ANALYTIXINSIGHT INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2016

Date: April 19, 2017

The following Management's Discussion and Analysis ("MD&A") relates to the financial condition and results of operations of AnalytixInsight Inc. and its subsidiaries ("we", "our", "us", "AnalytixInsight", or the "Company") for the three and twelve months ended December 31, 2016 and should be read in conjunction with the consolidated financial statements and related notes for the year ended December 31, 2016. The consolidated financial statements and related notes of AnalytixInsight have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Additional information, including our press releases, have been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") and are available online under our profile at www.sedar.com.

References to the first, second, third and fourth quarters of 2016 and the first, second, third and fourth quarters of 2015 or Q1, Q2, Q3 and Q4 2016 and Q1, Q2, Q3 and Q4 2015 mean the three months ended March 31, June 30, September 30 and December 31, 2016 and March 31, June 30, September 30 and December 31, 2015 respectively. Additional information, including our press releases, have been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") and are available online under our profile at www.sedar.com.

CAUTIONARY STATEMENTS

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements, including, but not limited to, the following:

- The Company's strategies and objectives
- General business and economic conditions
- Changes in technology
- The emergence of additional competitors in the industry
- Financial stability of the Company's customers
- Ability for the Company to keep key employees and customers
- The Company's ability to generate positive cash flow
- The Company's ability to manage growth with respect to a new business opportunity

Readers are cautioned that the preceding lists of risks, uncertainties, assumptions and other factors are not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by these forward looking statements. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, investors in securities of the Company should not place undue reliance on these forward-looking statements. The forward-looking statements contained in this document are made as of the date hereof.

Overview

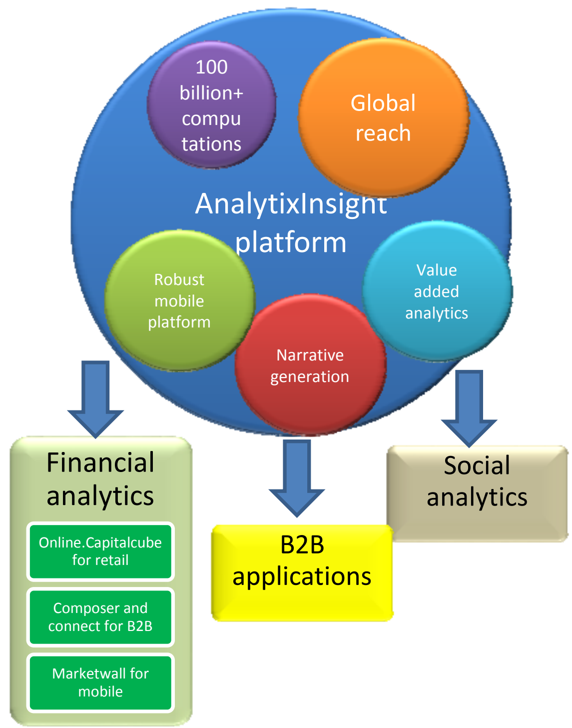
AnalytixInsight Inc. (the "Company") was continued as a corporation under the Ontario Business Corporations Act on August 18, 2014. The Company's registered and head office address is located at 65 Queen Street West, Suite 815, Toronto, ON, M5H 2M5. The Company's shares are listed on the TSX Venture Exchange ("TSX.V") under the symbol "ALY".

The Company owns 100% interest in a privately held Delaware technology company, CapitalCube Corp. ("CapitalCube"). CapitalCube provides financial research and content for investors, information providers, finance portals and media through its online portal www.capitalcube.com and through its institutional partner Connect platform.

In January 2014, the Company established a subsidiary, Marketwall S.r.l. (formerly Stockwall S.r.l.) ("Marketwall"), based in Milan, Italy. Marketwall has been formed to focus on mobile opportunities, primarily a relationship with Samsung Electronics ("Samsung") as well as to focus on opportunities in the business to business ("B2B") and business to business to consumer ("B2B2C") spaces. On April 8, 2016, the Company and Grupo Intesa Sanpaolo ("Intesa Sanpaolo") executed a definitive agreement pursuant to which Intesa Sanpaolo exercised their option to acquire a 33% share in Marketwall for EUR 212,691 (approximately $315,230) in return for a multi-year licensing revenue of approximately $2 million CAD per year, which diluted the Company's ownership in Marketwall to 67%. On October 11, 2016, the Company's ownership was further diluted to 49% by Intesa Sanpaolo and a local partner. This is consistent with the Company's strategy of preparing to spin out Marketwall by listing Marketwall's shares on a stock exchange or disposing of the Company's Marketwall shares by way of a trade sale.
Marketwall's mobile applications are currently available on Google Play and iTunes, and Marketwall has a partnership with Samsung for loading its applications on Samsung's entire suite of mobile products, wearables and Smart TVs.

Outlook

The Company has created an innovative big data analytics platform and technology engine that processes large amounts of data, rulesets, analysis models, and logical arguments to generate insights. The platform has narrative capabilities to auto-generate reports for ease of consumption by end-users, as well as predictive analytics capabilities.



While the current application of this engine is in the financial analytics space, the platform and engine are applicable to other sectors and datasets. The Company is considering opportunities to expand into the generation of social media analytics, retail sector analytics, gaming, etc. – all of which can be serviced by the backbone platform with some amount of customization.

