**DEEPMARKIT CORP.**
**FORM 51-102F1**
**MANAGEMENT'S DISCUSSION & ANALYSIS**

## Date

This management's discussion and analysis ("MD&A") dated May 29, 2017 is in respect of the three months ended March 31, 2017 for DeepMarkit Corp. ("DeepMarkit", the "Company" or the "Corporation"). This MD&A should be read in conjunction with the condensed interim financial statements for the three months ended March 31, 2017 and the audited financial statements for the years ended December 31, 2016 and 2015 (the "Financial Statements").

## Forward-Looking Statements

This MD&A may contain "forward-looking information" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein may be forward-looking information. Generally, forward-looking information may be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "proposed", "is expected", "budgets", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. This forward-looking information reflects the Corporation's current beliefs and is based on information currently available to the Corporation and on assumptions the Corporation believes are reasonable. These assumptions include, but are not limited to, future costs and expenses being based on historical costs and expenses, adjusted for inflation, and the ability of the Corporation to obtain necessary financing. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Corporation to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: the early stage development of the Corporation and its business and products; unfavourable capital market circumstances and uncertainty; general business, economic, competitive, political and social uncertainties; competition; changes in product scope as plans continue to be refined; other risks inherent in the technology industry; lack of insurance; delay or failure to receive board or regulatory approvals; changes in legislation affecting the Corporation and its business; timing and availability of external financing on acceptable terms; and lack of qualified, skilled labour or loss of key individuals. Although the Corporation has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information. The Corporation does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

## Change of Business

On April 29, 2015, the Corporation announced a proposed Change of Business ("COB") which would see the Corporation transition from a Mining Issuer on the TSX Venture Exchange (the "Exchange") to a Technology Issuer. Since the announced COB, the Corporation has focused entirely on the development of its new business plan and the development of its digital marketing and promotions platform. The change of business was approved by the shareholders of the Corporation on October 23, 2015 and accepted by the Exchange on October 26, 2015.

## Operations Overview

The Corporation's focus during fiscal 2015 was on the development of the business concept and business plan for the proposed COB and on the development of the actual software platform for the new business (described below). During fiscal 2016, DeepMarkit has continued its focus entirely on the development of its digital marketing and promotions software platform. The beta version of the Company's FetchBot™ promotions platform was released during the third quarter of 2016 and user feedback is being gathered and changes or additional functionality added in a continuous process.

## Corporation Profile

The Corporation completed its initial public offering as a CPC and began trading on the TSXV effective June 20, 2008. On November 26, 2009, the Corporation completed its Qualifying Transaction and began trading under the symbol "CDE" as a tier 2 mining issuer on the TSXV on December 15, 2009.

From 2009 through fiscal 2015 the business of the Corporation was mining exploration, specifically the coal mining industry. The Corporation disposed of all its coal mining related assets and ceased all related operations during 2014 following which it focused on a transition to the technology industry and the digital marketing and promotions platform development which is described below.

The Corporation's change of business was approved by the shareholders and accepted by the Exchange at the end of October, 2015 and the Corporation became a technology issuer as categorized by the TSXV. The Corporation began trading under the symbol "MKT" on November 2, 2015.

## Overview of the Business

The Corporation's business is the development and operation of a digital marketing/promotions platform for retailers and other businesses. The platform is called FetchBot™.

FetchBot™ offers a range of promotion products and services providing an additional marketing and advertising opportunity to consumer-facing businesses. The promotion products and services offered by FetchBot™ focus on providing game driven experiences, supporting various promotion models including sweepstakes, giveaways, and contests. The Corporation offers both instant-win and post-completion win models for promotion campaigns.

The Corporation proposes to generate revenue by charging a service fee for each promotional campaign utilized by the customers of the Corporation or through a monthly subscription service. The Corporation has no history of revenues or sales and is in the final beta product testing and features refinement phase of development.

## Product Development

Products and services will be distributed digitally through a number of channels including desktop computers, laptop computers, smartphones, and tablets. The Corporation launched a beta release of its FetchBot marketing-game promotions platform in Q3 of 2016. The FetchBot™ platform continues in the final testing phase. No sales of FetchBot™ campaigns have been made.

Development of the FetchBot™ Platform is organized into two major components composed of administration capabilities and promotion elements.

Administration capabilities encompass all functionality required by users to perform tasks specific to their role. The Corporation's customers are empowered to administrate elements specific to the customer's business, promotions, and to some extent, the customer's consumers. Other administrative capabilities are specific to internal use required by the Corporation. These capabilities enable the administration of the Corporation's customers.

