Plank Ventures Ltd.

Management Discussion and Analysis

(Expressed in Canadian Dollars)

For the three months ended October 31, 2022 and 2021

TO OUR SHAREHOLDERS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is management's discussion and analysis ("MD&A") of Plank Ventures Ltd.'s ("Plank" or the "Company") operating and financial results for the three months ended October 31, 2022, and 2021 as well as information and expectations concerning the Company's outlook based on currently available information. This report is dated December 29th, 2022.

This MD&A should be read in conjunction with the Company's condensed consolidated interim financial statements for the three months ended October 31, 2022, and 2021 and the Company's audited annual consolidated financial statements for the years ended July 31, 2022, and 2021. Additional information is available at www.sedar.com.

Management is responsible for the preparation and integrity of the 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 consolidated 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's audit committee meets with management no less than quarterly to review the financial statements including the MD&A and to discuss other financial, operating, and internal control matters.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking information including the Company's future plans. The use of any of the words "target", "plans", "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. Such forward looking information, including but not limited to statements pertaining to the Company's future plans and management's belief as to the Company's potential involve known and unknown risks uncertainties, which could be significant, and other factors which may cause the actual results of the Company and its operations to be materially different from estimated costs or results expressed or implied by such forward-looking statements. Forward looking information is based on management's expectations regarding future growth, results of operations, future capital, and other expenditures (including the amount, nature, and sources of funding for such expenditures), business prospects and opportunities. These risks related to forward looking information include, but are not limited to: the risks associated with the commercial viability of any technologies the Company is in the process of developing or deploying, delays or changes in plans with respect to any technologies, costs and expenses, the risk of foreign exchange rate fluctuations, risks associated with securing the necessary regulatory approvals and financing to proceed with any planned business venture, product development or deployment, and risks and uncertainties regarding the potential to economically scale and bring to profitability any of the Company's current or planned endeavors. Although the Company has attempted to take into account important factors that could cause actual costs or results to differ materially, there may be other factors that cause the results of the Company's business to not to be as anticipated, estimated or intended.

There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. See the Risk Management section of this MD&A for a further description of these risks. The forward-looking information included in this MD&A is expressly qualified in its entirety by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking information.

1. SUMMARY OF OPERATIONS AND EVENTS

Plank Ventures Ltd. (the "Company") was incorporated on May 1, 2013, under the Business Corporations Act.

The Company invests in business opportunities in the technology arena. The target investments are early-stage start-ups that have already developed a customer and revenue base and are seeking funding for expansion.

Investment in Votigo, Inc. ("Votigo")

On November 12, 2019, the Company acquired 29.11% ownership interest in Votigo via a purchase of 834,349 Series A and 333,334 Series B Convertible Preferred Shares. The Company also had an option to acquire a further 834,349 Series A Shares for a two-year period. The option expired unexercised.

In connection with the transaction, the Company issued 50,000 stock options to management of Votigo. The options are exercisable at a price of $0.60 per share for a period of 10 years. The options vest over a four-year period, with one quarter of the options vesting in one year, and thereafter vesting monthly.

On October 29, 2020, the Company purchased an additional 777,777 Series B Shares. The Company is the only holder of Series B Shares. The holders of Series B Shares have certain protective provisions whereby Votigo must obtain the consent from a majority of the holders of Series B Shares prior to entering into certain transactions. In addition, the Company entered into a voting agreement which gives the Company the right to appoint the majority of the directors of Votigo.

As at the date of this report, the Company owns 40.62% of Votigo's total outstanding issued shares and is the sole owner of Series B Shares. In accordance with IFRS 10, the Company has control over Votigo due to the special rights provided to holders of Series B Shares.

In connection with the receipt of funds from the sale of the 777,777 Series B Shares, Votigo has acquired Laughton Marketing Communications, Inc. dba US Sweepstakes and Fulfillment Company ("US Sweeps"), a Rochester, NY based sweepstakes and fulfilment company for US$750,000 payable as follows: US$250,000 at closing (October 29, 2020), a further US$250,000 not later than 12 months after the closing date, and the final US$250,000 not later than 24 months after the closing date. On October 28, 2021, Votigo paid the first instalment of US$250,000, and on October 28, 2022, Votigo paid the remaining instalment of US$250,000 to the previous shareholders of US Sweeps in cash.

