BOBA MINT HOLDINGS LTD

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2024

(EXPRESSED IN CANADIAN DOLLARS)

MANAGEMENT DISCUSSION AND ANALYSIS

Boba Mint Co Inc was incorporated under the Business Corporations Act (Ontario) on March 22, 2021, and is a subsidiary of Bluecorp Capital Corp. ("Bluecorp") which was incorporated under the Business Corporations Act (British Columbia) on October 18, 2019. On April 20, 2022, these entities Amalgamated into Boba Mint Co. Inc., ("Boba Co") The registered head office of the Company is Suite 409, 221 West Esplanade, North Vancouver, British Columbia V7M 3J3.

Boba Mint Holdings Inc. (Formerly Snowy Owl Gold Corp.) ("Boba Holdings") was incorporated on November 9, 2018 pursuant to the Business Corporations Act (British Columbia) ("BCBCA").

On April 22, 2024, Boba Holdings and Boba Co. amalgamated and continued as Boba Mint Holdings Inc. Under the terms of the Amalgamation agreement Boba shareholders exchanged their 32,521,000 common shares for 32,521,000 common shares of Bluecorp. After the Amalgamation, the combined entity of Boba Holdings, and Boba Co also referred to as the "Company" or "Boba" in these consolidated financial statements.

Boba is a technology company, focused on the development and monetization of Web 3.0 products. Boba specializes in the development, sale, and integration of ERC1155 and ERC721 Non-Fungible Tokens ("NFTs") into sectors ranging from gaming to art. In addition to NFTs, Boba has developed solutions for the development and implementation of ERC20 tokens on Ethereum, including bridging tokens to polygon and bridging NFTs to layer 2 protocols such as Immutable X. Boba currently has three product lines with a primary focus on blockchain gaming.

The Canadian Dollar is the Company's functional and reporting currency. Unless otherwise noted, all dollar amounts are expressed in Canadian Dollars.

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of the Company constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended June 30, 2024. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations.

This MD&A should be read in conjunction with the audited financial statements of the Company for the year ended June 30, 2024 and for the period from March 22, 2021 (date of incorporation) to June 30, 2022, together with the notes thereto.

For the purposes of preparing this MD&A, management, in conjunction with the board of directors of the Company (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 the Company's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if 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.

Further information about the Company and its operations can be obtained from the offices of the Company.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking information and statements (“forward-looking statements”) which may include, but are not limited to, statements with respect to the future financial or operating performance of the Company. Forward-looking statements reflect the current expectations of management regarding the Company’s future growth, results of operations, performance and business prospects and opportunities. Wherever possible, words such as “may”, “would”, “could”, “will”, “anticipate”, “believe”, “plan”, “expect”, “intend”, “estimate” and similar expressions have been used to identify these forward-looking statements. These statements reflect management’s current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements involve significant risks, uncertainties and assumptions. Many factors could cause the actual results, performance or events to be materially different from any future results, performance or events that may be expressed or implied by such forward-looking statements, including, without limitation, those listed in the “Risk Factors” section of this MD&A. Although the Company has attempted to identify important factors that could cause actual results, performance or events to differ materially from those described in the forward-looking statements, there could be other factors unknown to management or which management believes are immaterial that could cause actual results, performance or events to differ from those anticipated, estimated or intended. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or events may vary materially from those expressed or implied by the forward-looking statements contained in this MD&A. These factors should be considered carefully, and readers should not place undue reliance on the forward-looking statements. Forward-looking statements contained herein are made as of the date of this MD&A and the Company assumes no responsibility to update forward looking statements, whether as a result of new information or otherwise, other than as may be required by applicable securities laws.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company’s ability to predict or control. Please also make reference to those risk factors referenced in the “Risk Factors” section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward- looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

BUSINESS OVERVIEW

Boba is a privately held technology company focused on the development and monetization of Web 3.0 products. Boba specializes in the development, sale, and integration of ERC20, ERC1155 and ERC721 Tokens into the gaming sector. In addition to Web3 technologies, Boba has develops solutions for integrating artificial intelligence into mobile games to enhance the user experience. Although these Web 3.0 solutions have been built for its internal products, infrastructure is in place to provide these solutions to other interested parties in the future and integrate said products into their front-end Web 2.0 sites. Boba’s current primary focus is on its first game “Tanjea – Race to Riches” which has its beta available on the Google Play and App Store.

Boba's registered office is in Vancouver, B.C. and its operations are in Ontario. There are no persons holding a controlling interest in Boba. Boba currently has three product lines with a primary focus on blockchain gaming.

Tanjea - The first play-to-earn mobile metaverse blockchain game

Tanjea is a revolutionary blockchain-connected mobile gaming ecosystem that allows players to earn cryptocurrency and NFTs as they play. Player's capture NFT creatures called Jea and use them to earn ERC20 based $TNJ tokens through mini-games and battles. An advanced economy meta-game allows players to compete for tokens and spend them on upgrading their NFT Jea. Tanjea focuses on abstracting the complexities of blockchain technology away from gamers to provide a seamless experience for users and bring crypto gaming to the masses.

Tanjea – Race to Riches

Tanjea – Race to Riches is the first game developed in the Tanjea gaming ecosystem. The game has been in development since January 2022 and completed a community driven beta test in August 2022. Feedback from the player base has been integrated and the games beta has been launched to the Google and Apple app stores. In Race to Riches, players capture flying creatures and compete against other players to earn $TNJ.

Tanea – Amaruq Run

Tanjea – Amaruq Run is the second game developed in the Tanjea gaming ecosystem. The game has been in development since July 2022 and its beta is nearly complete. By leveraging the architecture built in Tanjea -Race to Riches, Boba can produce multiple games at a reduced cost and speed in order to A/B test multiple products. As a result, Amaruq Run was developed to bring the popular endless runner style game class to players shortly after the launch of Race to Riches.

Milestones

The milestones that Boba would like to achieve over the next 12 months, with the approximate budget of $180,000, are as follows:

Milestone	Approximate cost	Expected Date of Completion
Develop a 2nd endless runner style	$ 55,000	March 2025
Fully implement TNJ Token	$ 40,000	April 2025
Reach 500,000 andriod installs	$ 35,000	July 2025
Reach 60,000 monthly active us	$ 50,000	October 2025

Development Budget

Game development is a continuous process, the Company may from time to time add, or remove features. The estimated budget in order to complete the contemplated feature set of the game is as follows, and may occur over 1 to 2 years.

