



INTERIM MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2024.

FORWARD LOOKING STATEMENTS

This MD&A contains certain statements that may constitute “forward-looking statements”. Forward-looking statements include but are not limited to, statements regarding future anticipated business developments and the timing thereof, regulatory compliance, sufficiency of working capital, and business and financing plans. Forward-looking statements are based on the beliefs, estimates and opinions of the Company’s management on the date the statements are made, and they involve several material risks and uncertainties. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate, and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements because of various factors, including, but not limited to, the Company’s ability to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

The Company has based the forward-looking statements largely on the Company's current expectations, estimates, assumptions, and projections about future events and financial and other trends that the Company believes, as of the date of such statements, may affect its business, financial condition, and results of operations. Such expectations, estimates, assumptions, and projections, many of which are beyond the Company’s control, include, but are not limited to: management’s expectations regarding the future business, objectives and, operations of the Company; the Company’s anticipated cash needs and the need for additional financing; the Company’s ability to successfully complete future financings; the acceptance by the marketplace of new technologies and solutions; the Company’s expectations regarding its competitive position; the Company’s expectations regarding regulatory developments and the impact of the regulatory environment in which the Company operates; the Company’s ability to attract and retain qualified management personnel and key employees; and anticipated trends and challenges in the Company’s business and the markets in which it operates. Assumptions underlying the Company's working capital requirements are based on management's experience with other public companies.

Forward-looking statements regarding treatment by governmental authorities assumes no material change in regulations, policies, or the application of the same by such authorities. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements with the risks set forth.

The following Management’s Discussion and Analysis (“MD&A”) of Leveljump should be read in conjunction with the Company’s Unaudited Consolidated Financial Statements for the period ended June 30, 2024, together with notes thereto (the “Financial Statements”). The Company’s Unaudited Consolidated Financial Statements for the period ended June 30, 2024, have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the IFRS Interpretations Committee (“IFRIC”). All amounts herein are presented in Canadian dollars, unless otherwise noted. This Management’s Discussion and Analysis is dated August 21, 2024, and has been approved by the Board of Directors of the Company.

The Company’s Audited Consolidated Financial Statements and its Annual Information Form are available on SEDAR at www.sedar.com

OVERALL PERFORMANCE

Summary of Business

Leveljump Healthcare Corp. (“Jump” or the “Company”) is incorporated under the Ontario Business Corporations Act. The Company’s registered head office is 207-52 Scarsdale Rd., Toronto, ON, Canada M3B 2R7. The Company’s website is www.leveljumphealthcare.com.

The Company’s principal business activity is providing radiology services both by providing direct patient images and by providing Teleradiology services. Teleradiology is the process of providing remote off site reading of radiology scans such as CT, MRI, US, and X-ray. Hospital staff scan their emergency room patients, then page the Company’s radiologist on call, who can then remotely view, via secured server, the images and diagnose the patient and provide a report back to the hospital.

Results for Q2 2024

Total revenue for the second quarter was very strong at \$4,419,344. Revenue for the six months ended June 30, 2024, was \$8,475,792, a year over year increase of over 41%.

Teleradiology revenues were \$2,398,616 which was a decrease of 11.3% compared to the second quarter of 2023. Decrease due to technical issues at a client hospital which led to reduced services during the quarter.

Revenues from our IHF’s totalled \$2,020,728 in the second quarter of 2024, a significant increase over the second quarter of 2023 due to patient visits are increasing and demands for services remains strong along with the purchase of the four IHF centres in Alberta.

Industry Events and Trends

During the quarter the government of Ontario, through the Ministry of Health (MOH), announced that it was changing how diagnostic clinics will be monitored and inspected. The MOH has decided to outsource inspections that occur every four to five years by partnering with Accreditation Canada who will now oversee the process. Accreditation Canada will be inspecting clinics every four years moving forward and requires a self audit that the clinic must report via a portal, every two years. While some items have changed, the overall purpose, scope and requirements of imaging clinics, remain similar.