On April 1, 2022, Votigo acquired 100% of Promotions Activators Management, LLC ("Promotion Activators"), a company in the sweepstakes and contest administration space, for US$1,650,000. US$990,000 (CDN$1,238,688) was paid in cash at closing and the remaining US$660,000 is payable in four equal instalments of US$165,000, on the anniversary of the transaction. The fair value of the deferred payments was US$510,345 (CDN$638,544), calculated by discounting the future cash payments at a market rate of interest of 11%. The Company provided Votigo with US$500,000 in the form of an unsecured promissory note to finance the acquisition.

The investment in Votigo, US Sweeps, and Promotion Activators were accounted for as a business combination. In accordance with IFRS 3 "Business Combinations", the assets acquired and liabilities assumed are measured at their fair value at the acquisition date and the excess value of the consideration above the fair value of the net assets acquired is recognized as goodwill.

Investment in ThinkCX Technologies Inc. ("ThinkCX")

On August 30, 2018, the Company purchased 945,945 units of ThinkCX for $350,000. Each unit consisted of one Series 1 Class A preferred share and one Series 1 Class A preferred share purchase warrant. The warrants have since expired unexercised.

Investment in SiteMax Systems Inc. ("SiteMax")

On January 19, 2019, the Company received 333,140 Series 1 seed preferred shares of SiteMax with a fair value of $276,507 from Mobio in connection with the Plan of Arrangement between the Company and Mobio with a corresponding increase in the loan due to Mobio. The Company also received warrants to purchase up to 166,570 Class 1 common shares of SiteMax at an exercise price of $0.83 per share.

On January 29, 2019, the Company entered into an agreement to purchase up to 476,189 Series 2 seed preferred shares and warrants to purchase up to 238,094 Class 1 common shares of SiteMax at an exercise price of $1.26 per share, for $600,000. The Company paid $425,000 initially and advanced an additional amount of $175,000 upon SiteMax achieving $80,000 in monthly recurring revenue.

During the year ended July 31, 2020, the Company exercised 150,601 SiteMax warrants at an exercise price of $0.83 per share and 79,365 SiteMax warrants at an exercise price of $1.26 per share to purchase an aggregate of 229,966 common shares of SiteMax.

During the year ended July 31, 2021, the Company exercised 325,299 warrants at an exercise price of $1.26 per share to purchase an additional 325,299 common shares of SiteMax.

On February 1, 2022, SiteMax converted 333,140 Series 1 seed preferred shares and 476,189 Series 2 seed preferred shares owned by Plank into 809,329 Class 1 common shares. There was no change to the Company's share of equity ownership of SiteMax as a result of this transaction.

On October 27, 2022, the Company exchanged its loans receivable with SiteMax for $177,200 convertible promissory note. The Note carries a simple interest rate of 8% per annum and matures two years from initial closing on October 27, 2024.

As at October 31, 2022, the fair value of the convertible note is determined by adding the fair values of the loan component and conversion feature. The value of the loan component is calculated at $144,434 using the appropriate market discount rate of 20%. The value of the equity component is calculated at $1,269 using a Black Scholes Option Pricing Model with the following assumptions: volatility of 21.94%, expected life of 1.97 years, risk-free interest rate of 4.16% and expected dividends of Nil.

As at October 31, 2022, the Company holds an aggregate of 1,364,594 Class 1 common shares (October 31, 2021 – 555,265 Class 1 common shares, 333,140 Series 1 seed preferred shares, and 476,189 Series 2 seed preferred shares) which represents 35.48% ownership interest. The Company determined that it does not have significant influence over SiteMax due to the fact that investee is controlled by its management who hold majority ownership of SiteMax.

During the period ended October 31, 2022, the Company recorded a fair value loss of $31,497 (October 31, 2022 – $Nil) on its convertible promissory note.