	Amount
2D Art	$ 90,000
VFX/Animations	40,000
Front End Unity Game Development	115,000
Back End Unity Game Development	115,000
Blockchain Integration	65,000
Game Design	45,000
Sound/Score	35,000
Total	**$ 505,000**

OPERATIONAL HIGHLIGHTS

Corporate Highlights

On November 8, 2023, the Company issued 50 convertible debentures to Wolf Acquisition 1.0 Corp. for gross proceeds of $50,000. The convertible debentures bear interest at a rate of 8.00% per annum, payable, in cash, and maturing 24 months from the closing time. The principal amount is convertible, at the option of the holder, into units (a “Unit”) of the Company at a conversion price equal to $0.05 per Unit. Each Unit shall be comprised of one common share of the Company, and one common share purchase warrant. Each warrant shall entitle the holder to acquire one share at a price of $0.05 per share until November 8, 2025.

On December 15, 2023, the Company entered into a debt settlement agreement with the CFO to settle trade liabilities of $10,000 at a price of $0.05 per unit. Each unit consist of one common share and one warrant exercisable at $0.05 for a period of 36 months from grant.

On April 25, 2024, the Company announced that it has received final confirmation from the Canadian Securities Exchange (the “CSE”) for the listing of the common shares of Boba on April 26, 2024 under the ticker symbol “TNJ“.

On May 9, 2024, the Company announced the upcoming launch of a captivating new update to its highly acclaimed mobile game, Tanjea – “Race to Riches” available on the Google Play Store and Apple App store.

On May 16, 2024, the Comany announced significant achievements in its user numbers. Since its inception, Tanjea has captivated audiences worldwide, garnering an impressive 212,000 downloads and boasting over 21,000 monthly active users on the Android platform alone.

On May 23, 2024, the Company announced the release of a significant update to its popular blockchain mobile game, Tanjea - Race to Riches introducing a dynamic Match 3 mechanic that promises to revolutionize gameplay for fans worldwide.

On April 25, 2024, the Company completed the definitive amalgamation agreement dated October 7, 2022 with Boba Holdings, whereby Boba Holdings acquired all of the issued and outstanding securities of the Boba Co by way of a three-cornered amalgamation. Concurrently, Boba Holdings using reasonable efforts to effect a non-brokered private placement of up to 17,000,000 subscription receipts, at a price of $0.05 for gross proceeds of up to $850,000. The Company also issued 3,275,000 advisory shares at a price of $0.05 per share.

On April 25, 2025, the Company entered into a series of debt settlement agreements issuing 6,442,499 common share at a price of $0.05 per share settling total debt of $322,038. Included in this debt settlement was the repayment of a loan of $14,500.

On June 14, 2024, the Company announced that Michael Zon, who has served as the company's CEO since inception, will be stepping down from his position to take on the role of Technical Advisor. The Board of Directors is pleased to name Rody Lazar as the new CEO, effective immediately.

On June 24, 2024, the Company announced that the gaming community celebrates today as Tanjea Token, a new digital token, makes its debut on the Ethereum layer 2 blockchain, Arbitrum. This exciting launch marks a pivotal moment for the Tanjea community, as players will soon be able to withdraw the Tanjea Token from their mobile games, enhancing their gaming experience and granting them true ownership of their in-game assets.

On June 26, 2024, the Company entered into a debt settlment agreement with issuing 1,100,560 common shares at a price of $0.05 per share settling total debt of $55,028.

EVENTS SUBSEQUENT TO JUNE 30, 2024

On July 10, 2024, the Company announced that Boba Mint Holdings Ltd. (the "Issuer") changed its financial year-end from May 31 to June 30. The next financial year-end will occur on June 30, 2024. The Issuer (formerly known as Snowy Owl Gold Corp.) completed a transaction with Bluecorp Capital Corp., pursuant to which the Issuer acquired all the issued and outstanding securities of Bluecorp Capital Corp. The financial year-end of Bluecorp Capital Corp. is June 30 and so the Issuer decided to change its financial year-end to align with the financial year-end of the resulting operating business.

On July 15, 2024, the Company announced that it has appointed DNTW Chartered Professional Accountants, as its auditor for the Company's upcoming fiscal year. The Company's previous auditor, Baker Tilly WM LLP, (the "Former Auditor") resigned as auditors of the Company effective July 9, 2024. The resignation was not as a result of any reportable event (as that term is defined in section 4.11 of National Instrument 51-102, Continuous Disclosure Obligations).

On September 11, 2024, the Company announced that Carmelo Marrelli would be stepping down as Chief Financial Officer of the Company and Rody Lazar would be taking over as Interim Chief Financial Officer.

On October 8, 2024, the Company announced that the popular iOS game Race to Riches, developed under the Tanjea ecosystem, now features an exciting Match-3 game mode where players can collect TNJ tokens by matching colorful Jea eggs, reminiscent of fan-favorite games like Candy Crush. With multiple levels designed to challenge and engage, this new feature offers endless hours of fun and strategy for players. Similar to Android users, iOS users now have access to two dynamic games within the Tanjea app: the Match-3 Jea egg collector and the classic endless runner combat game.

TRENDS AND ECONOMIC CONDITIONS

The Company's future performance is largely tied to the performance of investments, which is dependent on the investment sector, and overall financial markets. Financial markets are likely to be volatile, reflecting ongoing concerns about the stability of the global economy.

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions.

Apart from these and the risk factors noted under the heading "Risk Factors" and "Cautionary Note Regarding Forward-Looking Information", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

SELECTED ANNUAL FINANCIAL INFORMATION

	Year ended June 30, 2024	Year ended June 30, 2023	Year ended June 30, 2022
Total assets	260,534	3,658,851	4,438,735
Total liabilities	545,325	825,806	136,299
Working capital	(284,791)	(574,814)	84,111
Net loss (1)(2)(3)	5,744,463	1,487,096	2,720,239
Net loss per share, basic and diluted	(0.03)	(0.01)	(0.05)

(1) The net loss of $5,744,463 for the year ended June 30, 2024, principally consists of (i) game development costs of $126,963, (ii) marketing costs of $31,820, (iii) foreign exchange of $4,539, (iv) listing and filing fees of $18,212, (v) investor relations of $65,000, (vi) office and general of $28,644, (vii) professional fees of $787,545, (viii) impairment of intangible asset of $3,558,492, (ix) accretion and interest of $29,214, (x) gain on settlement of debt of $12,663, (xi) transaction costs of $1,106,697.

