AVISA DIAGNOSTICS INC.
(Formerly FogChain Corp.)

Management's Discussion and Analysis
For the Year Ended December 31, 2020

1.1 Date

This Management Discussion and Analysis ("MD&A") of Avisa Diagnostics Inc. (formerly FogChain Corp.) (the "Company") has been prepared by management as of April 30, 2021 and should be read in conjunction with the audited financial statements and related notes thereto of the Company for the years ended December 31, 2020 and 2019, which were prepared in accordance with International Financial Reporting Standards ("IFRS") and are reported in United States ("US") dollars unless otherwise stated.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This MD&A contains certain statements that may constitute "forward-looking statements". Forward-looking statements include but are not limited to, statements regarding future anticipated business developments and the timing thereof, regulatory compliance, sufficiency of working capital, and business and financing plans. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made and they involve a number of material risks and uncertainties. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company's ability to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

The Company has based the forward-looking statements largely on the Company's current expectations, estimates, assumptions, and projections about future events and financial and other trends that the Company believes, as of the date of such statements, may affect its business, financial condition and results of operations. Such expectations, estimates, assumptions, and projections, many of which are beyond the Company's control, include, but are not limited to: management's expectations regarding the future business, objectives and operations of the Company; the Company's anticipated cash needs and the need for additional financing; the Company's ability to successfully complete future financings; the acceptance by the marketplace of new technologies and solutions; the Company's expectations regarding its competitive position; the Company's expectations regarding regulatory developments and the impact of the regulatory environment in which the Company operates; the Company's ability to attract and retain qualified management personnel and key employees; and anticipated trends and challenges in the Company's business and the markets in which it operates. Assumptions underlying the Company's working capital requirements are based on management's experience with other public companies. Forward-looking statements pertaining to the Company's need for and ability to raise capital in the future are based on the projected costs of operating a blockchain software development platform and management's experience with raising funds in current market circumstances. Forward-looking statements regarding treatment by governmental authorities assumes no material change in regulations, policies, or the application of the same by such authorities. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements with the risks set forth.

1.2 Overall Performance

Avisa Diagnostics Inc. (formerly FogChain Corp.) ("FogChain" or the "Company") was incorporated on February 7, 1984 under the *Business Corporations Act (Ontario).*

On May 24, 2018, the Company completed a reverse takeover transaction (the "RTO"), which was effected pursuant to a merger agreement between Mukuba Resources Ltd. and FogChain Inc. ("Fog Inc."), a private company existing under the laws of Delaware with its head office in San Carlos, California. As part of the transaction, the Company consolidated its share capital at a ratio of one post consolidated common shares for 1.66 pre-consolidated common shares, created restricted voting shares in the capital of the Company ("Restricted Common Shares"), changed its name to FogChain Corp. effective May 23, 2018, voluntarily delisted its common shares from the TSX Venture Exchange effective May 28, 2018, and commenced trading its shares on the Canadian Securities Exchange ("CSE") on May 29, 2018, under the symbol FOG. Effective November 4, 2020, the CSE has deemed the Company's listed securities to be inactive and changed its symbol to FOG.X.

Pursuant to the RTO, the Company issued an aggregate of 45,353,884 common shares and 18,630,000 Class A convertible restricted common shares (the "restricted shares") of the Company in exchange for all of the issued and outstanding shares of Fog Inc. In conjunction to the RTO, the Company issued an aggregate of 12,990,451 common shares for finder's fees, debt settlement and conversion of convertible notes. Upon closing of the transaction, the shareholders of Fog Inc. owned 96% of the common shares of the Company and, as a result, the transaction is considered a reverse acquisition of the Company by Fog Inc.

On December 17, 2019, the Company entered into a share exchange agreement with Canadian Teleradiology Services Inc., a privately held Canadian company incorporated under the *Canada Business Act (Ontario)*. On June 22, 2020, the share exchange agreement was terminated.

