YDREAMS GLOBAL INTERACTIVE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the six months ended June 30, 2017

Prepared as of August 22, 2017

GENERAL

This Management's Discussion and Analysis has been prepared by management as of August 22, 2017 and should be read in conjunction with the condensed consolidated interim financial statements of YDreams Global Interactive Technologies Inc., formerly Apple Capital Inc. (the "Company") as at and for the six months ended June 30, 2017 and the audited financial statements for the year ended December 31, 2016, prepared in accordance with International Financial Reporting Standards ("IFRS").

All amounts are expressed in Canadian dollars unless noted otherwise.

DISCLAIMER FOR FORWARD LOOKING STATEMENTS

This following Management's Discussion and Analysis contains "forward-looking statements" (also referred to as "forward-looking information") within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this Management's Discussion and Analysis that address activities, events or developments that the Company expects or anticipate will or may occur in the future, including statements about the anticipated impact of the operations of the Company, as well as the benefits expected to result from capital expenditures, potential management contracts for ongoing services, and other such matters are forward-looking statements. When used in this Management's Discussion and Analysis, the words "estimate", "plan", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements. There can be no assurance that the plans, intentions or expectations upon which these forward-looking statements are based will occur. Forward-looking statements are subject to risks, uncertainties and assumptions, including those discussed elsewhere in this Management's Discussion and Analysis. Although the Company believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Some of the risks which could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein include but are not limited to risks related to: general business operations; limited operating history; development of the Company's brand; competition; need for continued improvement; intellectual property issues; interactive digital media; potential liability claims; litigation; insurance; economic downturns; currency; key personnel; conflicts of interest; changes in general applicable laws; compliance with advertising laws and regulations; foreign operations; operations in Brazil; no guaranteed return on investment; dilution; fluctuation of share price; access to capital; internal controls; accounting policies; and other factors beyond the control of the Company. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the risks as more particularly described under "Risk Factors." Although the Company attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

OVERVIEW

YDreams Global Interactive Technologies Inc., formerly known as "Apple Capital Inc." was incorporated on April 16, 2007 pursuant to the provisions of the *Business Corporations Act* (British Columbia). The Company was initially engaged in the business of evaluating, acquiring and exploring mineral properties.

On July 15, 2016, the Company completed a Reverse Takeover ("RTO"; as defined in Policy 5.2 – *Changes of Business and Reverse Takeovers* of the Corporate Finance Manual of the TSX Venture Exchange (the

"Exchange")) through the acquisition of all but two of the outstanding equity securities of YDreams Brasil – Serviços e Soluções Interativas LTDA ("YDBR"), a private company incorporated under the laws of the Federative Republic of Brazil. YDBR was considered to be the acquirer for accounting purposes.

The Company ceased to be a mining company and changed its name from "Apple Capital Inc." to its current name "YDreams Global Interactive Technologies Inc.". Following receipt of final Exchange approval on July 21, 2016, the Company was listed as a Tier 2 Technology Issuer on the Exchange under the symbol "YD".

YDBR is a technology and design agency located in Brazil, focusing on innovation that acts as both a strategic and execution partner to companies and brands in conducting their business in the new post-digital reality. As a result of the RTO, the Company continued the business of YDBR.

The Company's Canadian head office and principal business address is located at 1470 – 701 West Georgia Street, Vancouver, British Columbia, V7Y 1C6 and registered and records office is located at 800 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1.

The following discussion of the Company's financial performance is based on the condensed consolidated interim financial statements for the six ended June 30, 2017 and 2016. All discussion and comparatives to prior quarters and years are with YDBR financial statements as the continuing business, RTO, and are that of YDBR's technology business.

OVERALL PERFORMANCE

YDreams Global Interactive Technologies Inc. is a technology company with offices in Vancouver, São Paulo, and Rio de Janeiro, that combines Augmented and Virtual Reality Technology, Design, and Intelligence to respond to the challenges and demands of today's users and consumers.

The Company works as a partner for companies and brands to reframe their strategy through relevant human-centred ventures that integrates digital experience with the physical presence and venues. It anticipates future challenges and connects them with the needs of the market, building innovative concepts and delivering them with international excellence.

The Company have developed over 1,000 projects for clients all over the world, such as Adidas, Cisco, Nokia, Nike, Mercedes Benz, Coca-Cola, Santander, AmBev, Qualcomm, Unilever, City of Rio and Fiat.

The Company's gross profit decreased by $1,547,638 from a gross profit of $1,509,677 in the six months ended June 30, 2016 to a gross loss of $37,961 in the six months ended June 30, 2017.

Working capital, which is comprised of current assets less current liabilities, was $656,791 at December 31, 2016 compared to a working capital of $425,759 at June 30, 2017.

During the six months ended June 30, 2017, the Company reported a net loss of $2,341,663 ($0.04 basic and diluted loss per share) compared to a net income of $346,399 ($1.08 basic and diluted income per share) during the six months ended June 30, 2016.

The Company's business in Brazil continues to develop with its existing clients. The Company designs, develops and deploys interactive, concept spaces for its existing clients. The Company is currently working towards strengthening it relationships and developing potential new projects in order to expand to new markets, starting with Dubai and China, in order to increase profit and growth. The Company is in negotiations with several groups in Dubai and China, and has submitted several proposals for review. In May 2017, the Company signed a cooperation agreement with the SEED Group, a group of diversified companies, in Dubai to start operation in the Middle East with a focus on Virtual Reality and Smart City initiatives. The focus is to provide the Company's current services of concepts, design and deployment of interactive experiences for museums and retail location in China and Dubai. In addition in Dubai, the Company has commenced a partnership with a company that produces multi-million dollar water fountains, whereby the Company is working towards new types of interactions with the water fountains. In China, the Company is in ongoing negotiations for two projects for interactive exhibitions similar to what the Company has developed before in Brazil and Europe. The Company does not currently have sufficient resources for an aggressive growth, however it is looking for local partners In Dubai and China to help fund growth and bring in new projects.

