AMPD VENTURES INC.

(formerly E-Gaming Ventures Corp.)

Management's Discussion and Analysis

For the years ended May 31, 2021 and 2020

GENERAL

This management discussion and analysis is dated September 28, 2021. The following is a discussion of the financial condition and operations of AMPD Ventures Inc. ("AMPD" or the "Company") for the years ended May 31, 2021 and 2020, and of the Company's financial condition, cash flows and results of operations.

This discussion and analysis should be read in conjunction with the Company's audited consolidated financial statements and accompanying notes of the Company for the years ended May 31, 2021 and 2020.

The audited consolidated financial statements of the Company for the years ended May 31, 2021 and 2020, were prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All inter-company balances and transactions have been eliminated. All amounts are expressed in Canadian dollars unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of AMPD's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Management is responsible for the preparation and integrity of the consolidated financial statements, including the maintenance of appropriate information systems, procedures, and internal controls and to ensure that information used internally or disclosed externally, including the consolidated financial statements and MD&A, is complete and reliable. The Company's Board of Directors follows recommended corporate governance guidelines to ensure transparency and accountability to shareholders.

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

BUSINESS HIGHLIGHTS FOR THE YEAR

On June 23, 2020, the Company announced that Mr. Stephen Hynes had been appointed to its Advisory Board effective immediately. Mr. Hynes is the founder of Hynes Developments Inc. and has over thirty years of commercial real estate experience across North America, with a special interest in the design and development of innovative and environmentally responsible facilities. The Company plans to work with Mr. Hynes to further develop its greener data centre strategy.

Also in June 2020, the Company became a preferred member of the NVIDIA Certified Solution Provider program, adding to the roster of leading technology partners with whom AMPD has established relationships.

On July 7, 2020, the Company joined Intel Corporation's "Cloud Insider Program" under the Intel Partner Alliance. This partnership reinforces AMPD's ability to address the requirements of customers across several digital media and next-generation enterprise sectors.

On August 20, 2020, the Company signed a letter of engagement expected to lead to a multi-year definitive agreement through which AMPD Technologies is expected to provide technology, infrastructure, and services to Versatile Media, Ltd ("Versatile"), a leading company in the rapidly burgeoning virtual production sector. Versatile is a creative production studio developing a brand new 12,000 sq. ft purpose-built virtual production facility in Vancouver, BC, Canada. Versatile is the North American arm of Zhejiang Versatile Media Co Ltd, a company with over 25 years of experience in full digital movie production, and a pioneer in virtual production techniques.

On August 26, 2020, the Company entered into a letter of intent for a strategic arrangement with AccelByte Inc., as part of its goal to develop a high-performance game hosting solution for games companies around the world.

AccelByte is a Seattle, WA-based company formed by a team with years of experience building and operating large scale online game publishing platforms at leading companies such as Epic Games, Electronic Arts, Microsoft, Ubisoft, and more.

On September 29, 2020, the Company announced the results from an independent case study conducted by AMD for its AMPD Render solution based on compute nodes with second generation AMD EPYC™ processors, for Bardel Entertainment. The results of the case study highlighted that the AMD EPYC processor-powered compute nodes have up to twice the processing power compared with Bardel's previous render solution. Bardel saves four minutes per scene and can complete hundreds of scenes per day, saving weeks of rendering time.

On October 29, 2020, the Company announced the formal launch of its AMPD Lab initiative with the support of leading technology partners, including Intel and Dell. The AMPD Lab is a state-of-the-art, high-performance cloud and computing test facility, housed within AMPD's DC1 urban data centre in Vancouver, BC. The AMPD Lab is designed to enable customers to test existing AMPD products and services, such as the AMPD Render Solution, AMPD Virtual Workstations, and AMPD Storage.

On November 3, 2020, the Company announced it had entered a partnership with Shocap Entertainment Ltd. through which it was anticipated that the two companies would conduct a number of joint projects and R&D initiatives focused on innovation in virtual production technologies and high-performance computing infrastructure for live performance. Shocap is a Vancouver-based company that produces cutting-edge, live cross-reality entertainment harnessing real-time visual effects technology and on-stage human performance to create unique shared experiences for in-venue audiences and online participants simultaneously.

On January 19, 2021, the Company announced the launch of a new AMPD Flexible Edge product with customer, Versatile Media. AMPD Flexible Edge has been carefully designed to expand AMPD's High Performance Computing at the Edge strategy to include customer premises as well as AMPD data centres.

On January 28, 2021, the Company announced an agreement with Canadian-based LED Supplier, LIGHTVU INC to bolster its virtual production offering. LIGHTVU manufactures and distributes direct view LED products for indoor and outdoor spaces and is the Canadian distributor for Unilumin LED products.

On February 16, 2021, the Company announced that it intends to partner with Lightbits Labs™ as their first cloud service provider partner with the aim of developing one of the world's fastest high-performance storage systems for the media and entertainment sector.

On March 10, 2021, the Company announced that it had closed a non-brokered private placement financing of CAD $849,999.90. The lead investor in the private placement is ThreeD Capital Inc., a Canadian-based venture capital firm led by Mr. Sheldon Inwentash. Mr. Inwentash also personally invested $300,000 for 2,000,000 Units. Mr. Inwentash has been described as 'one of the greatest investors in Canadian history' and the Company is excited that Mr. Inwentash has recognized the potential of AMPD's High-Performance-Computing-at-the-Edge approach.

On March 11, 2021, the Company announced plans for a 'Machine Learning Cloud' initiative built around AMD Instinct™ MI100 accelerators - the world's fastest HPC GPU for scientific research* - designed to cater to the requirements of academic institutions and companies in the artificial intelligence ("AI"), machine learning and deep learning sectors.

