INTRODUCTION

The following is management's discussion and analysis ("MD&A") of the results of operations and financial condition of Generative AI Solutions Corp. and should be read in conjunction with the accompanying audited consolidated financial statements for the years ended January 31, 2024, and 2023 and related notes therein.

All financial information in this MD&A for the years ended January 31, 2024, and 2023, and has been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The effective date of this MD&A is May 30, 2024.

MANAGEMENT'S RESPONSIBILITY

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are responsible to ensure that this MD&A and related filings do not contain any untrue statements of material fact, or omit to state a material fact required to be stated, or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by this MD&A and related filings.

The Board of Directors approved the MD&A, together with the financial statements for the years ended January 31, 2024, and 2023, and ensure that management has discharged its financial responsibilities.

FORWARD-LOOKING INFORMATION AND CAUTIONARY RISKS NOTICE

Certain statements contained in the following MD&A constitute forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as "plans", "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements may include statements regarding work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not statement of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors.

For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include: uncertainties involved in disputes and litigation; fluctuations in commodity prices and currency exchange rates; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and economic return; the need for cooperation of government agencies; the need to obtain additional financing and uncertainty as to the availability and terms of future financing; uncertainty related to the completion of a transaction or amalgamation.

It is the Company's policy that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward-looking statements contained herein are as of May 30, 2024, and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Forward-looking information or statements in this MD&A include, but are not limited to, information or statements concerning our expectations regarding the ability to raise additional funds and complete a transaction or amalgamation.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and factors including: the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain; dependence on key personnel; dependence on corporate collaborations; potential delays; uncertainties related to early stage of technology and product development; uncertainties as to fluctuation of the stock market; uncertainties as to future expense levels and the possibility of unanticipated costs or expenses or cost overruns; and other risks and uncertainties which may not be described herein. The Company has no policy for updating forward-looking information beyond the procedures required under applicable securities laws.

COMPANY OVERVIEW

Generative AI Solutions Corp. (formerly Idle Lifestyle, Inc, or the "Company") was incorporated in the Province of British Columbia on July 6, 2018, under the Business Corporations Act of British Columbia ("BCBCA") under the name Gamora Capital Corp. On March 11, 2021, the Company changed its name to PODA Lifestyle & Wellness Ltd. On September 27, 2021, the Company changed its name to PODA Holdings, Inc. On June 24, 2022, the Company changed its name to Idle Lifestyle, Inc. On February 4, 2023, the Company changed its name to Generative AI Solutions Corp.

The Company is a pioneering artificial intelligence company focused on developing a vertically integrated AI solutions business through its proprietary MAI Cloud™ platform, with the development and commercialization of AI-powered tools and solutions for businesses and consumers across multiple industries. At GenAI, our mission is to harness the power of AI to create transformative products and services that benefit business and consumers across various sectors. Our team consults with and uses talented AI professionals and engineers that are dedicated to developing state-of-the-art AI-based solutions that have broad applicability and can be seamlessly integrated into diverse workflows. By leveraging our MAI Cloud™ platform and our expertise in machine learning, natural language processing, and data analytics, we build versatile high-performance tools that redefine efficiency, productivity, and user experience.

The Company's head office is located at 550 Burrard Street, Suite 2300, Vancouver, British Columbia, V6C 2B5.

The Company announced on April 18, 2023, that it been had granted approval by the Canadian Securities Exchange ("CSE") to begin trading of its Common Shares under the symbol "AICO", beginning on April 19, 2023. On the OTCQB exchange, the Company is trading its Common Shares under the symbol "AICOF". The Listing is the result of the closing of the Company's business combination with Ultron Capital Corp. ("Ultron") pursuant to the terms of the business combination agreement dated February 16, 2023. Under the terms of the business combination agreement, the Company acquired all of the issued and outstanding securities of Ultron in exchange for 51,176,001 Common Shares of the Company. The Transaction resulted in a reverse takeover of the Company by Ultron, which constituted a fundamental change of the Company, as defined in the policies of the CSE. In accordance with the principles of reverse takeover accounting, the Company will report the operations of Ultron, and its related historical comparative financial statements in periods prior to the Transaction as its continuing business.

BUSINESS DEVELOPMENTS

On April 11, 2023, the Company amended its authorized capital by, (i) creating a new class of Common Shares in the capital of the Company; (ii) redesignating the SVS to be Class B Shares; (iii) amending the rights and restrictions of the Class B Shares so that the Class B Shares shall be converted into Common Shares, such that, on a per-holder basis, 10% of the issued and outstanding Class B Shares will be converted into Common Shares on a date that is 24 months after the business combination with Ultron Capital Corp., and 15% are to be converted every 3 months thereafter; and (iv) by amending the rights and restrictions of the MVS such that they are to be converted into Class B Shares immediately upon a resolution of the Board approving the conversion on a 1,000 Class B Shares for each MV Share basis.

On May 2, 2023, the Company completed its acquisition of all of the outstanding securities of Global AI Billing Corp. ("Global AI") pursuant to a share purchase agreement (the "Agreement"). Pursuant to the Agreement, the Company acquired all of the securities of Global AI in exchange for the issuance of 7,500,000 common shares at a value of $0.79 per share and the assumption of US$1.25 million in existing liabilities of Global AI, of which US$500,000 was reorganized as a convertible debenture of the Company (the "Convertible Debenture"). The Convertible Debenture bears 5% interest per year and is convertible into common shares at an exercise price of $0.79 (the "Conversion Price"). The Convertible Debenture had an original term of 12 months and is secured against Global AI's ownership interest in Remitz, Inc. ("Remitz"). Subsequent to year-end, the term of the Debenture has been extended to May 2, 2025. Global AI owns 10% of Remitz which operates in the artificial intelligence industry. The Company may also elect to satisfy the Convertible Debenture in full without payment by causing the transfer from Global AI of 6.7% of the common shares of Remitz of the 10% position it currently holds, to the holder of the Convertible Debenture. No finder's fee or other commission was paid to any person in respect of the Transaction.

As the leading provider of automated revenue recovery services, Remitz has leveraged data-driven analytics and industry-changing technologies to develop a unique approach to medical billing. Using sophisticated algorithms, Remitz is able to identify and submit claims that would otherwise go uncollected - driving smarter billing processes and maximizing profits for healthcare professionals nationwide.

