0.152
Issued	01-Jun-24	32,453,448	0.230
Issued for services	01-Jun-24	3,547,982	0.230
Cancelled	01-Jun-24	(200,000)	0.350
Balance June 30, 2021		**36,007,093**	**0.084**

On the close of the Transaction (section **Reverse take-over transaction**), 3,290,600 post-split warrants were vested to Grove Corporate Services Ltd. for past services and have been allocated a fair value of $873,040 and included in acquisition costs.

The Company issued 200,000 warrants to members of its Advisory Board. Each Warrant entitles the holder to purchase one Common Share of the Company at an exercise price of $0.35 for a period of five years. The warrants were granted and vested on June 1, 2021, and subsequently cancelled on June 17, 2021. The warrants have been allocated a value fair value of $43,567, determined using the Black-Scholes pricing model, and included in share-based payments.

Options

The Company adopted the "rolling" stock option plan of the 105CC on March 5, 2021, cancelling all outstanding stock option issued previously by 105CC. The stock option plan entitles key management personnel, employees, directors, and certain consultants the option to purchase common shares of Xigem Technologies Corporation. Under the stock-option plan, holders of vested options are entitled to purchase shares based on the exercise price determined at the grant date. The plan allows for the issuance of up to 10% of the issued and outstanding common shares.

On March 19, 2021, the Company granted 3,925,000 incentive stock options pursuant to its Stock Option Plan. Each option entitled the holder to purchase one common share of the Xigem Technologies Corporation at an exercise price of $0.29 for a period of five years from the date of grant and was vested immediately. The fair value for services received was valued at $995,042, determined using the Black-Scholes pricing model.

(Expressed in Canadian dollars)

Outstanding Share Data (Cont'd)

Options (Cont'd)

On April 30, 2021, Company granted 400,000 incentive stock options pursuant to its stock option plan. Each option entitles the holder to purchase one common share of the Company at an exercise price of $0.55 and vested immediately. The Company subsequently cancelled 200,000 of incentive stock options on June 1, 2021, and issued 100,000 additional stock options, which entitles the holder to purchase one common share of the Company at an exercise price of $0.35 for a period of five years and vested immediately. The fair value of the services received was $65,192, determined using the Black-Scholes pricing model, and is included in the statement of loss and comprehensive loss.

The key terms and conditions related to the grants as at June 30, 2021 are as follows; all options are to be settled by physical delivery of shares.

	Vesting conditions	Number of options	Weighted-avg. exercise price
		#	$
Granted to key management personnel	Vesting on grant date	2,100,000	0.290
Granted to directors	Vesting on grant date	1,650,000	0.290
Granted to consultants	Vesting on grant date	675,000	0.412
Cancelled	Vesting on grant date	(200,000)	0.550
Outstanding, June 30, 2021		**4,225,000**	**0.304**
Exerciseable, June 30, 2021		**4,225,000**	**0.304**

Significant Accounting Policies and Estimates

Except as noted below, the Company's significant accounting policies are described in note 3 of the Annual Financial Statements. The preparation of the financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and the related disclosures as of the date of the Financial Statements. Actual results may differ from estimates under different assumptions and conditions.

Significant judgments include investments with significant includes and income taxes. Our significant judgments have been reviewed and approved by the Audit Committee for completeness of disclosure on what management believes would be relevant and useful to investors in interpreting the amounts and disclosures in our Annual Financial Statements.

Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation, and any accumulated impairment losses. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

Significant Accounting Policies and Estimates (Cont'd)

Property, plant and equipment (Cont'd)

ii. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

– leasehold improvements 5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i. As a lessee

At commencement or modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Significant Accounting Policies and Estimates (Cont'd)

Leases (Cont'd)

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the

Company uses the incremental borrowing rate as the discount rate. The lease liability is measured at amortized cost using the effective interest method.