SELECTED QUARTERLY FINANCIAL INFORMATION

The following table presents selected financial information for each of the last eight quarters. As YDBR is a private company and is considered to have acquired the Company upon completion of the RTO, the financial data provided below set out all financial quarters for which financial information has been prepared by YDBR, except that the financial data provided for the last four quarters ended June 30, 2017 included the Company's results of operations from the date of the RTO. In accordance with National Instrument 51-102 only the financial information that has been previously prepared is included herein.

	June 30 2017	March 31 2017	December 31 2016	September 30 2016	June 30 2016	March 31 2016	December 31 2015	September 30 2015
	$	$	$	$	$	$	$	$
Net sales revenue	533,639	247,373	1,245,350	1,574,670	1,279,606	1,135,120	1,188,681	935,681
Net income (loss)	(767,884)	(1,573,779)	(1,254,669)	(2,859,807)	22,245	324,154	(421,309)	(205,443)
Basic and diluted loss per share	(0.01)	(0.03)	(0.02)	(0.06)	0.07	1.01	(1.31)	(0.64)
Total assets	1,650,589	2,351,612	2,037,483	2,052,467	1,548,222	1,493,278	1,048,961	1,285,166
Working capital (deficiency)	425,759	1,049,620	656,791	501,187	(227,641)	(493,107)	(970,890)	(615,741)

Net loss increased by $215,866 from the third quarter of 2015 to the fourth quarter of 2015 mainly due to an increase in professional fees for the year-end audit and to YDBR paying an extra month of salary to its employees in December 2015. Change from net loss of $421,309 in the fourth quarter of 2015 to net income of $324,154 in the first quarter of 2016 was mainly due to a provision for losses with related party loan of $452,241 being recognized in the fourth quarter end of 2015. Net income decreased by $301,909 from the first quarter of 2016 to the second quarter of 2016 mainly due to extra investment expenses put in various projects in the second quarter. Net loss increased by $2,882,052 from the second quarter of 2016 to the third quarter of 2016 mainly due to an increase in listing expense, finance fees and other expenses relating to the RTO that was completed in the third quarter. Net loss decreased by $1,605,138 from the third quarter of 2016 to the fourth quarter of 2016 mainly due to a decrease in listing expenses. Net loss increased by $319,110 from the fourth quarter of 2016 to the first quarter of 2017 mainly due to a decrease in net sales revenue offset by a decrease in listing expenses and a loss on debt settlement. Net loss decreased by $805,895 from the first quarter of 2017 to the second quarter of 2017 mainly due to a decrease in share-based payment expenses and an increase in net sale revenue.

DISCUSSION OF OPERATIONS

FINANCIAL RESULTS FOR THE THREE MONTHS ENDED JUNE 30, 2017

Revenue (unaudited)

	Three months ended June 30	
	2017	2016
Net Sales Revenue	$ 533,639	$ 1,279,606
Total	$ 533,639	$ 1,279,606

During the three months ended June 30, 2017, the Company reported net sales revenue of $533,639 as compared to net sales revenue of $1,279,606 during the three months ended June 30, 2016. The decrease in revenue is due to the Company being focused on new markets that it did not have a presence in previously and due to the fact that the Company is looking to take part in larger projects. Both of these objectives take a longer time to generate revenue but with the goal of achieving larger revenues in the long term.

Cost of Services Rendered (unaudited)

	Three months ended June 30	
	2017	2016
Cost of Services Rendered	$ 417,963	$ 627,898
Total	$ 417,963	$ 627,898

Total cost of services rendered decreased by $209,935 for the three months ended June 30, 2017 compared to the three months ended June 30, 2016. The decrease in the cost of services rendered reflected a mandatory increase in payroll as required by the unions in Brazil, as well as the Company utilizing funds to finish a large project in the three months ended June 30, 2017.

Operating Expenses (unaudited)

	Three months ended June 30	
	2017	2016
Personnel expenses	$ 77,465	$ 27,746
Consulting	94,039	13,928
Depreciation	26,480	22,754
Management fees	83,162	38,107
Office and miscellaneous	91,076	130,699
Professional fees	234,347	245,224
Share-based payments	100,861	-
Shareholder information	9,832	-
Transfer agent and filing fees	7,739	-
Travel and promotion	168,943	(4,718)
Other expenses	5,972	9,333
Total operating expenses	$ 899,916	$ 483,073

Total operating expenses increased by $416,843 for the three months ended June 30, 2017 compared to the three months ended June 30, 2016. The increase in personnel expenses in the amount of $49,719 related to an automatic increase in payroll in Brazil as required by the unions. The increase in consulting fees of $80,111 related to engaging consultants to assist the Company to expand into new markets in Dubai and China. The increase in management fees of $45,055 was partly due more directors incurring fees in the three months ended June 30, 2017 compared to the three months ended June 30, 2016. Also, one director's salary of $18,622 was recorded under costs of services rendered in the three months ended June 30, 2016 but not in the three months ended June 30, 2017, as his services in 2016 were mostly related to project development. There was a decrease in office and miscellaneous expenses in the amount of $39,623 reflected the Company disposing of non-essential office expenses. The increase in share-based payments in the amount of $100,861 was due to stock options being granted in the three months ended June 30, 2017 compared to no stock options being granted in the three months ended June 30, 2016. The increase in travel and promotion expenses in the amount of $173,661 was due to the Company spending more funds for advertising in the three months ended June 30, 2017 once it was a public company compared to the three months ended June 30, 2016 when it was a private company. This increase also relates to the Company spending more on travel and conferences as it works towards expanding into new markets.