On August 21, 2020, the Company entered into a business combination and amalgamation agreement with Global Star Education Group Limited, a privately held Canadian company. On November 2, 2020, the business combination and amalgamation agreement was terminated.

On April 20, 2021, according to the Merger Agreement and Plan of Reorganization dated February 1, 2021 ("Merger Agreement"), the Company acquired the issued and outstanding shares of Avisa Pharma Inc. ("Avisa").

Upon completion of the reverse takeover transaction, the Company changed its name to Avisa Diagnostics Inc. and will continue the business of Avisa. The listing of the resulting issuer is conditionally approved by the CSE and expected to close in May 2021.

Avisa is a private medical device company established in 2010 with its head office in Santa Fe, N.M., and incorporated under the laws of Delaware. Avisa has developed a quantitative, point-of-care diagnostic breath test known as the Avisa BreathTest (ABT) for rapidly detecting bacterial pneumonia and pulmonary infections in approximately 10 minutes. The ABT has the potential to be a more accessible, faster and cost-effective detection method than presently used in the health care sector. The ABT is a validated clinical-stage test with existing technology. Avisa currently has an intellectual property portfolio of 11 patents issued and registered, and three patents pending. See *1.10 Fourth Quarter and Subsequent Events.*

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about by the pandemic's impact on its business, results of operations, financial position and cash flows in the future.

General Description of the Business

FogChain was previously a fully integrated, end-to-end software development life cycle and quality assurance solutions provider. FogChain's suite of services and technology provided application development at scale with greater speed, efficiency and at a lower cost. FogChain's Build-Once-Deploy-Everywhere software architecture provided developers with a suite of tools to build, test, and monitor exciting new applications in a unified environment.

Subsequent to the Merger, the Company will continue the business of Avisa. Avisa has developed a quantitative, point-of-care diagnostic breath test known as the Avisa BreathTest (ABT) for rapidly detecting bacterial pneumonia and pulmonary infections in approximately 10 minutes.

Company Highlights

During the year ended December 31, 2020, the Company:

- Accepted the resignation of Zachary Dolesky and Patrick Quilter from the board of directors. Patrick Quilter also resigned as Chief Strategy Officer.

- Entered into a business combination and amalgamation agreement on August 21, 2020 with Global Star Education Group Limited, a privately held Canadian company. On November 2, 2020, the business combination and amalgamation agreement was terminated.

- Entered into a share exchange agreement on December 17, 2019 with Canadian Teleradiology Services Inc., a privately held Canadian company incorporated under the *Canada Business Act (Ontario)*. On June 22, 2020, the share exchange agreement was terminated.

- Continued to focus on the sales of its development platform “TCM”.

- Continued development of its unified platform Trident.

- Implemented a temporary remote work policy in light of the COVID19 pandemic which follows the social distancing measures and guidelines issued by the local government. The Company does not expect an interruption in services to its clients as it is able to conduct its services remotely.

Products

RadJav

RadJav is a software development platform and decentralized datacenter. This platform provides rapid application development tools and resources to build and launch applications across all devices and operating systems all using the same code.

To-date, RadJav has completed its integration of RadJav to connect with top operating systems, Linux, Microsoft Windows, Mac OSX and Apple iOS 12, Google’s Chrome DevTools and Android 9 operating system, and Visual Studio Code.

In April 2019, RadJav released its latest version and is now in Beta phase. Highlights of the latest release include:

- Create native applications using a single code base across all mainstream desktop, tablet and mobile operating systems
- Fully integrated with FogChain’s Trident platform for development, testing and monitoring
- Cryptographic library included for the development of secure apps
- Visual Studio code is integrated and will be fully bundled for easy setup and deployment of applications
- Bundled batch file scripts to easily and quickly create iOS and Android apps
- Easily create databases using RocksDB, an embeddable key-value store for fast storage
- Full documentation, templates, and examples provided in our GitHub repository

At December 31, 2019, the Company reassessed RadJav for impairment and determined that the fair value was less than the carrying value. Accordingly, the Company recognized an impairment.