Promotion elements mostly include technology that is not directly visible to the Corporation, the Corporation's customers, or the consumer. These elements contain the promotion logic, business rules relating to each promotion and technical interfaces. A small but critical subset of the promotion components will be exposed to consumers and the Corporation's customers. Promotion elements will be developed throughout the entire development period of the initial product offering and continuously enhanced after the initial launch.

## Operations

The Corporation's products and services are delivered to customers and consumers digitally, using the Internet as a distribution method across multiple channels. Products and services are developed using industry-standard software development practices by employees of the Corporation.

The Corporation utilizes the Agile software development methodology and leverages a range of technologies to deliver an engaging and seamless promotions experience to businesses and consumers. These technologies include but are not limited to HTML5, supporting the client-side experience and Java for server-side processing.

**Market**

The Corporation’s promotions application is being designed to promote brand awareness, drive lead generation through data acquisition, reward loyalty and generate sales for businesses with physical and/or online presence. The promotions application will service a broad spectrum of the promotions market in terms of client profile and needs fulfillment. We are developing multilingual capabilities to enable the Corporation to penetrate international markets.

Our product is available for any type or size of business which communicates or promotes its products or services to potential customers using an online channel such as direct email, social media or website promotions. Accordingly, our product will be useable by businesses which sell online only and those who sell offline or through a combination of online and offline methods, assuming they have some form of online presence.

The Corporation will focus on the North American and Asian markets initially, targeting businesses that purchase digital and traditional advertising targeting consumers. International markets will be pursued as relationships are established and as financial resources permit. The Corporation’s promotions application will help businesses increase and diversify their current marketing activities and will enable businesses to expand traditional non-digital advertising campaigns (e.g. print-media) to digital media across multiple channels.

The Corporation believes that the growth in online commerce will provide increased opportunities for the use of its online promotions platform.

**Marketing Plans and Strategies**

Various advertising opportunities will be leveraged to market the Corporation's promotion products and services, including paid ad placements, direct sales, press releases, and trade shows.

The Corporation is conducting a limited social media marketing campaign for the beta phase of the products and services. This marketing campaign will be expanded as the product roll-out progresses and as capital resources are available.

The Corporation’s customer acquisition plan is based on three primary methods: Traditional online advertising and direct customer acquisition, integrations to e-commerce systems, and strategic relationships.

The Corporation will price products and services based on a premium pricing policy in conjunction with the competitive landscape. We do not have any sales and accordingly have no history with our pricing models necessary to accurately predict optimal pricing required to attract new customers. As a result, in the future we may be required to change our pricing models or reduce our prices, which could adversely affect our revenue, gross profit, profitability, financial position and cash flows.

**Competitive Conditions**

The Corporation has identified several competitors offering similar solutions and two broader competitor categories being: i) digital marketing service providers offering promotion tools to businesses, and ii) advertising agencies and individuals developing custom promotion assets for businesses.

A number of existing digital marketing service providers offer promotion solutions centered primarily on campaigns targeting social media platforms as well as the traditional web-based channels. The Corporation differentiates its products from these competitors on the basis of its expanded customization options and more sophisticated game options. While the Corporation will also support promotions using social media, the Corporation's products and services will not be limited to social media or rely on social media platforms to deliver value. Our product is designed to provide greater flexibility to business owners in the design and operation of their digital promotions.

In comparison with marketing agencies and individuals, the Corporation will offer a flexible and customizable, channel agnostic solution at a significantly lower price point.

A potentially significant source of competition is product expansion by existing digital marketing service providers. New competitors may emerge, which has also been identified as a potentially significant source of competition.

Our market is transforming, competitive and highly fragmented, and we expect competition to increase in the future. We believe the principal competitive factors in our market are: vision for entertainment as a component of effective promotions; simplicity and ease of use of our platform; integration of multiple sales channels; cost-effectiveness of promotional campaigns; breadth and depth of functionality; pace of game and feature innovation; ability to scale; security and reliability. With respect to each of these factors, we believe that we compare favorably to our competitors

**Future Developments**

The Corporation has created a substantial catalogue outlining future enhancements and new features that will be validated against customer needs. Although these features are not necessarily required for market success, they will support customer retention and growth. Furthermore, the company will continuously improve the customer and consumer experience based on usage data it collects.