On March 23, 2021, the Company announced that it had joined the NVIDIA Partner Network (NPN) Cloud Service Provider Program, enhancing its ability to offer NVIDIA graphics acceleration as part of its mission to lead the transition of solution providers to the next generation of cloud infrastructure.

On April 21, 2021, the Company announced the hiring of Wolfgang Stindl, effective May 1, 2021. Mr. Stindl is a senior interactive and digital media business development professional with more than 25 years of experience and was hired to help establish and develop AMPD's presence in the European market as Director of Sales & Business Development (Europe). The Company subsequently formally incorporated its European market subsidiary, AMPD Technologies (Europe) Inc., in July 2021.

On May 5, 2021, the Company entered into a deal with Vancouver-based AI company, Variational AI to supply an expanded machine learning compute platform employing new NVIDIA® Ampere™ Technology. The deal enabled Variational to expand its machine learning infrastructure hosted at AMPD's DC1 greener data centre. Variational AI is discovering new small molecule therapeutics for COVID-19, cancer, and other disease areas, and needed to greatly increase its machine learning compute capacity.

On May 12, 2021, the Company announced that it had joined the Dell Technologies Partner Program as a Dell Cloud Service Provider. AMPD has been working with the Dell HPC team to design optimal high-performance-computing-in-the-cloud architecture. For example, AMPD's Virtual Studio for Digital Content Creation solution is being architected using contributions from Dell, NVIDIA, and Intel, and is currently being tested in AMPD's Lab in anticipation of a full commercial rollout in the coming months.

On June 3, 2021, the Company announced that it had acquired Cloud-A Computing Inc., an established self-service cloud computing infrastructure company, with points of presence in Ontario, Nova Scotia, and British Columbia. The Acquisition is expected to expand AMPD's footprint across Canada, add over 250 customers to AMPD's roster, and accelerate AMPD's technology development roadmap. Cloud-A's senior management and technology team will continue to work with AMPD after the Acquisition. Cloud-A's custom software, built on OpenStack, will allow AMPD to give customers flexibility and performance when decoupling themselves from other services. Hosted across multiple data centres, the Cloud-A system is PIPEDA compliant, resident on Canadian soil, and a compliment to AMPD's HPC infrastructure.

On June 17, 2021, the Company acquired 2,500 shares, representing 100% of the share capital of AMPD Game Technologies US Inc. from its Canadian operating subsidiary, AMPD Holdings Corp., and changed the name of its US subsidiary from AMPD Game Technologies US Inc. to AMPD Technologies (US) Inc. The Company also changed the name of its Canadian operating subsidiary from AMPD Holdings Corp. to AMPD Technologies (Canada) Inc.

On July 13, 2021, the Company formally incorporated its European subsidiary, AMPD Technologies (Europe) Limited in Dublin, Ireland.

These changes and developments are expected to result in an easier to manage corporate structure, as well as a more consistent brand across the subsidiary companies within the group.

On July 6, 2021, the Company announced that it had begun trading on the OTCQB Venture Market. This move is expected to provide the Company with greater visibility across a broader investment community, enhance liquidity and increase access to institutional and retail investors across North America.

On August 26, 2021, the Company announced that it had engaged with Equinix Inc., the world's largest data centre and colocation infrastructure provider, for the establishment of its European data centre presence in Amsterdam, as well as in other key markets around the world. AMPD expects to roll out its base high-performance compute deployments, known as 'AMPD Pods', in Amsterdam, Los Angeles, and Vancouver before the end of the year, with additional locations expected to come online during the first half of 2022.

On September 9, 2021, the Company announced that it had entered into an agreement with IO Industries Inc., a company that has been focusing on designing high performance and high-quality solutions for all types of digital video applications since 1991, to add cutting-edge digital camera and video equipment to the Company's roster of HPC solutions. As the Metaverse and other spatial computing initiatives are being more widely adopted in digital content creation, and for mixed reality live events and streaming, the Company expects to see a large increase in demand for high-quality cameras that can capture human performances and transition them into to these new, full 3D environments. The capture, processing, and streaming of this full 3D content requires a huge amount of computing power of the type that AMPD provides.

On September 15, 2021, the Company announced that 500,000 incentive stock options were granted to certain employees, officers, directors, or consultants pursuant to the Company's stock option plan. The options have an exercise price of CAD $0.34 per share. 200,000 of the options will vest over a 36-month period with 8.33% vesting upon the date of issue and 8.33% vesting every three months thereafter and are exercisable for a period of five years from the date of issue, unless terminated pursuant to the terms of the stock option plan. 300,000 of the options are issued fully vested and are exercisable for a period of two years, unless terminated pursuant to the terms of the stock option plan.

KEY PERFORMANCE INDICATORS

Key performance indicators that we use to manage our business and evaluate our financial results and operating performance include new customers, revenues, operating expenses, and net income. We evaluate our performance on these metrics by comparing our actual results and normalized results to management budgets, forecasts and prior period performance.

DESCRIPTION OF BUSINESS

AMPD is leading the transition to the next generation of computing infrastructure with state-of-the-art, high-performance computing ("HPC") solutions. AMPD is meeting the low-latency requirements of companies developing applications in the multiplayer video games and eSports, computer graphics rendering, machine learning and AI, mixed reality, and big data processing fields through a mix of bare metal infrastructure and an upgraded, high-performance cloud offering. AMPD expects this trend will continue to grow into as-yet-uncharted technological developments of the coming decades.

AMPD has partnered with some of the top technology companies in the industry to provide customers with the advanced Cloud and IT Infrastructure solutions.