(2) The net loss of $1,487,096 for the year ended June 30, 2023, principally consists of (i) game development costs of $300,827, (ii) marketing costs of $73,610, (iii) investor relations of $10,000, (iv) office and general of $7,803, (v) professional fees of $415,001, offset by (vi) foreign exchange of $3,321, (vii) impairment of intangible asset of $659,833, (viii) accretion and interest of $23,343.

(3) The net loss of $2,720,239 for the year ended June 30, 2022, principally consists of (i) game development costs of $546,977, (ii) market research costs of $78,450, (iii) impairment of intangible assets of $425,000, (iv) marketing costs of $226,489, (v) foreign exchange (loss) gain of $1,575, (vi) listing and filing fees of $425, (vii) investor relations of $170,399, (viii) office and general of $11,753, (ix) professional fees of $634,728, (x) travel and entertainment of $6,642, (xi) transaction costs of $961,374, offset by (xii) fair market value adjustment on securities of $300,000, (xiii) realized gain on crypto sale of $2,444, and other income of $41,129.

SELECTED QUARTERLY INFORMATION

Three Months Ended	Net Revenue ($)	Net Income (Loss) Total ($)	Net Income (Loss) Per Share ($)
June 30, 2024	-	(5,398,715) (1)	(0.03)
March 31, 2024	-	(117,262) (2)	(0.00)
December 31, 2023	-	(150,756) (3)	(0.00)
September 30, 2023	-	(77,730) (4)	(0.00)
June 30, 2023	-	(1,076,421) (5)	(0.01)
March 31, 2023	-	(164,899) (6)	(0.00)
December 31, 2022	-	(156,390) (7)	(0.00)
September 30, 2022	-	(89,386) (8)	(0.00)

Notes:

(1) Net loss of $5,398,715 principally consists of (i) game development cots of $35,519, (ii) marketing costs of $31,820, (iii) interest and accretion of $8,117, (iv) foreign exchange of $1,707, (v) office and general fees of $25,494, (vi) professional fees of $560,320, (vii) listing and filing fees of $18,212, (viii) investor relations of $65,000, (ix) impairment of intangible asset of $3,558,492, (x) transaction costs of $1,106,697 (xi) gain on settlement of debt of $12,663.

(2) Net loss of $117,262 principally consists of (i) game development cots of $10,931, (ii) professional fees of $94,295, (iii) interest and accretion of $6,882, (iv) office and general fees of $320, and (v) foreign exchange of $4,834.

(3) Net loss of $150,756 principally consists of (i) game development cots of $35,086, (ii) professional fees of $104,600, (iii) interest and accretion of $7,618, (iv) office and general fees of $1,857, and (v) foreign exchange of $1,595.

(4) Net loss of $77,730 principally consists of (i) game development cots of $45,427, (ii) professional fees of $28,330, (iii) interest and accretion of $6,597, (iv) office and general fees of $973, and (v) foreign exchange of $(3,597).

(5) Net loss of $1,076,421 principally consists of (i) game development cots of $44,495, (ii) impairment of $659,833, (iii) interest and accretion of $6,490, (iv) marketing costs of $23,953, (v) foreign exchange of $(3,264), (vi) office and general fees of $613, and (vii) professional fees of $344,301.

(6) Net loss of $164,899 principally consists of (i) game development cots of $97,101, (ii) accretion and interest of $16,853 (iii) marketing costs of $16,420, (iv) foreign exchange of $(57), office and general fees of $496, and (v)

professional fees of $34,086.

Notes: (continued)

(7) Net loss of $156,390 principally consists of (i) game development cots of $81,001, (ii) marketing costs of $33,237, (iii) investor relations of $785, (iv) professional fees of $34,673, and (v) office and general fees of $6,694.

(8) Net loss of $89,386 principally consists of (i) game development cots of $78,230, (ii) investor relations of $9,215, (iii) professional fees of $1,941.

RESULTS OF OPERATIONS

Three months ended June 30, 2024, compared to the three months ended June 30, 2023

	For the three month period ended June 30,			
	2024	**2023**	**Variance**	**Comments**
Professional fees	560,320	344,301	216,019	Professional fees increased to support the going public event.
Impairment of intangible asset	3,558,492	659,833	2,898,659	The Company fully impaired its intangible assets.
Transaction costs	1,106,697	-	1,106,697	In the current period the Company completed it's the Amalgamation.
Other expenses and revenues	173,206	72,287	100,919	Non-significant variances in other expenses and revenues items.
Total loss	5,398,715	1,076,421	4,322,294	

Year ended June 30, 2024, compared to the year ended June 30, 2023

	For the year period ended June 30,			
	2024	**2023**	**Variance**	**Comments**
Game development costs	$ 126,963	$ 300,827	$ (173,864)	Due to cash flow constraints the Company reduced spending.
Professional fees	787,545	415,001	372,544	Professional fees increased to support the going public event.
Impairment of intangible asset	3,558,492	659,833	2,898,659	The Company fully impaired its intangible assets
Transaction costs	1,106,697	-	1,106,697	In the current period the Company completed it's the Amalgamation.
Other expenses and revenues	164,766	111,435	53,331	Non-significant variances in other expenses and revenues items.
Total loss	5,744,463	1,487,096	4,257,367	

OFF-BALANCE-SHEET ARRANGEMENTS

As of the date of this MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

LIQUIDITY AND CAPITAL RESOURCES

Boba is focused on the development and monetization of Web 3.0 products. Boba specializes in the development, sale, and integration of ERC20, ERC1155 and ERC721 Tokens into the gaming sector. In addition to Web3 technologies, Boba has is developing solutions for integrating artificial intelligence into mobile games to enhance the user experience.

The Company has no operating revenues and therefore must utilize its current cash reserves and other financing transactions to maintain its capacity to meet ongoing discretionary operating activities and research and development costs. The Company relies on external financings to generate capital. See "Trends and Economic Conditions" above. The Company has no debt and its credit and interest rate risk is minimal. Amounts payable and other liabilities are short term and non-interest bearing.