**Proprietary Protections**

Our intellectual property rights are important to us. During the product development phase we utilize a combination of confidentiality clauses with our employees and third-party partners, invention assignment agreements with our employees and trade secrets. We are investigating additional protections through copyright, trademarks and patents issued or registered where available. We have recently received a receipt from the United Stated Patent and Trademark Office with respect to our first provisional patent application relating to our FetchBot™ promotions and marketing platform. We have applied for a trademark however, to date, no trademarks or patents have been issued or granted at this time.

**Stated Business Objectives**

The Corporation's business objective is to provide businesses that sell products to consumers or offer services to consumers, a sophisticated promotion solution, increasing brand awareness and ultimately sales. To accomplish this objective our promotions application will facilitate promotional activities such as prize give-aways, instant win prizes and sweepstakes using games-based interactive online communication with customers. Our objective is to deliver to our customers a solution which:

1. Is engaging and entertaining for consumers.
2. Is fast and easy to use by our customers.
3. Is versatile in its ability to deliver enhancements to product purchasing behaviour and brand reinforcement.

## Summary of Quarterly Financial Results

| | First Quarter Ended Mar. 31, 2017 $ | Fourth Quarter Ended Dec. 31, 2016 $ | Third Quarter Ended Sep. 30, 2016 $ | Second Quarter Ended June 30, 2016 $ | First Quarter Ended Mar. 31, 2016 $ | Fourth Quarter Ended Dec. 31, 2015 $ | Third Quarter Ended Sep. 30, 2015 $ | Second Quarter Ended June 30, 2015 $ |
|---|---|---|---|---|---|---|---|---|
| Interest income | 603 | 486 | 834 | 248 | 145 | 353 | 947 | 1,138 |
| Operating expenses * | 520,253 | 445,378 | 464,032 | 451,232 | 420,178 | 533,307 | 368,135 | 269,515 |
| Finance costs | 60,000 | 61,094 | 69,139 | 17,442 | 6,718 | - | - | - |
| Loss and comprehensive loss | (657,951) | (529,736) | (554,134) | (483,817) | (435,338) | (547,479) | (386,297) | (528,096) |
| Comprehensive loss per share | ($0.01) | ($0.01) | ($0.01) | ($0.01) | $0.00 | ($0.01) | ($0.01) | ($0.01) |
| Working capital | 825,810 | 287,793 | 745,171 | (35,590) | 233,110 | 181,130 | 712,049 | 1,088,737 |

* Operating expenses includes costs related to wages, G&A, Exploration and evaluation, Professional and listing fees and amortization.

The increases in working capital during Q2 2015, Q3 2016 and Q1 2017 was the result of the Corporation closing private placements during these quarters and new debt financing. Details of the private placements are discussed in detail in the “Financings” section of this document.

## Results of Operations

For the three months ended March 31, 2017, the Corporation incurred operating expenses (including wages, general and administrative expenses, business investigation costs, professional fees, listing and filing fees, office rent) of $517,615 ($418,023 in Q1 2016). The increase of $99,592 or 24% is primarily due to the cost of employees and consultants engaged to pursue the development of the Corporation’s digital marketing and promotions platform (see “Overview of the New Business”).

The breakdown of general and administrative expense is as follows:

G&A Expense

| | **Three months ended March 31, 2017** | Three months ended March 31, 2016 | % change |
|---|---|---|---|
| Investor relations | **5,528** | 2,050 | 170% |
| Consulting fees | **137,871** | 34,022 | 305% |
| Travel | **9,319** | 16,324 | -43% |
| Rent | **22,200** | 22,200 | 0% |
| Other Canadian G&A | **38,322** | 28,242 | 36% |
| Total | **213,240** | 102,838 | 107% |

The Company has increased its G&A expense in Q1 2017. The increase in expense is related to the Corporation’s efforts to develop its products and business.

## Capital Expenditures

The Corporation expended the following amounts on purchasing equipment during the below referenced periods.

| | **Three Months Ended** | | |
|---|---|---|---|
| | **March 31, 2017** | March 31, 2016 | % change |
| Office equipment | **$0** | $5,363 | -100% |

**Liquidity**

As at March 31, 2017, the Corporation had working capital of $825,810 (March 31, 2016 $233,110).

On February 24, 2016, the Corporation secured bridge loan debenture financing in the amount of $500,000. On June 2nd, 2016, the Corporation received a further $200,000 under the 10% debenture bridge loan financing. Please see the "Financings" sections for further details

On July 15, 2016, the Corporation completed a new secured Participating Debenture financing with various investors, including two related parties. Under this financing the debentureholders have advanced $2,000,000 in long-term debt capital. The aggregate $2,000,000 is made up of the conversion of $700,000 in principal amount of the February, 2016 bridge loan financing into Participating Debentures and $1,300,000 in new debt capital.