Test Case Manager (TCM)

TCM is a patented automated testing product that allows organizations to accomplish substantial cost savings and improved time to market by automating their test cases. This container-based solution is comprised of a sleek, web UI and an innovative Selenium/Appium architecture that product development teams strive to achieve. The container approach is highly scalable and can exist onsite or accessed in the Cloud. The UI defines workflows and communication to aid in the implementation of Continuous Improvement & Continuous Development (CI/CD,) Test Driven Development (TDD), Business Process Testing (BPT), and the needs of independent QA teams. Automation engineers can leverage their Selenium and Appium skills by developing code within a tightly organized, keyword structure. Application analysts and subject matter experts will gravitate to the user-friendly drag-and-drop features for creating automation steps.

In March 2019, FogChain completed the development and release of significant new capabilities including the ability to capture mobile objects and elements to build an object repository for functional mobile automation.

The Company has evaluated whether or not costs incurred in developing this technology meet the criteria for capitalizing as intangible assets. To December 31, 2020, research and development costs related to TCM have been recognized as expenses on the statement of loss and comprehensive loss.

AppMark

This full-featured Synthetic Monitoring service allows organizations to monitor the performance of their applications in a new and efficient manner. Users receive daily benchmarked performance reports, set timers, and email notifications when an issue occurs with their product thereby minimizing customer impact.

AppMark was acquired by the Company during the year ended December 31, 2018. At the date of acquisition, there was no identifiable asset to which the consideration paid by the Company was attributable. As such, the Company recorded the consideration as share-based compensation and software costs, respectively.

Trident

A unified cross-platform application combining FogChain's RadJav, Test Case Manager and Synthetic Monitoring services applications into one platform. This platform provides developers with a suite of tools to build, test and monitor new applications using a single code-base while being natively deployed across desktop, tablet and mobile devices.

In June 2019, the Company completed the integration of AppMon, a 24/7 application monitoring solution that identifies performance issues, into the Trident platform. Users will have the ability to manage local/cloud devices, test scripts (codeless), alarms and servers, and view all important reports within a single dashboard with a mobile friendly design.

The Company has evaluated whether or not costs incurred in developing this technology meet the criteria for capitalizing as intangible assets. To December 31, 2020, research and development costs related to Trident have been recognized as expenses on the statement of loss and comprehensive loss.

1.3 Selected Annual Information

		December 31, 2020		December 31, 2019		December 31, 2018
Total revenues	$	277,830	$	838,857	$	194,345
Gross Profit	$	129,281	$	431,805	$	100,863
Net Loss	$	(715,762)	$	(4,133,893)	$	(6,495,346)
Loss per share*	$	(0.14)	$	(0.84)	$	(1.56)
Total assets	$	122,155	$	522,605	$	4,317,086
Total long-term liabilities	$	153,441	$	Nil	$	Nil
Cash dividends declared per share for each class of share	$	Nil	$	Nil	$	Nil

* On April 20, 2021, the Company effected a share consolidation on the basis of 15:1. The calculation of basic and diluted loss per common share for all periods presented has been adjusted retrospectively, on the basis of 5,224,348 and 4,920,819 as the weighted average number of common shares outstanding, respectively.

1.4 Results of Operations

Year ended December 31, 2020

During the year ended December 31, 2020, the Company incurred an overall net loss of $715,762 or $0.14 per share compared to a net loss of $4,133,893 or $0.84 per share for the year ended December 31, 2019, a decrease in loss of $3,418,131. The decrease in loss was primarily a result of the Company's decrease in overall expenses as a result of the Company's decision to change its business activity in the second half of the fiscal year and an impairment of intangibles and goodwill in 2019.

During the year ended December 31, 2020, the Company earned sales totaling $277,830 for project development and IT support services, specifically, automated quality assurance test scripting, software development, performance monitoring, and onsite consulting & training. The Company earned a gross profit of $129,281 or 47% during the year ended December 31, 2020 compared to total sales of $838,857 from IT support services with gross profit of $431,805 or 51% during the year ended December 31, 2019.