The MOH also announced new details for the proposed MRI and CT licenses that they would be issuing. There were a couple of information sessions and the release of the application and the process. Management, along with many in the industry were surprised by the proposed reimbursement rates the MOH was offering. The amounts are very low and make it unsustainable to operate with the proposed reimbursement. As such, CTS is taking a wait and see attitude to see if more favourable adjustments to reimbursements are made before attempting to enter this market.

Alberta faces some of the labour constraints seen in Ontario and the rest of Canada. This creates a competitive market for doctors and technologists, applying pressure on wages and growth.

Outlook

Q2 continued to show increased revenue and growth for the company. Demand for patient imaging exams continues to be strong in both Ontario and Alberta. Management expects this to continue throughout the year and beyond.

ADC started offering pain management with its fluoroscopy machine. Pain management is in high demand as patients look for ways to cope with ongoing pain, discomfort and many health problems that can be alleviated.

ADC completed its new EMR/PACS software implementation. The new system replaces the legacy software and should improve patient flow, billing and reporting.

Teleradiology demand remains strong in the quarter as hospitals continue to meet increased emergency room patient visits coupled with a need for faster turnaround times to best serve their communities. There is an increase in overnight service especially after midnight compared to previous years.

There continues to be a shortage of radiologists that puts a strain on the health system and at times affects CTS as well. We continue to recruit new radiologists to join CTS.

Development of our Telehospital platform, to provide integrated solutions for the over 6 million Canadians that do not have a primary care physician continued to develop. Management is hopeful that testing of the software can begin later this year. This will allow CTS to introduce new vertical revenue streams with recurring revenue potential while also integrating with our imaging facilities.

Construction at our new flagship location in Toronto continues with an anticipated opening in the third quarter.

Financing and Share Issuances

During the quarter ended June 30, 2024 there were no new financing activities.

LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2024, the Company had cash and cash equivalents in the amount of \$359,333 (December 31, 2023 - \$72,247).

The Company's current assets as of June 30, 2024, excluding cash and cash equivalents were \$2,695,026 (December 31, 2023: \$2,259,892) which consisted of accounts receivable in the amount of \$1,278,328 (December 31, 2023: \$1,358,507), due from related parties in the amount of \$1,272,811 (December 2023: \$696,152) and prepaid expenses and deposits totalling \$143,888 (December 31, 2023: \$205,233).

Current liabilities as of June 30, 2024, were \$4,669,980 (December 31, 2023: \$4,273,996) which were comprised of accounts payables and accrued liabilities of \$2,993,476 (December 31, 2023: \$2,717,074), operating line of credit of \$148,139 (December 31, 2023: \$148,683), preferred dividends payable \$220,380 (December 31, 2023: \$91,740), current portion of lease liabilities \$533,551 (December 31, 2023: \$542,065), and current portion of long-term debt \$774,435 (December 31, 2023: \$774,435).

The continuing operations of the Company are dependent upon its ability to raise adequate financing and to continue its operations in the future. For the quarter ended June 30, 2024, the Company had a net loss and comprehensive loss of \$179,316 and as of June 30, 2024, an accumulated deficit of \$(17,009,724).

Although the Company has been successful in borrowing funds or raising equity capital in the past, there can be no assurance that the Company will have sufficient financing to meet its future capital requirements, or that additional financing will be available on terms acceptable to the Company in the future. The Company has and may continue to have capital requirements more than its currently available resources.

CAPITAL RESOURCES

The Company defines capital as total shareholders' equity and long-term debt. The Company manages its capital structure, based on the funds available to the Company, to support the growth and development of its operations and bring new products to market and to ensure it continues as a going concern. The Board of Directors 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. The Company will continue to assess new opportunities and seek to acquire an interest in growth situations if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the quarter ended June 30, 2024 or the year ended December 31, 2023. The Company is not subject to externally imposed capital requirements other than those on its TD Long Term Debt which include priority rights against CTS, maintaining a debt to adjusted EBITDA ratio of 3.00 times as of June 30, 2024, and maintaining a debt service coverage ratio of not less than 115%

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any Off-Balance Sheet arrangements.