At June 30, 2024, the Company had a cash balance of $40,640 as a result of cash outflows in operating activities of $764,546, and cash inflows from financing activities of $827,500, and cash inflows in investing activities of $1,284.

Operating activities were affected by net loss of $5,744,463, items not affecting cash of $4,845,490, and net non-cash working capital balances of $134,427. Items not affecting cash consisted of accretion and accrued interest of $29,214, issuance of advisory shares of $163,750, impairment of intangible asset of $3,558,492, transaction costs of $1,106,697, of $-, offset by gain on settlement of debt of $12,663. Net change in the non-cash working capital balance consisted of prepaid expenses of $4,066, accounts payables and accrued liabilities of $216,407 offset by restricted cash of $-, and accounts receivable of $86,046.

Investing activities cash inflows were due to cash from cash acquired from amalgamation of $1,284. Cash inflows from financing activities of $827,500, which was due to the issuance 50 convertible debenture to Wolf Acquisition 1.0 Corp. for gross proceeds of $50,000, and net proceeds from the subscription receipts of $777,500.

During the year ended June 30, 2024, the Company entered into a series debt settlement agreement to settle trade liabilities of $399,816.

Currently and in future, the Company's use of cash has and will principally occur in two areas: funding of its general and administrative expenditures and funding of its investment activities. Funding investing activities includes the cash components of the cost of acquiring and developing its intangible asset.

The following table sets forth a comparison of the disclosure regarding the Company's intended use of proceeds set out in the Company's April 19, 2024 filing statement and the estimated use of proceeds as of March 31, 2024.

Principal Purposes	Funds ($)	Spent ($)	Remaining ($)
General and administrative expenses for next 12 months	**83,512**	**83,512**	**-**
Game development	**198,500**	**35,519**	**162,981**
Advertisement campaigns	**60,000**	**31,820**	**28,180**
Total use of available funds	**342,012**	**150,851**	**191,161**

There may be circumstances, where for business reasons, a reallocation of funds may be necessary for the Company to achieve its stated business objectives.

CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company's ability to continue to carry out its planned activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

The Company considers its capital to be equity, which comprises share capital, special warrants, warrants, contributed surplus and, accumulated deficit, which at June 30, 2024 totaled Deficiency of $284,791.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The Chief Financial Officer ("CFO") of the Company is the managing director of Marrelli Support Services Inc. ("MSSI"). During the year ended June 30, 2024, the Company incurred professional fees of $35,167 (June 30, 2023 - $30,683) to MSSI. These services were incurred in the normal course of operations for general accounting and financial reporting matters, and CFO fees. As at June 30, 2024, MSSI was owed $16,124 (June 30, 2023 - $34,219), with respect to services provided, and this amount was included in accounts payable and accrued liabilities.

During the year ended June 30, 2024, the Company incurred professional fees of $nil (June 30, 2023 - $10,000) to the managing director of the Company. As at June 30, 2024, the managing director was owed $nil (June 30, 2023 - $10,000), with respect to services provided, and this amount was included in accounts payable and accrued liabilities.

During the year ended June 30, 2024, the Company incurred professional fees of $42,000 (June 30, 2023 - $59,000) to the CEO of the Company. As at June 30, 2024, the CEO was owed $18,720 (June 30, 2023 - $59,803), with respect to services provided, and this amount was included in accounts payable and accrued liabilities.

On December 15, 2023, the Company entered into a debt settlement agreement with the CFO to settle trade liabilities of $10,000 at a price of $0.05 per unit. Each unit consist of one common share and one warrant exercisable at $0.05 for a period of 36 months from grant.

The Company is not aware of any arrangements that may at a subsequent date result in a change in control of the Company. To the knowledge of the Company, it is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

SIGNIFICANT ACCOUNTING POLICIES

Financial Assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either FVPL or FVOCI, and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in profit or loss.

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statement of financial position with changes in fair value recognized in other income or expense in the statement of loss. The Company does not measure any financial assets at FVPL.

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statement of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company's financial assets subject to impairment are accounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable has been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. Accounts payable and accrued liabilities are measured at amortized cost.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statement of loss.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Classification of financial instruments

The following is a summary of significant categories of financial instruments outstanding at June 30, 2024:

Cash and and restricted cash	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loan payable	Amortized cost
Convertible debentures	Amortized cost

The fair value of financial assets and liabilities, except the convertible debentures, are approximately equal to their carrying value due to their short-term nature. Convertible debentures are segregated into their debt and equity components at the date of issuance.

Fair value hierarchy

The Company classifies financial instruments recognized at fair value in accordance with a fair value hierarchy that prioritizes the inputs to valuation technique used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

Compound financial instruments

Compound financial instruments issued by the Company are comprised of convertible debentures that can be converted into common shares attached with warrants. The Compound financial instruments are segregated into their debt and equity components or derivative liability components at the date of issue, in accordance with the substance of the contractual agreements. The conversion feature of the convertible promissory notes is presumed to be classified as a derivative financial liability unless it meets all the criteria to recognize as equity instrument. One of criteria is that the conversion option exchanges a fixed amount of shares for a fixed amount of cash ("fixed for fixed").

If the conversion feature meets the fixed for fixed criteria, the conversion option will be classified as equity components. Equity instruments are instruments that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Therefore, when the initial carrying amount of the compound financial instruments is allocated to its equity and liability components, the equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. The sum of the carrying amounts assigned to the liability and equity components on initial recognition is always equal to the fair value that would be ascribed to the instrument as a whole. No gain or loss arises from initially recognizing the components of the instrument separately.

If the conversion feature does not meet the fixed for fixed criteria, the conversion option will be recorded as derivative financial liability, which must be separately accounted for at fair value on initial recognition. The carrying amount of the debt component, on initial recognition, is recalculated as the difference between the proceeds of the convertible promissory notes as a whole and the fair value of the derivative financial liabilities. Subsequent to initial recognition, the derivative financial liability is re-measured at fair value at the end of each reporting period with changes in fair value recognized in the statement of operation for each reporting period, while the debt component is accreted to the face value of the debt using the effective interest method.