AMPD Ventures Inc. (the "Company") was incorporated under the laws of the Province of British Columbia on June 27, 2018.

On October 11, 2019, the Company (formerly E-Gaming Ventures Corp.) ("E-Gaming Ventures") completed a reverse takeover (the "RTO") with AMPD Holdings Corp., ("AMPD"), a private company incorporated under the Canada Business Corporations Act and its wholly owned subsidiary, AMPD Game Technologies US Inc., ("AMPD US"). The Company acquired 100% of the issued and outstanding common shares of AMPD, resulting in AMPD becoming a wholly-owned subsidiary of the Company.

AMPD was formed on April 8, 2015, under the British Columbia Corporations Act and its wholly owned subsidiary company AMPD US, was incorporated on May 15, 2017, under the Secretary of State of Washington.

The founders of AMPD have been architecting high-performance computing ("HPC") infrastructure for nearly two decades. At their previous company, Seven Group, the team initially applied their expertise to solutions for banks, governments, and academia, and subsequently focused on building out technology infrastructure for digital media companies.

AMPD continues to address the needs of these sectors and is also applying high-performance computing principles to the low-latency requirements of multiplayer video game publishing, as well as the intense computation requirements of digital media production and distribution, where massive amounts of high-performance computing resources are required for the development, rendering and distribution of products. As gaming continues to transition from the basement to the sports arena, AMPD intends to increase its focus on providing infrastructure for latency-sensitive eSports games across North America and Europe.

Principal Products & Solutions

The AMPD team has over two decades of experience in technology solutions for animation studios and VFX production houses around the world. We supply high-performance computing solutions for the studio, and in the data centre. AMPD is continuously refining its cutting-edge technology range. See the below table for a summary of some of our recently launched solutions.

Product	Description
AMPD Virtual Studio	The AMPD Virtual Studio Suite is the result of the AMPD team's decades of experience working with digital content creators and offers an integrated suite of private cloud-based solutions designed to create the ultimate 'infrastructure-less' studio. AMPD Virtual Studio is comprised of three key components: AMPD Virtual Workstations, AMPD Render, and AMPD Storage. By moving the bulk of a studio's compute requirements offsite into secure, enterprise-grade AMPD hosting environments, studios gain the advantage of a fully composable, flexible compute environment with the convenience of the cloud's right-scaled business model.
AMPD Virtual Workstation	AMPD's Virtual Workstation offering is a tailored, high-performance VDI solution designed specifically for digital media workloads and pipelines, presented as an orchestrate-able pool of resources that can be reallocated as demands shift.
AMPD Render	AMPD Render provides significant performance improvements and cost savings compared with other render solutions. AMPD Render provides the performance and attractive economics of bare metal with the flexibility of Cloud-based solutions. We offer both CPU-based and GPU-based solutions.
AMPD Storage	AMPD Storage represents a tiered approach to data storage, including tier 1 ultra-high speed NVMe-based storage fronted by a parallel file system that enables thousands of compute cores to access the data simultaneously, cost-effective, tier 2 SSD flash-based storage, and tier 3 spinning disk storage for archive. All tiers are being made available to customers under a right-scaled, 'op-ex' business model through which they only pay for the storage they need. AMPD Storage will be part of the recently announced AMPD Virtual Studio Suite and be collocated alongside AMPD Virtual Workstation and AMPD Render solutions in urban data centres in keeping with AMPD's development of the High-Performance Edge.
AMPD Metal	AMPD Metal is AMPD's high-performance dedicated bare metal server product. Our aim is to provide significant performance improvements and cost savings compared with other bare metal providers. We do this by gaining a deep understanding of the requirements of each customer and application and customizing each deployment. We leverage decades of relationships with hardware vendors and colocation providers around the world. We offer both CPU-based and GPU-based solutions. AMPD Metal can be used in conjunction with AMPD Storage and other components in our product range to create the full high-performance architecture that the customer's application demands.
AMPD Cloud Plus	AMPD Cloud Plus blends the flexibility and elasticity of public cloud deployment with AMPD's approach to high-performance computing. The result is radically simplified and automated cloud infrastructure at exceptionally competitive pricing without any compromise on performance. Entire rack virtualization for virtual management of routers, networks, VLANs, VPNs, firewalls, servers, and software delivery automation as a complete solution, from a consolidated dashboard. Application hosting, big data management, backup and disaster recovery, managed cloud security.
AMPD Flexible Edge	AMPD's Flexible Edge computing system enables customers to deploy opex infrastructure in studio or on set with secure, ready-to-go, self-contained racks shipped directly from our DC.
AMPD Virtual Production Services	End-to-end, integrated solutions for the new era of real-time and virtual production workflows, including LED volumes, camera tracking and the associated compute infrastructure.
AMPD Machine Learning Platform	AMPD is in the process of developing a Machine Learning / AI private and public cloud initiative designed to cater to the requirements of academic institutions and companies in the artificial intelligence ("AI"), machine learning and deep learning sectors.
AMPD CDN	With 12 Tier-1 CDNs and overlapping coverage of the globe, AMPD's Multi-CDN, powered by System 73's KUNO FLOW, reaches users with more available

(Expressed in Canadian dollars)

	throughput than any single CDN provider in the world. KUNO FLOW, accelerated with PolyNet technology, offers the benefits of Multi-CDN Connectivity at rates comparable with those of single CDN solutions. Using Intelligent DNS responses, Multi-CDN determines the best provider for any given request based on multiple factors including ISP, location, and availability of the CDN, and the performance profile for the hostname that's being requested. Intelligent DNS + Multiple CDNs. CDN Load Balancing Technology. One Dashboard + Simple API integration.
AMPD Game Hosting	AMPD's Game Hosting blends dedicated core infrastructure with the flexibility to work with any public cloud - including our own - for higher performance and better pricing than other cloud providers.
AMPD Studio	Where on-premises equipment is still the optimal solution, AMPD Studio is underpinned by our understanding of the industry and allows AMPD to provide customized technology infrastructure specifically for game developers and publishers. From workstations to servers, storage, and security infrastructure, AMPD works with developers to design and deploy technology specific to their studio's exact needs.