The Company presents right-of-use assets as 'property, plant and equipment' in the interim condensed consolidated statements of financial position.

i. Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Accounting Pronouncements Adopted During the Period

IFRIC 23 – Uncertainty Over Income Tax Treatments ("IFRIC 23")

IFRIC 23 was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that the entity should consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If the entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses, and credits or tax rates consistent with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss) tax bases, unused tax losses, and credits or tax rates. This standard was adopted on June 15, 2020. The amendments did not have an impact on the Financial Statements.

IFRS 3 – Business Combinations ("IFRS 3")

IFRS 3 was amended in October 2018 to clarify the definition of a business. The amended definition states that a business must include inputs and a process and clarifies that the process must be substantive, and the inputs and process must together significantly contribute to operating outputs. In addition, it narrows the definitions of a business by focusing on the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs and added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets. This standard was adopted on June 15, 2020, resulting in no changes to the Financial Statements.

Future Accounting Pronouncements

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and
IAS 28 – Investments in Associates and Joint Ventures ("IAS 28")

IFRS 10 and IAS 28 were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of the gain or loss recognition depends on whether the assets sold or contributed constitute a business The effective date of these amendments is yet to be determined, however early adoption is permitted. The Company has not assessed the effect of these pronouncements on its Financial Statements

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Disclosure Controls and Procedures

The CEO and CFO have designed or caused to design controls to provide reasonable assurance that: (i) material information relating to the Company is made known to management by others, particularly during the period in which the annual and interim filings are being prepared; and (ii) information required to be disclosed by the Company in its annual and interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time frame specified in the securities legislation.

Based on the evaluations, the CEO and CFO have concluded that the Company's disclosure controls and procedures were adequate and effective.

Internal Controls over Financial Reporting

Xigem has established internal controls over financial reporting to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management, including the Company's CEO and CFO, have determined that as at and for the six-month period ended June 30, 2021, the internal controls over financial reporting were effective.

Inherent Limitations

It should be noted that in a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Given the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, including instances of fraud, if any, have been detected. These inherent limitations include, among other items: (i) that management's assumptions and judgments could ultimately prove to be incorrect under varying conditions and circumstances; (ii) the impact of any undetected errors; and (iii) controls may be circumvented by unauthorized acts of individuals, by collusion of two or more people, or by management override.

(Expressed in Canadian dollars)

Related Party Transactions and Balances

Due from (to) related parties

	June 30, 2021	Dec 31, 2020
	$	$
Due from related parties		
Due from shareholders	**170,209**	200,000
Due to related party		
Due from 2294573 Ontario Inc., related by common ownership	**-**	(29,791)

The amounts due from shareholders are the initial share capital issued from treasury on incorporation valued at $200,000. The amounts are unsecured, non-interest bearing, due on demand, and have no formal terms of repayment.

Key Management Personnel Transactions

The directors of the Company control 7% of the voting shares of the Company.

Risks and Uncertainties

The are several risk factors that could cause future results to differ materially from those described herein. The risks and uncertainties described herein are not the only ones the Company faces. Additional risks and uncertainties, including those that the Company does not know about as of the date of this MD&A, or that it currently deems immaterial, may also adversely affect the Company's business. If any of the following risks occur, the Company's business may be harmed, and its financial condition and the results of operation may suffer significantly.

COVID-19

Negative impact of COVID-19 outbreak

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business.

Business interruption risks

The Company may be impacted by business interruptions resulting from pandemics and public health emergencies, including those related to the COVID-19 pandemic. An outbreak of infectious disease, a pandemic or a similar public health threat, such as the recent outbreak of the novel coronavirus known as COVID-19, or a fear of any of the foregoing, could adversely impact the Company. It is unknown whether and how the Company may be affected if such an epidemic persists for an extended period. The Company may incur expenses or delays relating to such events outside of its control, which could have a material adverse impact on its business, operating results and financial condition.

Risks and Uncertainties (Cont'd)

Risks relating to the Transaction

Xigem is in the development stage with little operating history

As the Company has yet to begin to generate revenue, it is extremely difficult to make accurate predictions and forecasts of its finances. In addition, the Company intends to operate in the technology industry, which is rapidly transforming. There is no guarantee that the Company's products or services will be attractive to potential consumers. Therefore, the Company is subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources, and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and likelihood of success must be considered considering the early stage of operations.