Investment in 500 Startups Canada, L.P. ("500 Startups")

On February 22, 2019, in accordance with the Plan of Arrangement, Mobio transferred various investments with a fair value of $705,666 to the Company with a corresponding increase in the loan to Mobio. Investees included, among others, 500 Startups.

Investment in Shop and Shout Ltd. (DBA "Creator")

On March 5, 2021, the Company subscribed for 117,647 common shares of Creator by way of participating in a non-brokered private placement financing at a price of $0.85 per common share for the total consideration of $100,000.

On September 10, 2021, the Company subscribed to an additional 200,000 common shares of Creator by participating in a non-brokered private placement financing at a price of $1.00 per common share for a total consideration of $200,000.

On August 30, 2022, the Company invested $300,000 CAD in Creator in the form of a convertible promissory note carrying 10% annual interest rate and due on August 30th, 2023, and 100,000 share purchase warrants, where each warrant provides the right to purchase 1 Class A Common Share of Creator at $0.50 per for a period of two years from the date of issuance.

As at October 31, 2022, the fair value of the convertible note is determined by adding the fair values of the loan component and conversion feature. The value of the loan component is calculated at $284,342 using the appropriate market discount rate of 20%. The value of the equity component is calculated at $62,214 using a Black Scholes Option Pricing Model with the following assumptions: volatility of 16.15%, expected life of 0.83 years, risk-free interest rate of 4.16% and expected dividends of Nil.

As at October 31, 2022, the fair value of the warrants is calculated at $16,882 using a Black Scholes Option Pricing Model with the following assumptions: volatility of 16.15%, expected life of 0.83 years, risk-free interest rate of 4.16% and expected dividends of Nil.

As of October 31, 2022, the Company owns 317,647 Class A common shares of Creator.

During the period ended October 31, 2022, the Company recorded a fair value gain of $46,657 (October 31, 2021 – $Nil) on the convertible promissory note and a fair value gain of $16,782 (October 31, 2021 - $Nil) on the warrants.

Investment in Karve IT Ltd. ("Karve")

On April 30, 2021, the Company subscribed to 310,000 common shares of Karve IT Ltd. at the price of $1 per common share, for an aggregate subscription price of $310,000.

On March 29, 2022, the Company entered into a Simple Agreement for Future Equity subscription agreement (the "SAFE") for an aggregate subscription price of $300,000 to be paid as follows:

$25,000 in cash paid on March 29, 2022.

The Company agreed to make eleven monthly payments of $25,000 each commencing April 1, 2022 and ending February 1, 2023 (paid $200,000 to October 31, 2022).

The SAFE provides that the investment will be converted into common shares of Karve at a price equal to $3,000,000 divided by the capitalization of Karve no later than two years after the date of the SAFE.

As a result of the additional investment pursuant to the original share subscription agreement, the Company obtained significant influence over Karve on April 1, 2022, and accordingly, equity method accounting was applied from that date forward. As at October 31, 2022, the Company owns 310,000 shares of Karve, representing approximately 34.44% ownership of the investee.

For the period ended October 31, 2022, the Company recognized its share of Karve's net loss of $21,341 (October 31, 2021 - $Nil) in the condensed consolidated interim statements of income (loss) and comprehensive income (loss).

Investment in East Side Games Group ("ESGG")

On February 5, 2021, the Company received a cash dividend of $19,202, cash proceeds of $62,249, and 153,378 post-consolidation common shares of ESGG, a publicly traded company on the Toronto Stock Exchange, in consideration of its previously impaired investment in Eastside Games Inc. The shares were recorded at a fair value of $345,101 based on the market price at the time.

On March 14, 2022, the Company recognized a gain on investment of $70,863 as a result of receipt of $31,573 in cash and an additional 14,032 common shares of ESGG due to an earnout milestone achievement previously set under the terms of the acquisition. The fair value of the additional shares received was $39,290 measured based on the market price at the time.