The following costs have significantly decreased total net loss for the current year:

Amortization (non-cash) by $945,640. During the year ended December 31, 2019, the Company reassessed the value of its intangible assets and determined that the recoverable amount is less than the carry value, thus recognized an impairment in its intangible assets. No further intangible assets were subject to amortization in 2020.

Consulting fees by $156,194 as the Company engaged in less consulting services for the year.

Marketing costs by $33,203 as the Company did not carry out any marketing programs.

Office and administration by $42,245 due to the Company's closure of its two office locations and moved to a remote work environment as a result of the government imposed lockdown in California as well as reduced business activities.

Professional fees by $24,266. In 2019, the Company reported higher legal costs incurred in connection to the Company's business combination transaction with CTS, now terminated. Legal costs incurred in 2020 was incurred in connection to the Company's terminated Global Star transaction and the Avisa merger transaction. Audit and accounting fees also decreased in fiscal 2020 due to the reduction in business activities for audit.

Regulatory and transfer agent fees by $16,034 as the Company paid higher regulatory fees in 2019 in connection to the terminated CTS transaction.

Rent and utilities by $21,680 as the company discontinued its office rentals during the year.

Salaries and benefits by $780,625 paid to the officers of the Company, developers and other technical and support staff. The decrease was due to a departure of certain staff members during the year and no new hires were made to fill the vacant positions.

The Company recognized $31,312 (2019-$133,790) on the vested portion of stock options granted to directors, officers, employees and consultants on October 1, 2018 at an exercise price of $0.28 with an expiry of October 1, 2022.

Travel costs by $69,268. Due to the COVID19 pandemic, travel plans were put on hold as travel restrictions were implemented globally.

Three months ended December 31, 2020

During the three months ended December 31 2020, the Company did not earn any sales for project development and IT support services, specifically, automated quality assurance test scripting, software development, performance monitoring, and onsite consulting & training. The Company earned a gross profit of $nil during the three months ended December 31, 2020 compared to total sales of $184,616 from IT support services with gross profit of $102,038 or 55% during the three months ended December 31, 2019.

Operating costs decreased from $858,434 to $124,428 between the comparative quarters due to overall decreases in expenses.

EBITA and Adjusted EBITA

	Three Months Ended December 31,		Years Ended December 31,	
	2020	2019	2020	2019
Net loss – as reported	$ (124,428)	$ (2,221,719)	$ (715,762)	$ (4,133,893)
Add back (deduct):				
Interest Income	-	(647)	(497)	(2,002)
Amortization of equipment	3,830	242,336	20,025	965,665
EBITA (loss)	(120,598)	(1,980,030)	(696,234)	(3,170,230)
Other non-cash items:				
Share based compensation	372	18,617	31,312	133,790
Consulting fees	-	-	-	55,000
Finance charge	6,426	-	17,096	-
Impairment of intangibles	-	1,465,971	-	1,465,971
Adjusted EBITA (loss)	$ (113,800)	$ (495,442)	$ (647,826)	$ (1,515,469)

EBITDA is defined as Earnings (from operations) before Interest, Taxes, Depreciation and Amortization. Adjusted EBITDA is defined as Earnings (from operations) before Interest, Taxes, Depreciation, Amortization and other non-cash items including share-based payment costs.