SUMMARY OF KEY EVENTS AND FUTURE PLANS

On October 11, 2019, the Company completed a Share Exchange Agreement (the "Transaction") whereby AMPD Ventures Inc. (formerly E-Gaming Ventures Corp.) ("AMPD Ventures") acquired all of the issued and outstanding shares of AMPD Holdings Corp. in exchange for issuing 20 million common shares at a deemed value of $0.35 per share. As a result of the Transaction, the shareholders of AMPD Holdings Corp. held approximately 53.85% of the shares of the resulting entity and the Transaction was accounted for as a reverse acquisition of a non-operating entity with AMPD Holdings Corp. identified as the acquirer and the continuing entity for accounting purposes. The ongoing entity has continued as AMPD Ventures Inc. (AMPD or the Company). AMPD obtained a listing on the Canadian Securities Exchange in connection with the Transaction. On October 23, 2019, AMPD announced that it had received final approval from the Canadian Securities Exchange and began trading the following day.

As a result of the transaction, the common shares of the resulting company at October 11, 2019 were as follows:

	Common Shares
Common shares of AMPD Ventures Inc.	16,606,954
Common shares of AMPD Holdings Inc.	20,000,000
Common shares issued on conversion of special warrants	531,986
Common shares outstanding	37,138,940
Full warrant equivalents for royalty units	424,904
Warrants issued for surrender of AMPD Holdings Options	5,000,000
Common shares to be issued on conversion of debt	898,058
Finder's Warrants	279,591
	6,602,553
Fully diluted common shares at October 11, 2019	43,741,493

During the period from October 11, 2019, to November 30, 2019, 8,400 finder's warrants were exercised for common shares, and 2,250,000 stock options were awarded.

On February 7, 2020, the Company issued 4,119,000 common shares and 2,059,500 warrants total gross proceeds of $978,263.

The Company used the capital raised to expand its sales reach and product portfolio.

During the year ended May 31, 2020, 2,450,000 stock options were awarded, and 850,000 options were either forfeited or expired, leaving 1,600,000 options outstanding at May 31, 2020. During the year ended May 31, 2021, the Company issued 5,175,000 stock options and 1,250,000 stock options were either cancelled or forfeited, resulting in 5,525,000 stock options outstanding at May 31, 2021.

During the year ended May 31, 2021, the Company:

- issued 500,000 common shares on the exercise of 500,000 performance warrants for gross proceeds of $300.
- completed a private placement of 600,000 units for cash proceeds of $120,000. Each unit comprised one share and one-half share purchase warrant. Each whole warrant is exercisable at a price of $0.30 per share for a period of one year. The CEO and director of the Company was the sole subscriber for this private placement. The Company incurred $200 in share issuance costs in connection to this private placement.
- completed an arrangement through which it settled $308,000 of lease liabilities in exchange for 1,540,000 units at a price of $0.20 per unit. Each unit will be comprised of one common share and one common share purchase warrant having an exercise price of $0.30 and a term of 24 months from the date of closing. The Company recorded a fair value of $277,200 on 1,540,000 common shares and $174,288 on 1,540,000 share purchase warrants. As a result, the Company recorded a loss of $143,488 in connection to this settlement.
- completed a private placement of 4,735,500 units at a price of $0.10 per unit for gross proceeds of $473,550. Each unit includes one common share and one-half share purchase warrant. Each whole warrant is exercisable at a price of $0.15 per share for a period of one year. Three directors and officers and a former officer of the Company subscribed for an aggregate of 2,745,500 units in this private placement. The Company incurred $900 in share issuance costs in connection to this private placement.
- completed a non-brokered private placement of 5,666,666 units at a price of $0.15 per unit for gross proceeds of $850,000. Each unit includes one common share and one share purchase warrant exercisable at a price of $0.25 per share for a period of three years. The Company incurred $700 in share issuance costs in connection to this private placement.
- completed a non-brokered private placement totaling 4,906,000 units at a price of $0.25 per unit for aggregate proceeds of $1,226,500. Each unit includes one common share and one share purchase warrant exercisable at a price of $0.40 per warrant for a period of two years. The expiry date of the warrants may be accelerated at the option of the Company if, at any time prior to the expiry of the warrants, the volume weighted average trading price of the underlying common shares on the CSE (or such other recognized Canadian stock exchange on which the common shares are then listed) is or exceeds $0.75 for a period of ten (10) consecutive trading days. The Company issued 163,200 in agent's warrants at an exercise price of $0.40 per warrant for a period of two years and recorded a fair value of $29,712 on the agent's warrants. The Company incurred $41,813 in share issuance costs in connection to this private placement.
- issued 5,175,000 stock options and 1,250,000 stock options were either cancelled or forfeited, resulting in 5,525,000 stock options outstanding as at May 31, 2021.

Subsequent to May 31, 2021, the Company:

- completed the acquisition of Cloud-A Computing Inc. The purchase price of $751,247 was satisfied through the issuance of 1,760,001 common shares at a deemed price of $0.25 and a cash payment of $311,247. Further, the Company assumed repayment of a loan between Cloud A and its shareholders of $88,753, of which $74,757 has been repaid.