On January 31, 2017, the Company closed a non-brokered private placement consisting of 13,500,000 units (each a "Unit") of the Company, at a subscription price of $0.085 per Unit for gross proceeds of $1,147,500,000. Each Unit consists of one common share and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase one additional common share of the Company at an exercise price of $0.15 for a period of one year from the date of issuance of the Units (see "Financings").

Management believes that although the Corporation has sufficient cash and cash equivalents to meet its immediate current obligations, additional financing will be required in order to continue business operations, including the completion of development and marketing of its digital promotions platform. Management has been seeking equity financing options for the past three months and has been unsuccessful in securing such financing. Management believes that although additional financing may be obtained, such financing is not guaranteed to be available on favorable terms and if financing is not secured the Corporation will be unable to continue its business.

**Financings**

Q1 2017 transactions

On January 31, 2017, the Company closed a non-brokered private placement consisting of 13,500,000 units (each a "Unit") of the Company, at a subscription price of $0.085 per Unit for gross proceeds of $1,147,500,000. Each Unit consists of one common share and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase one additional common share of the Company at an exercise price of $0.15 for a period of one year from the date of issuance of the Units.

All shares issued pursuant to this private placement, and any shares issued in connection with the exercise of Warrants, if any, were subject to a four-month hold period which will expire on June 1, 2017, in accordance with the policies of the TSX Venture Exchange and applicable securities laws.

2016 transactions

On July 15, 2016, the Company completed a new secured Participating Debenture financing with various investors, including two related parties (the "Participating Debentures") Under this financing the debentureholders have advanced $2,000,000 in long-term debt capital. The aggregate $2,000,000 is made up of the conversion of $700,000 in principal amount of the February, 2016 bridge loan financing into Participating Debentures and $1,300,000 in new debt capital.

The Participating Debentures bear both basic and participating interest. Basic interest ("Basic Interest") on the Participating Debentures will accrue and be paid at the rate of twelve percent (12%) per annum calculated and paid quarterly. Participation interest ("Participation Interest") will be calculated on the basis of twelve percent (12%) of gross FetchBot campaign sales, if any, and will be paid quarterly, one quarter in arrears. The Participating Debentures have a term of four (4) years.

The Participating Debentures are secured by a fixed and floating first charge on all of the assets of the Company. As additional security, debentureholders have been granted a nonexclusive, unrestricted license to use the FetchBot Platform software in the event of a default in payment of any amounts due under the Participating Debentures or in the event that the Company ceases, for any reason, to diligently pursue the commercial sale of FetchBot campaigns. The license will terminate on payment of all amounts owing under the Participating Debentures, in accordance with the provisions thereof.

In order to fund its operations, on February 17, 2016, the Corporation secured bridge loan financing in the form of a secured Debenture with a private company (the “Lender”) controlled by a director of the Corporation. Pursuant to the Debenture financing the Lender advanced $500,000 of an up to $1-million Debenture financing, bearing an interest rate of ten percent per annum. The proceeds of the Debenture financing were used for continuing working capital requirements of the Corporation. The Debenture was converted into the new secured Participating Debenture (see Q1 2017 transactions). As consideration for entering into the Debenture financing, the Corporation paid to the Lender a loan establishment fee in the amount of $20,000. The entering into of the Debenture financing was considered and approved by the Board of Directors of the Corporation. The related party director declared a conflict and recused himself from voting on the matter. The remaining directors voted unanimously to approve the Debenture financing. Pursuant to Multilateral Instrument 61-101 — Protection of Minority Security Holders in Special Transactions, entering into the Debenture financing is a related party transaction. The Corporation is exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with the Debenture financing in reliance on sections 5.5(a) and 5.7(a), respectively, of MI 61-101, as neither the fair market value of the subject matter of the Debenture financing, nor the fair market value of the consideration for the Debenture financing exceeds 25 percent of the Corporation’s market capitalization as calculated in accordance with MI 61-101. On June 2$^{nd}$, 2016, the Corporation received a further $200,000 under the 10% debenture financing.

During the year ended December 31, 2016, 456,115 warrants were exercised at an average price of $0.108 per warrant.