SECOND QUARTER RESULTS

Quarter Ended	June 30, 2024	June 30, 2023
Total revenue	\$4,419,344	\$3,122,046
Gross margin	911,318	793,766
Operating Expenses	573,473	1,017,239
Net (loss) / income	179,316	(237,638)
Income/(Loss) per share—basic	\$0.002	\$(0.003)

REVENUES

Telehealth Services

For the three months ended June 30, 2024, the Company's teleradiology revenue decreased by (\$270,260) to \$2,398,616 compared to \$2,668,876 for the same period in 2023. This was due to technical difficulties at one of the Company's larger hospital customers.

Diagnostic Imaging Services

For the three months ended June 30, 2024, the Company's Diagnostic Imaging Services revenue increased by \$1,567,558 to \$2,020,728 compared to \$453,170 for the same period in 2023. The increase is the addition of imaging modalities and staff allowing the IHF's to be open with longer hours for patients.

TOTAL REVENUE

Total revenue for the three months June 30, 2024, was up \$1,297,298 to \$4,419,344 compared to \$3,122,046 for the three months ended June 30, 2023.

COST OF SALES

Physician Fees

For the three months ended June 30, 2024, the Company's physician fees totalled \$2,177,124 higher by \$195,012 compared to physician fees of \$1,982,112 for the three months ended June 30, 2023. The increase in reading fees in the current three-month period is a result of the increased operations due to increased demand for the Company's services.

Cost of Labour

For the three months ended June 30, 2024, the Company's technician fees totalled \$797,096 higher by \$625,086 compared to the cost of labour of \$172,010 for the three months ended June 30, 2023. The increase in cost of labour in the current three-month period is a result of the increased operations due to increased demand for the Company's services.

Cost of Supplies

Supplies costs for the three months ended June 30, 2024, was \$94,642 compared to \$6,988 for the three-month period ended June 30, 2023. This increase was primarily due to the addition of 4 more imaging centres.

Other Cost of Services

For the three months ended June 30, 2024, the Company's other cost of services totalled \$116,573 compared to \$93,781 for the three-month period ended June 30, 2023. This increase was primarily due to the addition of 4 more imaging centres.

Repairs & Maintenance

For the three months ended June 30, 2024, the Company's repairs and maintenance totalled \$32,382 compared to \$6,068 for the three-month period ended June 30, 2023. This increase was primarily due to the addition of 4 more imaging centres.

Amortization

For the three months ended June 30, 2024, the Company's amortization totalled \$125,345 compared to \$21,285 for the three-month period ended June 30, 2023. This increase was primarily due to the addition of 4 more imaging centres.

Depreciation

For the three months ended June 30, 2024, the Company's depreciation totalled \$164,864 compared to \$46,036 for the three-month period ended June 30, 2023. This increase was primarily due to the addition of 4 more imaging centres.

TOTAL COST OF SALES

Total cost of sales during the second quarter in 2024 including physician fees, cost of labour, cost of supplies, other cost of services, repairs and maintenance, amortization & depreciation totalled \$3,508,026 compared to \$2,328,280 an increase of \$1,179,746 for the three-month period ended June 30, 2023.

GROSS PROFIT

As a result of the above revenues net of cost of sales, the Company's gross margin increased by \$117,552 to \$911,318 for the three-month period ending June 30, 2024, versus gross margin of \$793,766 for the same three-month period in 2023.

EXPENSES

Professional Fees

For the three months ended June 30, 2024, the Company recorded professional fees of \$405,984 decreased by (\$217,890) compared to \$623,874 for the three months ended June 30, 2023. The decrease in professional fees was primarily due to less legal fees for acquisitions.

Salaries and Wages

For the three months ended June 30, 2024, the Company recorded salaries and wages of \$25,571 compared to \$172,237 for the same three-month period ended June 30, 2023. The decrease in salaries recorded in the second quarter was due to reclassification of some employees into Cost of Services.

General and Administrative

General and administrative costs totalled \$80,454 decreased by \$31,568 for the three months ended June 30, 2024, compared to general and administrative costs of \$112,022 for the same three-month period in 2023.

Depreciation and Amortization

For the three months ended June 30, 2024, depreciation and amortization costs decreased by (\$25,368) to \$27,429 compared to \$52,797 for the same period in 2023. The decrease was due to reclassification of some expenses into Cost of Services.