In May 2023, the Company incorporated a new subsidiary, GenAI Tobacco Inc. ("GenAI Tobacco"), which was incorporated with the intention of building a large language model dedicated to harnessing the power of artificial intelligence for the tobacco industry. Tobacco Titan™ is an exciting new product being developed by GenAI Tobacco Inc., to deliver an AI-powered large language model dedicated to harnessing the power of artificial intelligence for the tobacco industry. Using various proprietary and public datasets, Tobacco Titan™ will provide a wide range of AI-powered intelligence and information to companies and individuals in the tobacco industry. Tobacco Titan™ will partner with select companies operating in the tobacco industry that have access to various proprietary datasets, giving Tobacco Titan™ a competitive advantage based on the uniqueness of the data that is not generally available on the internet.

Also in May 2023, the Company incorporated a new subsidiary, Global AI Newswire Inc. ("Global AI Newswire"), in partnership with a consulting firm that is a related party. Global AI Newswire was created with the intention of developing a newswire service for investors that uses artificial intelligence to perform various functions related to press releases issued by companies listed on a public stock exchange. Global AI Newswire is being developed to send real-time press releases to users based on a condensed summarized format using AI to predict keywords that are most relevant in the news release, allowing users to more efficiently analyze press releases disseminated by the public companies they follow and to deliver real-time information more efficiently to those users.

On June 6, 2023, the Company announced that it had closed a private placement financing of 9,595,531 units at a price of $0.56 per Unit.

Each Unit will consist of one common share in the capital of the Company and one Common Share purchase warrant. Each Warrant will entitle the subscriber to acquire one additional Common Share at a price of $1.65 per Common Share for a period of two years from the applicable closing date. The Company used the gross proceeds of the offering for general working capital purposes.

On June 19, 2023, the Company announced the closing of a share purchase agreement dated June 13, 2023 (the "Share Purchase Agreement") with Minework Technologies Pte Ltd. ("Minework"), pursuant to which, subject to the satisfaction of certain conditions to closing, the Company's wholly-owned subsidiary, MAI Cloud Solutions Inc. ("MAI Cloud"), agreed to purchase all of the issued and outstanding shares (the "Purchased Shares") in the authorized share structure of Pulse AI Compute Solutions, Inc, which were held by Minework (the "Transaction").

Through the acquisition of Minework, MAI Cloud was able to secure membership in the NVIDIA Inception program, which, in addition to a number of other benefits, provides priority access and exclusive discounts on specialized AI computing equipment from NVIDIA, such as A100 and H100 graphics processing units. The NVIDIA A100s and H100s are specialized graphics processing units ("GPU") designed for AI computing and deep learning tasks. One of the notable features of the A100 and H100 GPUs are their tensor core technologies. Tensor cores are hardware accelerators designed to efficiently perform matrix operations, which are fundamental to AI computations, such as matrix multiplications and convolutions. Tensor cores enable faster training and inference times for deep neural networks, improving the overall efficiency of AI workloads.

MAI Cloud™ will enable its customers to access and utilize resources without the need for physical infrastructure or hardware on their premises. AI algorithms require substantial computational power and large datasets for training and inference, which can be efficiently hosted and managed in the cloud. MAI Cloud™ will provide scalable and on-demand computing resources, allowing organizations to easily scale up or down based on their AI needs, enabling faster and more efficient training and inference processes.

In addition to selling computational power by the hour to third-party customers, the Company also intends to use the MAI Cloud™ platform to perform AI computing tasks and hosting for its existing internal projects, including GenAI Tobacco, Remitz, Classmate, and Global AI Newswire.

MAI Cloud acquired the Purchased Shares from Minework for an aggregate purchase price of $1,500,000 (the "Purchase Price"). The Purchase Price was paid to Minework at the closing of the Transaction (the "Closing") through the issuance of 1,630,435 common shares (the "Consideration Shares") in the authorized share structure of the Company (the "GenAI Shares") at a fair market price per share of $0.92 per GenAI Share (the "GenAI Share Price"), being the closing price of the GenAI Shares on the Canadian Securities Exchange (the "CSE") on June 13, 2023. The Consideration Shares issued by the Company to Minework in full satisfaction of the Purchase Price are subject to a contractual restriction whereby Minework may not trade any such Consideration Shares for a period of 12 months following the date of the Closing (the "Closing Date").

In addition to the Purchase Price, the Company shall pay to Minework the following amounts, which were settled through the further issuance of GenAI Shares at the GenAI Share Price:

(a) Upon Pulse AI or the Company entering into an agreement to provide services or products to a certain customer, 1,630,435 common shares will be issued (milestone met - 1,630,435 common shares issued); and
(b) For each $1,500,000 of committed revenue generated by Pulse AI following the closing date, $1,500,000, up to a maximum of $4,500,000 worth of common shares to be issued.

The Company's subsidiary, 1431885 B.C. Ltd. ("Company Subco"), entered into a purchase agreement dated August 14, 2023 with Metachain Technologies Inc. ("Metachain") to acquire certain intellectual property assets (the "IP Assets") from Metachain, which include all intellectual property rights, source code, interface and other elements of a software package required to operate an artificial intelligence ("AI") asset which will function as a virtual assistant mobile application (the "App") expected to be marketed under the name "SpeakGPT".

Pursuant to the terms of the purchase agreement, the total consideration was settled for USD$50,000 in cash and 300 Subco common shares.

On November 7, 2023 the Company announced that its wholly owned subsidiary, MAI Cloud Solutions Inc., had entered into an agreement dated July 12, 2023 with an arm's length third-party customer headquartered in Silicon Valley, pursuant to which, among other things, MAI Cloud agreed to provide the Customer with access to approximately 350,000 hours per year of artificial intelligence compute services using H100 graphics processing units for a period of up to seven years subject to the terms and conditions of the Supply Agreement.

The Equipment has now been installed at the hosting facility and was tested and validated by the Customer. All of the Equipment went online and became fully operational with full functionality available to the Customer at midnight on November 6, 2023. For the year ended January 31, 2024, the Company has recognized $181,757 of revenue from the Customer.

On March 7, 2024, MAI Cloud entered into a framework services agreement (the "Services Agreement") with a Cloud, GPU ("Graphics Processing Unit") and AI Infrastructure services provider (the "Provider"), pursuant to which, the Provider has agreed to, among other things, provide the deployment of GPU infrastructure as a service (the "Service") to MAI Cloud for a period of five years (the "Initial Term"), subject to the terms and conditions of the Services Agreement.