Net Income and Loss (unaudited)

		Three months ended June 30 2017		2016
Net income (loss)	$	(767,884)	$	22,245
Income (Loss) per share (basic and diluted)		(0.01)		0.07

Net loss for the three months ended June 30, 2017 increased by $790,129 compared to net income for the three months ended June 30, 2016. The increase in net loss was due primarily to a decrease in net sales revenue and an increase in operating expenses mainly attributable to an increase in travel and promotion, as well as share-based payments, and a number of other expenses.

FINANCIAL RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2017

Revenue (unaudited)

		Six months ended June 30 2017		2016
Net Sales Revenue	$	781,012	$	2,414,726
Total	$	781,012	$	2,414,726

During the six months ended June 30, 2017, the Company reported net sales revenue of $781,012 as compared to net sales revenue of $2,414,726 during the six months ended June 30, 2016. The decrease in revenue is due to the Company being focused on new markets that it did not have a presence in previously and due to the fact that the Company is looking to take part in larger projects. Both of these objectives take a longer time to generate revenue but with the goal of achieving larger revenues in the long term.

Cost of Services Rendered (unaudited)

		Six months ended June 30 2017		2016
Cost of Services Rendered	$	818,973	$	905,049
Total	$	818,973	$	905,049

Total cost of services rendered decreased by $86,076 for the six months ended June 30, 2017 compared to the six months ended June 30, 2016. The decrease in the cost of services rendered reflected a mandatory increase in payroll as required by the unions in Brazil, as well as the Company utilizing funds to finish a large project in the first quarter of 2017.

Operating Expenses (unaudited)

		Six months ended June 30 2017		2016
Personnel expenses	$	171,753	$	75,954
Consulting		236,474		35,321
Depreciation		52,808		44,580
Management fees		166,515		68,326
Office and miscellaneous		197,181		163,167
Professional fees		394,292		338,664
Share-based payments		667,439		-
Shareholder information		14,697		-
Transfer agent and filing fees		17,419		-
Travel and promotion		355,901		42,058
Other expenses		8,155		10,230
Total operating expenses	$	2,282,634	$	778,300

Total operating expenses increased by $1,504,334 for the six months ended June 30, 2017 compared to the six months ended June 30, 2016. The increase in personnel expenses in the amount of $95,799 related to an automatic increase in payroll in Brazil as required by the unions. The increase in consulting fees of $201,153 related to engaging consultants to assist the Company to expand into new markets in Dubai and China. The increase in management fees of $98,189 was partly due more directors incurring fees in the six months ended June 30, 2017 versus the six months ended June 30, 2016. Also, one director's salary of $31,664 was recorded under costs of services rendered in the six months ended June 30, 2016 but not in the six months ended June 30, 2017, as his services in 2016 were mostly related to project development. The increase in office and miscellaneous expenses in the amount of $34,014 reflected an increase in the office rent, office insurance and maintenance for the Company's offices in Brazil due to these prices being raised as well as to the Company opening a third office in Canada. The increase in professional fees in the amount of $55,618 is due to the added costs relating to YD Global and becoming a public company in the six months ended June 30, 2017, that were not incurred in the comparative prior period. The increase in share-based payments in the amount of $667,439 was due to stock options being granted in the six months ended June 30, 2017 compared to no stock options being granted in the six months ended June 30, 2016. The increase in travel and promotion expenses in the amount of $313,843 was due to the Company spending more funds for advertising in the six months ended June 30, 2017 once it was a public company compared to the six months ended June 30, 2016 while it was a private company. This increase also relates to the Company spending more on travel and conferences as it works towards expanding into new markets.

Net Income (Loss) (unaudited)

		Six months ended June 30 2017		2016
Net income (loss)	$	(2,341,663)	$	346,399
Income (loss) per share (basic and diluted)		(0.04)		1.08

Net loss for the six months ended June 30, 2017 increased by $2,688,062 compared to net income for the six months ended June 30, 2016. The increase in net loss was due primarily to a decrease in net sales revenue and an increase in operating expenses mainly attributable to an increase in share-based payments, as well as a number of other expenses.

Use of Proceeds

Financing	Previously Disclosed Use of Proceeds	Status of Use of
$100,000 *July 2017* *Private Placement*	Towards general working capital.	As of the date of this report, $95,405 were used in general working capital and $4,595 has not been used.

In July 2017, the Company closed a non-brokered private placement consisting of 500,000 units at $0.20 per unit for gross proceeds of $100,000. Each unit consisted of one common share and one share purchase warrant which entitles the holder to purchase one additional common share of the Company at a price of $0.25 per share until July 11, 2022. In connection with the financing, the Company incurred legal and filing fees totalling $4,332.

The financial data for the 2017, 2016 and 2015 fiscal quarters are prepared in accordance with IFRS.

FINANCING ACTIVITIES

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2017, the Company's cash balance was recorded as $493,352 (December 31, 2016 – $837,044) and the Company had a working capital of $425,759 (December 31, 2016: working capital of $656,791). At June 30, 2017, the Company has share capital of $5,410,562 (December 31, 2016 – $3,884,471) representing 60,078,311 (December 31, 2016 – 54,470,811) common shares, and an accumulated deficit of $7,196,282 (December 31, 2016 – $4,854,619).

	Six months ended June 30	
Cash provided by (used in)	2017	2016
Operating Activities	$ (1,702,823)	$ 621,341
Investing Activities	(112,311)	-
Financing Activities	1,456,402	(223,777)

Cash used in operating activities for the six months ended June 30, 2017 was primarily related to management fees, consulting fees and associated travel and promotion fees which relate to the Company working towards expanding into new markets. Cash provided by operating activities for the six months ended June 30, 2016 was primarily related to large net sales revenue for the period.

Investing activities of $112,311 in the six months ended June 30, 2017 related to equipment purchased partially offset by the proceeds from the sale of equity securities. There were no investing activities in the six months ended June 30, 2016.