Going concern

The Company's ability to continue as a going concern depends on its ability to either generate sufficient revenues or to secure sufficient financing, whether debt or equity, to sustain its continued operations. There can be no assurance that the Company can obtain such revenues or financing on commercially favorable terms and there is therefore no guarantee that the Company will be able to sustain its ongoing operations in the future.

Competition

Many other businesses in Canada engage in similar activities to the Company, developing and commercializing remote work technologies to similar customers. Current and new competitors may have better capitalization, a longer operating history, more expertise and able to develop higher quality equipment or products, at the same or a lower cost. The Company cannot provide assurances that it will be able to compete successfully against current and future competitors. Competitive pressures faced by the Company could have a material adverse effect on its business, operating results, and financial condition.

Dividends

There is no assurance as to whether the Company will be profitable, earn revenues, or pay dividends. The Company anticipates that it will incur substantial expenses relating to the development and initial operations of its business. The payment and amount of any future dividends will depend upon, among other things, the Company's results of operations, cash flow, financial condition, and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

Uncertainty of revenue growth

There can be no assurance that the Company can generate revenue growth, or that any revenue growth that is achieved can be sustained. Revenue growth that the Company may achieve may not be indicative of future operating results. The Company may increase its operating expenses to fund research and development, increase its sales and marketing efforts and increase its administrative resources in anticipation of future growth. To the extent that increases in such expenses precede or are not

Risks and Uncertainties (Cont'd)

Risks relating to the Transaction (Cont'd)

Uncertainty of revenue growth (Cont'd)

subsequently followed by increased revenues, the Company's business, operating results, and financial condition will be materially adversely affected.

Development of new products

The Company's success will depend, in part, on its ability to develop, introduce and market new and innovative products. If there is a shift in consumer demand, the Company must meet such demand through new and innovative products or else its business will fail. The Company's ability to develop, market and produce new products is subject to it having substantial capital. There is no assurance that the Xigem will be able to develop new and innovative products or have the capital necessary to develop such products.

Effective commercialization

There is a risk that the technology and the Company's products will not perform as expected in certain applications and therefore, the Company may encounter delays to commercialization or may run the risk that the technologies will never be successfully commercialized. This means that the Company may never receive revenues or return on its technology development.

Technology Risks

Technical risks

Technical risks are inherent in the development and commercialization process, in that an immature technology could present unexpected challenges that exceed the planned time or financial resources to overcome. There can be no guarantee that the Company will be able to overcome technical risks associated with the development of its technology.

Our technology may be unable to achieve broad market acceptance

Even when product development is successful, our ability to generate significant revenue and profits depends on the acceptance of our products by our customers and end users of the products, such as companies or individuals purchasing vehicles incorporating our technology. The market acceptance of any product depends on a number of factors, including but not limited to awareness of a product's availability and benefits, the price and cost-effectiveness of our products relative to competing products; general competition, and the effectiveness of marketing and distribution efforts. Any factors preventing or limiting the market acceptance of our technology could have a material adverse effect on our business, results of operations and financial condition.

Risks and Uncertainties (Cont'd)

Technology Risks (Cont'd)

Emerging products and technology

The market for Company's products continues to evolve and continued growth and demand for, and acceptance of, these products remains uncertain. In addition, other emerging technology and products may impact the viability of the market for Company's products.

Company's continued success will depend upon its ability to keep pace with technological and marketplace change and to introduce, on a timely and cost-effective basis, new and enhanced products that satisfy changing customer requirements and achieve market acceptance.

There can be no assurance that the Company will be able to respond effectively to changes in technology or customer demands. Moreover, there can be no assurance that Company's competitors will not develop competitive products or that any such products will not have an adverse effect upon Xigem's business, financial condition, or results of operations.

Obsolescence

Maintaining a competitive position requires constant growth, development and strategic marketing and planning. If the Company is unable to maintain a technological advantage, the Company's ability to grow its business will be adversely affected and its products may become obsolete compared with other technologies.