Insurance

Insurance expense for the three months ended June 30, 2024, decreased by \$4,592 to \$19,171 when compared to \$23,763 for the same period in 2023.

Listing Expenses

Listing expense for the three months ended June 30, 2024, decreased by \$17,683 to \$14,863 when compared to \$32,546 for the same period in 2023. The decrease was due to less fees due to TSXV for transaction reviews.

TOTAL OPERATING EXPENSES

Total expenses for the three months ended June 30, 2024, were \$573,473, lower by \$443,766 when compared to total expenses of \$1,017,239 for the three months ended June 30, 2023. The primary factors relating to the decrease in total expenses during the second quarter of 2024 were due the decrease in professional fees expense by \$217,890, salary and wages decreasing by \$146,666, general and administrative expenses which decreased by \$31,568, depreciation and amortization expenses which decreased by \$25,368.

OTHER INCOME

For the three months ended June 30, 2024, other income was \$118,597, whereas in 2023 for the same period it was \$114,096. The other income is primarily related to gains from the sale of the Company's interest in Real Time Medical.

OTHER EXPENSES

Interest Expense

For the three months ended June 30, 2024, the Company recorded interest expense costs of \$271,055 which increased significantly by \$209,594 versus interest expense cost of \$61,461 for the three-month period ended June 30, 2023. The increase in finance costs during the second quarter of 2024 was primarily related to increased interest on the Loans due to the increased borrowing related to the purchase of new IHF centres and preferred shares dividends.

Broker Commissions

For the three months ended June 30, 2024, the Company broker commission was \$nil whereas in the same period of 2023 it was \$66,500.

Other Miscellaneous Expenses

For the three months ended June 30, 2024, the Company other miscellaneous expense was \$6,072 whereas in the same period of 2023 it was \$(13), an increase of \$6,085.

Foreign Exchange Loss

For the three months ended June 30, 2024, the foreign exchange loss was recorded at \$nil. In the second quarter of 2023 foreign exchange loss was \$313.

TOTAL EXPENSES

Total expenses for the three months ended June 30, 2024, were \$573,473 compared to \$1,017,238 for the three-month period ended June 30, 2023.

NET AND COMPREHENSIVE INCOME

As a result of the above factors, the net and comprehensive income for the three months ended June 30, 2024, was \$179,316 compared to a net and comprehensive loss of \$(237,638) for the three months ended June 30, 2023.

LOSS PER SHARE – BASIC AND DILUTED

The income per share basic for the second quarter ended June 30, 2024, was \$0.002 compared to the loss per share-basic of \$(0.003) for the comparable period in 2023.

SIX MONTH RESULTS

Period Ended	June 30, 2024	June 30, 2023
Total revenue	\$8,475,792	\$6,000,277
Gross margin	1,521,001	1,541,791
Operating Expenses	1,391,333	1,910,252
Net (loss) / income	(322,039)	(445,603)
Loss per share–basic	\$(0.003)	\$(0.005)

REVENUES

Telehealth Services

For the six months ended June 30, 2024, the Company's teleradiology revenue decreased by \$427,712 to \$4,686,960 compared to \$5,114,672 in the same period in 2023. This was due to technical difficulties at one of the Company's larger hospital customers.

Diagnostic Imaging Services

For the six months ended June 30, 2024, the Company's Diagnostic Imaging Services revenue increased by \$2,903,228 to \$3,788,833 compared to \$885,605 in 2023. This was primarily due to the addition of 4 new imaging centres in Alberta.

TOTAL REVENUE

Total revenue for the six months June 30, 2024, was up \$2,475,515 to \$8,475,792 compared to \$6,000,277 for the six months ended June 30, 2023.

COST OF SALES

Physician Fees

For the six months ended June 30, 2024, the Company's physician fees totalled \$4,346,545 which was higher by \$573,936 compared to physician fees of \$3,772,609 for the six months ended June 30, 2023. The increase in reading fees in the current six-month period is a result of the increased operations due to increased demand for the Company's services.