Financing activities in the six months ended June 30, 2017, provided cash of $1,456,402 related mainly to the private placement that was closed in January 2017 at $0.20 per unit for gross proceeds of $600,000 as well as proceeds of $884,291 pursuant to the exercise of share purchase warrants and stock options, offset by share issuance costs, as well as loan and interest repayments.

YDBR borrowed a working capital loan from Banco Bradesco S.A. ("Bradesco"), a commercial bank in Brazil, bearing monthly interest of 1.33% and final maturity in January 2017. The Company fully repaid this loan during the six months ended June 30, 2017. In October 2016, YDBR borrowed a new loan of $136,125 from Bradesco, bearing monthly interest of 3.56% and final maturity in January 2019. YDBR also has a

Guaranteed Account with Bradesco, bearing monthly interest of 6.92%. As at June 30, 2017, $159,444 (December 31, 2016: $196,774) of principal and $26,491 (December 31, 2016: $24,119) of interest was outstanding relating to the Bradesco loans.

YDBR borrowed a working capital loan from Banco Itau S.A. ("Itau"), a commercial bank in Brazil, bearing monthly interest of 2.44% and final maturity in July 2016, of which principal was fully repaid in 2016. YDBR has a Guaranteed Account with Itau, bearing monthly interest of 13.95%. As at June 30, 2017, $39,239 (December 31, 2016: $Nil) of principal and $Nil (December 31, 2016: $588) of interest was outstanding relating to the Itau loans.

The Company closed a non-brokered private placement consisting of 500,000 units at $0.20 per unit for gross proceeds of $100,000. Each unit consisted of one common share and one share purchase warrant which entitles the holder to purchase one additional common share of the Company at a price of $0.25 per share until July 11, 2022. In connection with the financing, the Company incurred legal and filing fees totalling $4,332.

While the Company currently has sufficient working capital to continue operations in the very near term, the Company's future operations are dependent upon many factors, including the ability of the Company to generate sufficient profit and cash flows from operations, and the Company's ability to raise capital to fund its operations. The Company will have to continue to rely on equity and debt financing during such period. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company. In the short term, the Company's business in Brazil continues to develop with its existing clients. The Company is working towards expanding to new markets starting with Dubai and China, in order to develop new projects, increase profit and growth. In May 2017, the Company signed a cooperation agreement with the SEED Group, a group of diversified companies, in Dubai to start operation in the Middle East with a focus on Virtual Reality and Smart City initiatives. The Company does not have sufficient resources for an aggressive growth, however it is looking for local partners in Dubai and China to help fund growth and bring in new projects.

The condensed consolidated financial statements of the Company for the six months ended June 30, 2017 have been prepared on a going concern basis, which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of business. For the six months ended June 30, 2017, the Company incurred a net loss of $2,341,663 (June 30, 2016: net income of $346,399). At June 30, 2017, the Company had an accumulated deficit of $7,196,282 (December 31, 2016: $4,854,619) and a working capital of $425,759 (December 31, 2016: $656,791). These factors raise doubt about the Company's ability to continue as a going concern, which is dependent upon its ability to obtain and maintain an appropriate level of financing on a timely basis and to achieve sufficient cash flows to cover obligations and expenses. The outcome of these matters cannot be predicted. The condensed consolidated interim financial statements do not give effect to any adjustments to the amounts and classification of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern.

OFF BALANCE SHEET ARRANGEMENTS

To the best of management's knowledge, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

TRANSACTIONS WITH RELATED PARTIES

Key management of the Company are the directors and officers. During the six months ended June 30, 2017, the Company incurred $166,515 in management fees to a private company, which is controlled by a director of the Company, and to three directors of the Company. Pursuant to a consulting agreement dated effective July 1, 2016 between the Company and the private company, business development services are provided to the Company in consideration of $1,200 per month, which was subsequently amended to $1,500 per month. The agreement does not contain any change of control, severance, termination or constructive dismissal provisions.

Another director received $15,000 for the six months ended June 30, 2017 from the Company in management fees. This director has no management agreement in place and the Company has no contractual requirement to continue paying these management fees.

Two directors of the Company have agreements with YDBR where they provide a variety of services to the Company. The services they provide range from human resources to business planning to sales, as well as other services. One director earned $80,792 in aggregate for the six months ended June 30, 2017. The other director earned $63,223 aggregate for the six months ended June 30, 2017 and he also provided the majority of his services during the six months ended June 30, 2017 to the Company.

One director was paid $6,970 in respect an accommodation allowance for the six months ended June 30, 2017.

During the six months ended June 30, 2017, the Company paid $26,715 to an officer in consideration for accounting services provided to the Company. Such payments were made in lieu of management fees to our Chief Financial Officer.

During the six months ended June 30, 2017, the Company incurred share-based payments of $287,214 to five directors, a company wholly owned by a director, and an officer.

Management fees, professional fees, personnel expenses and stock options are intended to compensate such persons for their time and dedication to the Company.

At June 30, 2017, accounts payable and accrued liabilities includes $5,036 (December 31, 2016: $$6,733) payable to a former director of the Company for $2,500 in respect to directors fees; $243 payable to a public company with a common director for the reimbursement of administrative expenses; and $2,293 payable to a director for the reimbursement of travel expenses. As at June 30, 2017, salaries and social charges payable includes $16,662 (December 31, 2016: $17,537) payable to two directors of the Company for unpaid fees. These amounts are unsecured, non-interest bearing and payable on demand.

All transactions with related parties have occurred and are measured at the amount of consideration established and agreed to by the related parties.

Changes in Accounting Policies including Initial Adoption

Accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any new standards and is currently evaluating the impact, if any, that the following new standards might have on its condensed consolidated interim financial statements.

Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 *Financial Instruments* which reflects all phases of the financial instruments project and replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before February 1, 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but no impact on the classification and measurement of the Company's financial liabilities.

