BrandPilot AI Inc.
(formerly, Universal PropTech Inc.)

Management's Discussion and Analysis

For the three months ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

This Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of BrandPilot Inc. ("BPAI", "we", or the "Company") is for the three months ended June 30, 2024. It is supplemental to, and should be read in conjunction with, the unaudited condensed interim consolidated financial statements for the three months ended June 30, 2024 (the "Interim Financial Statements") and the audited financial statements for the years ended March 31, 2024 and 2024 (the "2024 Financial Statements"). The Interim Financial Statements and the 2024 Financial Statements and the financial information contained in this MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and the IFRS Interpretations Committee. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. In preparing this MD&A, management has taken into account all information available up to August 28, 2024.

These documents, as well as additional information on the Company, are filed electronically through the System for Electronic Document Analysis and Retrieval (SEDAR) and are available online at www.sedarplus.ca.

Unless otherwise indicated, all figures presented in this MD&A are expressed in Canadian Dollars ("$" or "CAD").

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian securities laws ("forward-looking statements"). All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements are often identified by words such as "may", "would", "could", "should", "will", "intend", "plan", "seek", anticipate", "believe", "estimate", "expect" or similar words and expressions. Examples of forward-looking statements include, among others, statements relating to information set out in this MD&A under the headings "Outlook and Strategy", "Working Capital and Liquidity Outlook", "Strategic Objectives" and statements and information regarding: future financial position and results of operations, strategies, plans, objectives, goals and targets; future developments in the markets where the Company participates or is seeking to participate; and, expectations for other economic, business, regulatory and/or competitive factors related to the Company or the Software-as-a-Service industry generally and other events or conditions that may occur in the future. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based on management's current beliefs, expectations or assumptions regarding the future of the business, future plans and strategies, operational results and other future conditions of the Company. Although the Company believes that the expectations, estimates, and projections reflected in such forward-looking statements are reasonable, such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance, or achievements to differ materially from those suggested by the forward-looking statements. Accordingly, actual results could differ materially from those expressed or implied in the forward-looking statements. On this basis, readers are cautioned not to place undue reliance on such forward-looking statements.

Factors which could cause actual results to differ materially from those indicated in forward-looking statements include, but are not limited to: general business, economic, competitive, political and social uncertainties, the actual results of current operations, industry conditions, research and development activities, intellectual property and other proprietary rights, as well as those other risks and uncertainties described in this MD&A under the heading "Financial Risks".

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this MD&A are made as of the date hereof and are presented for the purpose of assisting investors and others in understanding the Company's financial position and results of operations, as well as its objectives and strategic priorities, and may not be appropriate for other purposes. The Company undertakes no obligation to publicly update or revise any forward-looking statements or any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

Business Overview

BrandPilot AI Inc (formerly Universal PropTech Inc. or "UPI") ("BPAI" or the "Company") was incorporated under the Canada Business Corporation Act on August 22, 2008. On June 24, 2024, UPI changed its name to BrandPilot AI Inc. The address of the Company's corporate office is 77 King Street West, Suite 2905, Toronto, Ontario, Canada, M5K 1H1. The Company's common shares are listed on the Canadian Stock Exchange (the "CSE") under the ticker symbol "BPAI", and in Germany on the Frankfurt Stock Exchange the Company is trading under the ticker symbol "8LH0".

On June 28, 2024, the Company completed a change of business (the "COB Transaction") by way of a reverse takeover transaction (the "RTO") of Xemoto Media Ltd. ("Xemoto"), whereby all of the issued and outstanding common shares of Xemoto were exchanged on the basis of 0.225 common shares (the "Exchange Ratio") in the capital of BPAI for each common share in the capital of Xemoto held by shareholders immediately prior to the closing of the COB Transaction. All references to share capital, stock options, RSUs, have been adjusted to reflect to the Exchange Ratio. In connection with the completion of the COB Transaction, the Common Shares of BPAI were delisted from the TSX Venture Exchange on June 13, 2024, and commenced trading on the CSE July 8, 2024.