Cost of Labour

For the six months ended June 30, 2024, the Company's cost of labour totalled \$1,516,167 increased by \$1,154,591 compared to the cost of labour of \$361,576 for the same period in 2023. The increase in cost of labour in the current six-month period is a result of the increased operations due to increased demand for the Company's services and the reclassification of some Salaries and Wages into Cost of Services.

Cost of Supplies

Supplies costs for the six months ended June 30, 2024, were \$190,346 compared to \$16,009 for the six-month period ended June 30, 2023, an increase of \$174,337. This increase was primarily due to the addition of 4 more imaging centres.

Other Cost of Services

For the six months ended June 30, 2024, the Company's other cost of services totalled \$230,513 compared to \$160,023 in the same period in 2023. This increase was primarily due to the addition of 4 more imaging centres.

Repairs & Maintenance

For the six months ended June 30, 2024, the Company's repairs and maintenance totalled \$92,259 compared to \$14,501 in the same period in 2023. This increase was primarily due to the addition of 4 more imaging centres.

Amortization

For the six months ended June 30, 2024, the Company's amortization totalled \$250,690 compared to \$42,569 in the same period in 2023. This increase was primarily due to the addition of 4 more imaging centres.

Depreciation

For the six months ended June 30, 2024, the Company's depreciation totalled \$328,273 compared to \$91,199 in the same period in 2023. This increase was primarily due to the addition of 4 more imaging centres.

TOTAL COST OF SALES

Total cost of sales during the first half of 2024 including physician fees, cost of labour, cost of supplies, other cost of services, repairs and maintenance, amortization and depreciation were \$6,954,792 compared to \$4,458,486 during the same period in 2023.

GROSS PROFIT

As a result of the above revenues net of cost of sales, the Company's gross margin decreased by \$20,790 to \$1,521,001 for the six-month period ending June 30, 2024, versus gross margin of \$1,541,791 for the

same six-month period in 2023. The changes in Gross Profit are primarily attributable to the reclassification of some Expenses into Cost of Services.

EXPENSES

Professional Fees

For the six months ended June 30, 2024, the Company recorded professional fees of \$841,678 down considerably by \$305,328 compared to \$1,147,006 for the six months ended June 30, 2023. The decrease in professional fees for the six months ended June 30, 2024, was primarily attributed to decreased legal fees related to acquisitions.

Salaries and Wages

For the six months ended June 30, 2024, the Company recorded salaries and wages of \$206,577 compared to \$373,908 for the same three-month period ended June 30, 2023. The decrease in salaries recorded in the first half of fiscal 2024 was a result of the reclassification of some employees into Cost of Services.

General and Administrative

General and administrative costs totalled \$217,619 up \$16,715 for the six months ended June 30, 2024, compared to general and administrative costs of \$200,904 for the same six-month period in 2023.

Depreciation and Amortization

For the six months ended June 30, 2024, depreciation and amortization costs decreased by \$29,711 to \$48,714 compared to \$78,425 for the same period in 2023.

Insurance

Insurance expense for the six months ended June 30, 2024, decreased by \$12,801 to \$35,205 when compared to \$48,006 for the same period in 2023.

Listing Expenses

For the six months ended June 30, 2024, the Company's listing expenses costs decreased by \$26,462 to \$35,541 compared to \$62,003 for the same period in 2023.

Stock Based Compensation

For the six months ended June 30, 2024, the Company recorded stock-based compensation for \$6,000 whereas in the same period 2023 it was \$nil.

TOTAL OPERATING EXPENSES

Total expenses for the six months ended June 30, 2024, were \$1,391,333, lower by (\$518,919) when compared to total expenses of \$1,910,252 for the six months ended June 30, 2023. The primary factors relating to the decrease in total expenses during the second quarter of 2024 were due the decrease in professional fees by \$305,328, and salary and wages by \$167,331.

OTHER INCOME

For the six months ended June 30, 2024, other income was \$114,643, whereas in 2023 for the same period it was \$116,604. The other income in 2024 is related to gains from the sale of the Company's interest in Real Time Medical.