Other Risks

Key Personnel

The Company's success has depended and continues to depend upon its ability to attract and retain key management, including the officers and technical experts. The Company will attempt to enhance its management and technical expertise by continuing to recruit qualified individuals who possess desired skills and experience in certain targeted areas. The Company's inability to retain employees and attract and retain sufficient additional employees or engineering and technical support resources could have a material adverse effect on the Company's business, results of operations, sales, cash flow or financial condition. Shortages in qualified personnel or the loss of key personnel could adversely affect the financial condition of the Company, results of operations of the business and could limit the Company ability to develop and market its work remotely related products. The loss of any of the Company senior management or key employees could materially adversely affect the Company's ability to execute the Company's business plan and strategy, and the Company may not be able to find adequate replacements on a timely basis, or at all.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train, and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Risks and Uncertainties (Cont'd)

Other Risks *(Cont'd)*

Dependence on suppliers and skilled labor

The ability of the Company to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labor, equipment, parts and components. No assurances can be given that the Company will be successful in maintaining its required supply of skilled labor, equipment, parts and components.

Conflicts of Interest

Certain directors and officers of the Company are or may become associated with other companies in the same or related industries which may give rise to conflicts of interest. Directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Company. The directors and officers of the Company have either other full-time employment or other business, or time restrictions placed on them and accordingly, the Company will not be the only business enterprise of these directors and officers.

Research and Development

We believe that we must continue to dedicate a significant amount of resources to our research and development efforts to maintain and develop our solutions and maintain and enhance our competitive position. We recognize the costs associated with these research and development investments earlier than the anticipated benefits, and the return on these investments may be lower, or may develop more slowly, than we expect. If we spend significant resources on research and development and are unable to generate an adequate return on our investment, our business, financial condition and results of operations may be materially and adversely affected.

Financial Reporting and Internal Controls

Upon the completion of the listing, Company will become subject to reporting and other obligations under applicable Canadian securities laws and exchange rules. These reporting and other obligations will place significant demands on Company's management, administrative, operational and accounting resources.

To meet such requirements, Company is working with its legal, accounting and financial advisors to identify areas in which changes should be made to Company's financial management control systems. These areas include corporate governance, corporate controls, internal audit, disclosure controls and procedures and financial reporting and accounting systems. Company has made, and will continue to make, changes in these and other areas, including Company's internal controls over financial reporting. If Company is unable to accomplish any such necessary objectives in a timely and effective fashion, its ability to comply with its financial reporting requirements and other rules that apply to reporting issuers could be impaired. Moreover, any failure to maintain effective internal controls could cause Company to fail to meet its reporting obligations or result in material misstatements in its financial statements. If Company cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially harmed which could also cause investors to lose confidence in the reported financial

Risks and Uncertainties (Cont'd)

Other Risks (Cont'd)

Financial Reporting and Internal Controls (Cont'd)

information, which could lower share prices. There can be no assurance that internal controls over financial reporting will prevent all error and all fraud. A control system, no matter how well designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Furthermore, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within the Company are detected. The inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of some persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Intellectual Property

The Company's ability to compete effectively will depend, in part, on its ability to maintain the proprietary nature of its brand and its product creation processes. The Company has adopted procedures to protect its intellectual property and maintain secrecy of its confidential business information and trade secrets. However, there can be no assurance that such procedures will afford complete protection of such intellectual property, confidential business information and trade secrets. There can be no assurance that the Company's competitors will not independently develop technologies that are substantially equivalent or superior to the Company's technology. To protect the Company's intellectual property, it may become involved in litigation, which could result in substantial expenses, divert the attention of its management, cause significant delays, and materially disrupt the conduct of its business. The Company may also inadvertently infringe others intellectual property and be subject to litigation in respect of same.

Intellectual Property Litigation

The Company may be forced to litigate to enforce or defend its intellectual property rights, to protect its trade secrets or to determine the validity and scope of other parties' proprietary rights. Any such litigation could be very costly and could distract its management from focusing on operating the Company's business. The existence and/or outcome of any such litigation could harm the Company's business.