The Company's product and technology platform is used to service both CapitalCube and Marketwall. These entities in turn, service a variety of customers across both the individual and institutional segments. The Company continues to build its individual and institutional customer bases across both its subsidiaries in the financial analytics space.

Institutional clients are largely served through two products offered by the Company: Composer and Connect. The Composer product allows for easy customization of the Company's platform output to meet the content generation needs of institutional customers. The Connect service allows for the easy delivery, integration and licensing of the content. All of the Company's existing institutional customers – including several leading business and media portals, educational institutions, hedge funds and stock exchanges are serviced by a combination of Composer and Connect. The Company is currently pursuing opportunities that will allow it to better service enterprise licensing opportunities with institutional customers.

The Company is pursuing strategic opportunities to expand its analytics capabilities – especially to better integrate its product offerings with the workflow processes and analytics of institutional customers. During the fourth quarter of 2016, the Company announced an agreement to acquire certain assets of Euclides Technologies Inc., relating to Euclides' field service management integration and implementation business. Euclides has an 11 year operating history and the Euclides team has decades of combined experience in developing, implementing, and consulting tailored field service management solutions for large global corporations, with touch points to over 100,000 field service personnel. Euclides is an implementation partner for field service management industry leaders. The Company believes this acquisition will create opportunities to develop new products and revenues relating to workflow analytics.

CAPITALCUBE CORP:

CapitalCube provides analysis on stocks listed on all exchanges globally, and thus the Company continues to see an expansion in the geographic spread of its customers. For the individual business segment, in the near-term, the Company's efforts are focused on driving traffic and registrations for the retail on-line and mobile business. CapitalCube's website provides a subscription service to individual customers – primarily retail investors, financial advisors and professional financial analysts. CapitalCube's institutional partnerships with leading finance portals like Yahoo! Finance and the Wall Street Journal (www.wsj.com) have helped in increasing awareness and driving additional traffic and conversions to CapitalCube's individual customer segment. CapitalCube is working on expanding the scope of these partnerships and expects to benefit from additional traffic in the coming quarters.

CapitalCube is regularly in discussions with brokerages, stock exchanges, educational institutions and business media properties to license its content. This is a segment that is expected to grow and advance as investors seek access across websites and portals for the kind of content generated by CapitalCube. CapitalCube is also in discussions with large financial institutions to provide custom research and analytics by licensing the Composer product to create customized narratives based on client-proprietary data.

CapitalCube derives revenues from subscription fees, licensing fees, advertising and development work.

MARKETWALL S.r.l:

Marketwall's customers are primarily institutional firms. Marketwall continues to benefit from the branding and marketing support it receives from the partnership with Samsung as well as other hardware manufacturers like MiiA and Netrange. These partnerships have significantly increased the number of downloads of the Marketwall App. These download catalysts and Marketwall's partnerships with leading financial data and news providers such as Morningstar, BATS, etc. have provided the ability to pursue institutional customer opportunities. Marketwall currently has a five-year licensing and integration project with Intesa Sanpaolo S.p.A ("Intesa Sanpaolo"), one of the leading financial institutions in the world. As part of the project, Intesa Sanpaolo will incorporate Marketwall's mobile capabilities with their existing product and service portfolios for their retail banking customers.

Marketwall derives revenues from subscription fees, licensing fees, advertising and development work.

The Company has also seen interest from leading financial services companies to partner on potential new business opportunities in the B2B segment – including incorporating trade execution and payments solution capabilities. The Company is also in discussions for Marketwall to be an extension for trading sites as well as a distribution partner for other content providers. The Company also expects the Intesa Sanpaolo partnership to provide the foundation to create similar partnerships with other large financial institutions in other countries.

On April 8, 2016, the Company's ownership in Marketwall was diluted to 67% due to an arrangement with Intesa Sanpaolo. The Company's ownership interest in Marketwall was diluted from 67% to 49% on October 11, 2016 due to a cash capital increase by Intesa Sanpaolo and a local partner. This is consistent with the Company's strategy of preparing to spin out Marketwall by listing Marketwall's shares on a stock exchange or disposing of the Company's Marketwall shares by way of a trade sale.

The reduction of the Company's ownership interest to 49% resulted in the deconsolidation of Marketwall on October 11, 2016. All revenues, cost of sales, accounts payables and related accruals relating to Marketwall have been de-consolidated from the Company's consolidated financial statements as at December 31, 2016.

Fourth Quarter Highlights

On November 25, 2016, the Company announced it had entered into a definitive agreement to acquire certain assets of Euclides Technologies, Inc. ("Euclides") relating to Euclides' field service management integration and implementation business (the "Euclides Transaction").

Euclides is an expert Systems Integrator and consulting partner for field service management ("FSM") solutions Euclides is headquartered in Cambridge, MA with a presence in Tel Aviv, Israel, London, UK, and Melbourne, Australia. Euclides has an 11 year operating history and the Euclides team has decades of combined experience in developing, implementing, and consulting tailored FSM solutions for large global corporations, with touch points to over 100,000 field service personnel. Euclides is an implementation partner for FSM industry leaders.