(Expressed in Canadian dollars)

SELECTED ANNUAL INFORMATION

Year ended May 31,	2021	2020	2019
Revenue	$ 1,549,741	$ 1,173,638	$ 1,343,082
Operating expenses	4,016,366	5,360,355	665,485
Interest expense and finance costs	(107,861	(118,221)	(76,520)
Other income (expenses)	(132,036)	(3,230,527)	(3,495)
Net income (loss)	(3,279,193)	(8,236,529)	(605,383)
Loss per share, basic and fully diluted	(0.07)	(0.26)	(0.06)
Cash	1,608,342	938,661	106,176
Working capital (deficiency)	966,829	(3,714)	(753,794)
Total assets	2,939,071	2,771,022	141,809
Total liabilities	1,192,833	1,763,996	-
Shareholders' equity (deficiency)	$ 1,746,238	$ 1,007,026	$ (752,784)

The Company presently does not pay and does not anticipate paying any dividends on its common shares, as all available funds will be used to develop the Company's business for the foreseeable future. See Discussion of Operations below for a discussion of factors which have contributed to period-to-period variations.

SUMMARY OF QUARTERLY RESULTS

The following table presents unaudited selected financial information for each of the last eight quarters.

Quarter ended	Revenues	Operating Expenses	Net Loss for the Period	Earnings (Loss) per share *
May 31, 2021	$ 423,614	$ 1,345,946	$ (1,238,737)	$ (0.02)
February 28, 2021	445,483	839,150	(636,203)	(0.01)
November 30, 2020	248,430	931,718	(776,480)	(0.02)
August 31, 2020	432,214	899,552	(627,773)	(0.01)
May 31, 2020	699,733	3,327,910	(2,788,035)	(0.07)
February 29, 2020	118,401	924,405	(906,258)	(0.04)
November 30, 2019	142,025	892,513	(4,319,014)	(0.20)
August 31, 2019	213,479	215,527	(223,222)	(0.02)

Per share numbers adjusted to reflect the share exchange ratio in the Transaction.

Individual sales to the Company's major customers may represent a significant portion of the Company's revenues in a quarter and the timing of closing these sales may cause variation in revenues from quarter to quarter. The Company intends to continue to expand its services which generate recurring revenue in the form of monthly fees for multi-year contracts or utilization-based billing which it expects will smooth variations in quarterly revenues. The loss from operations in the November 2019 quarter reflects a one-time $3.4 million expense item related to the RTO transaction. The May 2020 quarter reflects a share-based valuation expense related to warrants and signing bonus shares issued of $2.2 million. The May 2021 quarter reflects a share-based valuation expense related to stock options issued of $946,444.

YEAR ENDED MAY 31, 2021

The net loss during the year ended May 31, 2021, was reduced to $3,279,193 ($0.07 per share) from $8,236,529 ($0.26 per share) in the year ended May 31, 2020. Non-cash share-based compensation expenses of $946,444 in the 2021 fiscal year compared to the 2020 fiscal year non-cash and non-recurring expenses of $6,360,765, which created the most significant comparative differences. Listing fees of $3,405,568 and share-based compensation of $2,790,321 constituted the majority of the $6.4 million of non-cash and non-recurring expenses in 2020.

(Expressed in Canadian dollars)

Operating expenses, excluding non-cash stock-based compensation and amortization expenses, were increased in the 2021 year as the Company expanded its workforce and increased data centre costs in anticipation of increased revenues. Salaries were increased as the Company enhanced the depth and breadth of its product line and provided sales and support staff in advance of sales.

Following is a discussion of the Company's financial results for the year ended May 31, 2021, compared to the same period in the prior fiscal year.

Revenue

	Year ended May 31			
	2021	2020	Variance from 2021 to 2020	
Hardware sales	$ 368,294	$ 349,774	$ 18,520	5%
Software licensing fees	56,308	142,656	(86,348)	(61)%
MRR platform fees	1,083,091	583,842	499,249	86%
Other	42,048	97,366	(55,318)	(59)%
Total	$1,549,741	$1,173,638	$ 376,103	32%

Consolidated revenues for the year ended May 31, 2021 increased by $376,103 compared to the year ended May 31, 2020. The Company almost doubled its Monthly Recurring Revenue Platform Fees, emphasizing that the strategic initiatives adopted towards the end of 2020 are beginning to come to fruition. One-time hardware and software sales remained relatively flat in line with corporate goals, but, the Company will pursue one-time hardware and software sales opportunistically with strategically important accounts. Hardware sales are intermittent and generally do not attract large margins. MRR Platform fees generate stronger gross margins. The rate of increase was somewhat below expectations due to a general economic slowdown as a result of COVID-19 uncertainty and restrictions, combined with long sales cycles for MRR platform sales. Market sentiment, based on customer feedback, suggests a return to greater economic activity in the sector.

Revenue by geographic region

	Year ended May 31,		Variance from 2021 to 2020	
	2021	2020		
Canada	$1,549,741	$1,120,897	428,844	38%
United States	-	52,741	(52,741)	(100)%
Total	$1,549,741	$1,173,638	376,103	32%

During the year ended May 31, 2021, total revenues in Canada increased by $428,844 compared to revenues in Canada during the year ended May 31, 2020, and revenues in the United States were negligible. The Company focused on sales in Canada due to COVID-related travel restrictions.