Pursuant to the Services Agreement, the Provider is expected to complete the deployment of the full GPU infrastructure in several stages, over a period of 36 months from the date of the Services Agreement (the "Effective Date") and will deliver AI Infrastructure as service to MAI Cloud for a period of 60 months from each stage services activation date. MAI Cloud retains the right to extend the Initial Term for successive two year periods ("Extension Periods") and to unilaterally terminate the Services Agreement during the Initial Term or any Extension Periods upon 120 days' written notice to the Provider. The Service Agreement may also be terminated by the Provider or MAI Cloud upon 30 days' written notice, in event of default or breach of contractual obligations in the Services Agreement by either party. On April 25, 2024, the Company made a deposit of USD $500K to the Provider for GPU infrastructure work performed.

CASH USED BY OPERATING ACTIVITIES

For the year ended January 31, 2024, cash flows used by operating activities amounted to $5,675,869. Cash flows resulted from a net loss of $16,831,431, partially offset by changes in non-cash items driven by business development expenses incurred of $3,130,435 pertaining to application development, and the change in fair value of equity investments of $10,468,560. There was limited activity in the comparative period due to the reverse takeover of the Company by Ultron as described above, as Ultron had minimal operations.

CASH USED BY INVESTING ACTIVITIES

For the year ended January 31, 2024, cash used by investing activities amounted to $1,300,798 resulting from the purchase of equipment of $2,568,452 partly offset by the cash acquired from the reverse takeover of Ultron by the Company of $3,869,250. There was no activity in the comparative period due to the reverse takeover of the Company by Ultron as described above, as Ultron had minimal operations.

CASH PROVIDED BY FINANCING ACTIVITIES

For the year ended January 31, 2024, cash flows provided by financing activities amounted to $5,587,159 resulting from proceeds from the issuance of common stock of $6,588,172 partly offset by repayments of promissory notes of $1,001,013. There was no activity in the comparative period due to the reverse takeover of the Company by Ultron as described above, as Ultron had minimal operations.

FOURTH QUARTER RESULTS OF OPERATIONS

For the three months ended January 31, 2024, compared to the three months ended January 31, 2023:

During the three months ended January 31, 2024, the Company recorded a net and comprehensive loss of $14,445,444 (2023: gain of $15,245). There was limited activity in the comparative period due to the reverse takeover transaction as described above, as the Company before the RTO had minimal operations.

The drivers of the increase in net and comprehensive loss on a year over year basis were as follows:

- Hosting revenues of $181,757 (2023: $0), offset by depreciation expense of $440,976 (2023: $0) and hosting expenses associated with revenue generation of $139,337 (2023: $0).
- Professional and legal fees of $545,5787 (2023: $6,000), which include primarily legal, accounting and consulting fees incurred in connection with continued acquisition activity and business development.
- Loss on the change in fair value of equity investments of $10.5M (2023: $0).
- Business development expenses of $3.1M (2023: $0).
- Impairment losses on intangible assets of $247,217 (2023: $0).

For the year ended January 31, 2024, compared to the year ended January 31, 2023:

During the year ended January 31, 2024, the Company recorded a net and comprehensive loss of $16,831,431 (2022: gain of $15,245). There was limited activity in the comparative period due to the reverse takeover of the Company by Ultron as described above, as Ultron had minimal operations.

The drivers of the increase in net and comprehensive loss on a year over year basis were as follows:

- Hosting revenues of $181,757 (2023: $0), offset by depreciation expense of $440,976 (2023: $0) and hosting expenses associated with revenue generation of $139,337 (2023: $0).
- Professional and legal fees of $1,243,941 (2023: $6,000), which include primarily legal, accounting and consulting fees incurred in connection with the reverse takeover, acquisition activity post RTO, and continued business development.
- Advertising and promotion expenses of $311,404 (2023: $0), associated with marketing, promotion of new company and brand awareness.
- Loss on the change in fair value of equity investments of $10.5M (2023: $0).
- Business development expenses of $3.1M (2023: $0).
- Impairment losses on intangible assets of $247,217 (2023: $0).
- Research and development of $309,753 (2023: $0), associated with expenses around intellectual property protection and research. The material components of expensed for research and development costs were for payments related to application development, building of interfaces, coding, testing, and model enhancements along with the payment of the Classmate application.
- Share-based compensation expense recognized of $615,106 (2023: $0), representing the fair value of options issued to certain directors, officers, and consultants of the Company.

SELECTED ANNUAL INFORMATION

The below table provides a summary of selected annual financial data, prepared in accordance with IFRS.

	Jan 31, 2024 $	Jan 31, 2023 $	Jan 31, 2022 $
Revenue	181,757	-	-
Assets	4,861,929	796,241	10
Non-current liabilities	267,756	226,912	-
Net and comprehensive income (loss)	(14,445,444)	15,245	(1,210)
Basic loss per common share	(0. 21)	(0.00)	(1.21)

SELECTED QUARTERLY INFORMATION FOR MOST RECENT COMPLETED QUARTERS

	January 31, 2024	October 31, 2023	July 31, 2023	April 30, 2023
	$	$	$	$
Total revenue	181,757	-	-	-
Net income (loss)	(14,445,444)	(696,835)	(1,029,507)	(659,645)
Basic gain (loss) per share	(0.21)	(0.01)	(0.01)	(0.01)

	January 31, 2023	October 31, 2022	July 31, 2022	April 30, 2022
	$	$	$	$
Total revenue	-	-	-	-
Net loss	15,245	-	-	-
Basic and diluted loss per share	0.00	-	-	-

For the quarters ending April 30, 2022, July 31, 2022, October 31, 2022, and January 31, 2023, there was minimal activity in the Company prior to the reverse takeover transaction as it was working on structuring its business. For the quarters ending April 30, 2023, July 31, 2023, October 31, 2023, and January 31, 2024 (following the completion of the reverse takeover of the Company by Ultron), the Company closed two private placements and began incurring professional and legal fees, advertising and promotional expenses, and research and development costs to create brand awareness, build its intellectual property catalog, build its out its developmental applications. This expansion of the Company's intellectual property assets encompasses the Global AI and Pulse AI acquisitions that closed in the summer of 2023.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties include key management personnel and may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions are recorded at the exchange amount, being the amount agreed to between the related parties.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of the Board of Directors. The Company incurred the following key management compensation during the years ended January 31, 2024 and January 31, 2023:

	2024	2023
	$	$
Professional fees	**267,958**	-
Share-based compensation	**605,765**	-
	873,723	-

The Company accrued the $12,860 (2023 - $nil) in accounts payable and accrued liabilities to a consulting company that has substantial holdings in the Company during the year ended January 31, 2024. This amount is unsecured, bears no interest and has no specific terms of repayment.

