

mobio technologies

Mobio Technologies Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED

JULY 31, 2017 AND 2016

TO OUR SHAREHOLDERS**November 28, 2017****MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following is management's discussion and analysis ("MD&A") of Mobio Technologies Inc.'s ("Mobio" or the "Company") operating and financial results for the years ended July 31, 2017, and 2016, as well as information and expectations concerning the Company's outlook based on currently available information. This report is dated November 28, 2017.

This MD&A should be read in conjunction with the Company's audited annual consolidation financial statements for the years ended July 31, 2017, and 2016. Additional information is available at www.sedar.com.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the consolidated interim financial statements and MD&A, is complete and reliable. The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board's audit committee meets with management no less than quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking information including the Company's future plans. The use of any of the words "target", "plans", "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. Such forward looking information, including but not limited to statements pertaining to Company's future plans and management's belief as to the Company's potential involve known and unknown risks uncertainties, which could be significant, and other factors which may cause the actual results of the Company and its operations to be materially different from estimated costs or results expressed or implied by such forward-looking statements. Forward looking information is based on management's expectations regarding future growth, results of operations, future capital and other expenditures (including the amount, nature and sources of funding for such expenditures), business prospects and opportunities. These risks related to forward looking information include, but are not limited to: the risks associated with the commercial viability of any technologies the Company is in the process of developing or deploying, delays or changes in plans with respect to any technologies, costs and expenses, the risk of foreign exchange rate fluctuations, risks associated with securing the necessary regulatory approvals and financing to proceed with any planned business venture, product development or deployment, and risks and uncertainties regarding the potential to economically scale and bring to profitability any of the Company's current or planned endeavors. Although the Company has attempted to take into account important factors that could cause actual costs or results to differ materially, there may be other factors that cause the results of the Company's business to 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. See the Risk Management section of this MD&A for a further description of these risks. The forward-looking information included in this MD&A is expressly qualified in its entirety by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking information.

1. SUMMARY OF OPERATIONS AND EVENTS

The Company was originally incorporated under the Business Corporations Act (Alberta) on November 19, 1998. On December 6, 2012, the Company changed its name to LX Ventures Inc. and was continued into British Columbia under the Business Corporations Act (British Columbia). On July 7, 2014, the Company again changed its name to Mobio Technologies Inc.

Development of the Company's Business

Over the past two years, Mobio has completed a series of acquisitions that give it a footprint in the social media space. The Company is now focused primarily on one of these acquired assets, Strutta.com Media Inc. ("Strutta"). Strutta is a social promotions platform that allows brands to run contests and sweepstakes across multiple social web channels.

During the prior year, on September 18, 2015, Mobio acquired a controlling interest in Twenty Year Media Corp. ("TYM"), a media and technology company developing technologies for the entertainment and motion picture sector and operating an all-digital film and alternative content distribution network. On January 28, 2016, the Company completed a series of transactions with respect to the recapitalization of TYM and no longer retains control over TYM (see section 2 – Business Combinations, Acquisitions, and Dispositions).

Management

On January 31, 2017, Mr. Kevin Rathbun resigned his position as Chief Financial Officer and the Company appointed Ms. Sheri Rempel Wennberg as Chief Financial Officer effective February 1, 2017. Ms. Rempel has more than 25 years of experience with multiple reporting issuers in financial reporting, regulatory compliance, internal control and corporate finance activities. She is currently Chief Financial Officer of Lanebury Growth Capital Ltd. (formerly NU2U Resources Corp.), Serengeti Resources Inc., and Fantasy 6 Sports Inc., among other companies.