Transaction costs are allocated to the debt and equity components in proportion to the allocation of the proceeds on initial recognition. Transaction costs allocated to equity components will be accounted for as a deduction from equity, net of any related income tax benefit; cost allocated to the derivative financial liability component are expensed; and cost allocated to the debt component are offset against the carrying amount of the liability and included in the determination of the effective interest rate.

Share Based Payments

The Company may grant stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

Stock options granted to directors, officers and employees are measured at their fair values determined on their grant date, using the Black-Scholes option pricing model, and are recognized as an expense over the vesting periods of the options on a graded basis. Options granted to consultants or other non-insiders are measured at the fair value of goods or services received from these parties, or at their Black-Scholes fair values if the fair value of goods or services received cannot be measured. A corresponding increase is recorded to equity reserves for share-based payments recorded.

When stock options are exercised, the cash proceeds along with the amount previously recorded as equity reserves are recorded as share capital. When the right to receive options is forfeited before the options have vested, any expense previously recorded is reversed.

Valuation of warrants and broker warrants

The fair value of warrants and broker warrants is measured at the issuance date. The fair value of the warrants and broker warrants is measured using the Black-Scholes pricing model, taking into account the terms and conditions upon which the warrants and broker warrants were issued including exercise price, remaining life in years until expiry, risk-free interest rate, dividend yield and volatility of stock price of the Company's share.

Intangible assets

Intangible assets consist of costs incurred to acquire patents, unpatented technology and in progress research and development programs. Development expenditures are capitalized as intangible assets only if the expenditure can be measured reliably, the process is technically and commercially feasible, future economic benefits are probable to the Company and the Company has sufficient resources to complete the development and use or sell the asset. Otherwise, it is recognized in the consolidated statements of comprehensive loss as incurred. Research costs are expensed in the period that they are incurred.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. Intangible assets with indefinite lives, or not yet available for use are not amortized, and are subject to an annual recoverability impairment assessment.

Impairment of long-lived assets and intangible assets

Long-lived assets and intangible assets are reviewed for impairment at each reporting period or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit, or "CGU"). The recoverable amount of an asset or a CGU is the higher of its fair value, less costs to sell, and its value in use. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in profit or loss equal to the amount by which the carrying amount exceeds the recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

The estimated useful lives, residual values, and amortization methods are reviewed at each year end or more frequently if events or changes in circumstances indicate potential impairment, and any changes in estimates are accounted for prospectively.

Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the closing exchange rate being the rate prevailing on the statement of financial position date. Non-monetary assets and liabilities are translated at historical rates of exchange at the time of the acquisition of assets or obligations incurred. Revenues and expenses are translated at the rate of exchange in effect at the date of the transactions. Foreign exchange translation gains and losses are recorded in operations in the period in which they occur.

Financing costs

Costs incurred to obtain equity financing are deducted from the value assigned to shares issued. When costs are incurred prior to the closing of a financing arrangement, these amounts are presented as a deferred asset until the financing has closed. When an expected financing arrangement does not occur, any deferred costs are recorded as an expense.

Income taxes

Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs. Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed.

Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as in the amounts recognized in income in the period in which the change occurs.

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in income both in the period of change, which would include any impact on cumulative provisions, and in future periods.

Loss Per Share

Basic (loss) earnings per share is calculated by dividing net (loss) earnings by the weighted average number of common shares outstanding during the period which excludes shares held in escrow. All of the escrow shares are considered contingently returnable until the Company completes a qualifying transaction and, accordingly, are not considered to be outstanding shares for the purposes of the loss per share calculation.

Diluted (loss) earnings per share is determined by adjusting the earnings or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments, which includes stock options, as if their dilutive effect was at the beginning of the period. The calculation of the diluted number of common shares assumes that proceeds received from the exercise of “in-the-money” stock options and common share purchase warrants are used to purchase common shares of the Company at their average market price for the period.

In periods that the Company reports a net loss, any stock options or warrants outstanding are excluded from the calculation of diluted loss per share as their inclusion would be anti-dilutive.

Summary of Accounting Estimates, Judgments and Assumptions

The preparation of these consolidated financial statements under IFRS requires management to make certain estimates, judgments and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management’s best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgements, estimates and assumptions in determining carrying values include, but are not limited to:

Impairment of intangible assets

Intangible assets are tested for impairment annually and whenever events or changes in circumstances indicate that the carrying amount of intangible assets has been impaired. In order to determine if the value of intangible assets has been impaired, the cash generating unit to which the intangible assets have been allocated must be valued using present value techniques. When applying this valuation technique, the Company relies on a number of factors, including historical results, business plans, forecasts, and market data. Changes in the conditions for these judgments and estimates can significantly affect the assessed value of the intangible assets.

Income taxes

The calculation of income taxes requires judgment in interpreting tax rules and regulations. There are transactions and calculations for which the ultimate tax determination is uncertain. The Company's tax filings also are subject to audits, the outcome of which could change the amount of current and deferred tax assets and liabilities. Management believes that it has sufficient amounts accrued for outstanding tax matters based on information that currently is available.

Management judgment is used to determine the amounts of deferred tax assets and liabilities and future tax liabilities to be recognized. In particular, judgment is required when assessing the timing of the reversal of temporary differences to which future income tax rates are applied.

Share-based payments

The fair value of stock-based compensation and warrants are estimated using the Black-Scholes option pricing model and rely on a number of estimates, such as the expected life of the option, the volatility of the underlying share price, the risk free rate of return, and the estimated rate of forfeiture of options granted.

The Company measures equity settled share-based payment transactions based on an estimate of the fair value of goods or services received, unless that fair value cannot be estimated reliably, in which case the Company measures the fair value of the goods or services received based on the fair value of the equity instruments granted.

Acquisitions

Classification of an acquisition as a business combination or an asset acquisition depends on whether the assets acquired constitute a business, which can be a complex judgment. Whether an acquisition is classified as a business combination or asset acquisition can have a significant impact on the entries made on and after acquisition.

Going concern

Management assessment of going concern and uncertainties of the Company's ability to raise additional capital and/or obtain financing to meet its commitments.

ACCOUNTING PRONOUNCEMENTS

New standards adopted

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Amendments to IAS 8 replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. A change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. The Company adopted the amendments on July 1, 2023, there was no significant impact as a result of the adoption of the accounting policy.