**Options**

<u>2017 and 2016 transactions</u>

During the second quarter of 2016, the Company granted 400,000 options to two employees at an exercise price $0.15 per share. The options have a term of 5 years.

During the third quarter of 2016, the Company granted the following options:

1,700,000 options to four employees at an exercise price $0.15 per share. The options have a term of 5 years; and

175,000 options to a consultant at an exercise price $0.15 per share. The options have a term of 2 years.

During the fourth quarter of 2016, the Company granted 400,000 options to an employee at an exercise price of $0.12 per share. The options have a term of 5 years.

During 2016, 1,273,750 options expired and 1,467,000 options were forfeited.

During the first quarter of 2017, the Company granted 500,000 options to a director at an exercise price $0.15 per share. The options have a term of 5 years.

During the first quarter of 2017, 208,000 options expired and 400,000 options were forfeited.

**Acquisitions/Dispositions**

There were no acquisitions or dispositions during the three months ended March 31, 2017.

**Non-accountable Arrangements**

There are no arrangements as at March 31, 2017, which are not disclosed in the Financial Statements, nor have any such arrangements been entered into by the Corporation as of the date of this report.

**Transactions with Related Parties**

Included in wages and benefits, general and administrative, stock-based compensation and professional fees are transactions with related parties. Related party transactions are disclosed below, unless they have been disclosed elsewhere in the condensed interim financial statements.

During the three months ended March 31, 2017, the Company incurred $60,558 (2016 - $78,712) for wages, benefits and consulting fees, charged by directors, officers and key management personnel of the Company.

During the three months ended March 31, 2017, included in expenses are options having a fair value of $58,353 - $Nil), granted to a director of the Company.

During the three months ended March 31, 2017, the Company incurred $22,200 (2016 - $22,200) for rental fees, paid to two companies in which a director and officer of the Company is the principal or a significant shareholder.

During the three months ended March 31, 2017, the Company incurred $7,500 (2016 - $7,500) for accounting fees to a company in which an officer of the Company is the principal shareholder.

During 2016, the Company secured debenture financing with a director and officer and family members for a total of $1,700,000. During the three months ended March 31, 2017, the Company incurred $51,000 (2016 - $6,718) for interest in respect of the debenture financing which is included in finance costs on the statement of loss and comprehensive loss. See Note 6. of the condensed interim financial statements, for detailed information regarding the debentures.

Related party transactions are incurred in the normal course of business and are measured at the exchange amount which is the amount of consideration established and approved by the related parties. As of March 31, 2017, $18,165 (December 31, 2016 - $986) was due to related parties and included in accounts payable and accrued liabilities with respect to those transactions. The amounts are non-interest bearing, unsecured and have no specific terms of repayment.

**Disclosure of Outstanding Share Data**

The following table describes the outstanding equity securities and convertible securities issued by the Corporation:

| | **Authorized** | **Outstanding** | **Outstanding** | **Outstanding** |
|---|---|---|---|---|
| | | **as at May 29, 2017** | **as at March 31, 2017** | **as at March 31, 2016** |
| Voting or equity securities issued and outstanding | Unlimited Common Shares | 76,277,733 Common Shares | 76,277,733 Common Shares | 62,321,618 Common Shares |
| | | | | |
| Securities convertible or exercisable into voting or equity securities – stock options | Stock options to acquire up to 10% of outstanding Common Shares | 5,400,000 Stock options granted exercisable at prices between $0.075 and $0.21 per option | 4,700,000 Stock options granted exercisable at prices between $0.075 and $0.21 per option | 3,700,000 Stock options granted exercisable at prices between $0.075 and $0.21 per option |
| | | | | |
| Voting or equity securities issuable on conversion or exchange of outstanding securities - warrants | Warrants to acquire up to 45,233,629 Common Shares | 45,233,629 Warrants to acquire Common Shares exercisable at prices between $0.10 and $0.25 per Warrant | 45,233,629 Warrants to acquire Common Shares exercisable at prices between $0.10 and $0.25 per Warrant | 32,189,744 Warrants to acquire Common Shares exercisable at prices between $0.10 and $0.25 per Warrant |

**Critical Accounting Estimates**

The Corporation's critical accounting estimates and significant accounting policies as well as changes in accounting policy and disclosure are disclosed in notes 3 and 4 of the condensed interim financial statements for the three months ended March 31, 2017 and notes 3, 4 and 5 of the audited financial statements for the year ended December 31, 2016.