Ability to obtain and retain any relevant licenses

If obtained, any licenses in Canada are expected to be subject to ongoing compliance and reporting requirements. Failure by the Company to comply with the requirements of licenses or any failure to maintain licenses would have a material adverse impact on the business, financial condition and operating results of the Company. Should any jurisdiction in which the Company considers a license important not grant, extend or renew such license or should it renew such license on different terms, or should it decide to grant more than the anticipated number of licenses, the business, financial condition and results of the operation of the Company could be materially adversely affected.

Risks and Uncertainties (Cont'd)

Other Risks (Cont'd)

No established market

There is currently no market through which the Company's securities may be sold and purchasers may not be able to resell the Company Shares purchased under this Prospectus. An active public market for the Company Shares might not develop or be sustained after this offering. Even if a market develops, there is no assurance that the price of the Company Shares offered under this Prospectus, will reflect the prevailing market price of the Company Shares following this offering. If an active public market for the Company Shares does not develop, the liquidity of a shareholder's investment may be limited, and the Company Share price may decline below the initial public offering price. The holding of Company Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. The Company Shares should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

Lack of active market

There can be no assurance that an active market for the Company Shares will continue and any increased demand to buy or sell the Company Shares can create volatility in price and volume. Any return on investment from the Company Shares is not guaranteed.

There can be no assurance regarding the amount of return to be generated by the Company's investments. The Company Shares are equity securities of the Company and are not fixed income securities. Unlike fixed-income securities, there is no obligation of the Company to distribute to shareholders a fixed amount or to return the initial purchase price of a Company Share on a date in the future. The market value of the Company Shares will deteriorate if the Company is unsuccessful in its investments, and that deterioration may be significant.

There is a risk of dilution

The Company may issue additional securities from time-to-time to raise funding for its business, and such issuances may be dilutive to existing shareholders.

Global economic risk

The ongoing economic slowdown and downturn of global capital markets has generally made the raising of capital equity or debt financing more difficult. Access to financing has been negatively impacted by the ongoing global economic risks. As such, the Company is subject to liquidity risks in meeting our development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Company's ability to raise equity or obtain loans and other credit facilities in the future and on terms favorable to the Company. If uncertain market conditions persist, the Company's ability to raise capital could be jeopardized, which could have an adverse impact on the Company's operations and trading price of the Company Shares on the stock exchange.

Risks and Uncertainties (Cont'd)

Other Risks (Cont'd)

Economic environment

The Company's operations could be affected by the economic context should the unemployment level, interest rates or inflation reach levels that influence consumer trends and consequently, impact the Company's sales and profitability. As well, general demand for banking services and alternative banking or financial services cannot be predicted, and prospects of such areas might be different from those predicted by the Company's management.

Risks Associated with acquisitions

As part of the Company's overall business strategy, the Company may pursue select strategic acquisitions after the completion of the Listing, which would provide additional product offerings, vertical integrations, additional industry expertise, and a stronger industry presence in both existing and new jurisdictions. Future acquisitions may expose it to potential risks, including risks associated with: (a) the integration of new operations, services and personnel; (b) unforeseen or hidden liabilities; (c) the diversion of resources from the Issuer's existing business and technology; (d) potential inability to generate sufficient revenue to offset new costs; (e) the expenses of acquisitions; or (f) the potential loss of or harm to relationships with both employees and existing users resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

Product Development Risks

Lack of experience and commitment of team

The project manager and leader is the most responsible person, and a replacement or inexperienced manager could jeopardize the completion of the Platform.

Unrealistic deadlines

Software projects may fail when deadlines are not properly set. Project initialization, completion date and time must be realistic.

Improper budget

Cost estimation of a project is very crucial in terms of project success and failure. Low cost with high expectations of large projects may cause project failure.

Lack of resources

Software and hardware resources may not be adequate. Lack of resources in terms of manpower is also a critical risk factor of software failure.

Inappropriate design

Software designers have a major role in the success or failure of the project if a design is inappropriate for the project.