Subsequent Events

On March 6, 2017, the Company closed its previously announced non-brokered private placement. The Company has issued 13,000,000 units at a price of $0.20 per Unit for gross proceeds of $2,600,000. Each unit is comprised of one common share of the Company and one half of one Common Share purchase warrant. Each whole warrant will entitle the holder thereof to purchase one common share of the Company at a price of $0.35 at any time prior to September 6, 2018. In connection with the placement, the Company paid finder's fees of $90,550 in cash and issued 358,750 non-transferable finder's warrants. Each finder's warrant will entitle the holder thereof to acquire one common share of the Company at a price of $0.35 at any time prior to September 6, 2018. All securities issued in connection with the placement are subject to a four month plus one day hold period. Closing of the Offering remains subject to receipt of all necessary regulatory approvals, including final approval of the TSX Venture Exchange. Certain directors and officers subscribed for total of 1,475,000 units with gross proceeds of $295,000.

On March 16, 2017, the Company completed the acquisition of certain assets of Euclides Technologies, Inc. ("Euclides") relating to Euclides' field service management integration business (the "Euclides Transaction"). Pursuant to the terms of the asset purchase agreement dated November 24, 2016 (the "Purchase Agreement") between the Company, Euclides and the shareholders of Euclides, the Company paid US$200,000 (approximately $266,000) in cash and has issued 5,389,400 common shares of the Company as consideration for the assets of Euclides. Euclides also achieved the revenue milestone terms as set out in the Purchase Agreement. Accordingly, the Company issued to Euclides 3,311,125 common share purchase warrants (the "Milestone Warrants"). Each Milestone Warrant allows the holder thereof to purchase one (1) common share at a price of $0.20 per share until March 16, 2020. All of the securities issued by the Company pursuant to the Euclides Transaction will be subject to a lock-up agreement pursuant to which: (i) the holders shall be restricted from selling or transferring such securities during the 12 months after their issuance (the "Lock-Up Period"), and (ii) after such 12-month period, the holder shall be required to provide the Company with 60 days' prior written notice before selling or transferring such securities. The 60-day prior written notice period can be satisfied during the Lock-Up Period. Euclides is an expert systems integrator and consulting partner for field service management solutions. Euclides is headquartered in Cambridge, MA, USA.

Subsequent to December 31, 2016, the Company received an approval from TSX Venture Exchange to extend the term of 3,406,250 common share purchase warrants issued on April 5, 2016 until April 5, 2018. Each Warrant originally entitled to the holder thereof to purchase one common share at a price of $0.25 until April 5, 2017.

Subsequent to December 31, 2016, the Company issued 1,225,000 common stock options to certain officers, directors and consultants with an exercise price of $0.24 and an expiry date of March 16, 2022. All options have an immediate vesting term.

Selected Annual Financial Information

	2016	2015	2014
Revenues from continued operations	$ 1,075,349	$ 454,823	$ 479,941
Revenues from discontinued operations	$ 1,031,512	$ 570,042	$ 1,117,583
Net income/(loss) from continued operations	$ (1,364,900)	$ (2,621,085)	$ (4,555,626)
Net income/(loss) from discontinued operations	$ 546,970	$ (459,604)	$ 3,683,665
Basic net income (loss) per share from continued operations	$ (0.03)	$ (0.07)	$ (0.16)
Basic net income/(loss) per share from discontinued operations	$ 0.01	$ (0.01)	$ 0.13
Total assets	$ 1,822,605	$ 1,845,616	$ 1,586,687
Total current liabilities	$ 906,314	$ 1,387,757	$ 431,924
Total long-term financial liabilities	$ -	$ -	$ -
Cash dividends declared per-share	$ -	$ -	$ -

Summary of Quarterly Results

	Q4-2016	Q3-2016	Q2-2016	Q1-2016
Net income (loss)	$ 596,616	$ (498,517)	$ (426,589)	$ (489,440)
Net income/(loss) from discontinued operations	$ 816,265	$ (65,266)	$ (125,855)	$ (78,174)
Basic net income/(loss) per share	$ 0.01	$ (0.01)	$ (0.01)	$ (0.01)
Basic net income/(loss) per share from discontinued operations	$ 0.02	$ 0.00	$ 0.00	$ 0.00

	Q4-2015	Q3-2015	Q2-2015	Q1-2015
Net income (loss)	$ (796,414)	$ (703,623)	$ (794,978)	$ (785,674)
Net income/(loss) from discontinued operations	$ (69,716)	$ 68,187	$ (225,186)	$ (232,889)
Basic net income/(loss) per share	$ (0.02)	$ (0.02)	$ (0.02)	$ (0.02)
Basic net income/(loss) per share from discontinued operations	$ 0.00	$ 0.00	$ (0.01)	$ (0.01)

Deconsolidation of Marketwall / Discontinued Operations

In January 2014, the Company registered a wholly owned subsidiary, Marketwall, which is based in Milan, Italy. Marketwall focuses on mobile opportunities especially in the business to business and business to business to consumer spaces. On April 8, 2016, the Company and Grupo Intesa Sanpaolo ("Intesa Sanpaolo") executed a definitive agreement pursuant to which Intesa Sanpaolo agreed to exercise their option to acquire a 33% share in the Company's mobile subsidiary, Marketwall, for EUR 212,691 ($315,230). The Company consolidated Marketwall from the date of incorporation to October 11, 2016, when the Company's ownership was further diluted to 49%. The loss of control resulted in a gain on deconsolidation of $816,265 during the year ended December 31, 2016.