Concurrent with the COB, the following individuals were appointed as the directors and officers of the Company:

Brandon Mina - Chief Executive Officer, President and Director
Kyle Appleby - Chief Financial Officer
John Beresford - Chief Revenue Officer
Adam Szweras - Executive Chairman, and Secretary
Brian Presement - Director
Jillian Bannister - Director
Randall Craig - Director
Jeremy Goldman - Director
Andres Tinajero – Director

For accounting purposes, the RTO has been presented as the acquisition of BPAI by Xemoto. The fiscal year-end of the Company will continue as March 31, being the fiscal year end of Xemoto and the comparative figures are those of Xemoto.

Xemoto Media Ltd. was incorporated under the Business Corporations Act (Ontario) on July 6, 2020.

BrandPilot AI is an adtech company specializing in leveraging innovative technologies, partnerships and tools like artificial intelligence to enhance brand management and advertising strategies. The Company is focused on connecting businesses operating in highly regulated industries with their consumers. Using its core proprietary platform, Spectrum, and other technology focused means, the Company disseminates clients' marketing and advertising messaging, news releases, corporate presentations and other content that may appeal to businesses, individual consumers, and retail investors. Such messaging may be used by small and mid-sized influencers (often referred to as "micro-influencers") and financial influencers (often referred to as "finfluencers"), to develop content subsequently disseminated to their followers through a wide range of social media channels including, but not limited to Meta, Youtube, X, Twitch, and Tiktok. The Company's Spectrum platform facilitates overall client and influencer campaign management with a focus on investor, business-to-business and business-to-consumer communications. This is achieved via dynamic interaction between customers, influencers and their followers, including the coordination of messaging and content over a wide range of influencers, tracking of campaign progression, data collection and performance analytics of campaigns for clients, and facilitation of payment.

Since November 2023, BrandPilot AI has undergone significant transformation, marking a pivotal period in the Company's evolution. The Company has strategically changed its leadership, appointing a new CEO who has brought a fresh vision and direction. Under this new leadership, BrandPilot AI has radically revised and upgraded its platform, incorporating additional technologies to enhance its capabilities and better serve its clients. The sales organization has been entirely rebuilt and professionalized with the hiring of a new Chief Revenue Officer (CRO) and the implementation of a robust Customer Relationship Management (CRM) system. These changes have fortified the Company's sales processes and positioned BrandPilot AI to capitalize on emerging opportunities in the market.

Additionally, BrandPilot AI developed comprehensive plans for technological development, laying out a clear roadmap for future innovation and growth. The Company also undertook a Reverse Takeover (RTO), a strategic move that provided a pathway to success in the public markets. In parallel, a Chief Operating Officer (COO) was brought on board temporarily to drive operational efficiency, leading efforts to replace and restructure the finance and accounting department. This restructuring has streamlined financial operations and improved internal controls. Throughout this period of change, the Company successfully secured several financings, ensuring the necessary capital to support these initiatives and fuel its continued growth.

These substantial changes reflect BrandPilot AI's commitment to continuous improvement and its strategic focus on building a strong foundation for long-term success. The Company is now better equipped to navigate the complexities of its industry and deliver enhanced value to its stakeholders.

Business Objectives

The Company's management team is applying its extensive experience in digital marketing and technology to seize the unique opportunity to provide an end-to-end performance marketing solution for financial services brands and agency partners.

BrandPilot's primary markets are the United States and Canada, where the Company leverages its unique software, deep regulatory expertise, and a network of compliance-focused influencers to support its clients, particularly within the B2B and enterprise sectors, as well as agency partners and influencers themselves. Our strategic approach is centered on navigating the complexities of influencer marketing in highly regulated environments, ensuring our clients achieve compliance while maximizing impact. The Company's broader vision, key milestones, and expansion plans, with a strong emphasis on B2B and enterprise markets, are outlined below.