As at October 31, 2022, the Company holds 167,409 shares of ESGG, of which 74,050 are unrestricted. The fair value of the unrestricted shares is determined by taking the number of unrestricted shares and multiplying by price per share prevailing on the market at the date closest to date of the financial statements. The fair value of the restricted shares is based on the number of restricted shares multiplied by the price per share prevailing on the market at the date closest to date of the financial statements with a discount applied for lack of marketability ("DLOM"). The DLOM reflects the impact of the restriction period on the fair value of the shares due to the time value of money, the risk of trading price fluctuation, and the opportunity cost of not being permitted to liquidate the restricted shares and use the proceeds in an alternative investment.

During the period ended October 31, 2022, the Company recognized a fair value loss of $82,030 (October 31, 2021 – loss of $69,020) due to change in share price of ESGG and recognized a fair value gain of $14,214 (October 31, 2021 – gain of $14,180) due to the DLOM discount in the consolidated statements of loss and comprehensive loss.

Investment in CodeZero Technologies Inc. ("CodeZero")

On September 15, 2021, the Company invested $300,000 in a convertible promissory note issued by CodeZero. The note was due on November 15, 2022 and carries a 6% annual interest rate. The note is eligible to be converted into equity of CodeZero at a 20% discount to the next round of financing by CodeZero. As of the date of these condensed consolidated interim financial statements, the Company is in negotiation with CodeZero with respect to repayment and conversion of the note.

As at October 31, 2022, the fair value of the convertible note is determined by adding the fair values of the loan component and conversion feature. The value of the loan component is calculated at $318,742 using the appropriate market discount rate of 20%. The value of the equity component is calculated at $Nil using a Black Scholes Option Pricing Model with the following assumptions: volatility of 12%, expected life of 0.04 years, risk-free interest rate of 4.16% and expected dividends of Nil.

During the period ended October 31, 2022, the Company recognized a fair value loss of $22,018 (October 31, 2021 – gain of $45,932) on the note.

2. EARNINGS AND EXPENSES

Following is a discussion of the Company's consolidated interim financial results for the three months ended October 31, 2022, and 2021. The condensed consolidated interim financial statements of the Company for the three months ended October 31, 2022, and 2021, have been prepared in accordance with IAS34, Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All inter-company balances and transactions have been eliminated upon consolidation.

Three Months Ended October 31, 2022, and 2021

Revenue
The Company's revenues are mainly from social promotions carried out by its controlled subsidiaries Votigo (acquired on November 12, 2019), US Sweeps (acquired October 29, 2020), and Promotion Activators (acquired April 1, 2022). The revenues for the three months ended October 31, 2022, were $1,476,181 compared to $932,779 in the three months ended October 31, 2021. The increase is attributed to the acquisition of Promotion Activators as well as increased contest development and services revenues.

Expenses
The Company's expenses for the three months ended October 31, 2022, were $1,144,629 compared to $815,009 for the three months ended October 31, 2021. Major variances are as follows:

- Amortization of $98,953 for the three months ended October 31, 2022, compared to $62,516 for the three months ended October 31, 2021. The increase is due to the additional amortization of intangibles related to the acquisition of Promotion Activators.
- Personnel of $646,102 for the three months ended October 31, 2022, compared to $475,830 for the three months ended October 31, 2021. The increase is primarily related to the additional salaries and related employment costs incurred in the operations of Promotion Activators.
- Share-based payments of $39,872 for the three months ended October 31, 2022, compared to $1,483 for the three months ended October 31, 2021. The increase is related to the issuance of 1,212,500 stock options to its directors, officers, employees, and consultants on April 14, 2022.
- Foreign exchange loss of $15,945 for the three months ended October 31, 2022, compared to a gain of $12,144 for the three months ended October 31, 2021. The difference is due to an unfavorable movement of the Canadian dollar foreign exchange rate.

Other items for the three months ended October 31, 2022, came to a net loss of $286,413 compared to a net loss of $180,158 for the three months ended October 31, 2021. The variance is mainly related to:

- Equity loss on investments of $21,341 for the three months ended October 31, 2022, compared to $Nil for the three months ended October 31, 2021. The loss is related to the Company recognizing its share of net loss on its investment in Karve.
- No gain on government grant was recorded for the three months ended October 31, 2022, compared to gain of $19,720 for the three months ended October 31, 2021. The difference is due to the Company recognizing the gain on the deferred government grant amount in full in 2022 fiscal year.
- Interest expense of $215,019 for the three months ended October 31, 2022, compared to $151,816 for the three months ended October 31, 2021. The increase is related to interest and accretion on term loans payable by Plank and interest on deferred payments in connection with the acquisition of Promotion Activators.