As the loss of control of Marketwall met the definition of a disposal group under IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the operating activities of Marketwall have been characterized as discontinued operations in the consolidated statement of income (loss) and comprehensive income (loss). The comparative consolidated statement of loss and comprehensive loss for the year ended December 31, 2015 has been reclassified to reflect the discontinued operations presentation adopted for the year ended December 31, 2016.

A continuity of the investment in Marketwall as an associate is as follows:

	Marketwall
Balance as at December 31, 2015 and 2014	**$ -**
Acquisition of investment as a result of loss of control	472,001
Share of the loss for the period subsequent to acquisition	(66,443)
Balance as at December 31, 2016	**$ 405,558**

Summarized financial information for Marketwall as at December 31, 2016 and 2015 and for the years then ended is as follows:

	2016	2015
Current and total assets	$ 2,198,984	$ 331,173
Current and total liabilities	2,358,696	411,860
Total shareholders' deficiency	(159,712)	(80,687)
Revenue	1,704,080	570,042
Operating expenses	(2,108,974)	(1,029,647)
Net loss and comprehensive loss	(404,894)	(459,605)

As part of the implementation of the licensing and integration project with Intesa Sanpaolo, Marketwall experienced a doubling of its operating expenses, from approximately $1.03 million in 2015 to $2.11 million in 2016. The deconsolidation of Marketwall in October 2016 has helped the Company's operating performance - the overall impact for the Company has been a change from a loss of $0.46 million in 2015 to a profit (including one time consolidation gains) of $0.55 million.

On a comparable basis, the Company's net operating cash flows from continuing operations improved by 55% year over year, from approximately $(2.1) million in 2015 to $(0.95) million in 2016. In addition, the Company's operating expenses improved by 26% year over year from $2.24 million in 2015 to $1.66 million in 2016.

The Company expects Marketwall to complete the integration with Intesa Sanpaolo in the second half of 2017. Upon completion, Marketwall is expected to service about 8 million of Intesa Sanpaolo's mobile banking customers. Upon the successful integration of the mobile platform and achievement of other milestones, the Company and Intesa Sanpaolo plan to jointly spin out Marketwall in 2018.

Results of Operations for the Three Months Ended December 31, 2016

The following is an analysis of the Company's results of continued operations for the three months ended December 31, 2016, and includes a comparison against the results of the three months ended December 31, 2015. Some comparative financial information has been reclassified from statements previously presented to conform to the presentation of the 2016 consolidated financial statements.

Sales revenue for the three months ended December 31, 2016 was $297,156 as compared to $110,096 for the same period in the previous year. The Company recorded $289,149 of revenue from North American market in the three months ended December 31, 2016 compared to $102,085 in 2015. A significant increase in revenues received from North American market can be attributed an increase in CapitalCube website related advertising revenues.

Gross profit (loss) for the three months ended December 31, 2016 and 2015, respectively, were a profit of $108,687 and a loss of $25,420. The Company was able to realize a higher gross margin on advertising revenues.

Expenses for the three months ended December 31, 2016 and 2015 were $248,197 and $694,455, respectively; representing a $446,258 decrease in expenses. The decrease in expenses came as a result of deconsolidation of Marketwall and as a result substantial reduction in software research expenses incurred in CapitalCube in Q4 2016 when compared to Q4 2015.

Expenses, excluding software research expenditures and share-based compensation, were $248,197 for the three months ended December 31, 2016 compared to $332,452 in similar period of 2015. The main decrease came from consulting and compensation fees during the three months ended December 31, 2016.

Software research expenditures for the three months ended December 31, 2016 and 2015 were $nil and $353,943 respectively; representing a decrease in costs of $353,943 due to deconsolidation of Marketwall in Q4 2016.

Share-based compensation expense related to option grants was $nil for the three months ended December 31, 2016 (December 31, 2015 – $8,060) for the vested portion of the options granted. When estimating the value of the options using the Black-Scholes option pricing model the following assumptions were used for the three months ended December 31, 2015: expected dividend of nil%; expected life of 5 years; expected volatility of 142%; and a risk-free interest rate of 0.81%.
The Company grants stock options to officers, directors and consultants of the Company and applies the Black–Scholes option pricing model to estimate the fair value of the options granted as at the date of grant. During the three months ended December 31, 2016, there were no options granted (December 31, 2015 – nil). The Company uses options grants as integral components of its remuneration packages.

Discontinued operations for the three months ended December 31, 2016 in the amount of $816,265, was recorded as a result of the Marketwall deconsolidation in Q4 2016.

Results of Operations for the Twelve Months Ended December 31, 2016

The following is an analysis of the Company's continued operations results for the twelve months ended December 31, 2016, and includes a comparison against the results of the twelve months ended December 31, 2015. Some comparative financial information has been reclassified from statements previously presented to conform to the presentation of the 2016 consolidated financial statements.

Sales revenue for the twelve months ended December 31, 2016 was $1,075,349 as compared to $454,823 for the same period in the previous year. The Company recorded $1,043,550 of revenue from the North American market in the twelve months ended December 31, 2016 compared to $152,008 in the comparative period of 2015. A significant increase in revenues received from North American market can be attributed to custom software development and an increase in CapitalCube website related advertising revenues.

Gross profit (loss) for the twelve months ended December 31, 2016 and 2015, respectively, were a profit of $393,407, and a loss $357,231. The Company was able to realize a higher gross margin on advertising revenues.