As at January 31, 2024, accounts payable and accrued liabilities included $27,920 (2023 - $11,875) due to Directors from the Company. This amount is unsecured, bears no interest and has no specific terms of repayment.

During the year ended January 31, 2024, the Company engaged in the following transactions with Metachain Technologies Inc., a related party due to common directors and its non-controlling interest in one of the Company's subsidiaries:

- Research and development expenses of $279,762
- Sale of intangible asset to the Company for $97,217
- Shares to be issued for consulting services valued at $237,500

During the year ended January 31, 2024, the Company engaged in the following transactions with consulting firm. The consulting firm is a related party, due to the entity holding a minority interest in the shares of the Company and non-controlling interest in a number of the Company's subsidiaries:

- Consulting fees of $12,860 recorded in accrued liabilities
- Consulting fees of $11,875 related to the Ultron RTO recorded in accounts payable

During the year ended January 31, 2024, the Company paid rent of $21,000 (2023 - $nil) to an entity under the control of the Chief Executive Officer of the Company.

CONVERTIBLE INSTRUMENTS & PROMISSORY NOTES

On January 10, 2023, the Company issued a convertible promissory note with a principal amount of $367,500 as payment for a consulting agreement. The convertible promissory note does not bear interest and matures on December 31, 2025. The convertible promissory note is convertible into common shares of the Company at $0.10 per common share at the discretion of the holder at any time after October 31, 2025, until the maturity date. The convertible promissory note holder may not exercise the conversion right in respect of any portion of the convertible promissory note if, after the conversion, it would hold more than 10% of the outstanding common shares of the Company. The liability component of the convertible promissory note of $226,912 was measured at the fair value of a similar liability that did not have an equity conversion option using a discount rate of 18%. The difference between the face value of the note and the amount allocated to the liability component was allocated to the equity component. Subsequent to the initial recognition, the liability component of the convertible promissory note is carried at amortized cost. As at January 31, 2024, the amortized cost of the debt was $267,756. The equity component is not subsequently remeasured and remains the same.

On May 2, 2023, the Company issued a secured convertible debenture to Exponential Genomics, Inc.("Exponential") in connection with the Company's acquisition of Global AI Billing Corp. The convertible debenture, which has a principal amount of $680,900 (US$500,000) and bears an interest rate of 5% per year, is convertible to the Company's common shares at a price of $0.79 per share and matured on May 2, 2024 (the 'Maturity Date'). The convertible debenture was secured against the Company's 10% interest in Remitz Inc. As the convertible debenture is denominated in USD, the instrument contains an embedded derivative liability. As a result, the Company recognized $606,639 (US$445,469) as the fair value of the liability and $344,423 (US$252,917) as the fair value of the derivative liability on issuance. The embedded derivative liability, on issuance, was valued using the Black-Scholes Option Pricing Model assuming an expected life of one year, expected dividend yield of 0%, a risk-free interest rate of 4.56% and an expected volatility of 145.88%. The embedded derivative liability, as at January 31, 2024, was re-measured to fair value at year-end using the Black-Scholes Option Pricing Model assuming an expected life of 0.25 years, expected dividend yield of 0%, a risk-free interest rate of 5.04% and an expected volatility of 354.70%. Accordingly, the Company recognized a gain on valuation of the derivative liability in the amount of $299,382 in the year ended January 31, 2024. As at January 31, 2024, the carrying value of the convertible debenture was $682,452 and the fair value of the derivative liability is $45,041. Subsequent to the year ended January 31, 2024, the convertible debenture terms have been amended such that, the maturity of the convertible debenture has been extended to May 3, 2025.

On May 2, 2023, the Company issued a promissory note with a principal amount of US$250,000 to Exponential in connection with the Company's acquisition of Global AI Billing Corp (Note 9). The Company agreed to repay the principal on or before April 25, 2025. The loan bears interest at the rate of 5% per annum, compounded annually. As at January 31, 2024, the Company has repaid the US$250,000 to Exponential and recorded a loss on debt settlement of $8,980.

On May 2, 2023, the Company issued a promissory note with a principal amount of US$500,000 to Romatex Trading AG ("Romatex") in connection with the Company's acquisition of Global AI Billing Corp. The Company agreed to repay the principal on or before April 15, 2025. The unpaid principal balance outstanding under the loan will bear interest at the rate of 5% per annum, compounded annually. As at January 31, 2024, the Company has repaid the US$500,000 to Romatex and recorded a loss on debt settlement of $31,528.

	As at January 31, 2024	As at January 31, 2023
	$	$
Balance, beginning of year	**226,912**	-
Additions	**1,574,136**	226,912
Accretion and interest expense	**140,357**	-
Repayments	**(1,001,013)**	-
Loss on debt settlement	**40,508**	-
Unrealized exchange gain	**(30,692)**	-
Balance, end of year	**950,208**	226,912
Current portion	**682,452**	-
Non-current portion	**267,756**	226,912

OUTSTANDING SHARE DATA

Authorized Share Capital

The Company has an unlimited number of common shares and class B shares without par value authorized for issuance.

The Company announced that effective February 13, 2023, the equity securities of the Company, consisting of Subordinate Voting Shares and Multiple Voting Shares of the Company will be consolidated on the basis of one (1) post-consolidated share outstanding for every thirty (30) pre-consolidated share of the same class (the "Share Consolidation"). The Subordinate Shares began trading on a Consolidated basis on the CSE at the open of markets on February 13, 2023. All share and per share figures in these consolidated financial statements have been adjusted on a retroactive basis to reflect the Share Consolidation.

On April 11, 2023, the Company amended its authorized capital by, (i) creating a new class of common shares in the capital of the Company; (ii) redesignating the Subordinate Voting Shares to be Class B Shares; (iii) amending the rights and restrictions of the Class B Shares so that the Class B Shares shall be converted into common shares, such that, on a per-holder basis, 10% of the issued and outstanding Class B Shares will be converted into common shares on a date that is 24 months (April 17, 2025) after the RTO transaction with Ultron Capital Corp., and 15% are to be converted every 3 months thereafter; and (iv) by amending the rights and restrictions of the Multiple Voting Shares such that they are to be converted into Class B Shares immediately upon a resolution of the Board approving the conversion on a 1,000 Class B Shares for each Multiple Voting Share basis.