3. LIQUIDITY AND CAPITAL RESOURCES

At October 31, 2022, the Company had a working capital of $607,818, compared to a working capital of $93,129 at July 31, 2022.

During the period ended October 31, 2022, the Company received a loan totalling $600,000 from a company controlled by a significant shareholder and a loan totalling $100,000 from a company controlled by an officer. The loans are unsecured, bear an interest at 10% per annum and are due on December 31, 2022.

The Company's continued activities over the long term are dependent upon the Company's ability to raise additional capital in the future, achieve profitability, monetize one or more of its proprietary technologies, or reduce discretionary expenditures.

4. SELECTED QUARTERLY INFORMATION

The following table provides a brief summary of the Company's financial results for each of the eight most recent quarters. For additional information pertaining to the Company's quarterly results, please refer to the Company's audited annual consolidated financial statements for the years ended July 31, 2022 and 2021, to the Company's condensed consolidated interim financial statements for corresponding periods, and to the MD&A for each period presented, which are available at www.sedar.com.

SUMMARY OF QUARTERLY RESULTS								
Quarter ended	**Oct. 31 2022**	**Jul. 31 2022**	**Apr. 31 2022**	**Jan. 31 2022**	**Oct. 31 2021**	**Jul. 31 2021**	**Apr. 30 2021**	**Jan. 31 2021**
Revenue	$1,476,181	$1,163,070	$1,035,937	$1,064,939	$ 932,779	$ 814,074	$ 914,337	$ 702,365
Cost of revenue	132,304	143,123	85,576	112,810	133,006	23,602	316,755	228,572
Expenses	1,144,629	1,275,936	1,030,218	1,054,802	815,009	996,328	734,987	881,043
Net income (loss)	(87,165)	(897,292)	(341,115)	(32,323)	(195,394)	(7,126,850)	622,414	(675,493)
Income (loss) per share, basic	0.01	(0.05)	(0.02)	0.00	(0.02)	(0.53)	0.06	(0.09)
diluted	0.01	(0.05)	(0.02)	0.00	(0.02)	(0.52)	0.06	(0.09)

5. RELATED PARTY TRANSACTIONS

During the period ended October 31, 2022, the Company received a loan totalling $600,000 from a company controlled by a significant shareholder and a loan totalling $100,000 from a company controlled by an officer. The loans are unsecured, bear an interest at 10% per annum and are due on December 31, 2022.

Interest and accretion recorded on related party loans to companies with a common director and officer or to companies controlled by directors and/or officers or by a director of a related company were as $179,862 during the period ended October 31, 2022 (October 31, 2021 - $127,682).

During the periods ended October 31, 2022 and 2021, the Company recorded $100,211 and $78,000 in key management compensation to the Company's CEO and CFO.

Out of the total:

$84,000 is included in management and consulting fees (October 31, 2021 - $70,500)

$15,961 is included in professional fees (October 31, 2021 - $7,500)

$250 is included in office and administration fees (October 31, 2021 - $Nil)

In addition, stock-based compensation of $39,872 (October 31, 2021 - $1,483) was earned by key management and directors.

Included in accounts payable and accrued liabilities is an amount of $370,402 (October 31, 2021 - $245,000) owing to companies controlled by directors and officers of the Company. Amounts payable to related parties are unsecured, non-interest bearing and have no specified terms of repayment.

6. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, investments, accounts receivable, accounts payable, related party loans, lease liability and loans payable. As at October 31, 2022, there were no significant differences between the carrying amounts of cash, investments, accounts receivable, accounts payable, lease liability and loans payable and their estimated fair values. The carrying value of these items approximates their fair values.

Loans payable and lease liability are measured at amortized cost using the effective interest rate method.