IAS 1 Presentation of Financial Statements

Amendments to IAS 1 clarify the presentation of liabilities in the consolidated statement of financial position. The classification of liabilities as current or non-current is based on contractual rights that are in existence at the end of the reporting period and is unaffected by expectations about whether an entity will exercise its right to defer or accelerate settlement. A liability not due over the next twelve months is classified as non-current even if management intends or expects to settle the liability within twelve months. The amendments also introduce a definition of “settlement” to make clear that settlement refers to the transfer of cash, equity instruments, other assets or services to the counterparty. The Company adopted the amendments on July 1, 2023, there was no significant impact as a result of the adoption of the accounting policy.

FINANCIAL RISK MANAGEMENT

The Company’s activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate and commodity and equity price risk). There were no changes to the Company’s risk factors during the year ended June 30, 2024.

The Company’s management team carries out risk management with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. As at June 30, 2024, management believes that the credit risk with respect to cash, accounts eceivables is minimal. Cash is held with reputable Canadian financial institutions, and receivables are from trusted institutions or individuals from which management believes the risk of loss to be minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company’s liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at June 30, 2024, the Company had cash of $40,640 to settle current liabilities of $545,325. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

SHARE CAPITAL

As of the date of this MD&A, the Company had 231,326,059 issued and outstanding common shares.

Warrants outstanding for the Company at the date of this MD&A were as follows:

Warrants	Expiry Date	Exercise Price ($)
200,000	December 15, 2026	0.05
1,000,000	April 26, 2026	0.05
1,500,000	April 26, 2026	0.15
17,000,000	April 16, 2027	0.050
830,000	April 25, 2027	0.050

Stock options outstanding for the Company at the date of this MD&A were as follows:

Options	Expiry Date	Exercise Price ($)
800,000	June 4, 2025	0.10
300,000	July 14, 2026	0.13
1,400,000	March 22, 2026	0.06

RISKS AND UNCERTAINTIES

An investment in the common shares involves a high degree of risk and should be considered highly speculative due to the nature of the Company's business and its present stage of development. An investment in the Company's securities is suitable only for those knowledgeable and sophisticated investors who are willing to risk loss of their entire investment. Prospective investors should consult with their professional advisors to assess an investment in the Company's securities. In evaluating the Company and its business, investors should carefully consider, in addition to the other information contained in this Prospectus, the following risk factors. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with the Company's operations.

Limited Operating History

The Company has a limited operating history in its industry upon which its business and future prospects may be evaluated. The Company is subject to all of the business risks and uncertainties associated with a new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, lack of revenues and the risk that the Company will not achieve its operating goals. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of the Company's success must be considered in light of its early stage of operations.

Difference from Expectations of Management

The Company's actual financial position and results of operations may differ materially from management's expectations. The Company's revenue, net income and cash flow may differ materially from the Company's projected revenue, net income and cash flow. The process for estimating the Company's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

Limited history of successful investments

The Company has very little record of operations and historical financial information on which a holder of common shares can base an evaluation of the Company. The Company commenced its operations as an investment issuer in 2021. There can be no assurance that the Company will be successful in making a return on its investments. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that the Company will not achieve its financial objectives as estimated by management. Furthermore, past successes of the management or the Board in other ventures do not guarantee future success.

No Assurance of Profits or Revenues

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

The Company as a Going Concern

The continued operation of the Company as a going concern is dependent upon the Company's ability to generate positive cash flows and/or obtain additional financing sufficient to fund continuing activities and acquisitions. While the Company continues to review its operations in order to identify strategies and tactics to increase revenue streams and financing opportunities, there is no assurance that the Company will be successful in such efforts; if the Company is not successful, it may be required to significantly reduce or limit operations, or no longer operate as a going concern. It is also possible that operating expenses could increase in order to grow the business. If the Company does not significantly increase its revenue to meet these increased operating expenses and/or obtain financing until its revenue meets these operating expenses, its business, financial condition and operating results could be materially adversely affected. The Company cannot be sure when or if it will ever achieve profitability and, if it does, it may not be able to sustain or increase that profitability.

Need for Additional Financing

The Company has no history of significant earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable. There is no guarantee that the Company will be able to achieve its business objectives. The continued development of the Company will require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Company going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

Any additional equity financing may be dilutive to shareholders, and debt financing, if available, may involve restrictive covenants. If additional funds are raised through the issuance of equity securities, the percentage ownership of the shareholders of the Company will be reduced, shareholders may experience additional dilution in net book value per share, or such equity securities may have rights, preferences or privileges senior to those of the holders of the Common Shares. If adequate funds are not available on acceptable terms, the Company may be unable to develop or enhance its products and services, take advantage of future opportunities or respond to competitive pressures, any of which could have a material adverse effect on its business, financial condition and operating results, or the Company may be forced to cease operations.

Conflicts of Interest

The Company may be subject to various potential conflicts of interest because some of its officers and directors may be engaged in a range of business activities. In addition, the Company's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers and directors.

In addition, the Company may become involved in other transactions which conflict with the interests of its directors and officers who may from time to time deal with persons, firms, institutions or companies with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company. In addition, from time to time, these persons may be competing with the Company for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, if such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

Negative Operating Cash Flow

The Company's business has incurred losses since its inception. Although the Company expects to become profitable, there is no guarantee that will happen, and the Company may never become profitable. The Company currently has a negative operating cash flow and may continue to have a negative operating cash flow for the foreseeable future. To date, the Company has not generated any revenues and a large portion of the Company's expenses are fixed, including expenses related to facilities, equipment, contractual commitments and personnel. As a result, the Company expects for its net losses from operations to improve. The Company's ability to generate additional revenues and potential to become profitable will depend largely on its ability to manufacture and market its products and services. There can be no assurance that any such events will occur or that the Company will ever become profitable. Even if the Company does achieve profitability, the Company cannot predict the level of such profitability. If the Company sustains losses over an extended period of time, the Company may be unable to continue its business.

Internal Controls over Financial Reporting

One or more material weaknesses in the Company's internal controls over financial reporting could occur or be identified in the future. In addition, because of inherent limitations, the Company's internal controls over financial reporting may not prevent or detect misstatements, and any projections of any evaluation of effectiveness of internal controls to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the Company's policies or procedures may deteriorate. If the Company fails to maintain the adequacy of its internal controls, including any failure or difficulty in implementing required new or improved controls, its business and results of operations could be harmed, the Company may not be able to provide reasonable assurance as to its financial results or meet its reporting obligations and there could be a material adverse effect on the price of its securities.