On August 4, 2016, the Company appointed Laurie Baggio as Chief Executive Officer. Michael Edwards, the former Chief Executive Officer, remains on the Company's Board of Directors. Mr. Baggio is an accomplished entrepreneur and brings a wealth of operating and investing experience to Mobio. He was one of the original executives of 1-800-GOT-JUNK?, most recently serving as its Chief Operating Officer. During his tenure, he helped build the franchise into the world's largest junk removal service in North America and Australia, winning many awards along the way, including being named to BC's Top Employer's list on multiple occasions. Additionally, he has been an investor, board member, and advisor to many start-up and high-growth companies, including in the technology space. Companies he has recently been involved with include Moj.io, a company bringing smart technology to cars, Beanworks Solutions, an advanced software-based accounts payable solution provider, and Foodee Media, an online delivery and takeout ordering platform. As Chief Executive Officer of Mobio, Mr. Baggio will be focusing on new technology initiatives, investment opportunities, and product growth.

Financing Activities

On November 7, 2017, the Company received a loan in the amount of \$150,000 from Lanebury Growth Capital Ltd. ("Lanebury"), a company with a common director and a common officer. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on November 7, 2018.

On October 3, 2017, the Company received a loan in the amount of \$50,000 from Lanebury. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on October 3, 2018.

On September 12, 2017, the Company received a loan in the amount of \$20,000 from a company with a common director. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on September 12, 2018.

On July 26, 2017, the Company received a loan in the amount of \$100,000 from Lanebury. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on July 26, 2018. Interest of \$137 is accrued on the loan at July 31, 2017.

On July 12, 2017, the Company received a loan in the amount of \$50,000 from a company with a common director. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on July 12, 2018. Interest of \$241 is accrued on the loan at July 31, 2017.

On August 24, 2016, the Company closed a non-brokered private placement for gross proceeds of \$1,627,500. The Company issued 16,275,000 units (each a "Unit") to investors at a price of \$0.10 per unit, with each unit consisting of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at a price of \$0.15 for a period of 24 months, subject to certain acceleration provisions in the event that the Company's shares have a closing price of \$0.40 or higher for 10 consecutive trading days. In connection with the private placement, the Company incurred share issuance costs of \$32,861 including cash finders' fees of \$12,250 and issued 122,500 finders' warrants (the "Finders Warrants"). The Finders Warrants have the same exercise price and terms as the warrants forming party of the Units. The fair value of warrants issued in connection with the private placement was \$443,593. All securities issued in connection with the private placement are subject to a four-month-and-a-day hold period.

During the prior year, on July 28, 2016, the Company closed a non-brokered private placement for gross proceeds of \$440,000. The private placement consisted of the sale of 6,285,715 units at a price of \$0.07 per unit, with each unit comprising one common share and one-half of one common share purchase warrant, each warrant having an exercise price of \$0.15 and a life of 24 months, subject to certain acceleration provisions in the event that the Company's shares have a closing price of \$0.40 or higher for 10 consecutive trading days. The Company incurred transaction costs of \$7,419 in connection with the private placement. No finders' fees were paid.

With the closing of the private placements conducted in August 2016 and July 2016, the Company had cash resources available to continue pursuing its growth, investment, and technology development objectives.

On December 1, 2016, the Company consolidated its common shares on the basis of 1 new share for every 2 old shares (the "2016 Consolidation"). Prior to the 2016 Consolidation, the Company had 58,181,147 common shares issued and outstanding. No fractional shares were issued pursuant to the 2016

Consolidation, and subsequent to the 2016 Consolidation, the Company now has 29,090,557 common shares issued and outstanding.

During the prior year, on December 18, 2015, the Company consolidated its common shares on the basis of 1 new share for every 10 old shares (the "2015 Consolidation"). No fractional shares were issued pursuant to the 2015 Consolidation.

All references herein to the number of shares, options, warrants, weighted average number of common shares, including issuance and/or exercise prices, and loss per share, have been restated for all periods for the impacts of both the 2016 Consolidation and the 2015 Consolidation.

During the prior year, on December 15, 2015 the Company entered into a financing arrangement (the "Note Financing") with Lanebury Growth Capital Ltd. (the "Lender") by way of a secured convertible debenture in the principal amount of \$375,000 (the "Debenture").