Industry and Market

The influencer marketing industry has experienced significant growth in recent years. In 2023, it is expected to be worth $21.2 Billion, up from $16.4 Billion in 2022 (Influencer Marketing Hub). This growth has led to the emergence of various trends and developments in the industry. 63% of people trust influencer insights more than what an organization says about itself (Edelman Trust Barometer). Instagram is the most popular platform for influencer marketing, with 79% of marketers using the platform for their campaigns (Influencer Marketing Hub). An emerging trend in the industry is the use of nano-influencers (influencers with fewer than 10,000 followers) as they tend to have higher engagement rates and are more cost-effective for brands. Some other key trends in the influencer marketing industry include:

1. **Artificial Intelligence**: The use of artificial intelligence ("AI") is becoming more prevalent in influencer marketing, with brands and agencies leveraging AI-powered tools to improve their campaigns and better understand their target audiences (Influencer Marketing Hub 2023).
2. **Brands seeking ongoing partnerships**: Influencers are increasingly becoming long term partners for brands, rather than just one-time collaborators. Many brands have shifted their focus on building strong relationships with influencers and understanding their needs and preferences (Statista).
3. **Platform Diversity**: The industry is expanding beyond traditional platforms like Instagram and TikTok, with brands exploring new social media platforms like YouTube, LinkedIn and Pinterest along with various forms of content such as long form video podcasts and newsletters to engage with their always evolving target audience (eMarketer).
4. **Performance Based Brand Deals**: Brands are increasingly focused on performance-based marketing partnerships, where influencers are paid based on the results they achieve, such as the number of sales or engagements generated through their campaigns.
5. **Influencer-Driven Performance Marketing:** Brands are relying on influencers to drive performance marketing campaigns, leveraging their credibility and influence with their followers to achieve better results (Influencer Marketing Hub).

(Expressed in Canadian Dollars)

6. **Influencers turning into business owners:** Many influencers are transitioning from their influencer roles to starting their own businesses, creating new opportunities for collaboration and partnerships with brands (Later.com).

The influencer marketing industry is expected to grow, with Dara Bridge Market Research predicting a market size of $84.89 billion by 2028. As the industry matures, brands and agencies must adapt to these trends to stay competitive and effective in their influencer marketing efforts.

Highlights for the three months ended June 30, 2024 to the date of this MD&A

- Successful listing of the Company's common shares on the Canadian Securities Exchange, and commencement of trading on July 8, 2024, under the symbol BPAI.
- Submitted initial documentation for the listing the Company's common shares on the OTC Markets in the United States, along with the initial steps for DTC eligibility (which will provide greater visibility and convenience of trading for U.S. investors, resulting in enhanced U.S. trading liquidity and greater reach).
- Launched Spectrum IQ, a web application that streamlines the influencer marketing process for brands of all sizes. Spectrum IQ allows clients to search, analyze and execute influencer marketing campaigns. The platform is a powerful influencer search and campaign management tool that uses AI to help brands find the right influencers for their campaigns and track their results. With Spectrum IQ, clients can:
  - Search for influencers based on a variety of criteria, including demographics, interests, and engagement rates
  - View detailed influencer profiles that include performance data and audience insights
  - Manage influencer campaigns from start to finish, including sending briefs, tracking progress, and measuring results
- Launched a new app designed to enhance campaign management and execution for marketers, brands, and influencers alike. This app offers an array of powerful features, ensuring seamless campaign management from start to finish.

Financial Condition and Results of Operations for the three months ended June 30, 2024

Revenue and Gross Profit

For the three months ended June 30, 2024, the Company recorded total sales revenue of $66,346 (June 30, 2023 - $163,844) from services provided to customers. Revenue decreased as the Company was focused on the COB transaction, and product development. The Company also incurred cost of sales of $30,896 (Q1 2024 - $87,454)), contributing to a gross profit of $35,450 (Q1 2024 - $76,390). The cost of sales is primarily comprised of payments to influencers for their services. The Company's strategic refocus on core industries, such as capital markets and financial services, resulted in a decrease in cost of sales and gross profit due to a reduction in revenue and the number of campaigns launched. This shift also involved a concentrated effort on improving the platform through rapid product development and integration. The Company was also in the process of recasting key management roles, including the sales team. While these changes initially led to a decline in campaign volume, they position the company to capitalize on more significant opportunities within its targeted markets.