EBITDA and Adjusted EBITDA are not performance measures defined under IFRS and they are not considered an alternative to income or loss from operations, or to comprehensive earnings or loss, in the context of measuring a company's performance. Management believes that providing certain non-GAAP performance measures, in addition to IFRS measures, provides users of the Company's financial statements with an enhanced understanding of its results and related trends and increases transparency and clarity. Management believes that EBITDA and Adjusted EBITDA are important measures of operating performance because it allows management, investors and others to evaluate and compare the Company's operating results, including its return on capital and operating efficiencies, from period-to-period by removing the impact of the Company's capital structure (interest expense to service outstanding debt), asset base (depreciation and amortization), tax consequences, and other non-operating items not requiring cash outlays including the adjustment to the fair value of investments and share-based compensation. Securities regulations require that companies caution readers that earnings and other measures adjusted to a basis other than IFRS do not have standardized meanings and are unlikely to be comparable to similar measures used by other companies. Accordingly, they should not be considered in isolation.

Summary of Quarterly Results

The following is a summary of certain unaudited financial information for each of the last eight quarters:

Quarter ended	Sales	Gross Profit (Loss)	Operating expenses	Net Loss	Loss per share *
December 31, 2020	$ Nil	Nil	$124,428	$ (124,428)	$ (0.02)
September 30, 2020	Nil	(1,371)	156,096	(102,349)	(0.02)
June 30, 2020	100,044	36,935	396,135	(358,949)	(0.07)
March 31, 2020	177,786	93,717	223,996	(130,036)	(0.03)
December 31, 2019	184,616	102,038	893,503	(2,221,719)	(0.44)
September 30, 2019	229,276	129,052	694,170	(564,070)	(0.11)
June 30, 2019	199,735	99,772	799,280	(699,225)	(0.14)
March 31, 2019	225,230	100,943	749,846	(648,879)	(0.13)

* On April 20, 2021, the Company effected a share consolidation on the basis of 15:1. The calculation of basic and diluted loss per common share for all periods presented has been adjusted retrospectively, on the basis of 5,224,348 and 4,920,819 as the weighted average number of common shares outstanding, respectively.

December 31, 2020 and September 30, 2020 – lower net loss due to fewer activities held in the Company.
June 30, 2020 – higher net loss due to lower gross profit and an increase in professional fees related to the terminated transaction with CTS.
March 31, 2020 – operating costs reduced primarily due to less amortization expensed and significant savings in salaries and benefits.
December 31, 2019 – higher net loss due to increased operations and recognition of impairment of intangible assets.
September 30, 2019 – the quarter showed a slight increase in gross profit and savings in operating expenses thus reducing net loss compared to prior quarters in the current fiscal year.
June 30, 2019 and March 31, 2019 – consistency in sales and operations.

1.6/1.7 Liquidity and Capital Resources

The Company reported working capital deficiency of $380,916 at December 31, 2020 compared to working capital of $138,395 at December 31, 2019, representing a decrease in working capital of $519,311.

As at December 31, 2020, the Company had net cash on hand of $110,002 compared to $426,267 as at December 31, 2019, representing a decrease of $316,265. During the year ended December 31, 2020, the Company used $452,283 of its cash in operating activities. The Company's financing activity includes receiving a government grant and loan of $144,345 issued under the US Coronavirus Aid, Relief, and Economic Security ("CARES") Act programs.

Current assets excluding cash as at December 31, 2020 consisted of receivables of $994 (December 31, 2019 - $64,898) which comprised of government sales tax credits of $994 (December 31, 2019 - $6,818) and trade receivables of $nil (December 31, 2019 - $58,080), and prepaids and deposits of $2,587

(December 31, 2019 - $2,843).

Current liabilities as at December 31, 2020 consisted of trade payables and accrued liabilities of $166,100 (December 31, 2019 - $107,758), deferred revenues of $nil (December 31, 2019 - $19,110), due to related parties of $320,399 (December 31, 2019 - $228,745), and deferred government grant of $8,000 (December 31, 2019 - $Nil).