Risks and Uncertainties (Cont'd)

Product Development Risks (Cont'd)

User data

The Company may require the registration of its users prior to accessing its products or services or certain features of its products or services and the Company may be subject to increased legislation and regulations on the collection, storage, retention, transmission and use of user-data that is collected. The Company's efforts to protect the personal information of its users may be unsuccessful due to the actions of third parties, software bugs or technical malfunctions, employee error or malfeasance, or other factors. In addition, third parties may attempt to fraudulently induce employees or users to disclose information to gain access to the Company's data or the Company's users' data.

If any of these events occur, users' information could be accessed or disclosed improperly. Any incidents involving the unauthorized access to or improper use of the information of users or incidents involving violation of the Company's terms of service or policies could damage its reputation and brand and diminish its competitive position.

Failure to protect personal information

A wide variety of provincial, state, national, and international laws and regulations apply to the collection, use, retention, protection, disclosure, transfer, and other processing of personal data. These data protection and privacy-related laws and regulations are evolving and being tested in courts and may result in ever-increasing regulatory and public scrutiny as well as escalating levels of enforcement and sanctions. Any actual or perceived loss, improper retention or misuse of certain information or alleged violations of laws and regulations relating to privacy, data protection and data security, and any relevant claims, could result in enforcement action against us, including fines, imprisonment of Company officials and public censure, claims for damages by customers and other affected individuals, damage to our reputation and loss of goodwill (both in relation to existing customers and prospective customers), any of which could have an adverse effect on our operations, financial performance, and business. Any perception of privacy or security concerns or an inability to comply with applicable laws, regulations, policies, industry standards, contractual obligations or other legal obligations, even if unfounded, may result in additional cost and liability to us, harm our reputation and inhibit adoption of our products by current and future customers, and adversely affect our business, financial condition, and operating results. We have implemented and maintain security measures intended to protect personally identifiable information. However, our security measures remain vulnerable to various threats posed by hackers and criminals. If our security measures are overcome and any personally identifiable information that we collect or store becomes subject to unauthorized access, we may be required to comply with costly and burdensome breach notification obligations. We may also be subject to investigations, enforcement actions and private lawsuits. In addition, any data security incident is likely to generate negative publicity and have a negative effect on our business.

Effective Operating and Scaling of Technology

The Company's ability to provide products and services to customers is dependent on its information technology systems. If the Company is unable to manage and scale the technology associated with its business effectively, the Company could experience increased costs, reductions in system availability and losses of network participants.

Risks and Uncertainties (Cont'd)

Product Development Risks (Cont'd)

Effective Operating and Scaling of Technology (Cont'd)

Material defects or errors in the Company's Technology Infrastructure could harm the Company's reputation, result in significant costs to the Company and impair its ability to sell its services. Software developed for the Company's technology can contain errors, defects, security vulnerabilities or software bugs that are difficult to detect and correct, particularly when first introduced. Despite internal testing, the Company's technology may contain serious errors or defects that cause performance problems or service interruptions, security vulnerabilities or software bugs that the Company may be unable to successfully correct in a timely manner, or at all, which could result in:

- unexpected credits or refunds to the Company's clients, loss of clients and other potential liabilities;
- delays in client payments, increasing the Company's collection reserve and collection cycle;
- diversion of development resources and associated costs;
- harm to the Company's reputation and brand; and
- unanticipated litigation costs.

Data Security and Hacking

Increasingly, organizations are subject to a wide variety of attacks on their networks. In addition to traditional computer "hackers," malicious code (such as viruses and worms), employee theft or misuse, denial of service attacks, ransomware, malware and sophisticated government and government-supported actors now engage in incidents and attacks (including advanced persistent threat intrusions), and add to the risks to our internal networks and the information they store, manage and process. It is virtually impossible for Absolute to entirely mitigate these risks (especially as it relates to unlicensed or outdated versions of our product or agent). Any such security incident or breach could compromise our networks, creating system disruptions or slowdowns and exploiting security vulnerabilities of our products, and the information stored on our networks could be accessed, publicly disclosed, lost, or stolen, which could subject us to liability and cause us financial harm. These breaches, or any perceived breach, may also result in damage to our reputation, negative publicity (through research reports or otherwise), loss of partners, end-customers and sales, increased costs to remedy any problem, and costly litigation and may result in the Company's business, operating results and financial condition being materially adversely affected.