Revenue Recognition

IFRS 15 - Revenue from Contracts and Customers ("IFRS 15"), was issued by the IASB on May 28, 2014, and will replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 sets out the requirements for recognizing revenue that apply to all contracts with customers, except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments. IFRS 15 uses a control based approach to recognize revenue which is a change from the risk and reward approach under the current standard. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual years beginning on or after January 1, 2018. The Company is currently evaluating the impact of IFRS 15 on its condensed consolidated interim financial statements.

Leases

In January 2016, the IASB issued IFRS 16 *Leases ("IFRS 16")* which replaces IAS 17, *Leases* and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to the current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that apply IFRS 15. The Company is currently evaluating the impact of IFRS 16 on its condensed consolidated interim financial statements.

FINANCIAL INSTRUMENTS AND RISK

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's cash and cash equivalents, receivables, accounts payable and accrued liabilities, and loans and financing approximates their carrying values due to the short term nature of the financial instruments. The Company's marketable securities are measured at fair value using Level 1 inputs.

The table below shows the breakdown by category of the main financial assets and financial liabilities at June 30, 2017 and December 31, 2016:

	June 30, 2017		December 31, 2016	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
FVTPL:				
Marketable securities	$ -	$ -	$ 24,000	$ 24,000
Loans and receivables:				
Cash and cash equivalents	493,352	493,352	837,044	837,044
Trade accounts receivable	231,595	231,595	446,576	446,576
Total financial assets	$ 724,947	$ 724,947	$ 1,307,620	$ 1,307,620
Financial liabilities				
At amortized cost:				
Accounts payable and accrued liabilities	$ 129,850	$ 129,850	$ 223,982	$ 223,982
Loans and financing	225,174	225,174	221,481	221,481
Other payables	423	423	9,976	9,976
Total financial liabilities	$ 355,447	$ 355,447	$ 455,439	$ 455,439

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

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. The functional currency of the Company is CAD and the functional currency of YDBR is the R$, respectively. The reporting currency is CAD.

As at June 30, 2017, the Company and YDBR are exposed to currency risks arising from fluctuations in foreign exchange rates between CAD and R$ the degree of volatility of these rates. The Company raises funds from equity financings primarily in CAD. The Company and YDBR do not use derivative instruments to reduce their exposure to foreign exchange and currency risks. The Company and YDBR's exposure to foreign currency risks on cash balances held in foreign currencies is not expected to be significant.

The foreign exchange risk exposure of the Company and YDBR's financial instruments as at June 30, 2017 is as below:

Financial instrument type	CAD	Currency	+/- 10% fluctuation Increase / (decrease)	
Cash and cash equivalents	$ 454,090	CAD	$ -	$ -
Cash and cash equivalents	39,262	R$	3,926	(3,926)
Trade accounts receivable	4,904	CAD	-	-
Trade accounts receivable	226,691	R$	22,669	(22,669)
Recoverable taxes	505,687	R$	50,569	(50,569)
Loans and financing	(225,174)	R$	(22,517)	22,517
Accounts payable and accrued liabilities	(60,084)	CAD	-	-
Accounts payable and accrued liabilities	(69,766)	R$	(6,977)	6,977
Salaries and social charges payable	(542,256)	R$	(54,226)	54,226
Taxes and contributions payable	(724,315)	R$	(72,432)	72,432
Other payables	(423)	R$	(42)	42
Total	$ 391,384)		$ (79,030)	$ 79,030

The foreign exchange risk exposure of the Company and YDBR's financial instruments as at December 31, 2016 is as below:

Financial instrument type	CAD	Currency	+/- 10% fluctuation Increase	/ (decrease)
Marketable securities	$ 24,000	CAD	$ -	$ -
Cash and cash equivalents	807,638	CAD	-	-
Cash and cash equivalents	29,406	R$	2,941	(2,941)
Trade accounts receivable	15,458	CAD	-	-
Trade accounts receivable	431,118	R$	43,112	(43,112)
Recoverable taxes	442,018	R$	44,202	(44,202)
Loans and financing	(221,481)	R$	(22,148)	22,148
Accounts payable and accrued liabilities	(146,188)	CAD	-	-
Accounts payable and accrued liabilities	(77,794)	R$	(7,779)	7,779
Salaries and social charges payable	(543,190)	R$	(54,319)	54,319
Taxes and contributions payable	(831,825)	R$	(83,182)	83,182
Other payables	(9,976)	R$	(998)	998
Total	$ (80,816)		$ (78,171)	$ 78,171

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and cash equivalents and YDBR's receivables are exposed to credit risk. The Company reduces its credit risk on cash and cash equivalents by placing these instruments with institutions of high credit worthiness. YDBR closely monitors its receivables. Below is a table summarizing YDBR's receivables as at June 30, 2017 for its three main customers:

Customer	Receivables
Playworks	$ 5,340
Banco Bradesco	184,142
Condominio Shopping Parque D. Pedro	15,566

The above receivables are current and are not past due. As at June 30, 2017, the Company and YDBR are not exposed to any significant credit risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Included in the loss for the year in the financial statements is interest expense on loans and financing and interest income on Canadian dollar cash. The Company has debt instruments at fixed rates and is therefore not exposed to risk in the event of interest rate fluctuations. As at June 30, 2017, the Company is not exposed to any significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The Company addresses its liquidity through equity financing obtained through the sale of common shares and the exercise of warrants and options. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

Based on management's knowledge and experience of the financial markets, management does not believe that the Company's current financial instruments will be affected by credit risk and interest rate risk.

PROPOSED TRANSACTIONS

There are no proposed transactions as of the date of this Management's Discussion and Analysis.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS

Our common shares are listed on the TSX Venture Exchange under the symbol "YD", on the Frankfurt Stock Exchange under the symbol " A2AP0L", and on the Pink Sheets under the symbol "YDRMF".