In response to the Coronavirus (COVID-19) pandemic, the US Government passed the CARES Act on March 27, 2020. The CARES Act provides fast and direct economic assistance for entrepreneurs and small businesses through the US Small Business Administration ("SBA"). The Company received a loan through the Paycheck Protection Program ("PPP loan"), a CARES Act program, of $191,460 bearing interest 1% per annum maturing on April 21, 2022. The PPP loan was made available on certain terms and conditions, and in reliance on attestations made by the Company in the loan agreement. Under the PPP, the Company may apply to have certain amounts forgiven under the direction of the Administrator of the SBA providing that the Company satisfies certain criteria. Repayment of the PPP loan will commence earlier of when the SBA remits the forgiveness amount to the lender or the Maturity Date.

Upon initial receipt, the Company recorded the PPP loan at a fair value of $136,346, based on a prevailing market rate of 18.5%. The Company recorded the result of the benefit received from the below-market interest rate PPP loan of $55,115 as a grant income on the statement of loss and comprehensive loss.

In addition, the Company received a non-interest bearing advance of $8,000 under the Economic Injury Disaster Loan (EIDL) program. As the Company received an EIDL advance and a PPP loan, the EIDL advance portion will be applied against the PPP forgiveness amount as repayment to the SBA upon approval of the PPP forgiveness application. The advance of $8,000 has been treated as a government grant, given reasonable assurance that the Company will meet the terms for forgiveness of the loan.

The continuing operations of the Company are dependent upon its ability to raise adequate financing and to commence profitable operations in the future. The Company has an accumulated deficit of $11,421,788 including a loss for the year ended December 31, 2020 of $715,762. These uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

Although the Company has been successful in raising funds in the past, there can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future. The other sources of funds potentially available to the Company are through the exercise of outstanding stock options and share purchase warrants. See Item 1.15 – Other Requirements – Summary of Outstanding Share Data. There can be no assurance, whatsoever, that any or all of these outstanding exercisable securities will be exercised. The Company has and may continue to have capital requirements in excess of its currently available resources.

Risk Factors and Uncertainties

The Company can be exposed, in varying degrees, to a variety of financial related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

<u>Credit risk</u>
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts which is held with reputable US and Canadian banks. Therefore, credit risk is assessed as low.

The Company's secondary exposure to credit risk is on its receivables. The Company's credit risk is low as current receivables consist of 100% refundable Canadian government sales taxes.

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 manages liquidity risk by maintaining cash balances to ensure that it is able to meet its short term and long term obligations as and when they fall due. Liquidity risk is assessed as high.

As at December 31, 2020, the Company had working capital deficiency of $380,916 (December 31, 2019 – working capital $138,395).

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk
Interest rate risk is the risk that the value of a financial instrument will change due to a change in the level of interest rates. The Company is exposed to interest rate risk as its bank account earns interest income at variable rates and is subject to the movement in interest rates. Management considers the interest rate risk to be minimal.

(b) Foreign currency risk
The Company is exposed to foreign currency risk on fluctuations related to cash, receivables, and accounts payable and accrued liabilities that are denominated in Canadian Dollars. Management does not hedge its exposure to foreign exchange risk and does not believe the Company's net exposure to foreign currency risk is significant.

As at December 31, 2020, the Company had net financial liabilities of CAD$143,104. A 10% change in the US dollar versus the Canadian dollar would give rise to a gain/loss of approximately $14,310.

(c) Price risk
Price risk is the risk that the revenue will change due to the change in the prices. The Company is not exposed to price risk.

1.8 Off-Balance Sheet Arrangements

The Company did not enter into any off-balance sheet arrangements.

1.9 Related Party Transactions

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

During the year ended December 31, 2020 and 2019, the remuneration of the key management personnel, which were recorded in salaries and benefits, were as follows:

December 31,		2020		2019
Chief Executive Officer	$	62,448	$	192,000
VP Product Marketing & Corporate Secretary		57,225		155,000
Chief Strategy Officer		65,000		185,000
Chief Financial Officer		6,715		-
Director		7,500		-
Total	$	198,888	$	532,000

Other related party transactions and balances

(i) The Company recorded $28,841 (December 31, 2020 - $116,958) in share-based compensation for key management personnel.