Risk of Safeguarding Against Security & Privacy Breaches

A security or privacy breach could:

- expose the Company and Company to additional liability and to potentially costly litigation;
- increase expenses relating to the resolution of these breaches;
- deter potential customers from using our services; and
- decrease market acceptance of electronic commerce transactions.

As a provider of software technology, the Company and Resulting Issuer are at risk of exposure to a security or privacy breach of its system which could lead to potentially costly litigation, deter potential customers from using its services, or bring about additional liability of the Company and Resulting Issuer.

Risks and Uncertainties (Cont'd)

Product Development Risks (Cont'd)

Risk of Safeguarding Against Security & Privacy Breaches (Cont'd)

The Company and Resulting Issuer cannot assure that the use of applications designed for data security and integrity will address changing technologies or the security and privacy concerns of existing and potential customers. Although the Company and Resulting Issuer require that agreements with service providers who have access to sensitive data include confidentiality obligations that restrict these parties from using or disclosing any data except as necessary to perform their services under the applicable agreements, there can be no assurance that these contractual measures will prevent the unauthorized disclosure of information.

Reverse take-over transaction

On September 22, 2020, 10557536 Canada Corp. ("105CC") entered into a non-binding letter of intent with Xigem. The letter of intent outlined proposed terms and conditions pursuant to which 105CC and Xigem effected a business combination that resulted in a reverse takeover of 105CC by the shareholders of Xigem ("Transaction").

On November 17, 2020, the Company and Xigem entered into a business combination agreement. A copy of the business combination agreement is available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com. The business combination agreement incorporated principal terms of the Transaction (as specified by the non-binding letter of intent) and provided the basis upon which 105CC and Xigem effected the Transaction in compliance with the Exchange's requirements.

In connection with the closing of the Transaction on March 5, 2021, the following key activities occurred:

- 105CC split all of its issued and outstanding common shares (the "105CC Common Shares") based on a ratio of approximately 1.6453 post-split 105CC Common Share for every one pre-split 105CC Common Shares ("Share Split"), resulting in 7,359,845 post-split Common shares;
- Xigem and 105CC's subsidiary amalgamated under the Business Corporations Act (Ontario) (the "Amalgamation" and the resulting amalgamated entity named Xigem Technology Solutions Inc. ("Amalco") became a wholly-owned subsidiary of Resulting Issuer;
- each Xigem Common Share was cancelled, and the former holders of Xigem Common Shares received one half of one (0.5) Resulting Issuer Common Share for each Xigem Common Share held by them, an aggregate of 66,236,800 Resulting Issuer Common Shares at a price of $0.04 per share were issued on March 3, 2021;
- other securities of Xigem (including warrants that are exercisable into Xigem Common Shares) were cancelled and the former holders of such securities received one half of one (0.5) Resulting Issuer Warrants for each Xigem warrant;
- a total of 1,250,000 Resulting Issuer Common Shares has been issued to related parties, settling debt in the aggregate amount of $50,000; and
- the Resulting Issuer was renamed "Xigem Technologies Corporation".

The Transaction was subject to a number of conditions including, but not limited to the following:

i. the Resulting Issuer on March 15, 2021 obtained conditional approval of the Canadian Securities Exchange ("CSE") for the listing on the CSE of the Resulting Issuer Common Shares, as required by CSE policies;

Reverse take-over transaction (Cont'd)

ii. the issuance of a receipt from the Ontario Securities Commission ("OSC") for the final Prospectus dated February 25, 2021;
iii. the Resulting Issuer obtained a conditional approval letter from CSE for the transitions; contemplated by the Business Combination Agreement, including the listing on the CSE of the Resulting Issuer's common shares;
iv. 105CC held an annual general and special meeting of its shareholders (the "105CC Shareholder Meeting"), and prepared a circular in connection therewith (the "105CC Circular") to approve certain matters relating to the Transaction, including the directors to be appointed to the board of the Resulting Issuer upon closing, the Share Split and Name Change; and
v. Certain other customary closing conditions.