The holders of Class B Shares are entitled to receive notice of and attend all meetings of the shareholders of the Company, except a meeting of which only the holders of another particular class or series of shares of the Company shall have the right to vote and will be entitled to one vote in respect of each Class B Share held at such meetings. The holders of Class B Shares will be entitled to receive dividends if, as and when declared by the Board. In the event of liquidation, dissolution or winding-up of the Company, the holders of Class B Shares will be entitled to share rateably in any distribution of the property or assets of the Company, subject to the rights of holders of any other class of securities of the Company entitled to receive assets or property of the Company upon such distribution in priority or rateably with all holders of Common Shares (on an as-converted basis).

Share Transactions

The Company issued the following shares during the period ended January 31, 2024:

(i) On February 8, 2023, the Company issued 213,893 common shares of the Company after the conversion of 214 preferred shares to the former Poda Shareholders.
(ii) On March 7, 2023, the Company completed a private placement for gross proceeds of $1,214,675 by issuance of 8,175,000 common shares and 200,000 common shares upon exercise of special warrants for gross proceeds of $10,000.
(iii) On April 13, 2023, the Company converted all 816 of its outstanding Preferred Multiple Voting Shares into 815,611 Class B shares.
(iv) On April 17, 2023, the Company acquired all of the issued and outstanding securities of Ultron in exchange for 51,176,001 common shares of the Company.
(v) On April 17, 2023, the Company issued 4,519,837 common shares valued at $677,976.
(vi) On May 9, 2023, the Company issued 7,500,000 common shares in conjunction with the acquisition of all the securities of Global AI Billing Corp at a value of $8,550,000.
(vii) On June 6, 2023, the Company completed a private placement for gross proceeds of $5,373,497 by issuance of 9,595,531 units. Each unit consists of one common share and one common share purchase warrant at a conversion price of $1.65 per common share for a period of 24 months. The warrants were assigned a $nil value.

(viii) On June 19, 2023, the Company issued 1,630,435 common shares at a value of $1,532,609 to acquire Pulse AI Compute Solutions Inc.
(ix) On June 21, 2023, the Company issued 1,630,435 common shares for a performance milestone being satisfied, at a value of $1,597,826.

The Company issued the following shares during the period ended January 31, 2023:

(i) On January 17, 2022, the Company issued 1,000 common shares at a price of $0.01 per common share for gross proceeds of $10.
(ii) On November 15, 2022, the Company issued 42,800,000 common shares at a price of $0.01 per common share for gross proceeds of $428,000.
(iii) On January 31, 2023, pursuant to the Reverse Takeover Transaction, the Company acquired 100% of the then issued and outstanding shares of RRD by issuing 42,801,000 common shares of the Company.

On May 14, 2024, the Company issued 250,000 shares to Metachain Technologies, Inc. at a price of $0.95 per share per the terms of the Management Services Agreement entered into between the parties on May 4, 2023.

As at May 30, 2023, the Company has 71,782,402 common and 5,549,341 class B shares outstanding.

Warrants

Movements in the number of warrants outstanding and their related weighted average exercise prices are as follows:

	Number of warrants	Weighted average exercise price $
Outstanding, January 31, 2022	1,288,846	21.00
Exercised	(858,335)	(3.00)
Outstanding, January 31, 2023	430,511	56.51
Granted	9,595,531	1.65
Expired	(163,011)	26.17
Outstanding, January 31, 2024	9,863,031	3.64

Warrants outstanding and exercisable as at January 31, 2024 are as follows:

Number of Warrants				
Outstanding	Exercisable	Exercise Price	Expiry Date	Contractual Life of Warrants Remaining
250,000	250.000	$75.00	August 4, 2024	0.51 years
17,500	17,500	$75.00	August 4, 2024	0.51 years
9,595,531	9,595,531	$1.65	June 6, 2025	1.35 years
9,863,031	9,863,031	$3.64		1.33 years

As at January 31, 2024, 9,863,031 warrants are outstanding with a weighted average exercise price of $3.64 and a weighted average remaining contractual life of 1.33 years

Stock option plan

The Company has adopted a rolling incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange's requirements, grant to Directors, officers, employees or consultants to the Company, non-transferable options to purchase common shares. Pursuant to the Option Plan, the number of common shares reserved for issuance will not exceed 15% of the issued and outstanding common shares of the Company. Options and RSU's granted under the Option Plan can have a maximum exercise term of 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

On April 17, 2023, the Company granted a total of 4,750,000 incentive stock options to advisors and other eligible persons of the Company. The options vested immediately and are exercisable over a period of five years at a price of $0.15 per share.

On December 12, 2023, the Company granted a total of 500,000 incentive stock options to a Director of the Company. The options are exercisable over a period of five years at a price of $0.22 per share. 50% of the options vest on December 12, 2024 and the remaining 50% vest on December 12, 2025.

Movements in the number of stock options outstanding and their related weighted average exercise prices are as follows:

	Number of options	Weighted average exercise price $
Outstanding, January 31, 2022	178,835	5.28
Exercised	(149,268)	(4.55)
Forfeitures and cancellations	(6,667)	(3.00)
Outstanding, January 31, 2023	22,900	11.07
Granted	5,250,000	0.16
Outstanding, January 31, 2024	5,272,900	0.20

Stock options outstanding and exercisable as at January 31, 2024 are as follows:

Number of Stock Options				
Outstanding	Exercisable	Exercise Price	Expiry Date	Contractual Life of Options Remaining
400	400	$4.73	March 15, 2024	0.12 years
6,667	6,667	$3.00	January 15, 2026	1.96 years
2,500	2,500	$3.00	March 30, 2026	2.16 years
13,333	13,333	$16.80	November 1, 2026	2.75 years
4,750,000	4,750,000	$0.15	April 17, 2028	4.21 years
500,000	-	$0.22	December 12, 2028	4.87 years
5,272,900	4,772,900	$0.20		4.27 years

As at January 31, 2024, 5,272,900 stock options are outstanding with a weighted average exercise price of $0.20 and a weighted average remaining contractual life of 4.27 years.

For the year ended January 31, 2024, the Company recognized share-based compensation of $615,106 (2023: $nil) related to stock options granted and vested during the year.