The Debenture had an original maturity date of June 1, 2016 (the "Maturity Date"), with interest accruing at a rate of 12% per annum and payable upon maturity ("Interest"). At the option of the Lender, on or prior to the Maturity Date, the Principal Amount and all accrued Interest may have been converted into common shares of the Company (the "Conversion Right") at a price per common share of \$0.30, subject to such minimum conversion price as may be prescribed by the policies of the TSX Venture Exchange (the "Conversion"). The Lender could only elect to convert the Principal Amount and Interest in whole and not in part.

On January 15, 2016, the Company entered into a transaction with TYM and the Lender whereby \$250,000 of the Principal Amount and \$2,500 in Interest was assumed by TYM, and the Company agreed to transfer cash in the amount of \$250,000 to TYM, in aggregate, from the date of the Debenture's issuance. Upon completion of this transaction, the Debenture issued by the Company had a Principal Amount of \$125,000. The Maturity Date and rate of interest remained unchanged. The Conversion Right then only applied to the resulting \$125,000 Principal Amount and Interest accrued up to and including the Maturity Date.

During the year ended July 31, 2017, the Company repaid the Debenture and Interest in full, by way of a cash payment of \$135,730, as the Lender did not exercise the Conversion Right.

In connection with the Note Financing, the Company also issued to the Lender, share purchase warrants to purchase up to 625,000 common shares of the Borrower (the "Warrants"). The Warrants were issued with a life of one year and an exercise price of \$0.30. Subsequent to the Warrants being issued, by mutual agreement between the parties, the Warrants were terminated with no further cost to or impact on the Company.

2. BUSINESS COMBINATIONS, ACQUISITIONS AND DISPOSITIONS

Acquisition of Twenty Year Media Corp.

In the prior year, on September 18, 2015, the Company completed the acquisition of control of Twenty Year Media Corp. ("TYM"), a company developing demand-driven inventory optimization for the motion picture industry. On closing, Mobio acquired approximately 72.9% of the issued and outstanding share capital of TYM. The remainder of TYM's issued and outstanding shares, representing approximately 27.1%, simultaneously became subject to redemption agreements, pursuant to which the underlying shareholders

would remain registered holders of shares until such time that Mobio exercised its right to redeem the shares on specified terms. The redemption agreements provided Mobio with full voting rights and control of TYM effective as of the closing date. Accordingly, no non-controlling interest was recognized at the acquisition date, as the Company controlled 100% of the voting securities and was entitled to 100% of the risks and rewards of ownership.

In consideration for the share capital of TYM, Mobio committed to issue 1,000,000 common shares of Mobio. Upon closing, Mobio issued 728,657 shares of the Company with a fair value of \$510,061 to former shareholders of TYM to acquire its 72.9% interest in TYM (based on a share price of \$0.70 per Mobio share). The balance, being 271,343 Company shares, was due to be issued upon exercise of the rights granted to remaining TYM shareholders under the redemption agreements.

In addition, up to an additional 1,000,000 common shares were issuable by Mobio as certain revenue-based milestones were achieved. At the time of acquisition, the Company estimated the timing and probability of revenue targets being achieved and calculated the fair value of the contingent consideration, along with the timing and probability of rights of redemption being exercised under the redemption agreements. The fair value of contingent and deferred consideration in the form of shares was recorded under equity as reserves.

The acquisition of TYM was accounted for as a business combination under IFRS 3. The assets acquired and liabilities assumed on September 18, 2015 are consolidated in the Consolidated Statements of Financial Position as of September 18, 2015. TYM's revenues and expenses prior to September 18, 2015, are not consolidated into the Company's Consolidated Statements of Comprehensive Loss.

The most significant assets acquired by the Company with the acquisition of TYM were software-related intangible assets developed primarily for the entertainment and motion picture sector. TYM's technologies combine seamless digital delivery of content to theatres with advanced analytics data and social media analysis to gauge real-time demand for screenings.

Disposal of Twenty Year Media Corp.