Revenues and Cost of Sales

	Year ended May 31,		Variance from 2021 to 2020	
	2021	2020		
Revenue	$ 1,549,741	$ 1,173,638	$ 376,103	32%
Cost of sales	572,671	701,334	128,663	18%
Gross profit	$ 977,070	$ 472,304	$ 504,304	107%

Total sales and gross profit increased in 2021 as compared to 2020. This change reflects the Company's strategy to focus on higher margin Monthly Recurring Revenue (MRR) rather than hardware sales. Significant resources were deployed to expand the depth and breadth of the product offering available to MRR customers. Despite sales growth in 2021 and 2020, COVID-related delays hampered sales efforts in 2021. While customers continue to need the service and COVID-related changes to the business environment could benefit the Company as customers transition to a more remote-work environment, delays were encountered as customers determined how they were going to respond to COVID changes. While the Company continues to experience these delays, demand is returning to the sector. The Company is discussing its services offerings with several customers, large and small. The sales process takes time to make sure the proper product and cost structure is matched with the client.

(Expressed in Canadian dollars)

Non-cash and One-time Charges

	Year ended May 31,		Variance
	2021	2020	
Share-based payments	$ 946,444	$ 2,790,321	$ 1,843,877
Amortization	644,566	344,876	(299,690)
Loss on debt settlement	143,488	-	143,488
Reverse prior accrual	-	(180,000)	(180,000)
Listing expenses	-	3,405,568	3,405,568
Total	$ 1,734,498	$ 6,360,765	$ 4,626,267

During the year ended May 31, 2021, non-cash charges were significant expense items. Share-based payments include $946,444 related to the award of 5,175,000 stock options under the stock option plan. Amortization increased due to a combination of lease costs, now reporting in the amortization line rather than as a rent expense in office and miscellaneous, and with fixed asset increases in 2021. The loss on debt settlement relates to issuing warrants and shares in payment of a $308,000 lease obligation. The prior year accrual reversal resulted from a decision to take a lesser role in a trade organization. Listing expenses were incurred in the go-public RTO transaction and most of these costs were non-cash.

Selling and Marketing

	Year ended May 31,		Variance
	2021	2020	
Advertising and promotion	$ 66,777	$ 377,998	$ 311,221
Travel and entertainment	7,634	121,330	113,696
Total	$ 74,411	$ 499,328	$ 424,917

During the year ended May 31, 2021, selling and marketing expenses decreased by $424,917 compared to the year ended May 31, 2020. COVID-19 restrictions resulted in less travel and less promotion during 2021.

Operating, General and Administrative ("G&A") Expenses

	Year ended May 31,		
	2021	2020	Variance
Bank charges	$ 8,135	$ 14,995	$ 6,860
Salaries & fees	1,456,871	1,199,430	(257,441)
Data centre costs	247,250	104,490	(142,760)
Dues and subscriptions	3,253	17,705	14,452
Insurance	42,670	32,014	(10,656)
Office and miscellaneous	203,401	165,818	(37,583)
Professional fees	361,893	177,514	(184,379)
Regulatory fees	27,472	13,866	(13,606)
Total G&A expenses	$ 2,350,945	$ 1,725,832	$ (625,113)

Most operating expense areas increased in 2021 as the Company expanded in expectation of increased MRR platform sales in the latter half of 2021, especially salaries and data centre costs. Salaries and consulting fees increased as new staff were hired to help win and support the anticipated sales increases. Data centre costs were incurred with the opening of operations at DC1 in 2020. Professional fees include technical computer expertise which occurred only in 2021 in addition to recurring legal, auditing, tax, accounting, and financial assistance expenses.

(Expressed in Canadian dollars)

Foreign exchange and Interest and financing costs

	Year ended May 31, 2021	2020	Variance
Foreign exchange	$ 5,196	$ 4,689	$ 507
Interest and financing expense	107,861	118,708	(10,847)
Total	$ 113,057	$ 118,708	$ (10,340)

Interest and financing costs for the year ended May 31, 2021, were similar to those in 2020. Interest was reduced with the repayment of the credit facility and of a convertible debenture. However, imputed interest on CEBA loans caused the reported interest to increase in 2021 as compared to 2020. At May 31, 2021, the Company has loans on the balance sheet related to only lease and lease finance related debt, CEBA (Government of Canada COVID loans), and a convertible loan and accrued interest held by the CEO.

The Company entered three leases in 2020 of which one was for office space, one was for the DC1 datacentre and one was more in the nature of an equipment financing arrangement. The Company entered into various insurance and financing loans in 2021. Interest of $60,741 was expensed against these lease and finance obligations in 2021 (2020 - $41,857).

The expected business combination with Cloud-A Computing Inc. was completed subsequent to May 31, 2021.

The Company expects that DC2 will be operational later than previously announced due to COVID-related and other delays.

LIQUIDITY

As at May 31, 2021, the Company had working capital of $966,829 (May 31, 2020 – deficit of $3,714). The Company expects to continue to report operating losses for the immediate future.

The Company has been advised by its CEO, who is the holder of the $347,174 convertible debt, that there is no intention to call this loan in the foreseeable future. However, as at May 31, 2021, the Company continues to account for this loan as a current liability which negatively affects reported working capital.

The Company repaid its credit facility in December 2020.

The Company experiences significant fluctuations in liquidity due to the timing of sales to major customers whereas operating expenses are generally incurred evenly throughout the fiscal year. The Company does not have significant levels of inventory or constraints on its working capital other than regular operating expenses.

COMMON SHARES

The Company expects to acquire capital resources to expand operations through the completion of the Transactions as described above. Additional sources of financing and share issues are as follows:

On August 29, 2018, the Company issued a $250,000 unsecured convertible promissory note to one of its principal shareholders who is also the CEO and a director of the Company. The note bears interest at 12% per annum, compounded monthly in arrears, matures on August 29, 2021, and was convertible to common shares at any time at the option of the holder at a conversion price of $0.79 per common share. On May 1, 2019, the Company amended the maturity date of the note to May 1, 2020, and the conversion price to $0.70 per common share.