Revenue segmentation for the Q1 2025:

Industries Serviced	Revenue	% of Total
Financial Services	$ 24,083	36%
Mining and Natural Resources	22,087	33%
Software and technology	18,429	28%
Other	1,746	3%
Total	**$ 66,345**	**100%**

(Expressed in Canadian Dollars)

Note: Industries Serviced represents the Industry of the end client utilizing the Company's influencer marketing platform to disseminate content.

Sales Channels	**Revenue**	**% of Total**
Direct(1)	$ 1,747	3%
Agency(2)	64,598	97%
Total	**$66,345**	**100%**

(1) Direct sales entail selling Xemoto's offerings to the end client who disseminates their content through the Spectrum platform, either as standalone influencer marketing campaign(s) or as part of the client's longer-term marketing strategy.
(2) Agency sales entail selling Xemoto's offerings to investor relations and public relations agencies. These agencies offer the Spectrum platform to their end clients to integrate influencer marketing with their broader marketing campaigns.

Regions	**Revenue**	**% of Total**
Canada	$ 43,608	66%
United States	22,737	34%
Total	**$ 66,345**	**100%**

Note: Regions represents the region of the end client utilizing the Company's influencer marketing platform to disseminate content.

Operating Expenses

For the three months ended June 30, 2024, the Company incurred total operating expenses of $724,455, as compared to total operating expenses of $499,227 for the three months ended June 30, 2023. The breakdown and change of the operating expenses are detailed below.

Three months ended June 30,	**2024** $	**2023** $	**Change** $
Salaries and consulting fees	**392,531**	316,394	76,137
Professional fees	**197,030**	137,348	59,682
Share-based compensation	**58,076**	15,111	42,965
Research and development	**-**	5,737	(5,737)
Office and general	**52,179**	10,725	41,454
Marketing and advertising	**13,613**	6,727	6,886
Amortization on computer equipment and software	**6,333**	6,333	-
Travel, meals and entertainment	**4,693**	852	3841
	724,455	**499,227**	**225,228**

- The increase in salaries and consulting fees is attributed to the success fees paid for the successful completion of the COB. The total amount of the success fees was $213,568 of which $63,568 was paid with shares (see also related party transactions).
- Professional fees include legal, audit, accounting, professional consulting, and business development.
- Share-based compensation, a non-cash expense, relies on the quantity and value of options or RSUs granted, along with their vesting schedule. The Company utilizes a stock option and RSU plan to provide these rewards as part of compensation for officers, directors, and consultants.
- A decrease in research and development indicates reduced demand for these activities after completing the necessary software development for the Company's product launch and entering its operational phase. The costs previously include software development, testing and subscription expenses.
- Marketing and advertising costs increased as more funds were allocated to online advertising.

(Expressed in Canadian Dollars)

Net and Comprehensive Loss

For the three months ended June 30, 2024, and 2023, the Company also incurred other income/expense items as follows:

	2024	2023
Other Income (Expenses)	$	$
Interest and accretion	**(26,976)**	(9,898)
Foreign exchange loss	**(4,296)**	(9,080)
Listing expense *	**(137,109)**	-
SR&ED tax refund	**-**	105,712
Loss on settlement of debt	**-**	(136,764)
Total Other Income (Expenses)	**(168,381)**	(50,030)

* In connection with the COB and related RTO, the Company recognized a listing expense (a non-cash expense) in the amount of $137,109, such amount being equal to the consideration paid less the net assets acquired under the RTO.

As a result, the Company recorded a net loss and comprehensive loss of $857,386 in Q1 2025, compared to a net loss and comprehensive loss of $472,867 in Q1 2024.

Cash flows

Net cash used in operating activities for the three months ended June 30, 2024 was $394,939, compared to net cash used in operating activities of $238,394 in the three months ended June 30, 2023.

Net cash provided by financing activities for the three months ended June 30, 2024 was $379,570 compared to $291,309 in the three months ended June 30, 2023. Cash from financing activities included private placement financings, loan proceeds, loans from related parties, and proceeds from convertible debentures.

