AI ARTIFICIAL INTELLIGENCE VENTURES INC.
(formerly ESG GLOBAL IMPACT CAPITAL INC.)
Form 51-102F1

Management's Discussion & Analysis
For the six month period ended February 29, 2024

1.1 Introduction

Corporate structure and background

The following management's discussion and analysis ("MD&A"), prepared as of April 29, 2024, is a review of operations, current financial position and outlook for AI Artificial Intelligence Ventures Inc. (formerly ESG Global Impact Capital Inc.) (the "Company"). Additional information relevant to the Company's activities can be found on SEDAR+ at www.sedarplus.ca. This MD&A should be read in conjunction with the Company's audited consolidated financial statements for the year ended August 31, 2023. Those consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS"). Amounts are reported in Canadian dollars, unless otherwise specified.

The Company was incorporated on February 10, 2010 pursuant to the *Canada Business Corporation Act* and on February 17, 2017, the Company was continued into British Columbia under the British Columbia Business Corporation Act. The Company completed its initial public offering on December 7, 2010. On July 22, 2023 the Company changed its name to "AI Artificial Intelligence Ventures Inc. ", and is listed on the TSX-V as a Tier 2 Investment Issuer under the symbol "AIVC". The Company's stated business goal is to build a portfolio of investments, with a view to participating in income and capital growth from the ultimate sale or other disposal of those investments.

Forward-Looking Statements

Certain statements contained in the following MD&A constitute forward-looking statements. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", used by any of the Company's management, are intended to identify forward-looking statements. Such forward-looking statements involve a number of 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. Readers are cautioned not to place undue reliance on these forward- looking statements. The Company does not intend and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments, except as required by law.

Risks and Uncertainties

Liquidity Risk

Due to market conditions beyond its control, including investor demand, resale restrictions, general market trends and regulatory restrictions, the Company may not be able to liquidate investments without a listed market for their securities, when it would otherwise desire to do so in order to operate in accordance with its investment policy and strategy. Such lack of liquidity could have a material adverse effect on the value of the Company's investments and, consequently, the value of the shares of the Company.

Diversification Risk

The aggregate returns realized by the Company may be substantially and adversely affected by the unfavourable performance of even a single investment. Accordingly, there can be no assurance that the Company will be able to reduce its investment risk by diversifying its portfolio. The resulting lack of diversification may adversely impact the ability of the Company to achieve its desired investment returns.

Capital Risk

If the Company is unable to raise additional investment capital either through investment returns or new financing through securities offerings, then it will be limited in its ability to fulfill its investment objectives. This may adversely affect its long-term viability. To raise additional capital, the Company may have to issue additional shares which may dilute the interests of existing shareholders

Volatility Risk

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market price of securities of many junior companies have experienced wide fluctuations in price. The market price of the Shares may be volatile and could be subject to wide fluctuations due to a number of factors. Broad market fluctuations, as well as economic conditions generally and in the technology industry specifically, may adversely affect the market price of the common shares.

Additional Risk Factors

As described in the notes to the audited consolidated financial statements, although the Company's active investments are comprised mostly of publicly traded shares, there is no guarantee that the market would be able to absorb sale of the number of shares held by the Company without a drop in the share price, should the Company attempt to realize its investments within a very short timeframe. The reported fair value does not necessarily reflect the value that would be obtained should the Company sell its investments in an arm's-length transaction.

Readers should refer to the risk factors disclosed in the Company's Filing Statement dated July 6, 2011 filed on SEDAR+.

1.2 Overall Performance

The Company was incorporated under the *Canada Business Corporations Act* on February 10, 2010. On December 7, 2010, the common shares of the Company began trading on the TSX-V under the ticker symbol "EXC.P". On July 15, 2011, the Company completed its Qualifying Transaction and is now listed on the TSX-V as a Tier 2 Investment Issuer. Pursuant to the Qualifying Transaction, the Company entered into agreements to acquire debt and equity securities of various companies. On February 14, 2017 the Company was continued into British Columbia under the British Columbia Corporations Act. On April 22, 2020 the company changed its name to "AI Artificial Intelligence Ventures Inc." and is listed on the TSX-V under the symbol "AIVC".

During the period ended February 29, 2024, the Company has continued to make strategic investments on behalf of the shareholders of the Company.