Authorized -Unlimited common shares without par value

As at June 30, 2017, there were 60,078,311 common shares issued and outstanding. Subsequently, 500,000 common shares were issued at $0.20 per unit pursuant to a private placement. As of August 22, 2017, there were 60,578,311 common shares issued and outstanding.

As at June 30, 2017 and August 22, 2017, there were 28,899,999 common shares held in escrow.

Stock options

As at June 30, 2017, the Company had 4,194,001 stock options outstanding and 2,694,001 stock options exercisable as below:

Options Outstanding				Options Exercisable	
Number of Options	Expiry Date	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
300,000	August 4, 2017	0.10	$0.49	300,000	$0.49
94,001	October 3, 2018	1.26	$3.00	94,001	$3.00
1,900,000	January 10, 2019	1.53	$0.41	1,900,000	$0.41
1,000,000	August 4, 2021	4.10	$0.49	-	$0.49
500,000	October 27, 2021	4.33	$0.40	-	$0.40
200,000	March 24, 2022	4.73	$0.41	200,000	$0.41
200,000	April 26, 2022	4.82	$0.41	200,000	$0.41
4,194,001		2.45	$0.49	2,694,001	$0.51

Subsequent to June 30, 2017, 300,000 stock options at a price of $0.49 per share expired unexercised. As at August 22, 2017, the Company had 3,894,001 stock options outstanding and 2,394,001 stock options exercisable.

Share Purchase Warrants

As at June 30, 2017, the Company had 25,317,277 share purchase warrants outstanding. Each warrant entitles the holder the right to purchase one common share of the Company at the following exercise price per common share with the following expiry dates:

Expiry Date	Exercise Price	Number	
July 15, 2017	$0.15	253,663	
May 6, 2018	$6.00	215,000	
July 15, 2018	$0.35	10,072,112	
July 15, 2018	$0.35	10,000,000	*
September 13, 2018	$3.00	318,169	
January 5, 2019	$0.25	3,000,000	
April 24, 2020	$0.30	1,458,333	
Total		25,317,277	

Subsequently, 253,663 share purchase warrants at a price of $0.15 per share expired unexercised. Also, the Company issued 500,000 share purchase warrants at an exercise price of $0.25 per share in connection with a private placement. As at August 22, 2017, the Company had 25,563,614 share purchase warrants outstanding.

RISKS AND UNCERTAINTIES

An investment in the Company is speculative and involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risk factors set out below, in addition to the other information contained in this Management's Discussion and Analysis, before making any decision to invest in the Company. The directors consider the following risks and other factors to be the most significant for potential investors in the Company, but the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the directors may also have an adverse effect on the Company's business.

General Business Risks

The Company will be subject to general business risks and to risks inherent in the interactive technology and design agency business. The Company's ability to achieve profitable operations may be adversely affected by various operating risks common to the interactive technology and design agency industry, many of which are beyond the Company's control, including among others, the following:

(i) competition from other interactive technology and/or design agency companies;

(ii) increases in operating costs due to inflation, increases in labour costs, marketing and promotional costs and other factors;

(iii) restrictions on the ability to respond to cost and market pressures;

(iv) changes in governmental laws and regulations and fiscal policies and the related costs of compliance with laws and regulations and fiscal policies;

(v) adverse effects of international, national, regional and local economic and market conditions;

(vi) unforeseen events beyond the Company's control, such as terrorist attacks, travel-related health concerns, including pandemics and epidemics, imposition of taxes or surcharges by regulatory authorities, and unusual weather patterns, including natural disasters such as hurricanes, tsunamis or earthquakes; and

(vii) general business risks as discussed in detail herein.

Limited Operating History

The Company's business is still in its early stages (operating since 2007) and given that the Company has limited operating history, there is no assurance that the Company will be able to implement its business plans in the timeframes estimated by management or will be able to achieve or maintain profitable operations.

Ability to Continue as a Going Concern

The independent auditor has added an explanatory paragraph to their audit report issued in connection with the Company's annual audited financial statements for the year ended December 31, 2016 which states that the accumulated deficit and the amount of working capital, raise doubt about the Company's ability to continue as a going concern. This is dependent upon the Company's ability to obtain and maintain an appropriate level of financing on a timely basis and to achieve sufficient cash flows to cover obligations and expenses. The outcome of these matters cannot be predicted. The consolidated financial statements do not give effect to any adjustments to the amounts and classification of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern.

Development of the Company's Brand

There can be no certainty as to the ability of the Company to successfully develop and increase awareness of the Company's brand. Any loss of trust in any of the Company's projects can harm the value of the Company's brand and may have a material adverse effect on the Company's business, cash flows, financial condition and results of operations and ability to make distributions to shareholders.

Competition

The Company competes with many companies and individuals that have substantially greater financial and technical resources than the Company. The interactive technology and design agency industries are highly competitive, and the Company competes with other companies providing similar products and services. The Company will compete for customers as well as for the recruitment and retention of qualified employees.

Need for Continued Improvement

The Company's competitors are constantly developing innovations in interactive technology and design agency services. As a result, the Company will be required to continuously invest significant resources in research and development in order to enhance its technologies. In addition, these new products and services may present new and difficult technology challenges, and the Company may be subject to claims if users of these offerings experience service disruptions or failures or other quality issues. The Company's operating results would also suffer if its innovations are not responsive to the needs of its users, advertisers and other network members; are not appropriately timed with market opportunities, or are not effectively brought to market. As interactive technology and design agency services continue to develop, the Company's competitors may be able to offer interactive technologies and/or design agency services that are, or that are seen to be, substantially similar to or better than those of the Company. This may force the Company to compete in different ways and expend significant resources in order to remain competitive.