Net cash provided by investing activities during the three months ended June 30, 2024 was $1,964,456 (June 30, 2023 - $nil) representing the cash acquired on the RTO.

Working Capital and Liquidity Outlook

The Company manages its capital structure and adjusts it based on the funds available to the Company to support the development of its planned business activities. The board of directors of the Company ("Board") does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. To carry out the planned business activities and pay for administrative costs, the Company spends its existing working capital and raises additional funds as needed.

As of June 30, 2024, the Company had working capital of $309,278 (March 31, 2024 – working capital deficiency of $1,574,194). The Company's average monthly cash burn rate for the quarter, which was calculated as cash spent per month in operating activities, was approximately $130,000. The Company expects to operate at a loss for at least the next 12 months and will rely on raising adequate capital to fund core business operations, development, and growth. Management plans to remedy this working capital deficiency by (a) raising additional adequate capital in the form of equity, debt, or convertible instruments, (b) executing debt settlements with creditors, when applicable, to convert any short-term liabilities to equity, and (c) improving the financial performance of the business through revenue growth and cost optimization. Management has successfully executed such capital raises, debt settlements with creditors, and business financial performance improvements historically. There can be no assurance that additional financing will be available or, if available, on terms favorable or acceptable to the Company.

When managing capital, the Company's objective is to safeguard its ability to continue as a going concern and to maintain optimal returns to shareholders and benefits for its stakeholders. Management monitors its capital structure and adjusts according to market conditions to meet its objectives given the current outlook of the business and industry in general. The Board does not establish quantitative return on capital criteria for management but relies on the expertise of the management team to sustain the future development of the business.

(Expressed in Canadian Dollars)

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital management objectives, policies and processes have remained unchanged during the year.

The Company is not subject to any externally imposed capital requirements.

For more information with respect to trends or expected fluctuations in the Company's liquidity please see "Liquidity Risks".

Quarterly Financial Results

	Q1 2025	**Q4 2024**	**Q3 2024**	**Q2 2024**
	$	**$**	**$**	**$**
Sales revenue	66,346	5,978	134,990	159,560
Gross profit (loss)	35,450	(17,163)	56,675	80,773
Operating expenses	724,455	675,073	606,990	358,417
Net loss and comprehensive loss	(857,386)	(705,811)	(462,922)	(386,073)
Total assets	2,701,935	192,318	210,537	452,509
Accumulated (deficit)	(7,371,088)	(6,513,702)	(5,807,892)	(5,222,700)

	Q1 2024	**Q4 2023**	**Q3 2023**	**Q2 2023**
	$	**$**	**$**	**$**
Sales revenue	163,844	165,917	74,965	29,425
Gross profit (loss)	76,390	95,680	56,675	(16,766)
Operating expenses	499,227	612,524	437,978	448,507
Net loss and comprehensive loss	(472,866)	(530,348)	(297,743)	(469,558)
Total assets	350,717	123,681	185,067	176,894
Shareholders' equity (deficit)	(4,915,910)	(4,486,030)	(3,778,177)	(3,487,311)

Note: *The financial data for the above noted periods were prepared in accordance with IFRS.*

Increase in total assets in Q1 2025 was the result of the RTO. There is currently no seasonality to the Company's business.

Related Party Transactions

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

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly.

The remuneration of directors and other members of key management personnel during the three months ended June 30, 2024 and 2023 is as follows:

	2024	2023
	$	$
Salaries and consulting fees	**35,000**	47,400
Professional fees	**292,856**	106,220
Share-based compensation	**31,824**	11,629
	359,680	165,249

Salaries and consulting fees

(a) Remuneration of key management personnel of the Company for the three months ended June 30, 2024 included $35,000 to the Chief Executive Officer (the (CEO") (June 30, 2023 – $47,400 for the former Chief Executive Officer ("Former CEO")). As of June 30, 2024, $14,883 (March 31, 2024 – $8,750) is owing to the CEO and $31,667 (March 31, 2024 – $31,667) owing to the former CEO and is included in accounts payable and accrued liabilities. The amounts outstanding are unsecured, non-interest bearing and due on demand. On September 12, 2022, the former CEO of the Company advanced the Company $40,000 and the Company issued Notes bearing interest at 8% per year compounded annually and payable on demand (see Note 7). The Note was paid subsequent to the end of the quarter.