Acquisition costs of $1,013,897 relating to legal fees, issuance of warrants for consulting services provided, and other related costs were incurred and are included in the statement of loss and comprehensive loss for the six-months period ended June 30, 2021.

COVID-19

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which will include the implementation of travel bans, self-imposed quarantine periods and social distancing have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown, as is the efficacy of the government and central bank interventions.

Management cannot accurately predict the future impact COVID-19 may have on: (i) the severity and the length of potential measures taken by governments to manage the spread of the virus and their effect on labor availability; (ii) availability of essential supplies; (iii) purchasing power of the Canadian dollar; and (iv) ability to obtain additional funding.

At the date of the approval of the financial statements, the Canadian government has not introduced measures which impede the activities of the Company. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and conditions of the Company in future periods.

Contingencies and commitments

Contingencies

The Company is not contingently liable with respect to litigation, claims, and environmental matters, including those that could result in mandatory damages or other relief. Any expected settlement of claims in excess of amounts recorded will be charged to the statements of loss and comprehensive loss as and when such determination is made.

Management services agreement with XCo

On October 20, 2020, and in connection with the acquisition of iAgent, Xigem entered into a management services agreement with XCo. The Company is obligated to pay US $20,000 a month for development, maintenance, and support services. The Company can cancel at the earlier of: (i) completion of Xigem's platform; (ii) 30-days written notice by either Xigem or XCo.; or (iii) mutual consent.

Contingencies and commitments (Cont'd)

Management services agreement with XCo (Cont'd)

As of June 30, 2021, aggregate amount of $149,814 has been included in accounts payable and accrued liabilities with respect to management services as per the agreement.

Media and marketing relations

On March 30, 2021, Xigem retained the services of several investor relations, media and marketing firms ("IR Parties") to provide services for the Company. The IR Parties are arms-length to the Company. Aggregate amount of $496,285 of above-mentioned services were incurred for the 6 months period ended June 30, 2021 and is included in the statement of loss and comprehensive loss.

Subsequent events

Stock options

On July 5, 2021, subsequently to period ended July 30, 2021, the Company has granted 200,000 incentive stock options pursuant to its Stock Option Plan. Each Option entitles the holder to purchase one common share of the Company at an exercise price of $0.325 for a period of five years and vested immediately.

Letter of intent with FB Labs Corp.

On July 14, 2021, the Company entered into a letter of intent to acquire 25% interest in FB Labs Corp. for aggregate consideration of $750,000, to be satisfied through: (i) $100,000 shall be paid in cash upon closing the Acquisition, and (ii) $650,000 shall be paid in common shares on the basis of a deemed price per Common Share equal to the volume weighted average price per common share on the CSE for the twenty consecutive trading days preceding the closing of the arrangement.

FOOi Inc.

On August 9, 2021, the Company acquired substantially all of the assets of FOOi Inc. ("FOOi"), a mobile app that facilitates digital payments through peer-to-peer and peer-to-business financial transactions for consideration of $500,000 to be satisfied by the issuance of 1,666,667 common shares in the capital of Xigem at a deemed price equal to $0.30 per share. The Company will account for the purchase as an asset acquisition.

Listing of Xigem shares on the OTCQB® Venture Market

On August 11, 2021, the Company was approved to commence trading of its common shares on the OTCQB® Venture Market under the ticker symbol XIGMF.

Warrants

On August 23, 2021, a warrant holder exercised its right to purchase 50,000 common shares at a price of $0.07 per common share.

Additional Information

These documents, as well as additional information regarding Xigem, have been filed electronically with the Canadian securities regulators through the System for Electronic Document Analysis and Retrieval ("SEDAR") and may be accessed through SEDAR's website at www.sedar.com.