Intellectual Property Issues

Although the Company is not aware of any potential violations of others' intellectual property rights, the Company may face claims, including from direct competitors or other companies, asserting that the Company's technology or the commercial use of such technology infringes or otherwise violates the intellectual property rights of others. The Company cannot be certain that its technologies and processes do not violate the intellectual property rights of others. If the Company's market profile grows, then it could become increasingly subject to such claims.

If the Company were found to be infringing or otherwise violating the intellectual property rights of others, then it could face significant costs to implement work-around methods, and there is no assurance that any such work-around would be available or technically equivalent to the Company's technology. In such cases, the Company might need to license a third party's intellectual property, although any required license might not be available on acceptable terms, or at all.

If the Company is unable to work around such infringement or obtain a license on acceptable terms, then it might face substantial monetary judgments against it or an injunction against continuing to use or license such technology, which might cause the Company to cease operations.

In addition, even if the Company is not infringing or otherwise violating the intellectual property rights of others, it could nonetheless incur substantial costs in defending itself in suits brought against it for alleged infringement. Also, if the Company is able to enter into a license agreement in the future and it provides that the Company must defend and indemnify its customer licensees for claims against them relating to any alleged infringement of the intellectual property rights of third parties in connection with such customer licensees' use of such technologies, then the Company may incur substantial costs defending and indemnifying any customer licensees to the extent it is subject to these types of claims. Such suits, even if without merit, would likely require the Company's management team to dedicate substantial time to addressing the issues presented. Any party bringing claims might have greater resources than the Company, which could potentially lead to the Company settling claims against which it might otherwise prevail on the merits.

Interactive Digital Media

The market for interactive digital technology is relatively new and its potential is uncertain. The Company's success depends on the acceptance of its interactive digital technology by advertising clients and their continuing and increased interest in this medium as a component of their advertising strategies. If a substantial number of clients lose interest in advertising using the Company's interactive digital technology, the Company will be unable to generate sufficient revenues and cash flow to operate the Company's business, and the Company's revenues, prospects and results of operations could be negatively affected.

Potential Liability Claims

In addition to possible intellectual property claims as described above, the Company is, as is the case with other participants in the industry, subject to lawsuits alleging claims which may involve large claims and significant legal costs. Further, the negative publicity that is likely to result from significant claims can cause material damage to the Company's reputation. Any claim against the Company not covered by, or in excess of, its insurance policies could have a material adverse effect on the Company's business, cash flows, financial condition and results of operations and ability to make distributions to shareholders.

Litigation Risks

In addition to possible intellectual property claims as described above, in the normal course of the Company's operations, whether directly or indirectly, it may become involved in, named as a party to or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions relating to personal injuries, property damage and contract disputes. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined in a manner adverse to the Company and as a result, could have a material adverse effect on the Company's assets, liabilities, business, financial condition and results of operations. Even if the Company prevails 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 Company's business operations, which could have a material adverse effect on the Company's business, cash flows, financial condition and results of operations and ability to make distributions to shareholders.

Uninsured Risks

In the course of the development of interactive technologies and providing advertising services, certain unexpected risks may occur. There are certain types of risks, generally of a catastrophic nature, such as war, natural disasters or terrorism, which are either uninsurable or are not insurable on an economically viable basis. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability, result in increasing costs, and have a material adverse effect on the Company's business operations and a decline in the value of the common shares of the Company. Claims against the Company, regardless of their merit or eventual outcome, may also have a material adverse effect on the Company's business operations.

Economic Downturns

The target market for the Company is large companies with resources for marketing and customer experience budgets. Future downturns could adversely affect the ability of such companies to afford the Company's products and services.

Currency Risks

The Company will have foreign currency exposure related to foreign denominated revenues and costs. Fluctuations in foreign currency exchange may adversely affect the Company's reported earnings and the comparability of period-to-period results of operations. Changes in currency exchange rates may also affect the relative prices at which the Company and our foreign competitors purchase and sell products in the same market and the cost of certain items required in the Company's operations.

Key Personnel

The Company is dependent on key personnel and the absence of any of these individuals could result in it having to cease operations. While engaged in the business of developing interactive technology and providing design agency services, the Company's ability to continue development and operations, and to develop a competitive edge in the marketplace, depends, in large part, on its ability to attract and maintain qualified key management personnel. Competition for such personnel is intense and the Company may not be able to attract and retain such personnel. The Company's growth will depend on the efforts of its senior management, particularly its Chief Executive Officer and director, Daniel Japiassú; its Chief Operating Officer and director, Karina Israel.

Conflicts of Interest – Generally

The directors of the Company will, from time to time, in their individual capacities, deal with parties with whom the Company may be dealing, or may seek investments similar to those desired by the Company. Certain of the Company's directors and officers may be or become directors and officers of other companies. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any such directors and officers relating to the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies.

Changes in General Applicable Laws

The Company's operations must comply with numerous federal, local laws and regulations in Brazil, some of which may conflict with one another or be subject to limited judicial or regulatory interpretations. These laws and regulations may include those generally applicable to the development interactive technologies and design agency and business operations generally. Non-compliance with laws could expose the Company to liability. Lower revenue growth or significant unanticipated expenditures may result from the Company's need to comply with changes in applicable laws. The lower revenue growth and unanticipated expenditures that may result from such changes in the law may have a material adverse effect on the Company's business, cash flows, financial condition and results of operations and ability to make distributions to shareholders.

Compliance with Advertising Laws and Regulations

Advertising laws and regulations require advertisers, advertising operators and advertising distributors to ensure that the content of the advertisements they prepare or distribute are fair and accurate and are in full compliance with applicable laws. Violation of these laws or regulations may result in penalties, including fines, confiscation of advertising fees, orders to cease dissemination of the advertisements and orders to publish an advertisement correcting the misleading information. In circumstances involving serious violations, applicable government agencies or bodies may revoke a violator's license for advertising business operations.