Professional fees

(b) For the three months ended June 30, 2024, FMI Capital Advisory Inc. ("FMICAI"), an entity where the Executive Chairman and a director of the Company is also the Chairman, charged fees of $45,000 (June 30, 2023 – $45,000), for financial advisory and other services provided to the Company. As at June 30, 2024, $269,530 (March 31, 2024 – $249,729) owing to FMICAI was included in accounts payable and accrued liabilities. The FMICAI fees includes all renumeration paid by the Company to the Executive Chairman for his services to the Company. The amount outstanding is unsecured, non-interest bearing and due on demand. FMICAI also received a stock success fee of 1,430,280 common shares and a cash success fee of $150,000 for completing the COB.

(c) For the three months ended June 30, 2024, CFO Advantage Inc., a Company owned by the Chief Financial Officer of the Company, charged fees of $9,000. As at June 30, 2024, $14,356 owing was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

(d) For the three months ended June 30, 2024, Fogler, Rubinoff LLP ("Fogler"), an entity where the same director is a partner, charged fees of $104,726 (June 30, 2023 – $13,720), for legal services provided to the Company. As at June 30, 2024, $408,610 (March 31, 2024 – $249,782) owing to Fogler was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

(e) For the three months ended June 30, 2024, Branson Corporate Services Ltd. ("Branson"), an entity where the former Chief Financial Officer ("CFO") of the Company was employed, and the Executive Chairman of the Company formerly held a 39% direct and indirect interest in, charged fees of $nil (June 30, 2023 – $23,000), for providing CFO services to the Company, as well as other accounting and administrative services.

(f) On January 1, 2023, the Company and 2763168 Ontario Inc. ("2763168 Ontario"), an entity where the former Chief Financial Officer of the Company is the principal, entered into a consulting agreement, for a monthly remuneration of $5,000 in consideration of the Executive Vice President of Finance services to be provided to the Company. During the three months ended June 30, 2024, the Executive Vice President of Finance, charged fees of $nil (June 30, 2023 – $24,500). As at June 30, 2024, $nil (March 31, 2024 – $4,125) owing to 2763168 Ontario Inc. was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

(g) On October 23, 2023, the Company and 2041423 Ontario Limited ("2041423 Ontario"), an entity where a director of the Company is the principal, entered into a consulting agreement, for a monthly remuneration of $5,000 in consideration. During the three months ended June 30, 2024, 2041423 Ontario charged fees of $15,000. As at June 30, 2024 $28,250 (March 31, 2024, $16,950) was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

Share based compensation

(h) For the three months ended June 30, 2024, the total fair value recorded (for related parties) for options and RSUs vested, was $31,824 (June 30, 2023 – $11,629).

Other related party transactions

(i) As at June 30, 2024, $26,460 (March 31, 2024 – $26,460) was due from Unite Communications. ("Unite"), an entity where one of the directors of the Company is also a director was included in accounts receivable, from previously recorded sales revenue.

(j) See note 7 to the Interim Financial Statements for related party transactions of Notes to certain executives and directors.

(k) See also Note 10 to the Interim Financial Statements for common shares issued for related parties.

Financial Risks

The Company is exposed to various risks as it relates to financial instruments. Management, in conjunction with the Board, mitigates these risks by assessing, monitoring and approving the Company's risk management process. There have not been any changes in the nature of these risks or the process of managing these risks from the previous reporting periods.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, and accounts receivable (excluding sales tax recoverable), which expose the Company to credit risk should the debtor default. Cash is held with a reputable Canadian chartered bank and in trust with the Company's legal counsel, which is closely monitored by management. Management believes that the credit risk concentration with respect to cash, and accounts receivable (excluding sales tax recoverable) is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company's liquidity and operating results may be further adversely affected due to the early-stage nature of the business and risks to a digital marketing business model at a time of both high inflation and economic slowdown. The Company generates cash flow primarily from its financing activities. The Company endeavors to have sufficient cash on demand to meet expected operational expenses, including servicing financial obligations; this excludes the potential impact of extreme circumstances that cannot be reasonably predicted.