Expenses for the twelve months ended December 31, 2016 and 2015 were $1,657,005 and $2,239,761, respectively; representing a $582,756 decrease in expenses. The decrease in expenses came as a result of deconsolidation of Marketwall and as a result substantial reduction in software research expenses in

CapitalCube 2016 when compared to 2015.

Expenses, excluding software research expenditures and share-based compensation, were $1,191,377 for the twelve months ended December 31, 2016 compared to $1,301,841 in similar period of 2015. The main decrease came from consulting and compensation fees during the twelve months ended December 31, 2016.

Software research expenditures for the twelve months ended December 31, 2016 and 2015 were $266,871 and $864,806 respectively; representing a decrease in costs of $597,935 due to deconsolidation of Marketwall in 2016 and lower research expenditure in CapitalCube.

Share-based compensation expense related to option grants was $198,757 for the twelve months ended December 31, 2016 (December 31, 2015 – $73,114) for the vested portion of the options granted. When estimating the value of the options using the Black-Scholes option pricing model the following assumptions were used: expected dividend yield of nil% (December 31, 2015 – nil%); expected life of 5 years (December 31, 2015 – 5 years); expected volatility from 98% to 108% (December 31, 2015 – 142%); and a risk-free interest rate from 0.67% to 0.72% (December 31, 2015 – 0.81%).

The Company grants stock options to officers, directors and consultants of the Company and applies the Black–Scholes option pricing model to estimate the fair value of the options granted as at the date of grant. During the twelve months ended December 31, 2016, there were 1,285,000 options granted (December 31, 2015 – 300,000). The Company uses option grants as integral components of its remuneration packages.

Discontinued operations for the three months ended December 31, 2016 in the amount of $546,970, was recorded as a result of the Marketwall deconsolidation in 2016.

Liquidity and Capital Resources

The Company defines capital that it manages as the aggregate of its share capital, being composed of capital stock, warrants, options, deficit and cash. The Company's objective when managing capital is to ensure that the Company will continue as a going concern so that it can provide products and services to its customers and returns to its shareholders.

The Company's objective in managing liquidity risk is to maintain sufficient liquidity in order to meet operational and investing requirements at any point in time. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

The operations of the business, in the long term, are dependent upon the Company's ability to successfully achieve market acceptance of its current suite of products and any new products that may be introduced. Until such time as the Company has sufficient sales revenue from which to internally fund its operating cost requirements, the Company will likely require additional financings. These future financings may be obtained from the sale of assets, additional debt arrangements, or the issuance of additional equity securities. The issuance of additional equity securities by the Company could result in significant dilution in the equity interests of the current stockholders. There can be no assurance that additional financing will be available to the Company when needed or, if available, that it can be obtained on commercially reasonable terms. If the Company is not able to obtain additional financing on a timely basis, it may be forced to scale down or perhaps even cease the operation of its business.

For the twelve months ended December 31, 2016, the Company's operations consumed cash of $143,697, compared to $2,117,189 for the same period in 2015. The significant decrease in use of cash from operations is mainly a result of Marketwall's deconsolidation in 2016 and higher margins realized in CapitalCube.

During the twelve months ended December 31, 2016, the Company completed a non-brokered private placement (the "Offering") for gross proceeds of $1,090,000 and share issuance costs of $6,400. The Company issued 6,812,500 units priced at $0.16 per unit, each unit being comprised of one common share in the capital of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share of the Company at a price of $0.25 for a period of one year from the time of the closing of the Offerring.

As at December 31, 2016, the Company has not yet achieved profitable operations, has a working capital deficiency of $503,796, including cash of $292,352 and accumulated deficit of $12,570,809 since its inception and may incur further losses in the development of its business.

Subsequent to year-end, the Company completed an additional private placement financing raising gross proceeds of $2.6 million on March 6, 2017, to strengthen its balance sheet, completed the Euclides acquisition on March 16, 2017, and improved its liquidity.

Risks and Uncertainties

The risks and uncertainties below must be taken into account, as they may affect the Company's ability to achieve our strategic goals. Investors are therefore advised to consider the following items in assessing the Company's future prospects as an investment.

Future operations

Presently, the Company's revenues are not sufficient to meet operating and capital expenses and the Company has incurred operating losses since inception, which are likely to continue for the foreseeable future.

Due to the uncertainty of the Company's ability to meet its current operating and capital expenses, in the audit report attached to the consolidated financial statements for the year ended December 31, 2015, the Company's independent registered public accounting firm included an emphasis of matter paragraph regarding concerns about material uncertainty that may cast significant doubt our ability to continue as a going concern.

There is substantial doubt about the Company's ability to continue as a going concern as the continuation of the business may be dependent upon obtaining further financing, successful and sufficient market acceptance of current products and any new products that may be introduced, the continuing successful development of product and related technologies, and, finally, achieving a profitable level of operations. The issuance of additional equity securities by the Company could result in a significant dilution in the equity interests of the current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase the Company's liabilities and future cash commitments.

There are no assurances that the Company will be able to obtain further funds required for continued operations. The Company is pursuing various financing alternatives to meet its long-term financial requirements. There can be no assurance that additional financing will be available to the Company when needed or, if available, that it can be obtained on commercially reasonable terms. If the Company is not able to obtain the additional financing on a timely basis, it will be forced to scale down or perhaps even cease the operation of its business.