On May 1, 2019, the Company issued a $120,000 unsecured convertible loan to an unrelated party. The note bore interest at 12% per annum, compounded monthly in arrears, matured on May 1, 2020, and was convertible to common shares at any time at the option of the holder at a conversion price of $0.70 per common share. This loan was repaid in full in 2020.

On June 1, 2019, the Company issued 1,638,918 common shares to an officer of the Company and 546,306 common shares to a consultant as employment sign-on incentives. These shares have been valued at $764,828.

On June 1, 2019, the Company issued 169,960 common shares at a deemed value of $50,000 per share for consulting services.

On July 1, 2019, the Company entered into an asset purchase agreement for the purchase of computing equipment. The Company issued 594,860 common shares for a purchase price of $175,000 as consideration for the purchase of the equipment.

In November 2019, the Company issued 8,400 common shares on the exercise of agent's finder's warrants for gross proceeds of $2,940.

On February 7, 2020, the Company closed its private placement financing of 4,119,000 units for total gross proceeds of $978,263. Each Unit is comprised of one common share and one-half of one common share purchase warrant having an exercise price of CAD $0.50 per whole warrant expiring February 7, 2021.

On June 1, 2020, the Company completed a private placement of 600,000 units at a price of $0.20 per unit for gross proceeds of $120,000. Each unit includes one common share and one-half share purchase warrant. Each whole warrant is exercisable at a price of $0.30 per share for a period of one year. The CEO and director of the Company was the sole subscriber for this private placement. The Company incurred $200 in share issuance costs in connection to this private placement.

On June 1, 2020, the Company completed an arrangement through which the Company settled $308,000 of future transactions with a third party in exchange for 1,540,000 units. Each unit will be comprised of one common share and one common share purchase warrant having an exercise price of $0.30 and a term of 24 months from the date of closing. The Company recorded a fair value of $277,200 on 1,540,000 common shares and $174,288 on 1,540,000 share purchase warrants. As a result, the Company recorded a loss of $143,488 in connection to this settlement.

On December 14, 2020, the Company closed a private placement through the issuance of 4,735,000 units for proceeds of $473,550. Each unit comprised one common share and one-half common share warrant. Each full warrant can be converted to a common share at a price of $0.15 per share for 12 months. Insiders purchased 2,745,500 of these units. The Company incurred $900 in share issuance costs in connection to this private placement.

On March 9, 2021, the Company completed a non-brokered private placement of 5,666,666 units at a price of $0.15 per unit for gross proceeds of $850,000. Each unit includes one common share and one share purchase warrant exercisable at a price of $0.25 per share for a period of three years. The Company incurred $700 in share issuance costs in connection to this private placement.

On April 29, 2021, the Company completed a non-brokered private placement totaling 4,906,000 units at a price of $0.25 per unit for aggregate proceeds of $1,226,500. Each unit consists of one common share and one share purchase warrant exercisable at a price of $0.40 per warrant for a period of 24 months. The expiry date of the warrants may be accelerated at the option of the Company if, at any time prior to the expiry of the warrants, the volume weighted average trading price of the underlying Common Shares on the CSE (or such other recognized Canadian stock exchange on which the Common Shares are then listed) is or exceeds $0.75 for a period of ten (10) consecutive trading days.

DISCLOSURE OF OUTSTANDING SHARE DATA

(Expressed in Canadian dollars)

As at the date of this MDA, May 31, 2021, and 2020, the Company's issued and outstanding common shares, converted for the exchange ratio used in the Transaction, were:

	September 28, 2021	May 31, 2021	May 31, 2020
Common shares issued and outstanding	61,012,007	59,214,506	41,266,340

Subsequent to May 31, 2021, the Company issued 1,760,001 common shares regarding its Cloud A acquisition, and 37,500 warrants were exercised for 37,500 common shares.

OFF-BALANCE SHEET AND OTHER ARRANGEMENTS

During the year ended May 31, 2017, the Company issued 500,000 (849,800 units at the conversion ratio) royalty units at $0.50 per unit for gross proceeds of $250,000. Each royalty unit is comprised of one common share and one non-transferrable special warrant. Holders of the special warrants are entitled to receive a pro-rata share of 0.83% of the Company's annualized gross sales, to a maximum of 80% of net profit for that year, so long as the Company maintains a positive annual EBITDA. Once holders of the special warrants have received an amount equal to the aggregate purchase price of the royalty units, the Company may at its sole discretion convert each special warrant to one-half of one share purchase warrant, being 424,904 half warrants post-Transaction. Each post-Transaction, whole share purchase warrant issued on conversion of the special warrants will entitle the holder to purchase one common share at $0.35 per share for a period of 12 months following conversion.

RELATED PARTY TRANSACTIONS

Key management personnel are persons responsible for planning, directing and controlling activities of an entity, and include executive and non-executive directors and officers.

During the years ended May 31, 2021, and May 31, 2020, the remuneration of the key management personnel were as follows:

May 31,		2021		2020
Chief Executive Officer	$	121,662	$	114,500
Chief Financial Officer		39,600		13,500
Chief Strategy Officer		200,026		170,000
Chief Technology Officer		117,692		120,000
Vice President of Client Services		70,070		207,452
Vice President of Operations		117,231		103,500
Director Fees		12,000		8,000
Total	$	678,281	$	736,952

<u>Other related party transactions and balances</u>

The Company recognized an aggregate of $287,194 (May 31, 2020 - $2,069,188) in share-based compensation on the vested portion of stock options and performance-based warrants granted to directors and officers of the Company.

Convertible debt of $250,000 and interest earned of $97,174 is owed to the CEO at May 31, 2021.