1.3 Selected Annual Information

The following provides a summary of selected financial information, derived from the Company's audited consolidated financial statements for the years ended August 31, 2023, 2022, and 2021:

	Years ended August 31		
	2023 $	2022 $	2021 $
Total revenues	(1,600,007)	(5,138,501)	5,997,320
Net income (loss) and comprehensive income	(2,062,248)	(5,504,982)	(1,298,886)
Net income (loss) per share – Basic	(0.06)	(0.18)	(0.04)
Net income (loss) per share – Diluted	(0.06)	(0.18)	(0.04)
Total assets	3,290,831	5,100,508	10,552,041
Total liabilities	1,052,752	834,157	962,439

The financial information presented in the table above for the years ended August 31, 2023, 2022, and 2021 are from the Company's consolidated financial statements prepared in accordance with International Financial Reporting Standards. The reporting currency for all periods is Canadian dollars.

1.4 Summary of Quarterly Results

The following table summarizes information derived from the Company's consolidated financial statements for each of the Company's most recently completed eight quarters:

Quarter ended:	Total revenue (loss)	Total net income (loss)	Earnings (loss) per share (actual)	Earnings (loss) per share (fully–diluted)
May 31, 2022	($2,341,876)	($2,387,098)	($0.08)	($0.08)
August 31, 2022	($227,363)	($470,593)	($0.01)	($0.01)
November 30, 2022	$1,016,794	$966, 570	$0.03	$0.03
February 28, 2023	$1,302,781	$1,269, 430	$0.04	$0.04
May 31, 2023	($2,178, 476)	($2,222, 597)	($0.07)	($0.07)
August 31, 2023	($1,770,432)	($2,062,248)	($0.06)	($0.06)
November 30, 2023	($630,755)	(670,755)	($0.02)	($0.02)
February 29, 2024	($414,846)	(482,929)	($0.01)	($0.01)

* Effective Q4 2021, the Company completed a review of the presentation of its statements of income (loss) and comprehensive income (loss) and it was determined that certain other income were more appropriately reflected as revenue to conform with the Company's stated business goal. Accordingly, comparative figure has been reclassified to conform with current year presentation.

1.5 Results of Operations

Discussion of Operating Results – six-months ended February 29, 2024

Operating expenses in the current period increased to $108,329 from $84,732 during the comparative period. The increase in expenses was due to:

- The Company incurred $24,020 (2023 - $7,014) in filing fees, the increase was a result of the Company's annual renewal fee to be listed on the OTCQB.
- The Company incurred increased professional fees of $23,696 (2022 - $10,000), due to general corporate legal fees.
- The Company incurred consulting fees of $60,000 (2023 - $67,500).

During the six-month period ended February 29, 2024, the Company recorded a net loss of $1,153,684 compared to net gain of $2,236,000 during the year period February 29, 2023. In addition to operating expenses, the Company recorded an unrealized loss due to the adjustment for the decrease in the fair value of investments of $1,319,007 (2023 – gain of $2,270,306) due to under-performing markets. The Company also recorded a realized gain of $79,066 (2022 - gain of $23,686) for the sale of investments.

Discussion of Operating Results - three months ended Februrary 29, 2024

Operating expenses in the current period increased to $68,044 from $34,506 during the comparative period. The increase in expenses was due to:

- The Company incurred $17,696 (2023 - $5,000) in professional fees, the increase was a result of the Company incurring general corporate legal fees for the planning of a special meeting of the shareholders and correspondence with the TSXV.
- The Company incurred filing fees of $22,713 (2023 - $1,847), the increase was due to the Company's renewal fee fto be listed on the OTCQB.

During the three-month period ended February 29, 2024, the Company recorded a net loss of $482,929 compared to net gain of $1,268,273 during the period ended February 28, 2023. In addition to operating expenses, the Company recorded an unrealized loss due to the adjustment for the decrease in the fair value of investments of $597,726 (2023 – gain of $1,306,088) due to under-performing markets. The Company also recorded a realized loss of $6,975 (2023 - loss of $21,910) for the sale of investments.

1.6 and 1.7 Liquidity and Capital Resources

At February 29, 2024, the Company had working capital of $1,084,395 with a cash balance of $88,810. At August 31, 2023, the Company had working capital of $2,238,079 with a cash balance of $84,003. The decrease in working capital in fiscal 2023 was due to the fair value adjustments through profit and loss for new and existing investments during the year.

Included in the working capital mentioned above, the Company has holdings of investments in publicly traded shares and share purchase warrants, that are accounted for as fair value through profit and loss basis, which had a market value of $1,899,461 (2023 - $2,814,607).