Share-based compensation for options granted were measured using the Black-Scholes option pricing model with the following assumptions:

	2024	2023
Expected life	5.01 years	-
Volatility	125%	-
Dividend yield	0%	-
Risk-free interest rate	3.15% – 3.44%	-

Option pricing models require the use of highly subjective estimates and assumptions, including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimate.

FINANCIAL INSTRUMENTS AND RISKS

As at January 31, 2024, the Company's financial instruments are comprised of cash, accounts receivable, accounts payable, convertible and promissory notes payable, and the derivative liability. The fair values of the accounts receivable and accounts payable approximate their carrying values due to their short-term maturity. Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values. The levels of the fair value hierarchy are as follows:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Set out below is a comparison by class of the carrying amount and fair value of the Company's financial instruments that are carried in the financial statements.

	Carrying Amount		Fair Value	
	January 31, 2024	January 31, 2023	January 31, 2024	January 31, 2023
Financial Assets				
Cash	$ 1,656,973	$ 444,885	$ 1,656,973	$ 444,885
Trade and accounts receivables	366,652	-	366,652	-
Investment in Remitz (Note 10)	-	-	-	-
Total financial assets	$ 2,023,625	$ 444,885	$ 2,023,625	$ 444,885

	Carrying Amount		Fair Value	
	January 31, 2024	January 31, 2023	January 31, 2024	January 31, 2023
Financial Liabilities				
Accounts payable and accrued liabilities	$ 106,860	$ 17,209	$ 106,860	$ 17,209
Acquisition costs payable	-	150,000	-	150,000
Convertible and promissory notes	950,208	226,912	833,752	226,735
Derivative Liability	45,041	-	45,041	-
Total financial liabilities	$ 1,102,109	$ 394,121	$ 985,653	$ 393,944

The following methods and assumptions were used to estimate the fair values:

- Accounts and other receivables, accounts payable and accrued liabilities, other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Fair values of quoted instruments are based on price quotations at the reporting date. The fair value of unquoted instruments and other financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk, and remaining maturities.

As at January 31, 2024, the Company held the following financial instruments measured at fair value:

	January 31, 2024	Level 1	Level 2	Level 3
Assets measured at fair value				
Cash	$ 1,656,973	$ 1,656,973	$ -	$ -
Investment in Remitz (Note 8)	-	-	-	-
Total assets measured at fair value	$ 1,656,973	$ 1,656,973	$ -	$ -
Liabilities measured at fair value				
Derivative Liability	45,041	-	-	45,041
Total liabilities measured at fair value	$ 45,041	$ -	$ -	$ 45,041

The fair values of equity investments were calculated using actualized cash flows using market rates in effect at the balance sheet date and written off during the year. The change in fair value of the Company's investment in Remitz (classified as Level 3) is disclosed in Note 10 of the consolidated financial statements. The key assumptions driving the valuation of the Company's private company investment include but are not limited to the value of completed financings of the investee and projected cash flows.

Promissory notes and convertible debentures are due to arm's length third parties, and on initial recognition the fair value of the notes are measured using relevant market input (Level 3) as disclosed in Note 13 of the consolidated financial statements. The derivative liability is remeasured at the end of each reporting period using the Black-Scholes option pricing model.

During the year ended January 31, 2024, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

Credit risk

Credit risk arises from cash held with banks and financial institutions, as well as credit exposure on any outstanding accounts receivable. The carrying amount of financial assets represents the maximum credit exposure.

Currency risk

Currency risk is the risk that the value of financial assets and liabilities denominated in currencies, other than the functional currency of the Company, will fluctuate due to changes in foreign currency exchange rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company is exposed to foreign currency risk through cash held in bank and investment accounts which are denominated in United States dollars (USD). As at January 31, 2024 and 2023, the foreign currency risk was considered minimal.

Interest rate risk

Interest rate risk consists of two components:

(i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
(ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature and maturity. The Company's amounts due to related parties are non-interest bearing. The Company also has no long-term debt with variable interest rates, so it has no negative exposure to changes in the market interest rate.

Liquidity and Financial Position

As of January 31, 2024, the Company had a working capital balance of $1,831,873 including cash of $1,656,973. The Company has earned minimal revenue from operations to date, has a limited operating history, and there can be no assurance that the Company's historical performance will be indicative of its future performance.

The Company's ability to continue as a going concern is dependent on the Company's ability to efficiently operationalize its IP and developmental initiatives, manage operational expenses, and raise additional funds through debt or equity financing if needed.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

The following table summarizes the expected maturity of the Company's significant financial liabilities and other liabilities based on the remaining period from the balance sheet date to the contractual maturity date:

As at January 31, 2024 Payments by period

	Less than 1 year	1-3 years	4-5 years	More than 5 years	Total	Carrying Value
Accounts payable and accrued liabilities	$ 106,860	$ -	$ -	$ -	$ 106,860	$ 106,860
Derivative liability	45,041	-	-	-	45,051	45,051
Convertible debenture	682,452	267,756	-	-	950,208	950,208
	$ 834,353	$ 267,756	$ -	-	$ 1,102,119	$ 1,102,119

As at January 31, 2023 Payments by period

	Less than 1 year	1-3 years	4-5 years	More than 5 years	Total	Carrying Value
Accounts payable and accrued liabilities	$ 17,209	$ -	$ -	$ -	$ 17,209	$ 17,209
Due to related party	11,875	-	-	-	11,875	11,875
Acquisition costs payable	-	150,000	-	-	150,000	150,000
Convertible debenture	-	226,912	-	-	226,912	226,912
	$ 29,084	$ 376,912	$ -	-	$ 405,996	$ 405,996

Capital resources

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of all components of shareholders' equity.

The Company manages its capital structure and adjusts it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under specific circumstances. The Company may manage its capital structure by issuing equity, seeking financing through loan products, adjusting capital spending, or disposing of assets if needed.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the period ended January 31, 2024.

Significant Projects that have not Generated Revenue

The Company continues to work on the internal development of its Global Newswire, "SpeakGPT", and Tobacco Titan applications. To date, approximately CAD$470k has been spent towards the development and commercialization of these applications, and it is anticipated that an additional spend of CAD$150k will be required to finalize the development and commercialization of the projects with the goal of a commercialization release in Q4 of 2024.

Available Funds and Principal Purposes

In the Company's Annual Information form dated August 31, 2023, the Company disclosed that it had approximately $2,269,354 in working capital available. The Company represented that it expected to use the funds available to it in furtherance of its stated business objectives for the 12 months which are summarized in the table appearing below. The Company stated that intended uses of funds may vary based upon a number of factors and such variances may be material.