**Risks and Uncertainties**

The Corporation's business as a technology issuer is subject to a number of significant risk factors. The following are certain risk factors related to the Corporation, its business, and ownership of securities of the Corporation. If any event arising from the risk factors set forth below occurs, the Corporation's business, prospects, financial condition, results of operation or cash flows and in some cases, its reputation, could be materially adversely affected.

Risk Factors Related to the Operations of the Corporation

*No Operating History as a Technology Issuer*

The Corporation has a limited record of operating as a technology issuer in the media/promotions software research and development areas. As such, the Corporation is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that the Corporation will not achieve its financial objectives as estimated by management of the Corporation. Past successes of management of the Corporation or the Board in other ventures do not guarantee future success.

*Problems Resulting from Rapid Growth*

The Corporation is pursuing a plan to market its promotional platforms throughout Canada, the United States and abroad and will require additional capital in order to meet these growth plans. Besides attracting and maintaining qualified personnel, employees or contractors, the Corporation requires working capital and other financial resources to meet the needs of its planned growth. No assurance exists that the plans will be successful or that these requirements will be satisfactorily handled, and this may have material adverse consequence on the business of the Corporation.

*Risks Related to Our Business and Industry*

Our success will depend on our ability to attract new customers and subsequently retain them and to subsequently increase sales to both new and existing customers. We will principally generate revenues through the sale of promotion campaigns. Our current financial model is pay-as-you-go. Our customers have no obligation to purchase more than one campaign at a time. We may also fail to attract customers or increase sales to customers as a result of a number of other factors, including: competitive factors affecting the software as a service, or SaaS, business software applications market, including the introduction of competing products, discount pricing and other strategies that may be implemented by our competitors; our ability to execute on our growth strategy and operating plans; and the timeliness and success of our products. We currently have no paying customers.

Growth of E-Commerce

The gamification of online advertising is a relatively nascent marketing medium. The Corporation's ability to attract clients and grow is directly connected to growth in, demand for, alternative online marketing solutions.

Competition Risk

The Corporation will face competition from a number of direct and indirect competitors. These competitors may limit the Corporation's opportunities to penetrate new markets and grow its market share. Further, the Corporation may face challenges attracting and retaining clients as other larger marketing/advertising companies with significantly more resources expand their product and services offerings to include promotional games and other services similar to those of the Corporation.

Liquidity and Capital Requirements

The Corporation faces significant challenges in order to achieve profitability. There can be no assurance that it will be able to maintain adequate liquidity or achieve long-term viability. The Corporation's ability to meet its obligations in the ordinary course of business is dependent upon management's ability to establish profitable operations or raise capital, as needed, through public or private debt or equity financings, or other sources of financing to fund operations. The disruption of the capital markets and the continued decline in economic conditions, amongst other factors, could negatively impact the Corporation's ability to achieve profitability or raise additional capital when needed.

From time to time, we may seek additional equity or debt financing to fund our growth, enhance our platform, respond to competitive pressures or make acquisitions or other investments. Our business plans may change, general economic, financial or political conditions in our markets may deteriorate or other circumstances may arise, in each case that have a material adverse effect on our potential cash flows and the anticipated cash needs of our business. Any of these events or circumstances could result in significant additional funding needs, requiring us to raise additional capital. We cannot predict the timing or amount of any such capital requirements at this time however the Corporation will require equity capital in the near term and may require further capital in the medium or long term. If near-term financing is not available, we will be unable to continue our business. If continued financing over the medium or long term is not available on satisfactory terms, or at all, we may be unable to expand our business at the rate desired and our results of operations may suffer. Financing through issuances of equity securities would be dilutive to holders of our shares.

Existing Debt

The Corporation has granted a security interest in its assets, including its intellectual property, to certain lenders under the provisions of a Participating Debenture as security for the loan. The loan also requires the Corporation to comply with certain financial covenants, which are tested on a monthly basis, and contains a number restrictive covenants, which would, among other things, prevent the Corporation from: (i) disposing of or selling its assets; (ii) making any changes in its debt or capital structure or amending its bylaws, (iii) consolidating or merging with other entities; (iv) entering into contracts outside of the normal course of business; (v) purchasing or redeeming any shares; (vi) paying dividends; or (vii) incurring lease obligations or capital expenditures above defined thresholds. A failure by the Corporation to repay the Debenture in accordance with its terms or other default would entitle the Debentureholder to, among other things, foreclose on the Corporation’s assets, which would likely terminate its ability to continue its current business operations.