During the period ended February 29, 2024, the Company received $Nil (2023 - $30,000) from the issuance of common shares.

Ongoing working capital requirements are limited to those necessary to maintain the Company's ongoing public reporting obligations and support the Company in its identification and completion of further potential investment and fund-raising opportunities. Should the Company not be able to attract additional debt or equity financing, management of the Company is able to raise funds as needed through sales from its investment portfolio.

The Company has not pledged any of its assets as security for loans or otherwise and is not subject to any debt covenants.

Cash Used in Operating Activities

During the period ended February 29, 2024, the Company used $32,168 of cash for operating activities compared to $121,487 during the period ended February 28, 2023. The decrease in cash used for operating activities was due to the fact that the Company settled significant balances of accounts payable in the prior period.

Cash Provided by Investing Activities

During the period ended February 29, 2024, the Company received $36,975 from investing activities compared to a loss of $44,077 during the period ended February 28, 2024. The Company allocated more capital to the acquisition of new investments $515,062 relative to February 28, 2023 when it allocated $317,276 to new investments. The Company received $185,000 from a debt settlement investment (2023 - $nil), and generated proceeds of $199,853 (2023 - $273,199) from the sale of investments during the period ended February 29, 2024. During the period, the Company received $180,351 (2023 - $nil) from loans receivable.

Cash Provided by Financing Activities

During the period ended February 29, 2024, the Company received $nil of cash from financing activities as compared to $nil that was provided by financing activities during the period ended February 28, 2023.

1.8 Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

1.9 Transactions with Related Parties

During the period ended February 29, 2024, the Company:

(a) During the year period February 29, 2024, the Company incurred consulting fees of $7,500 (2023 - $7,500) to a company controlled by the Chief Financial Officer ("CFO") of the Company. As at February 29, 2024, the Company had a payable of $75,000 (2023 - $61,000) to the company controlled by the CFO.

(b) During the period ended February 29, 2024, the Company incurred consulting fees of $15,000 (2023 - $15,000) to the Chief Executive Officer of the Company. As at February 29, 2024, the Company had $167,780 (2023 - $107,780) payable to the CEO.

(c) During the period ended February 29, 2024, the Company incurred consulting fees of $2,500 (2023- $2,500) to a director of the Company. As at February 29, 2024, the Company had $5,000 (2023 - $5,000) payable to the director.

(d) During the period ended February 29, 2024, the Company incurred consulting fees of $2,500 (2023- $2,500) to a director of the Company. As at February 29, 2024, the Company had $22,500 (2023 - $15,000) payable to the director.

These amounts are unsecured, non-interest bearing and have no specific terms of repayment.

These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount agreed upon by the transacting parties.

1.10 Other Events

None during the period.

1.11 Changes in Accounting Policies

See Note 2 to the Company's audited consolidated financial statements for the year ended August 31, 2023 for a description of the Company's accounting policies and new accounting standards that have been issued but are not yet effective with respect to the Company's consolidated financial statements.

1.12 Financial Instruments and Other Instruments

At February 29, 2024, the Company's financial instruments consist of cash, loans receivable, investments, bank indebtedness, accounts payable and accrued liabilities, amounts due to related parties, and notes payable. See the notes to the audited consolidated financial statements for the year ended August 31, 2023 for more information.

1.13 Additional Information Outstanding Share Data as at February 29, 2024 and the Report Date

Authorized

Authorized: Unlimited common shares without par value and 5,000,000 Series B redeemable convertible preferred shares with stated face value of $10 per share, convertible at the option of the Company into common shares of the Company based upon either of the following options; redeem one dollar approximately every 180 days or a maximum of two dollar within a twelve month period.

Common Shares
As at February 29, 2024 and April 29, 2024, the Company had 32,025,453 common shares outstanding.

Stock Options
As at February 29, 2024 and April 29, 2024, the Company had 400,000 stock options outstanding.

Share Purchase Warrants
As at February 29, 2024, the Company had nil share purchase warrants outstanding. As at April 29, 2024, the Company had nil share purchase warrants outstanding.

Series B Preferred Shares
As at February 29, 2024 and April 29, 2024, the Company had 730,000 Series B preferred shares outstanding.

1.14 Subsequent Events

Subsequent to period end:

- On March 1, 2024 the Company collected on a loan receivable in the amount of $46,800.

1.15 Officers and Directors

Christopher Cherry, CFO, Director
David Berg, CEO, Director
Eugene Hodgson, Director
Nick Watters, Director