Fair Value
Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable.

The three levels of the fair value hierarchy are:

- 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 or indirectly; and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of October 31, 2022, the Company classified cash as Level 1 and investments as Level 3. The fair value of investments is determined using various valuation techniques which include comparable company metrics, Black-Scholes Option Pricing Models, and discounted cash flow analysis.

The Company has exposure to the following risks from its use of financial instruments:

- Interest rate risk
- Credit risk
- Liquidity risk
- Market risk
- Currency risk

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. All of the Company's loans payable and investments have a fixed interest rate therefore the Company is not currently exposed to interest rate risk.

Credit Risk
Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The Company's receivable consists of trade receivables and government sales tax receivable. Based on the evaluation of receivables as of October 31, 2022, the Company believes that its receivables are collectable and management has determined that the credit risk is low. Credit risk of cash is low as cash balances are held at a reputable financial institutions.

Liquidity Risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions on the due date. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained.

Market Risk
Market risk is the risk that investments in shares of publicly traded companies will decline in value as a result of a decline in prices quoted in open markets. The Company is exposed to market risk as it owns shares in ESGG.

Currency risk
Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to foreign currency exchange risk as it has sales and contracts denominated in currencies other than the functional currency of the Company and its subsidiaries.

The Company's reporting currency is the Canadian dollar and as such the Company is exposed to foreign currency fluctuations on its US dollar denominated financial instruments. As at October 31, 2022, the Company had US dollar denominated cash of US$6,847 (July 31, 2022 – US$6,955), and loans payable of US$700,000 (July 31, 2022 – US$700,000). As at October 31, 2022, a 10% change in exchange rates between US dollars and Canadian dollars would impact the Company's net income by approximately $53,682 (July 31, 2022 – $46,820).

7. RISK MANAGEMENT

Early-stage technology companies face many risks. While management is unable to eliminate risks, the Company is intent on identifying and mitigating such risks as much as is reasonably possible.

In evaluating an investment in Plank, in addition to other information contained in this MD&A, investors should consider the following risk factors associated with Plank's business of investing in startup companies. These risk factors are not a definitive list of all risk factors associated with the Company and its business.

Risk of Loss of Entire Investment
Investing in startup companies involves a high level of risk. Startup companies may fail completely, or the Company may be unable to resell the shares it owns in the startups or collect upon the debt instrument that the Company has purchased from the startups. In these situations, the Company may lose the entire amount of the investment.

Return on Investment is Not Guaranteed
The amount of return on investment, if any, is highly variable and not guaranteed. Some startups may be successful and generate significant returns, but many will not be successful and will only generate small returns, if any at all. Investment returns that the Company may receive will be variable in amount, frequency, and timing.

Delay in Return on Investment
Any returns generated by startup companies may take several years to materialize. Most startups take five to seven years to generate any investment return, if at all.

Liquidity Risk
It may be difficult to resell the investment in a startup. Startup investments are privately held companies and are not traded on a public stock exchange. Also, there is currently no readily available secondary market for private buyers to purchase securities of startups. Furthermore, there may be restrictions on the resale of the shares of the startup and the ability to transfer those shares.

Dilution Risk of the Investment

Startup companies may need to raise additional capital in the future through the issue of additional shares. This will dilute the percentage of ownership that Plank has in the company.

Risk of Inaccurate Valuation of the Investment
Unlike publicly traded companies that are valued through market-driven stock prices, the valuation of private companies, especially startups, is difficult to assess. The issuer will set the share price of the investment and there is a risk of overpaying for that investment.

Risk of Failure of the Startup
Investments in startups are speculative and these companies often fail. Unlike an investment in a mature business where there is a track record of revenue and income, the success of a startup often relies on the development of a new product or service that may or may not find a market.

Risk of Profitability of Startup Companies
A startup company is still in an early phase and may be just beginning to implement its business plan. There can be no assurance that it will ever operate profitably. The likelihood of achieving profitability should be considered in light of the problems, expenses, difficulties, complications and delays usually encountered by companies in their early stages of development. The startup company may not be successful in attaining the objectives necessary for it to overcome these risks and uncertainties.