*New Technology*

Online advertising and promotions is a competitive environment where software and other products and services are subject to rapid technological change and evolving industry standards. The Corporation's future success depends on its ability to design and produce new games, products, services and platforms, deliver enhancements to its products and services, accurately predict and anticipate evolving technology and respond to technological advances in its industry and its customer's increasingly sophisticated needs. The Corporation's platforms embody complex technology that may not meet those standards, changes and preferences. If the Corporation is unable to respond to technological changes, or if it fails or delays to develop products in a timely and cost effective manner, its products and services may become obsolete and the Corporation may be unable to recover research and development expenses which could negatively impact sales, profitability and the continued viability of the business.

## Management of Growth

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

## Acquisitions or Other Business Transactions

The Corporation may, when and if the opportunities arise, acquire other products, technologies or businesses involved in activities similar to the Corporation, or having products or intellectual property that are complementary to its business. Acquisitions involve numerous risks, including difficulties in the assimilation of operations, technologies and products of the acquired companies, the diversion of management's attention from other business concerns, risks associated with entering new markets or conducting operations in industry segments in which the Corporation has no or limited experience, and the potential loss of key employees of the acquired company. Future acquisitions by the Corporation could result in potentially dilutive issuances of equity securities, the use of cash, the incurrence of debt and contingent liabilities, and write-off of acquired research and development costs, all of which could materially adversely affect the Corporation's financial condition, results of operations and cash flows. Moreover, there can be no assurances that any anticipated benefits of an acquisition will be realized.

## Impact of Competition

The online advertising and promotions industry is dynamic and competitive with new technology and services being introduced by a range of players, from larger established companies to start-ups, on a frequent basis. Newer technology may render the Corporation's platforms obsolete which would have a material, adverse effect on its business and results of operations.

If the Corporation's platforms fail to achieve or maintain market acceptance, or if new technologies are introduced by competitors that are more favorably received than the Corporation's platforms, or are more cost-effective or are otherwise able to render the Corporation's platforms obsolete, the Corporation would experience a decline in demand which would result in lower sales performance (if achieved at all) and associated reductions in operating profits (if achieved at all), all of which would negatively affect trading price of the Corporation’s shares.

## Viability of Internet and System Infrastructure

The end-customers of the Corporation's software depend on internet service providers, online service providers and the Corporation's infrastructure for access to the software solutions. These services are subject to service outages and delays due to system failures, stability or interruption. As a result, the Corporation may not be able to meet a satisfactory level of service which could have a material adverse effect on the Corporation's business, revenues, operating results and financial condition.

## New Laws or Regulations

A number of laws and regulations may be adopted with respect to browser-based and mobile phone services and promotional games covering issues such as user privacy, freedom of expression, pricing, content and quality of products and services, taxation, advertising, intellectual property rights, consumer disclosure, prize award restrictions and information security. Adoption of any such laws or regulations may impact the ability of the Corporation to deliver innovative online promotional services thus adversely affecting results of operations.

Retention or Maintenance of Key Personnel

There can be no assurance that the Corporation will be able to continuously retain or maintain key personnel. Failure to ensure the Corporation has adequate personnel may materially impact the Corporation’s operations.

*Strategic Relationships*

Our growth will depend in part on our success in establishing strategic relationships with third parties such as e-commerce design and development platforms and marketing agencies. Identifying, negotiating and documenting relationships with third parties requires significant time and resources as does integrating with third-party technology. Our competitors may be effective in providing incentives to third parties to favor their products or services or to prevent or reduce sales of our promotional campaigns. We do not currently have any such strategic relationships established.

Conflicts of Interest

The Corporation may contract with affiliated parties or other companies or members of management of the Corporation or companies owned or controlled by members of the Corporation's management and associated and affiliated parties thereto. These parties may obtain compensation and other benefits in transactions relating to the Corporation. Certain members of management of the Corporation have business activities other than the business of the Corporation, but each member of management intends to devote a large portion of his or her working time to the Corporation. Although management intends to act fairly, there can be no assurance that the Corporation will not inadvertently enter into arrangements under terms less favorable than what might otherwise be available.

Proprietary Rights could be subject to Suits or Claims

No assurance exists that the Corporation or any company with which it transacts, can or will be successful in pursuing protection of proprietary rights such as business names, logos, marks, ideas, inventions, copyrights in visual works and technology which may be acquired over time. Failure by the Corporation to successfully defend or claim against a breach of proprietary rights may have a material adverse effect on the Corporation.