As at June 30, 2024, the Company had a cash balance of $2,042,948 (March 31, 2024 – $93,861) to settle liabilities of $2,353,820 (March 31, 2024 – $1,721,342).

The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows for a rolling period of 12 months to identify financial requirements. Where insufficient liquidity may exist, the Company may pursue various debt and equity instruments, or other means of funding, for short or long-term financing of its operations.

Management believes there is sufficient capital to meet short-term business obligations after taking into account cash flow requirements from operations, the Company's cash position as of June 30, 2024 and subsequent events. Nevertheless, management understands that it has to raise more funds to support its operations going forward.

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. As at June 30, 2024, the Company had no financial instruments which are variable interest-bearing, and had no hedging agreements in place with respect to floating interest rates. Management believes that the interest rate risk concentration with respect to financial instruments is minimal.

Foreign exchange risk

Foreign exchange risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities. The Company's operations are based in Canada, but has transactions denominated in foreign currencies. The Company's primary exposure to foreign exchange risk is that transactions denominated in foreign currency (primarily the United States Dollar), and balances held in United States dollars, expose the Company to the risk of exchange rate fluctuations. The Company does not used derivative instruments to reduce its exposure to the foreign currency, but, based on its current level of transaction and balances, management believes that the foreign exchange risk remains minimal.

Inflation Risk

The Company is subject to inflation risk that could have a material effect on our business, financial condition or results of operations. If the Company costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. The Company's inability or failure to do so could harm the business, financial condition and results of operations. Furthermore, the Company's merchants are also subject to risks associated with inflationary pressures that could impact their business and financial condition.

Fair value

Fair value estimates of financial instruments are made at a specific point in time based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable (excluding sales tax recoverable), and accounts payable and accrued liabilities. The fair value of cash and cash equivalents, accounts receivable (excluding sales tax recoverable), and accounts payable and accrued liabilities are approximately equal to their carrying value due to their short-term nature.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2024, the Company did not have any financial instruments which were carried at fair value (March 31, 2024 – $nil).

Off Balance Sheet Arrangements

As at June 30, 2024 and as at the date of this MD&A, the Company does not have any off-balance sheet arrangements that have a material impact on the Statements of Financial Position.

Events Subsequent to June 30, 2024

Issuance of securities

Date	Security issued	#	Exercise price
July 2024	Stock options	700,000	$0.05

Conversion of debentures

Subsequent to the end of the quarter, the Company received notice and converted $25,000 of the convertible debentures (note 9), through the issuance of 562,500 common shares, and $89,200 through the issuance of 1,984,500. The conversion price of $0.01 was adjusted for the exchange ratio of $0.225, as transacted in the COB.

(Expressed in Canadian Dollars)

Subsequent to the end of the quarter the Company repaid $247,800 of promissory notes.

Expiry of stock options

On July 30, 2024, 300,000 stock options expired unexercised.

Disclosure of Outstanding Share Data as of August 28, 2024

	Authorized	Outstanding
Voting or equity securities issued and outstanding	Unlimited	93,740,005 common shares
Securities convertible or exercisable into voting or equity shares		a) Options to acquire up to 8,962,749 common shares b) 315,000 RSUs c) 13,071,905 warrants exercisable to acquire the same number of common shares of the Company

Additional Disclosure for Venture Issuers without Significant Revenue

Please refer to "Financial Condition and Results of Operations - *Results of operations*" and "Related Party Transactions".

Significant Accounting Judgments and Estimates

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses. These are described in greater detail in Note 2(c) to the Interim Financial Statements.

Summary of Significant Accounting Policies

The significant accounting policies used by the Company are described in greater detail in Note 3 to the audited Financing Statement for the years ended March 31, 2024 and 2023.

Approval

The Board of the Company has reviewed the Financial Statements for the Period ended June 30, 2024 and the disclosures contained in this MD&A.

August 28, 2024

Brandon Mina
Chief Executive Officer