Funding risk
A startup company may require funds in excess of its existing cash resources to fund operating expenses, develop new products, expand its marketing capabilities, and finance general and administrative activities. Due to market conditions at the time the startup company needs additional funding, it is possible that the company will be unable to obtain additional funding when it needs it, or the terms of any available funding may be unfavorable. If the company is unable to obtain additional funding, it may not be able to repay debts when they are due, or the new funding may excessively dilute existing investors. If the company is unable to obtain additional funding as and when needed, it could be forced to delay its development, marketing and expansion efforts and, if it continues to experience losses, potentially cease operations.

Disclosure risks
The startup company is at an early stage and may only be able to provide limited information about its business plan and operations because it does not have fully developed operations or a long trading history. The company is also only obligated to provide limited information regarding its business and financial affairs to investors.

Personnel risks
An investment in a startup is also an investment in the management of the company. Being able to execute on the business plan is often an important factor in whether the business is viable and successful. The startup company's management may not have the necessary expertise and experience to deliver on the company's business plan.

Competition risk
The startup may face competition from other companies, some of which might have received more funding than the startup has. One or more of the company's competitors could offer services similar to those offered by the company at significantly lower prices, which would cause downward pressure on the prices the company would be able to charge for its services. If the company is not able to charge the prices it anticipates charging for its services, there may be a material adverse effect on the company's results of operations and financial condition.

Market demand risk

While a startup company believes that there will be customer demand for its products, there is no assurance that there will be broad market acceptance of the company's offerings. There also may not be broad market acceptance of the company's offerings if its competitors offer products which are preferred by prospective customers. In such event, there may be a material adverse effect on the company's results of operations and financial condition, and the company may not be able to achieve its goals.

Growth risk
For a startup to succeed, it will need to expand significantly. There can be no assurance that it will achieve this expansion. Expansion may place a significant strain on the company's management, operational and financial resources. To manage growth, the company will be required to implement operational and financial systems, procedures and controls. It also will be required to expand its finance, administrative and operations staff. There can be no assurance that the company's current and planned personnel, systems, procedures and controls will be adequate to support its future operations. The company's failure to manage growth effectively could have a material adverse effect on its business, results of operations, and financial condition.

Control risks
Because the startup company's founders, directors and executive officers may be among the company's largest stockholders, they can exert significant control over the company's business and affairs and have actual or potential interests that may depart from Plank's. The company's founders, directors and executive officers may own or control a significant percentage of the startup company. In addition to their board seats, such persons will have significant influence over corporate actions requiring stockholder approval, irrespective of how the company's other shareholders, including Plank, may vote.

Cyber Security Risks
As the Company continues to increase its dependence on information technologies to conduct its operations, the risks associated with cyber security also increase. The Company relies on management information systems and computer control systems. Business and supply chain disruptions, plant and utility outages and information technology system and network disruptions due to cyber-attacks could seriously harm its operations and materially adversely affect its operation results, Cyber security risks include attacks on information technology and infrastructure by hackers, damage or loss of information due to viruses, the unintended disclosure of confidential information, the issue or loss of control over computer control systems, and breaches due to employee error. The Company's exposure to cyber security risks includes exposure through third parties on whose systems it places significant reliance for the conduct of its business. The Company has implemented security procedures and measures in order to protect its systems and information from being vulnerable to cyber-attacks. The Company believes these measures and procedures are appropriate. To date, it has not experienced any material impact from cyber security events. However, it may not have the resources or technical sophistication to anticipate, prevent, or recover from rapidly evolving types of cyber-attacks. Compromises to its information and control systems could have severe financial and other business implications.

8. ACCOUNTING POLICIES & USE OF CRITICAL ESTIMATES

The preparation of the condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. An area subject to significant estimates is the impairment of financial and non-financial assets. Actual results could differ from those estimates.

The most significant judgement applied in the preparation of these condensed consolidated interim financial statements relate to the carrying value of the Company's investments and the carrying value of goodwill and intangible assets. The Company invests in start-up technology companies whose products and services are under development. The successful development and commercialization of these products and services is subject to a high degree of risk. Judgement is applied in the consideration of the fair value of investments at each reporting period.