Retention and Acquisition of Management and Skilled Personnel

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business. In addition, an inability to hire, or the increased costs of new personnel, including members of executive management, could have a material adverse effect on the Company's business and operating results. At present and for the near future, the Company will depend upon a relatively small number of employees to develop, market, sell and support its products. The expansion of marketing and sales of its products will require the

Company to find, hire and retain additional capable employees who can understand, explain, market and sell its products. There is intense competition for capable personnel in all of these areas and the Company may not be successful in attracting, training, integrating, motivating, or retaining new personnel, vendors, or subcontractors for these required functions. New employees often require significant training and, in many cases, take significant time before they achieve full productivity. As a result, the Company may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and may lose new employees to its competitors or other companies before it realizes the benefit of its investment in recruiting and training them.

Competitive Market

The market for investment opportunities is highly competitive. The Company will compete with a large number of other investors focused on similar investments, such as private equity funds, mezzanine funds, investment banks, and other equity and non-equity based public and private investment funds. Competitors may have a lower cost of funds and may have access to funding sources that are not available to the Company. In addition, certain competitors of the Company may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships and build their respective market shares. As a result of this competition, there can be no assurance that the Company will be able to locate suitable investment opportunities, acquire such investments on acceptable terms, or achieve an acceptable rate of return on the investments it does make. The competitive pressures faced by the Company may have a material adverse effect on its activities, financial condition, and results of operations.

Key Person Insurance

The Company does not maintain key person insurance on any of its directors or officers, and as result the Company would bear the full loss and expense of hiring and replacing any director or officer in the event the loss of any such persons by their resignation, retirement, incapacity, or death, as well as any loss of business opportunity or other costs suffered by the Company from such loss of any director or officer.

Due Diligence Investigations

Due diligence investigations may not identify all facts necessary or helpful in evaluating an investment opportunity and will not necessarily result in the investment being successful. The due diligence process undertaken by the Company in connection with investments that it makes or wishes to make may not reveal all relevant facts in connection with an investment. Before making investments, the Company will conduct due diligence investigations that it deems reasonable and appropriate based on the facts and circumstances of each investment. When conducting due diligence investigations, the Company may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. When conducting due diligence investigations and making an assessment regarding an investment, the Company will rely on resources available, including information provided by the target of the investment and, in some circumstances, third party investigations. Because the Company seeks investments in new areas, the investments it considers may have limited track records, which make assessments more difficult and speculative. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process to varying extents depending on the type of investment. The due diligence investigations that are carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful to evaluate the investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Realization of Returns

The realization of returns from the Company's investment activities is a long-term proposition. Most investments to be made by the Company are not expected to generate current income. Therefore, the return of capital to the Company and the realization of gains, if any, from the Company's investments will generally occur only upon the partial or complete realization or disposition of the investment. While an investment of the Company may be realized or disposed of at any time, it is generally expected that the ultimate realization or disposition of most of the Company's investments will not occur for a one to three years and possibly longer after an investment is made. The Company's investments will frequently be illiquid and difficult to value, and the Company may not be able to exit the investment on its intended timetable.

Some of the Company's investments will be in private businesses, which are highly illiquid and may be difficult to value. Accordingly, there can be no assurance that the Company will be able to realize on its investments in a timely manner or at all. If the Company is required to liquidate all or a portion of its portfolio investments quickly, it may realize significantly less than its invested capital. While private portfolio businesses may seek to list their securities on a stock exchange as a means of creating liquidity for investors, there can be no assurance that a stock exchange listing will provide a viable exit mechanism, if trading volumes and stock prices are low at the time of intended disposition.

Lack of Diversification

The Company may hold a limited number of investments at any one time and potentially suffer from a lack of diversification. The Company does not have any specific limits on investments in businesses in any one industry or size of business. Consequently, the Company's aggregate returns may be significantly adversely affected if one or more significant investments perform poorly or if the Company needs to write-down the value of any one significant investment, which has occurred with one of its significant investments. Also, the Company's investments may be more susceptible to fluctuations in value resulting from adverse economic conditions affecting a particular industry or segment of business in which it invests than would be the case if the Company were required to satisfy certain investment guidelines relating to business diversification.

Financial Market Fluctuations

The Company intends to invest in both private businesses and publicly traded businesses. With respect to publicly traded businesses, fluctuations in the market prices of their securities may negatively affect the value of those investments. In addition, general instability in the public securities markets may impede the ability of businesses to raise additional capital through selling new securities, thereby limiting the Company's investment options with regard to a particular portfolio investment.

Global capital markets have experienced extreme volatility and disruption in recent years as evidenced by the failure of major financial institutions, significant write-offs suffered by the financial services sector, the re-pricing of credit risk, the unavailability of credit or the downgrading and the possibility of default by sovereign issuers, forced exit or voluntary withdrawal of countries from a common currency and devaluation. Despite actions of government authorities, these events have contributed to a worsening of general economic conditions, high levels of unemployment in Western economies and the introduction of austerity measures by governments. Such worsening of financial market and economic conditions may have a negative effect on the valuations of, and the ability of the Company to exit or partially divest from, investment positions. Depending on market conditions, the Company may incur substantial realized and unrealized losses in future periods, all of which may materially adversely affect its results of operations and the value of any investment in the Company.

Minority Positions in Investments

The Company may make minority equity investments in businesses in which the Company does not participate in the management or otherwise control the business or affairs of such businesses. The Company will seek to obtain information rights for each investment and maintain an ongoing dialogue with each business's management team. However, it will be primarily the responsibility of the management of the business to operate the business on a day-to-day basis and the Company may not have the right to control the business.

Follow-On Investments

The Company may be called upon to make follow-on investments in an existing investment and the Company's failure to participate may have a negative adverse effect on the existing investment. Following the initial investment in a business, the Company may be called upon to provide additional funds or have the opportunity to increase its investment in a business through the exercise of a warrant or other right to purchase securities or to fund additional investments through the business. There is no assurance that the Company will have sufficient funds to make any follow-on investment. Even if the Company has sufficient capital to make a proposed follow-on investment, the Company may elect not to make the follow-on investment for a variety of reasons relevant to its own business. Any decision by the Company not to make a follow-on investment or its inability to make a follow-on investment may have a negative impact on the portfolio business in need of the follow-on investment, may result in a missed opportunity for the Company to increase its participation in a successful operation, or may reduce the expected return on the investment.