Market Price Volatility

Volatility in the market price of the Common Shares may affect the ability of holders to sell the Common Shares at an advantageous price. Market price fluctuations affecting the Common Shares may be due to the Corporation's operating results failing to meet the expectations of securities analysts or investors, downward revision in securities analysts' estimates, governmental regulatory action, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Corporation or its competitors, among others. Additionally, macro-economic conditions may adversely affect the market price of the Common Shares

Insurance Inadequacy

No assurance can be given that insurance will cover the risks to which the Corporation's activities will be subject, or will be available at economically feasible premiums, or at all. There is no assurance that in the event of claim or loss, the Corporation will have adequate insurance coverage.

Foreign Currency Risk

The Corporation anticipates transacting business in multiple currencies, the most significant of which are expected to be the Canadian dollar, the US dollar, the Euro and various Asian currencies. As a result, the Corporation will have foreign currency exposure with respect to items denominated in foreign currencies.

Forward-Looking Information May Prove Inaccurate

Readers are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Investment Returns

The Corporation may never achieve a level of profitability that would permit payment of dividends or making other forms of distributions to security holders. Payment of any future dividends by the Corporation will be at the sole discretion of the Board of Directors. The Corporation currently intends to retain earnings to finance the expansion of its business and does not anticipate paying dividends in the foreseeable future.

Litigation Risks

In the normal course of the Corporation's operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings including regulatory proceedings, tax proceedings and legal actions relating to personal injuries, property damage, property taxes, intellectual property rights and contract disputes. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to the Corporation and as a result, could have a material adverse effect on the Corporation's assets, liabilities, business, financial condition and results of operations. Even if the Corporation succeeds in any such legal proceeding, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from the Corporation's business operations, which could adversely affect its financial condition.

Risks Relating to the Corporation's Intellectual Property

Protection of the Corporation’s Intellectual Property

The Corporation intends to protect its intellectual property through trade secrets, reliance upon copyright legislation and patent or patent pending applications, where applicable. Despite the Corporation's best efforts, filing patent or patent pending applications may not result in enforceable patent rights in all jurisdictions in which the Corporation conducts operations. Any issued patents or third-party patents to which the Corporation has licensed rights may be of a restricted scope that does not cover possible foundational technologies and/or technologies used by others.

The Corporation may not be successful in securing or maintaining proprietary or future patent protection for the technology developed internally and used in its systems or services, and protection that is secured may be challenged and possibly lost.

Unauthorized parties may attempt to copy aspects of the Corporation's products or to obtain information the Corporation may regard as proprietary. Policing unauthorized use of proprietary technology, if required, may be difficult, time-consuming and costly. If a third-party misappropriates the Corporation's intellectual property, the Corporation may be unable to enforce its rights. If the Corporation is unable to protect its intellectual property against unauthorized use by others, an adverse effect on the Corporation's business, operations and market position.

Open Source Software

The Corporation may use open source software in some of its software solutions. Licenses governing the Corporation's use of open source software may contain requirements that the Corporation make available source code for modifications or derivative works based upon the open source software, and that the Corporation license such modifications or derivative works under the terms of a particular open source license or other license granting third parties certain rights of further use. The terms of certain open source licenses may require that the Corporation release the source code of its proprietary software and make it available under open source licenses. Although the Corporation monitors its use of open source software, the Corporation cannot provide assurance that all open source software has been reviewed prior to use in its software solutions, or that the Corporation's programmers have not incorporated open source software into its platforms, and will not do so in the future. In addition, the terms of open source software licenses may require the Corporation to provide software that the Corporation develops using such open source software to others on unfavorable license terms. As a result of the Corporation's future use of open source software, the Corporation may face claims or litigation, be required to release its proprietary source code, pay damages for breach of contract, re-engineer its solutions, discontinue making its solutions available in the event re-engineering cannot be accomplished on a timely basis or take other remedial action. Any such re-engineering or other remedial efforts could require significant additional research and development resources, and the Corporation may not be able to successfully complete any such re-engineering or other remedial efforts. Further, in addition to risks related to license requirements, use of certain open source software may lead to additional unanticipated risks as open source licensors generally do not provide warranties or controls on the origin of software. Any of these risks could be difficult to eliminate or manage, and, if not addressed, could have a negative effect on the Corporation's business, financial condition and operating results.

**Reference is made in this MD&A to the Corporation’s financial statement disclosure for the relevant periods filed on the SEDAR website for the Corporation at www.sedar.com where additional disclosure relating to the Corporation can also be located. Readers are strongly encouraged to review such additional disclosure.**


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