The preparation of the condensed consolidated interim financial statements required the use of judgment in assessing whether certain acquisitions meet the definition of a business as defined in IFRS 3, Business Combinations. Those acquisitions which meet the definition of a business are accounted for as a business combination using the purchase method and require the purchase price to be allocated to the fair values of the net assets acquired, including any intangible assets that may have arisen as a result of the acquisition, with the remainder of the purchase price allocated to goodwill. Those acquisitions which did not meet the definition of a business are accounted for as a purchase of assets. The judgment applied to making this determination includes assessing whether the acquisition contains inputs, processes, and outputs as described in IFRS 3.

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to asset impairment. The recoverable amount of an asset or a cash generating unit ("CGU") is determined using the greater of fair value less costs to sell and value in use which requires the use of various judgments, estimates, and assumptions. The Company identifies CGUs as identifiable groups of assets that are largely independent of the cash inflows from other assets or groups of assets. Value in use calculations require estimations of discount rates and future cash flows derived from revenue growth, gross margin, and operating costs. Fair value less costs to sell calculations require the Company to estimate fair value of an asset or a CGU using market values of similar assets as well as estimations of the related costs to sell.

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its condensed consolidated interim financial statements for the period ended October 31, 2022. Management prepares the condensed consolidated interim financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management considered a wide range of factors relating to current and expected profitability, current working capital levels, and potential sources of replacement financing. As a result of the assessment, management concluded the going concern basis of accounting is appropriate based on its profit and cash flow forecast and expectations with respect to access to financing for the next twelve months.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

9. OUTSTANDING SHARE DATA

As of October 31, 2022, and the date of this report 17,740,019 common shares were issued and outstanding, out of which 8,764,068 are held in escrow with 2,191,017 shares to be released on January 2, 2023 and same amount every 6 months after until July 2, 2024.

As of October 31, 2022, and the date of this report, the Company has 1,262,500 stock options and 3,798,667 warrants outstanding.

10. SUBSEQUENT EVENTS

On December 5, 2022, the Company made a follow-on investment of $200,000 CAD into Creator. The follow-on investment was part of the original agreement from August 30th, 2022, whereby the Company agreed to a second loan of $200,000 CAD in the form of a convertible promissory note if Creator were to achieve set monthly recurring revenue targets, directly related to its main software as a service business. The convertible promissory note carries 10% annual interest rate and matures on August 30th, 2023.

On December 14th, 2022, the Company borrowed $200,000 CAD from the company owned by a significant shareholder. The loan bears an interest at an annual rate of 10% and matures on September 30, 2023, at which date the principal and interest are due in full.

On December 14th, 2022, the Company borrowed $50,000 CAD from the company controlled by an officer. The loan bears an interest at an annual rate of 10% and matures on September 30, 2023, at which date the principal and interest are due in full.

On December 22, 2022, the Company announced that it plans to combine and extend the maturity of loans payable to a company controlled by a significant shareholder and extend the loans payable to a company controlled by an officer effective December 31, 2022.

<u>Combination and extension of maturity date on loans payable to a company controlled by a significant shareholder:</u>

- Loan with the principal amount of $600,000 CAD carrying 10% interest originally entered on September 2nd, 2022,

- Loan with the principal amount of $1,300,000 CAD carrying 10% interest originally entered on July 12th, 2022,

- Loan with the principal amount of $400,000 USD carrying 10% interest originally entered on September 16th, 2020, and

- Loan with the principal amount of $700,000 CAD carrying 10% interest originally entered on January 29th, 2019.

The maturity date of these four loans was December 31st, 2022. The due date of the new combined loan shall be September 30, 2023.

<u>Extension of maturity date on loans payable to a company controlled by an officer:</u>

- Loan with the principal amount of $300,000 USD carrying 10% interest originally entered on August 30th, 2018, and

- Loan with the principal amount of $100,000 CAD carrying 10% interest originally entered on September 2nd, 2022.

The maturity date of these loans is extended to September 30th, 2023.