Bridge Financings

The Company may make bridge financings from time to time, which if not converted as intended may expose the Company to unintended risk. From time to time, the Company may lend money to businesses on a short-term, unsecured basis in anticipation of converting the loan in future into equity or long-term debt securities. It is possible, however, for reasons not always in the Company's control, that the replacement securities may not be issued and the bridge loans may remain outstanding. In such a case, the interest rate on the bridge loan may not adequately reflect the risk associated with the unsecured position taken by the Company and may not satisfy the Company's investment objective for the specific business.

Legal Proceedings

From time to time, the Company may be a party to legal and regulatory proceedings, including matters involving governmental agencies, entities with whom the Company does business and other proceedings arising in the ordinary course of business. The Company will evaluate its exposure to these legal and regulatory proceedings and establish reserves for the estimated liabilities in accordance with generally accepted accounting principles. Assessing and predicting the outcome of these matters involves substantial uncertainties. Unexpected outcomes in these legal proceedings, or changes in management's evaluations or predictions and accompanying changes in established reserves, could have an adverse impact on the Company's financial results.

Risks Relating to the Common Shares

CSE Listing

The Company cannot predict the prices at which the Common Shares will trade. If an active and liquid trading market for the Common Shares does not develop or is not maintained, investors may have difficulties selling their Common Shares. There can be no assurance that there will be sufficient liquidity of the Common Shares on the trading market, or that the Company will continue to meet the listing requirements of the CSE or any other public listing exchange on which the Common Shares may subsequently be listed.

No Established Market, Market Price of Common Shares and Volatility

Securities of companies with a small market capitalization have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally, as well as market perceptions of the attractiveness of particular industries. Factors unrelated to the Company's performance that may affect the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the Common Shares may affect an investor's ability to trade significant numbers of Common Shares; the size of the Company's public float may limit the ability of some institutions to invest in Common Shares; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Common Shares, once listed on the CSE, to be delisted, further reducing market liquidity. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources. The fact that no market currently exists for the Common Shares may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the Common Shares.

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price of the Common Shares will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline below the initial purchase price.

Dividends

The Company intends to retain earnings, if any, to finance the growth and development of the Company's business and does not intend to pay cash dividends on the Common Shares in the foreseeable future. The payment of future cash dividends, if any, will be reviewed periodically by the Board and will depend upon, among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and other factors.

Additional Regulatory Burden from Listing

Prior to the Listing, the Company has not been subject to the continuous and timely disclosure requirements of Canadian securities laws or other rules, regulations and policies of the CSE or any other stock exchange. The Company is working with its legal, accounting and financial advisors to identify those areas in which changes should be made to its financial management control systems to manage its obligations as a public company. These areas include corporate governance, corporate controls, disclosure controls and procedures and financial reporting and accounting systems. The Company has made, and will continue to make, changes in these and other areas, including its internal controls over financial reporting. However, the Company cannot assure purchasers of Common Shares that these and other measures that it might take will be sufficient to allow it to satisfy its obligations as a public company on a timely basis. In addition, compliance with reporting and other requirements applicable to public companies will create additional costs for the Company and will require the time and attention of management. The Company cannot predict the amount of the additional costs that it might incur, the timing of such costs or the impact that management's attention to these matters will have on its business.

Dilution

Future sales or issuances of equity securities could decrease the value of the Common Shares, dilute shareholders' voting power and reduce future potential earnings per Common Share. The Company intends to sell additional equity securities in subsequent offerings (including through the sale of securities convertible into Common Shares) and may issue additional equity securities to finance its operations, development, exploration, acquisitions or other projects. The Company cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the Common Shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in the Company's earnings per Common Share.

Sales of Substantial Amounts of the Common Shares

Sales of substantial amounts of the Common Shares, or the availability of such securities for sale, could adversely affect the prevailing market prices for the Common Shares. A decline in the market prices of the Common Shares could impair the Company's ability to raise additional capital through the sale of securities should it desire to do so.

Securities or Industry Analysts

The trading market for the Common Shares will depend in part on the research and reports that securities or industry analysts publish about the Company or its business. The Company does not currently have and may never obtain research coverage by securities and industry analysts. If no securities or industry analysts commence covering the Company, the trading price for the Common Shares may be negatively impacted. If the Company obtains securities or industry analyst coverage and if one or more of the analysts who cover the Company downgrade the Common Shares or publish inaccurate or unfavorable research about its business, the trading price of the Common Shares may decline. If one or more of these analysts cease coverage of the Company or fail to publish reports on us regularly, demand for the Common Shares could decrease, which could cause the trading price and volume of the Common Shares to decline.

Future Sales of Common Shares by Principal Shareholders, Officers and Directors

Subject to compliance with applicable securities laws and the terms of any arrangements described under "Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer", the officers, directors, principal shareholders and their affiliates may sell some or all of the Common Shares held by such party in the future. No prediction can be made as to the effect, if any, such future sales of Common Shares will have on the market price of the Common Shares prevailing from time to time. However, the future sale of a substantial number of Common Shares by the Company's officers, directors, and any principal shareholders and their affiliates, or the perception that such sales could occur, could materially adversely affect prevailing market prices for the Common Shares.

Accordingly, if the Company's principal shareholders sell substantial amounts of securities in the public market, the market price of such securities could fall. Additional Common Shares issuable upon the exercise of stock options or the conversion of Common Shares may also be available for sale in the public market after the date of the listing of the Common Shares, which may also cause the market price of the Common Shares to fall.

Tax Issues

Income tax consequences in relation to the Common Shares will vary according to circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisers prior to investing in Common Shares of the Company.

Discretion as to the Use of Available Funds

The Company's management will have broad discretion in how it uses the funds available to it. Management may use the available funds in ways that purchasers may not consider desirable. The results and the effectiveness of the application of the funds are uncertain. If the funds are not applied effectively, the results of the Company's operations may suffer. Management currently intends to allocate the available funds as described under "Use of Available Funds", however, management may elect to allocate the funds differently from that described under "Use of Available Funds" if it believes it would be in the Company's best interest to do so. Shareholders may not agree with the manner in which management chooses to allocate and spend the available funds.