Competition and technological obsolescence

The markets for the Company's products and services experience ongoing technological changes and the Company must compete with existing technology and service providers, new companies and advancing technologies. In order to remain fully competitive, the Company must continue to innovate and respond with advanced generations of software, products and services. The inability to react in a timely fashion to technological and competitive changes could have a negative impact on the Company and its ability to attract and retain customers. Moreover, the highly competitive market in which the Company operates could cause the Company to reduce its prices and offer other favorable terms in order to compete successfully with its rivals. These practices could, over time, limit the prices that the Company can charge for its products and services. If the Company was unable to offset such potential price reductions from software sales and related products it could negatively impact the Company's profit margins and operating results.

Possible dilution to present and prospective shareholders

Business negotiations related to the Company's search for new business opportunities may result in the issuance of cash, securities of the Company, or a combination of the two, and possibly, incurring debt. Any transaction involving the issuance of previously authorized but unissued common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

Dependence of key personnel

The Company strongly depends on the business and technical expertise of its management and key personnel. There is little possibility that this dependence will decrease in the near term.

Lack of trading

The lack of trading volume of the common shares reduces the liquidity of an investment in the common shares.

Volatility of share price

Market prices for the common shares listed on the TSX Venture Exchange are often volatile. Factors such as announcements of financial results, and other factors could have a significant effect on the price of the common shares.

Third party credit risk

The Company may be exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners, marketers and other parties. In the event such entities fail to meet their contractual obligations to the Company, such failures may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Regulatory

Technology operations are subject to extensive controls and regulations imposed by various levels of government that may be amended from time to time. The Company's operations may require licenses and permits from various governmental authorities in the countries in which it operates. There can be no assurance that the Company, or its partners, will be able to obtain all necessary licenses and permits that may be required to carry out or continue its operations.

Conflicts of interest

Certain of the directors and officers of the Company may serve from time to time as directors, officers, promoters and members of management of other companies involved in technology similar to the Company and therefore it is possible that a conflict may arise between their duties as a director or officers of the Company and their duties as a director, officer, promoter or member of management of such other companies.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with applicable laws and the directors and officers will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

Litigation

All industries, including the technology industry, are subject to legal claims, with and without merit. Legal proceedings may arise from time to time in the course of the Company's business. Such litigation may be brought against the Company or one or more of its subsidiaries in the future from time to time or the Company or one or more of its subsidiaries may be subject to another form of litigation. Defense and settlement costs of legal claims can be substantial, even with respect to lawsuits that have no merit.

Lack of dividend policy

The Company does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends paid by the Company will remain subject to the discretion of the Company's Board of Directors and will depend on results of operations, cash requirements and future prospects of the Company and other factors.

Related Party Transactions

Unless otherwise specified, the period end balances of receivables/payables referred to are non-interest bearing, unsecured, receivable or payable on demand, and have arisen from the provision of services and expense reimbursements. Below is a summary of key management personnel owed amounts not disclosed elsewhere in these consolidated financial statements:

Type of Expense	For the year ended December 31, 2016	2015
Consulting fees	**$ 60,000**	$ -

Compensation of key management personnel

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and other members of key management personnel (officers) during the periods presented were as follows:

	For the year ended December 31, 2016	2015
Short-term benefits	**$ 307,500**	$ 623,733
Share-based payments	**123,534**	12,731
	$ 431,034	$ 636,464

Financial Instruments

Fair value of financial instruments

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset and financial liability are disclosed in Note 2 of the consolidated financial statements for the year ended December 31, 2016.

The Company's financial assets and financial liabilities as at December 31, 2016 and 2015 were as follows:

		Loans and receivables		Assets at fair value through profit or loss		Other financial (liabilities)		Total
December 31, 2015								
Cash	$	346,867	$	-	$	-	$	346,867
Accounts and other receivables	$	182,680	$	-	$	-	$	182,680
Accounts payable and accrued liabilities	$	-	$	-	$	(1,215,057)	$	(1,215,057)
Loan payable	$	-	$	-	$	(150,290)	$	(150,290)
December 31, 2016								
Cash	$	292,352	$	-	$	-	$	292,352
Accounts and other receivables	$	107,934	$	-	$	-	$	107,934
Assets available for sale	$	-	$	60,000	$	-	$	60,000
Accounts payable and accrued liabilities	$	-	$	-	$	(878,327)	$	(878,327)

At December 31, 2016, there are no significant concentrations of credit risk for receivables. At December 31, 2015, the Company's receivable balance of $182,680 was concentrated primarily to Bank Intesa in the amount of $119,180. The carrying amount reflected above represents the Company's maximum exposure to credit risk for such receivables.

As at December 31, 2016 and 2015, the Company's financial instruments consist of cash, accounts and other receivables, assets available for sale, accounts payable and accrued liabilities and loan payable. Cash and accounts and other receivables are classified as loans and receivables and measured at amortized cost. Accounts payable and accrued liabilities and loan payable are classified as other liabilities and are measured at amortized cost. The fair values of these financial instruments approximate their carrying values because of their short term nature and/or the existence of market related interest rate on the instruments.