Foreign Operations

As a result of the international aspect of the Company's operations, future revenue, gross margin, expenses and financial condition could suffer due to a variety of international factors, including:

- ongoing instability or changes in a country's or region's economic or political conditions, including inflation, recession, interest rate fluctuations and actual or anticipated military or political conflicts;
- longer collection cycles and financial instability among customers;
- trade regulations and procedures and actions affecting production, pricing and marketing of products;
- local labor conditions and regulations;
- managing a geographically dispersed workforce;
- changes in the regulatory or legal environment;
- differing technology standards or customer requirements;
- import, export or other business licensing requirements or requirements relating to making foreign direct investments, which could increase the Company's cost of doing business in certain jurisdictions, prevent the Company from shipping to particular countries or markets, affect the Company's ability to obtain favorable terms for components, increase the Company's operating costs or lead to penalties or restrictions;
- difficulties associated with repatriating earnings generated or held abroad in a tax-efficient manner and changes in tax laws; and

- fluctuations in freight costs, limitations on shipping and receiving capacity, and other disruptions in the transportation and shipping infrastructure at important geographic points of exit and entry for the Company's products and shipments.

The factors described above also could disrupt the Company's product and component manufacturing and key suppliers.

Risks relating to Brazil

The Brazilian government has exercised, and continues to exercise, significant influence over the Brazilian economy. This involvement, as well as Brazil's political and economic conditions could adversely affect the Company's business, financial condition, results of operations, cash flows and prospects as well as the trading price of the Company's common shares.

The Brazilian government frequently exercises significant influence over the Brazilian economy and occasionally makes significant changes in policy and regulations. The Brazilian government's actions to control inflation and other policies and regulations have often involved, among other measures, increases in interest rates, changes in tax policies, price controls, foreign exchange rate controls, capital controls and limits on imports. The Company will have no control over and cannot predict what measures or policies the Brazilian government may take in the future. The Company and the market price of the Company's common shares may be adversely affected by changes in Brazilian government policies, as well as general economic factors, including, without limitation:

- growth or downturn of the Brazilian economy;
- interest rates;
- currency fluctuations;
- inflation;
- liquidity of the domestic capital and lending markets;
- import and export controls;
- exchange rates and exchange controls and restrictions on remittances abroad;
- modifications to laws and regulations according to political, social and economic interests;
- fiscal policy and changes in tax laws;
- economic and social instability; and
- other political, social and economic developments in or affecting Brazil.

Developments in Brazil's political landscape may also impact the Company. Uncertainty over whether the current or any future Brazilian government will implement changes in policies or regulations affecting these and other factors may create instability in the Brazilian economy, increasing the volatility of securities by companies with connections to Brazil. In addition, possible political crises may affect the confidence of investors and the public in general, which may result in economic deceleration and affect the trading prices of securities issued by companies with connections to Brazil. Specifically, wide-scale protests throughout Brazil have focused on economic and political reform, creating additional political uncertainty. Any of these factors and Brazilian policies and regulations, whether in response to further protests or otherwise, may create additional political uncertainty, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows and prospects, as well as the trading price of the Company's common shares.

No Guaranteed Return on Investment

The Company's common shares are equity securities and are not fixed income securities. The Company will not have a fixed obligation to make payments to shareholders and does not promise to return the initial purchase price of a share on a certain date in the future, if at all.

Dilution

The Company may, in its sole discretion, issue additional shares from time to time at prices and on terms at the discretion of the directors, and the interests of the Company's shareholders may be diluted thereby. Sales of substantial amounts of the Company's securities, or the availability of such securities for sale, could adversely affect the prevailing market price for the Company's securities.

Fluctuation of Share Price

The market price of the Company's common shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Company, general economic conditions, changes in the supply of or demand for interactive technologies, legislative changes, and other events and factors outside of the Company's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Company's common shares. The Company is unable to predict whether substantial amounts of the Company's common shares will be sold in the open market or whether an active trading market in the Company's securities will be established and sustained. Any sales of substantial amounts of the Company's common shares in the public market, or perception that such sales might occur, could materially and adversely affect the market price of the Company's common shares and/or dilute the interests of shareholders.

Access to Capital

The interactive technology and design agency industries are capital intensive. The Company may require access to capital to fund its growth strategy from time to time. There can be no assurance that the Company will have access to sufficient capital or access to capital on terms favourable to the Company for future developments, funding operating expenses or other purposes. In addition, global financial markets have experienced a sharp increase in volatility during recent years. This has been, in part, the result of the re-valuation of assets on the balance sheets of international financial institutions and related securities. This has contributed to a reduction in liquidity among financial institutions and has reduced the availability of credit to those institutions and to the issuers who borrow from them. While central banks as well as governments continue attempts to restore liquidity to the global economy, no assurance can be given that the combined impact of the significant re-valuations and constraints on the availability of credit will not continue to materially and adversely affect economies around the world in the near to medium term. These market conditions and unexpected volatility or illiquidity in financial markets may inhibit the Company's access to long-term financing in the capital markets. As a result, it is possible that the financing which the Company may require in order to grow and expand its operations may not be available or, if it is available, then it may not be available on terms favourable to the Company. Failure by the Company to access required capital could have a material adverse effect on the Company's business, cash flows, financial condition and results of operations and ability to make distributions to shareholders.

Accounting Policies

The accounting policies and methods utilized by the Company determine how it reports its financial condition and results of operations, and they may require management of the Company to make estimates or rely on assumptions about matters that are inherently uncertain. The Company believes that the assumptions underlying its reports of its financial condition are reasonable. However, the reports of The Company's financial condition may not reflect what the Company's financial position, results of operations or cash flows will be in the future.

ADDITIONAL INFORMATION

Additional information about the Company is available for viewing on SEDAR at www.sedar.com.