During the year ended May 31, 2021, the Company paid or accrued $12,000 in director's fees to a director of the Company. As at May 31, 2021, $2,000 (May 31, 2020 - $2,000) was included in trade payables and accrued liabilities in director fees owed to a director of the Company.

On June 15, 2020, the Company issued 600,000 units consisting of 600,000 common shares and 300,000 share purchase warrants exercisable at $0.30 per share for a period of one year for total proceeds of $120,000 to the Company's CEO.

On December 14, 2020, the Company issued an aggregate of 2,745,500 units consisting of 2,745,500 common shares and 1,372,750 share purchase warrants exercisable at $0.15 per share for a period of one year for total proceeds of $274,550 to the Company's CEO, CFO, VP of Operations and the former VP of Client Services.

CRITICAL ACCOUNTING ESTIMATES AND CHANGES IN ACCOUNTING POLICIES

Critical Accounting Estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- Management's assessment of going concern and uncertainties of the Company's ability to raise additional capital and/or obtain financing to advance the business;
- Management applied judgment in determining the functional currency of the Company as Canadian Dollars and the functional currency of its subsidiaries, based on the facts and circumstances that existed during the period;
- Management's determination of revenue recognition during the period;
- The measurement of income taxes payable and deferred income tax assets and liabilities requires Management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only become final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements; and
- The fair value and measurement of share-based compensation during the period.

Recent accounting pronouncements

The adoption of the following standards and interpretations, which have been issued but are not yet effective, are not expected to have a material effect on the Company's future results and financial position:

Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments to IAS 37 specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). These amendments are effective for reporting periods beginning on or after January 1, 2022.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2023.

FINANCIAL INSTRUMENT RISKS

The Company's financial instruments consist of cash, receivables, trade payables, convertible debt, lease liabilities, finance loans and government loan. These financial instruments are exposed to certain risks, including credit risk, interest rate risk, liquidity risk and other market risk.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held through large Canadian financial institutions. The Company considers credit risk on its cash to be minimal.

The Company's accounts receivable consists of Goods and Services Tax due from the Federal Government of Canada and amounts receivable from customers. The Company's maximum exposure to credit risk as at May 31, 2021 is $210,159 (May 31, 2020 - $285,859), representing trade accounts receivable.

For amounts due from customers, the Company performs ongoing credit evaluations of its customers and monitors the receivable balance and the payments made in order to determine if an allowance for estimated credit losses is required.

When determining the allowance for estimated credit losses the Company will consider historical experience with the customer, current market and industry conditions and any specific collection issues. As at May 31, 2021 and May 31, 2020, the Company did not have any material overdue accounts.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Accounts payable and accrued liabilities are due within the current operating period, as is the debt. The Company manages its liquidity risk through its operating budgets and financing activities.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk from its secured loans and convertible debentures. The Company's interest rates on these loans are fixed and the sensitivity of the Company's loss before tax to a reasonably possible change in market interest rates is considered minimal.

Other Market Risk

Other market risk that the Company is exposed to includes currency risk. Currency risk is the risk of loss due to fluctuation of foreign exchange rates and the effects of these fluctuations on foreign currency denominated monetary assets and liabilities. The Company is not exposed to significant currency risk as the parent entity and subsidiaries primarily transact in their functional currencies.

Price risk
The Company is not exposed to price risk.

BUSINESS RISK FACTORS

The Company is exposed to a number of "Risk Factors", which are summarized below:

- The Company is a development stage company with little operating history, a history of losses and the Company cannot assure profitability.
- Uncertainty about the Company's ability to continue as a going concern.
- The Company's actual financial position and results of operations may differ materially from the expectations

of the Company's management.
- There are factors which may prevent the Company from the realization of growth targets. The Company is currently in the expansion from early development stage.
- The Company may face significant competition.
- The Company may be subject to additional regulatory burden resulting from its public listing on the CSE.
- There is no assurance that the Company will turn a profit or generate immediate revenues.
- The Company may not be able to effectively manage its growth and operations, which could materially and adversely affect its business.
- The Company may fail to successfully market and develop its brand.
- Failure to Innovate.
- The Company may be unable to adequately protect its proprietary and intellectual property rights.
- Intellectual Property Infringement.
- The Company may be forced to litigate to defend its intellectual property rights, or to defend against claims by third parties against the Company relating to intellectual property rights.
- The Company may become subject to litigation, which may have a material adverse effect on the Company's reputation, business, results from operations, and financial condition.
- Reliance on Third Party Software.
- Use of Open-source Software.
- Disruption of Information Technology Systems.
- Dependence on Internet Infrastructure; Risk of System Failures, Security Risks and Rapid Technological Change.
- If the Company is unable to attract and retain key personnel, it may not be able to compete effectively in the technology, cloud storage/computing and gaming sectors.
- There is no assurance that the Company will secure strategic partnerships jurisdictions in which the Company considers important.
- Failure to successfully integrate acquired businesses, its products and other assets into the Company, or if integrated, failure to further the Company's business strategy, may result in the Company's inability to realize any benefit from such acquisition.
- The Company will be reliant on information technology systems and may be subject to damaging cyberattacks.
- The Company's officers and directors may be engaged in a range of business activities resulting in conflicts of interest.
- In certain circumstances, the Company's reputation could be damaged.
- No guarantee on the use of available funds by the Company.
- Risks Related to the Company's Securities.
- The Company does not anticipate paying dividends to common shareholders in the foreseeable future.
- Future sales of Common Shares by existing shareholders could reduce the market price of the Common Shares.

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 Company's future plans and management's belief as to the Company's potential involve known and unknown risks, uncertainties 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. Forward looking information involves significant known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risks 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.