(ii) The Company leases office space on a month to month basis from Newton Energy, Inc. ("Newton"), a company with a common director and shareholder, James Cerna, for a monthly rent of $1,500 plus $210 in telecommunication services. Effective July 1, 2020, the lease arrangement was terminated.

During the year ended December 31, 2020, the Company paid a total of $10,260 (2019 - $20,520) in rent and telecommunications charges. As at December 31, 2020, $Nil (December 31, 2019 - $8,550) was owed to Newton which was recorded in trades payables.

(iii) As at December 31, 2020, $142,364 (December 31, 2019 - $93,614) was owed to James Cerna for accrued salaries and bonuses.

(iv) As at December 31, 2020, $116,798 (December 31, 2019 - $75,131) was owed to Anthony Cerna, officer of the Company for accrued salaries and bonuses.

(v) As at December 31, 2020, $60,000 (December 31, 2019 – $60,000) was owed to Patrick Quilter, a former director and officer of the Company for accrued bonuses.

(vi) As at December 31, 2020, $1,237 (December 31, 2019 - $Nil) was owed to Rob Kang, chief financial officer of the Company for consulting services and recorded in due to related parties.

1.10 Fourth Quarter and Subsequent Events

On November 2, 2020, the Company terminated the definitive agreement with Global Star.

In addition, on November 2, 2020, the CSE deemed the Company's listed securities to be inactive and changed its symbol to FOG.X.

On March 23, 2021, the Company entered into a debt settlement agreement to settle CAD$85,000 in outstanding debt to a private company for administrative services provided to the Company. On April 15, 2021, the Company issued 1,545,454 common shares at a price of CAD$0.055 to settle this debt.

Pursuant to the Merger Agreement, the Company acquired all of the issued and outstanding shares of Avisa. Immediately prior to the completion of the merger, the Company consolidated its issued and outstanding share capital on the basis of 15:1. Accordingly, the Company issued Avisa approximately 34,351,221 common shares and 15,208,674 restricted voting shares in the capital of the Company on a post-consolidation basis.

In connection with the Merger, Avisa closed a private placement of 1,540,741 subscription receipts for gross proceeds of $693,336. Pursuant to the terms of the Avisa Subscription Receipts, each Avisa Subscription Receipt is convertible into one Avisa common share, without payment of additional consideration or further action on the part of the holder of Avisa Subscription Receipts, upon satisfaction of the Escrow Release Conditions. On April 20, 2021, the Company issued 1,540,741 post consolidation common shares on conversion of the Avisa subscription receipts.

Effective upon completion of the Transaction, the former directors and officers of the Company resigned and the management of the resulting issuer is now comprised of David S. Joseph (Chairman, President and Chief Executive Officer) and Matthew Culler (Vice President, Chief Financial Officer, and Corporate Secretary). The board of directors consist of three directors.

1.11 Proposed Transactions

None

1.12 Critical Accounting Estimates

Not applicable to venture issuers.

1.13 Changes in Accounting Policies including Initial Adoption

Our significant accounting policies are set out in Note 3 of the audited consolidated financial statements for the years ended December 31, 2020 and 2019.

1.14 Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and cash equivalents, receivables, trades payables and due to related parties.

The Company has exposures to financial risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth and shareholder returns. The principal financial risks to which the Company is exposed are liquidity risk and funding risk.

1.15 Other Requirements

Summary of Outstanding Share Data as at April 30, 2021 (post-consolidation):

Authorized - Unlimited common shares without par value

Issued – Common Shares: 41,219,310 (includes 20,536,523 shares held in escrow)
Issued – Class A Restricted Convertible Voting Common Shares – 16,326,474 (includes 10,298,657 shares held in escrow)
Options – 2,252,896 (includes 358,750 options held in escrow)
Warrants – 7,034,964 (includes 102,499 warrants held in escrow)

Additional disclosures pertaining to the Company's management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors, thank you for your continued support.

"David S. Joseph"
David S. Joseph
Chairman, Director, President & CEO