OTHER EXPENSES

Interest Expense

For the six months ended June 30, 2024, the Company recorded interest expense of \$506,844 which increased significantly by \$389,670 versus interest expense of \$117,174 for the six-month period ended June 30, 2023. The increase in interest expense during the first half of 2024 was primarily related to increased loan volumes related to the purchase of the Alberta imaging centres and dividends on preferred shares.

Broker Commissions

For the six months ended June 30, 2024, the Company recorded broker commission costs of \$nil versus in the same period in 2023 it was \$66,500.

Income Tax

For the six months ended June 30, 2024, the Company income tax was \$nil whereas in the same period June 30, 2023, it was \$9,202.

Gain/Loss on Fixed Assets

For the six months ended June 30, 2024, the Companies gain/loss on fixed assets were of \$47,413 whereas in the same period in 2023 it was \$nil.

Other Miscellaneous Expenses

For the six months ended June 30, 2024, the Company recorded \$5,785 for miscellaneous expenses, compared to \$474 that was recorded for the same period in 2023.

Foreign Exchange Loss

For the six months ended June 30, 2024, the Companies foreign loss was \$6,307 compared to the same period in 2023 by \$396.

TOTAL OTHER EXPENSES

Total expenses for the six months ended June 30, 2024, were \$566,349, increased by \$372,603 compared to \$193,746 for the six-month period ended June 30, 2023.

NET AND COMPREHENSIVE LOSS

As a result of the above factors, the net and comprehensive loss for the six months ended June 30, 2024, was \$(322,039) compared to a net loss and comprehensive loss of \$(445,603) for the six months ended June 30, 2023, an increase of \$123,564.

LOSS PER SHARE – BASIC

The loss per share-basic for the six months ended June 30, 2024, was \$(0.003) compared to a loss of \$(0.005) for the comparable six-month period in 2023.

CHANGES IN ACCOUNTING POLICIES

The Company adopted an equipment depreciation schedule for its newly acquired medical equipment which includes a straight-line method and a useful life of 10 years. Leasehold Improvement depreciation is now matched to the life of the lease. There have been no other accounting policy changes in the year, and none are planned for the of 2024.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

During the period ended March 31, 2024, the Company had various bank loans outstanding as well as equipment loans. The interest rates on the loans vary from 6.28% to 9.99%. The bank loans are secured by a general security agreement representing a first charge on all the Company's present and future acquired assets. The equipment loan is secured by medical equipment specifically assigned by the Company. The bank loans have a 5-year term, are due in 2027, and are amortized over 10 years. The Equipment loans are amortized over 5 years and are due in 2028. (See Note 14 in the Financial Statements)

Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company's cash and accounts receivable are exposed to credit risk. Jump's cash is held with a major Canadian-based financial institution and as such management believes that the associated credit risk is remote.

Account receivables represent revenue earned from services rendered to hospitals. The Company has adopted a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment terms and conditions are offered.

The Company's trade receivables are concentrated among customers in the healthcare industry, which may be affected by adverse government policy impacting that industry. As of June 30, 2024, three customers accounted for greater than 63% of the Company's trade receivable balance.

There have been no changes to this risk exposure from 2023.

The Company's maximum exposure to credit risk as of June 30, 2024, and December 31, 2023, was as follows:

	June 30, 2024	December 31, 2023
Cash and Cash Equivalents	\$ 359,333	\$ 72,247
Accounts Receivable	1,278,328	1,358,507
Due from Related Parties	1,272,811	696,152
Prepaid Expenses and Deposits	143,888	205,233
Total	\$ 3,054,359	\$ 2,332,139

SHARE CAPITAL AND RESERVES

Authorized Share Capital

Common Shares

As at the date of filing this report the Company had 96,484,729 common shares outstanding. (See Note 16 of the Financial Statements)

Preferred Shares

As of the date of filing this report the Company had 2,094,000 Class A-1 Preferred Shares outstanding. (See Note 16 of the Financial Statements)

Stock Options

As at the date of filing this report the Company had 3,600,000, which are all vested, common stock options issued and outstanding and exercisable into shares of common stock. (See Note 17 of the Financial Statements)

Warrants

As at the date of filing this report the Company had 7,200,000 common share purchase warrants issued and outstanding. (See Note 18 of the Financial Statements)