The amounts shown in the table are estimates only and are based upon the information available to the Company as of the date hereof:

	Estimated Amount ($)
Total working capital of the Company as at August 31, 2023	**2,269,354**
Uses of Funds:	
General and administrative (1)	671,000
Product development (2)	500,000
Sales and marketing (3)	200,000
Professional fees (4)	125,000
Unallocated working capital (5)	773,354
Total Uses of Funds:	**2,269,354**

Notes:

(1) Includes management and consultant fees ($216,000), advisory ($120,000) and contractor fees ($180,000), general office expense ($20,000), rent ($60,000) and professional fees ($75,000). For greater certainty, as of the date hereof the Company does not intend to allocate any of its available funds for investor relations or similar purposes.

(2) Includes the design and mockup of additional functionality within the application; performance testing and revisions; writing code for the final version of the application; and modifications and maintenance after release.

(3) Includes brand development activities ($50,000), search engine optimization ($50,000) and expenses related to the sales team ($100,000).

(4) Includes unpaid professional fees for the completion of the Business Combination. Ongoing professional fees are included under the general and administrative heading.

(5) As a result of the Company's business model, the Company does not believe that it can allocate all of its cash with certainty. As such, the Company has not specifically allocated all of its available funds. Decisions on the allocation of unallocated funds will depend on the development and evolution of the Company's products and services, continuing market research on the best way to deploy the technology and underlying product and market conditions, all of which may evolve over time and may include unplanned costs and expenses. Until such unallocated proceeds are used, the Company intends to invest available cash in short-term, investment grade, interest bearing instruments or hold them as cash.

Notwithstanding the proposed uses of available funds set out above, there may be circumstances where, for sound business reasons, a reallocation of funds or additional funds may be necessary. It is difficult, at this time, to definitively project the total funds necessary to effect the planned activities of the Company. For these reasons, management of the Company consider it to be in the best interests of the Company and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed amongst the uses identified above, or for other purposes, as the need arises. Further, the above uses of available funds should be considered estimates.

As the date of this MD&A, the Company has utilized the funds available described in the AIF in the below listed manner.

Uses of Funds:	Per AIF	As of 5/30/2024
General & administrative	$671,000	$404,354
Product development	$500,000	$310,000
Sales & marketing	$200,000	$311,000
Professional fees	$125,000	$1,244,000
Unallocated working capital	$773,354	$0
Total Uses of Funds:	$2,269,354	$2,269,354

Unallocated capital amounts were used to pay professional, advisory, accounting, and legal fees. Outside of the risks identified in this MD&A, the Company is not aware of other events that will negatively affect the Company's ability to achieve its business objectives.

OFF-BALANCE SHEET ARRANGEMENTS AND PROPOSED TRANSACTIONS

The Company has no off-balance sheet arrangements or proposed transactions.

MATERIAL ACCOUNTING POLICIES

The Company follows the accounting policies described in Note 3 of the Company's audited consolidated financial statements for the year ended January 31, 2024, with the exception of the new accounting standards adopted in the current year, as described below.

MATERIAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments in applying its accounting policies and estimates and assumptions about the future. These judgments, estimates, and assumptions affect the reported amounts of assets and liabilities at the reporting date and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance. Actual results may differ from these estimates under different assumptions or conditions. Note 3 of the Company's audited consolidated financial statements for the year ended January 31, 2024, discusses the most significant accounting judgments, estimates and assumptions that the Company has made in the preparation of its consolidated financial statements.

ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE

The Company adopted the following amendments to accounting standards, which are effective for annual periods beginning on or after January 1, 2023:

(i) Disclosure of accounting policies – amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materially Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

(i) Definition of accounting estimates – amendments to IAS 8
The amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Company's financial statements.

(i) Deferred tax related to assets and liabilities arising from a single transaction – amendments to IAS 12

The amendments to IAS 12 Income Taxes narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Company's financial statements.

The Company has not early adopted any other new accounting standard, interpretation or amendment that has been issued but is not yet effective.

RISK FACTORS

This section discusses factors relating to the business of the Company that should be considered by both existing and potential investors. The information in this section is intended to serve as an overview and should not be considered comprehensive and the Company may face risks and uncertainties not discussed in this section, or not currently known to us, or that we deem to be immaterial. All risks to the Company's business have the potential to influence its operations in a materially adverse manner.

The Company's actual financial position and results of operations may differ materially from the expectations of the Company's 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.

We are an early, commercial-stage company with a limited operating history

The Company has limited historical financial data upon which to base our projected revenue, planned operating expenses or upon which to evaluate our business and our commercial prospects. Based on our limited experience in developing and marketing our existing products and services as well as launching new products, we may not be able to effectively:

- drive adoption of our current and future products and services;
- attract and retain customers for our products and services;
- provide appropriate levels of customer training and support for our products and services;
- implement an effective marketing strategy to promote awareness of our products and services;
- develop, manufacture and commercialize new products or achieve an acceptable return on our manufacturing or research and development efforts and expenses;
- anticipate and adapt to changes in our market or predict future performance;
- accommodate customer expectations and demands with respect to our products and services;

The Company may not be able to manage its growth

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

The Company is subject to changes in laws, regulations and guidelines which could adversely affect the Company's future business, financial condition and results of operations

The Company's operations will be subject to various laws, regulations and guidelines enacted by national, regional, and local governments. Changes to such laws, regulations and guidelines due to matters beyond the control of the Company may cause adverse effects to its operations. The Company endeavors to comply with all relevant laws, regulations and guidelines. To the best of the Company's knowledge, the Company is in compliance or in the process of being assessed for compliance with all such laws, regulations and guidelines as described elsewhere in this MD&A.

There is no assurance that the Company will turn a profit or generate continued revenues

There is no assurance as to whether the Company will be profitable, continue to 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.

On November 31, 2023, the Company announced that it continues to work on expanding its compute offerings as contemplated in a memorandum of understanding (the "MOU") which was announced on August 25th, 2023. Pursuant to the terms of the MOU, GenAI is working to procure and deliver approximately 17 million additional hours per year of AI compute time resources to be sold as services to an arm's length third party resulting in the sale of approximately 85 million AI compute hours over the next five years.