Level 3 hierarchy

Assets available for sale relate to shares received as in debt settlement in the amount of $60,000 for the year ended December 31, 2016 (December 31, 2015 - $nil). The assets available for sale are classified as a Level 3 financial instrument within the hierarchy of the Company's financial instruments, measured at fair value in the consolidated statements of financial position as at December 31, 2016 and 2015.

Within Level 3, the Company includes private company investments which are not quoted on an exchange. The key assumptions used in the valuation of these instruments include (but are not limited to) the value at which a recent financing was done by the investee, company-specific information, trends in general market conditions and the share performance of comparable publicly-traded companies. Information on recent financing / transaction price was used to determine the value of the assets at $60,000 as at December 31, 2016 (December 31, 2015 - $nil).

The unrealized gain (loss) recognized for these assets for the year ended December 31, 2016 was $nil (2015 - $nil).

As valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate within short periods of time and are based on estimates, determination of fair value may differ materially from the values that would have resulted if a ready market existed for the investments. Given the size of the private investment portfolio, such changes may have a significant impact on the Company's financial condition or operating results.

For those investments valued based on a recent financing or transaction price, management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at December 31, 2016 and 2015. A +/- 25% change in the fair value of these Level 3 investments as at December 31, 2016 will result in a corresponding +/- $15,000 (2015 - $nil). The sensitivity analysis is intended to reflect the significant uncertainty inherent in the valuation of private investments under current market conditions, and the results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the estimated fair value of these investments. Furthermore, the analysis does not indicate a probability of changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of these investments. Any management actions that may be taken to mitigate the inherent risks are not reflected in this analysis.

Financial risk factors

The Company is exposed to a variety of financial instrument related risks:

<u>Credit risk</u>

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. There are no significant concentrations of credit risk for receivables as at December 31, 2016 and 2015.

<u>Liquidity risk</u>

Liquidity risk is the risk that the Company will encounter difficulties in meeting its financial liability obligations. The Company manages its liquidity risk through cash and debt management. The Company's objective in managing liquidity risk is to increase revenue, minimize operational costs and to maintain sufficient liquidity in order to meet these operational requirements at any point in time. As at December 31, 2016, the Company has a cash balance of $292,352 (December 31, 2015 – $346,867) current liabilities of $906,314 (December 31, 2015 - $1,387,757) and a working capital deficiency of $503,796 (December 31, 2015 - deficiency of $757,534). The Company's ability to meet its financial liability obligations and continue to operate as a going concern may include obtaining sufficient funding by means of issuing shares. There is no certainty of the Company's ability to raise additional financing through this method.

Interest rate risk

The Company has cash balances and all amounts are held with accredited banks. As of December 31, 2016 and 2015, the Company did not have any investment in investment grade short term deposit certificates. Interest exposure with respect to its cash balances is minimal.

As at December 31, 2015, the Company's loan payable of $150,290 (EUR 100,000) bore interest of approximately 4%.

Currency risk

The Company generates revenue and incurs expenses and expenditures in Canada, the United States, the Middle East and in the European Union. As a result, fluctuations in the rate of exchange between U.S. dollars, Euros, Canadian dollars and other currencies can have an effect on the Company's reported results. The Company has not utilized any financial instruments or cash management policies to mitigate the risks arising from changes in foreign currency rates. The net Canadian dollar equivalent of the total of its cost of sales, selling and administrative and software development expense and sales denominated in US dollars was approximately $143,000. Accordingly, a 10% increase or decrease in the exchange rate between U.S. and Canadian dollars would result in an increase or decrease of approximately $14,300 in net loss for the period.

The net Canadian dollar equivalent of the total of its cost of sales, selling and administrative and software development expense and sales denominated in Euros was approximately $66,000. Accordingly, a 10% increase or decrease in the exchange rate between Euros and Canadian dollars would result in an increase or decrease of approximately $6,600 in net loss for the period.

The Canadian dollar equivalent of the net asset value denominated in US dollars as at December 31, 2016 was approximately $697,000. Accordingly, a 10% increase or decrease in the exchange rate between U.S. and Canadian dollars would impact net loss by approximately $69,700.

Capital management

The Company defines capital that it manages as being composed of capital stock, reserves, deficit and cash. Its objective when managing capital is to ensure that the Company will continue as a going concern, so that it can provide products and services to its customers and returns to its shareholders.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments. The Company requires capital to maintain its operating businesses, sustain corporate operations and repay existing obligations. The Company may seek additional financing by means of issuing share capital, the sale of assets or debt financing. There can be no certainty of the Company's ability to raise any additional financing from any of these sources.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors. The Company is currently not subject to externally imposed capital requirements.

The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2016 and 2015.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2016, the Company may not be compliant with the policies of the TSXV. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

Changes in Accounting Policies

The Company has adopted the following new standards, along with any consequential amendments, effective January 1, 2016. These changes were made in accordance with the applicable transitional provisions and did not have a material impact on the Company's consolidated financial statements.

IFRS 7 – Financial Instruments: Disclosures ("IFRS 7") was amended in September 2014 to clarify whether a servicing contract is continuing involvement in a transferred asset for purposes of determining the disclosures required. IFRS 7 was also amended to clarify that the additional disclosures relating to offsetting are not specifically required for interim periods unless required by IAS 34.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply.

IAS 38 - Intangible Assets ("IAS 38") and IAS 16 – Property, Plant and Equipment ("IAS 16"), were amended in May 2014 to introduce a rebuttable presumption that the use of revenue-based amortization methods is inappropriate.

Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2017 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 2 – Share-based Payment ("IFRS 2") was amended by the IASB in June 2016 to clarify the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB as a complete standard in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

IFRS 15 - Revenue From Contracts With Customers ("IFRS 15") proposes to replace IAS 18 - Revenue, IAS 11 - Construction contracts, and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IAS 7 – Statement of Cash Flows ("IAS 7") was amended in January 2016 to clarify that disclosures shall be provided that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments are effective for annual periods beginning on or after January 1, 2017.

IAS 12 – Income Taxes ("IAS 12") was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences. The amendments are effective for annual periods beginning on or after January 1, 2017.

IFRIC 22 – Foreign Currency Transactions and Advance Consideration ("IFRIC 22") was issued in December 2016 and addresses foreign currency transactions or parts of transactions where there is consideration that is denominated in a foreign currency; a prepaid asset or deferred income liability is recognised in respect of that consideration, in advance of the recognition of the related asset, expense or income; and the prepaid asset or deferred income liability is non-monetary. The interpretation committee concluded that the date of the transaction, for purposes of determining the exchange rate, is the date of initial recognition of the non-monetary prepaid asset or deferred income liability. IFRIC 22 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

Critical Accounting Estimates and Judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to account estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to:

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Income taxes and recoverability of potential deferred tax assets

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

Assets' carrying values and impairment charges

In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions could materially affect the fair value estimates.

Determination of purchase price paid and allocation of purchase price related to asset acquisition

Determination of whether a set of assets acquired and liabilities assumed constitute a business requires the Company to make certain judgments, taking into account all facts and circumstances. Applying the acquisition method requires the consideration paid and each identifiable asset and liability to be measured at its acquisition-date fair value. The excess, if any, of the fair value of consideration paid over the fair value of the net identifiable assets acquired is recognized as goodwill. The determination of the acquisition-date fair values often requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of net identifiable assets acquired generally require a high degree of judgment, and include estimates of future reserves and resources, sales levels and discount rates. Changes in any of the assumptions or estimates used in determining the fair value of the consideration paid and the fair value of acquired assets and liabilities could impact the amounts assigned to assets, liabilities and goodwill in the purchase price allocation.

Intangible assets

The Company makes use of experience and assumptions in estimating the useful lives and residual values of intangible assets. Management reviews annually whether any indications of impairment exist for intangible assets. Information that the Company considers includes changes in the market, economic and legal environment in which the Company operates as well as internal sources of information. Estimates include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Company's intangible assets, costs to sell the assets and the appropriate discount rate.

Reductions in the number of subscribers, increases in estimated future costs of sales, increases in estimated future capital costs, depreciation of the US dollar relative to the Canadian dollar and/or adverse current economics could result in a write-down of the carrying amounts of the intangible assets.

Revenue recognition

During 2016, revenue included $nil (2015 - $279,100) related to barter transactions that the Company believed met the revenue recognition criteria. Barter transactions with contract stated values of $nil (2015 - $15,434) were not recorded as the revenue recognition criteria was not met.

The process of revenue recognition, including the valuation of barter transactions, involves significant management judgment. The Company performed focused procedures to test the valuation of revenue recorded in consideration of non-barter contracts.

Determination of significant influence and impairment of investment in associate

Effective October 11, 2016, the Company has classified Marketwall as an associate based on management's judgment that the Company has significant influence through board representation and 49% of the voting rights. Other parties hold 51% of the voting rights and the Company can no longer exercise control over the board of directors and its operational decision making process.

Impairment exists when the carrying value of the investment in associate exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The determination of impairment requires significant judgement and can be triggered by significant adverse changes in the market, economic or legal environment in which the associate operates.

Fair value of investment in securities not quoted in an active market or private company investments

Where the fair values of financial assets and financial liabilities recorded on the consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. Refer to Note 10 for further details.

Commitments and Contingencies

The Company is party to certain management contracts. These contracts require that additional payments of approximately $748,000 be made upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements. Minimum commitments remaining under these contracts were approximately $40,000 all due within one year.

The Company's wholly owned US subsidiary Capital Cube received a payroll tax assessment from Internal Revenue Service in the amount of approximately US$200,000 ($268,000) for prior periods. The Company considers the assessment to be without merit and will defend its position vigorously. No provision has been recorded related to this matter.

The Company is subject to various claims, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable and the amounts are estimable. Although the outcome of such matters cannot be determined, it is the opinion of management that the final resolution of these matters will not have a material adverse effect on the

Company's financial condition, operations or liquidity.

There are no off-balance sheet arrangements.

Management's Responsibility for Financial Reporting

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS. The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of a 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 these filings, and these consolidated financial statements together with the other financial information included in these filings fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented in these filings. The Board of Directors approves the consolidated financial statements and MD&A and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing.

Outstanding Share Data

As at the date of this MD&A, the following common shares, common shares purchase options, share purchase warrants and special performance shares were issued and outstanding:

- 63,994,925 common shares;
- 4,592,000 common share purchase options with exercise prices ranging from $0.19 to $0.75 expiring between March 25, 2019 and December 20, 2023; and
- 13,668,875 common share purchase warrants with exercise prices ranging from $0.20 to $0.35 expiring between April 5, 2018 and March 16, 2020.