Risks and uncertainties pertaining to this MOU include, among other things, that the conditions for the MOU will be fulfilled, the Company's ability to operate the Services pursuant to the MOU, the receipt of payments from the Customer in accordance with the MOU, the market acceptance and demand of the Company's technology and related products, the effects of general economic conditions, changing foreign exchange rates and actions by government and regulatory authorities, the effects of COVID-19, and the future of the market for Company's programs. In addition, there are known which include risks associated with the development and anticipated launch of each of the Company's projects, the failure to receive payments from the Customer for the Services pursuant to the MOU, the impact of general business and economic conditions, unexpected changes in market and technological trends and governmental policies and regulations affecting the Company, the Company's ability to continue onboarding clients, risks related to global pandemics, influence of macroeconomic developments, business opportunities that become available to, or are pursued by the Company, reduced access to debt and equity capital, litigation, the volatility of the stock market, competition, future sales or issuances of debt or equity securities, use of proceeds, dividend policy and future payment of dividends, liquidity, and the market for the Company's securities.

If our products and services fail to achieve and sustain sufficient market acceptance, we will not generate expected revenue and our business may not succeed

We cannot be sure that our current or future services will gain acceptance in the marketplace at levels sufficient to support our costs. We must successfully develop and commercialize our technology for use in a variety of life science and other applications. Even if we are able to implement our technology and develop products successfully, we and/or our sales and distribution partners may fail to achieve or sustain market acceptance of our products across the full range of our intended life science and other applications.

In attempting to keep pace with any new market developments, the Company will need to expend significant amounts of capital in order to successfully develop and generate revenues from new products. The Company may not be successful in developing effective and safe new products, bringing such products to market in time to be effectively commercialized, or obtaining any required regulatory approvals, which together with capital expenditures made in the court of such product development and regulatory approval processes, may have a material adverse effect on the Company's business, financial condition and results of operations.

The Company is dependent upon the Company's executive officers and directors and their departure could adversely affect the Company's ability to operate

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

The size of the Company's target market is difficult to quantify, and investors will be reliant on their own estimates on the accuracy of market data

Because the artificial intelligence industry is in a nascent stage with uncertain boundaries, there is a lack of information about comparable companies available for potential investors to review in deciding about whether to invest in the Company and, few, if any, established companies whose business model the Company can follow or upon whose success the Company can build. Accordingly, investors will have to rely on their own estimates in deciding whether to invest in the Company. There can be no assurance that the Company's estimates are accurate or that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results. The Company regularly purchases and follows market research.

The Company could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses or claims against the Company

The Company is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Company that violates: (i) government regulations; (ii) manufacturing standards; (iii) federal and provincial healthcare fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It is not always possible for the Company to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Company, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the Company's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Company's operations, any of which could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company will be reliant on information technology systems and may be subject to damaging cyber-attacks

The Company has entered into agreements with third parties for hardware, software, telecommunications and other information technology ("IT") services in connection with its operations. The Company's operations depend, in part, on how well it and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

The Company has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

The Company's officers and directors may be engaged in a range of business activities resulting in 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 also become involved in other transactions which conflict with the interests of its directors and the 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 compete 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. In certain circumstances, the Company's reputation could be damaged.

Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views regarding the Company and its activities, whether true or not. Although the Company believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, the Company does not ultimately have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects.

Risks of foreign operations

The Company's strategy includes exporting its expertise and technologies to foreign countries. Working outside of Canada gives rise to the risk of dealing with business and political systems that are different than what the Company is accustomed to in Canada. The potential risks include expropriation or nationalization; civil insurrection; labor unrest; strikes and other political risks; fluctuations in foreign currency and exchange controls; increases in duties and taxes; and changes in laws and policies governing operations of foreign based companies. Restrictions on repatriation of capital or distributions of earnings could adversely affect the Company in the future.

Anti-bribery and anti-corruption laws

The Company is subject to anti-bribery and anti-corruption laws, including the Corruption of Foreign Public Officials Act (Canada) and the U.S. Foreign Corrupt Practices Act. Failure to comply with these laws could subject the Company to, among other things, reputational damage, civil or criminal penalties, other remedial measures and legal expenses which could adversely affect the Company's business, results of operations and financial condition. It may not be possible for the Company to ensure compliance with anti-bribery and anti-corruption laws in every jurisdiction in which its employees, agents, sub-contractors or joint venture partners are located or may be located in the future.

Market risks for securities

The market price of common shares, should the Company become listed on a securities exchange, may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Company, general economic conditions, legislative changes, and other events and factors outside of the Company's control.

Dividends

Other than the dividends paid in connection with the Transaction, the Company has not paid any dividends on its issued and outstanding common shares and may not pay dividends in the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of the board of directors of the Company (the "Board") and will depend on, among other things, financial results, cash requirements, contractual restrictions and other factors that the Board may deem relevant. As a result, investors may not receive any return on an investment in the Common Shares unless they sell their common shares of the Company for a price greater than that which such investors paid for them.

Financing risk

The Company will be dependent upon the capital markets to raise additional financing in the future. As such, the Company is subject to liquidity risks in meeting its development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. An economic downturn of global capital markets has been shown to make the raising of capital by equity or debt financing more difficult. These and other factors may impact the Company's ability to raise equity or obtain loans and other credit facilities in the future and on terms favorable to the Company and its management. The Company may not be able to raise capital on favorable terms or at all, which could have an adverse impact on the Company's operations and the trading price of the common shares, should the Company become listed on a securities exchange. Additionally, future financing may substantially dilute the interests of the Company's shareholders.

Changes to tax laws may have an adverse impact on the Company and holders of the Company's common shares

Changes in tax laws, including amendments to tax laws, changes in the interpretation of tax laws, or changes in the administrative pronouncements or positions by the Canada Revenue Agency, or CRA, may have a material adverse effect on the Company. In addition, tax authorities could disagree with the Company on tax filing positions taken by the Company and any reassessment of the Company's tax filings could result in material adjustments of tax expense, income taxes payable and deferred income taxes.

Changes in tax laws, including amendments to tax laws, changes in the interpretation of tax laws or changes in the administrative pronouncements or positions by the CRA, may also have a material adverse effect on the Company's shareholders and their investment in the Company's common shares. Purchasers of the Company's common shares should consult their tax advisors regarding the potential tax consequences associated with the acquisition, holding and disposition of the Company's common shares in their particular circumstances.

Additional Information

Additional information relating to the Company is available on the Company's website at HOME | GenAI (genai-solutions.com) and under the Company's profile on SEDAR at www.sedar.com.