In the prior year, on January 28, 2016, the Company completed a series of transactions with respect to the disposal of TYM. In connection with the transactions, TYM assumed \$252,500 in debt from Mobio, which was originally incurred by way of a secured convertible debenture, in the principal amount of \$375,000 on December 15, 2015, issued to Lanebury Growth Capital Ltd., a company with a common director and a common officer.

Additionally, Mobio and TYM entered into an agreement whereby, commencing February 1, 2016, TYM agreed to pay Mobio a monthly payment of \$5,000 per month for a period of 24 months, and thereafter pay Mobio a monthly payment of \$10,000 for an additional 12 months. Also, commencing February 1, 2016, TYM agreed to pay Mobio a royalty of up to 2% on revenues, on a quarterly basis, for a period of four years.

Concurrently with the transactions described above, the management team of TYM and third-party investors acquired from Mobio common shares of TYM, with Mobio retaining an equity interest in TYM of approximately 29%. Subsequent to those transactions, Mobio divested additional equity securities of TYM such that its equity interest in TYM was reduced to approximately 18%.

Upon the disposition of TYM, the Company was released from all contingent and deferred consideration obligations which had been incurred in connection with the acquisition of TYM.

As a result of this series of transactions, the Company now owns 18% of TYM, the right to receive monthly payments, and the right to receive a royalty on TYM's revenues going forward.

Proposed Disposition of Mobio INsider

On December 5, 2014, the Company announced that it has signed a definitive agreement with Red Thread Media Limited ("RTM"), a UK based technology company, to recapitalize 0968998 BC Ltd., the Company's wholly owned subsidiary which operates the INsider platform ("INsider"). Under the agreement, RTM agreed to acquire 0968998 BC Ltd. by completing an equity financing of approximately C\$900,000 to fund the further development and marketing of the INsider platform, and RTM agreed to make the following payments to the Company:

- US\$150,000 in cash;
- US\$10,000 per month under a technical support arrangement;
- A royalty on future INsider revenues of 9%, declining to 3% as benchmark royalty payments are made; and
- Preferred shares of RTM equal to 20% of RTM's pre-financing fully diluted share capital.

RTM also agreed to complete a going public transaction with an AIM listed company, pursuant to which the Company's preferred shares of RTM will be exchanged for listed shares of the public company.

In prior years, the Company received an initial payment from RTM pursuant to the terms of the Agreement in the amount of \$85,000, which is included under "deferred revenue and deposits" on the Company's Consolidated Statements of Financial Position.

Closing of the transaction remains pending and subject to RTM satisfying all conditions precedent to the Agreement. This has not happened and is not currently being pursued by RTM. As a result, the Company has recognized the deposit in income during the year ended July 31, 2017.

3. EARNINGS AND EXPENSES

Following is a discussion of the Company's consolidated financial results for the three months and years ended July 31, 2017 and 2016. The consolidated financial statements of the Company for the years ended July 31, 2017, and 2016 have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All inter-company balances and transactions have been eliminated upon consolidation.

Revenue

The Company's revenues primarily consist of software licensing fees and usage fees generated by Strutta. In the prior year, revenues also included TYM's sales, generated from the digitizing, digital distribution, and marketing of movies and other media content.

The Company's revenues for the three-month period ended July 31, 2017, were \$117,585 compared to \$65,663 for the three months ended July 31, 2016, an increase of \$51,922. This increase is due to the recognition in income of the deposit on the uncompleted sale of the INsider platform.

The Company's revenues for the year ended July 31, 2017 were \$295,584 compared to \$605,566 for the year ended July 31, 2016, a decrease of \$380,070. This decrease is due to the inclusion of TYM revenues of \$146,989 in the period year as well as a decrease in Strutta services income of \$278,737.

Expenses

The Company's expenses for the three-month period ended July 31, 2017, were \$261,749 compared to \$1,604,475 for the three-month period ended July 31, 2016, a decrease of \$1,342,726. The decrease is largely related to the following:

- A decrease of \$620,639 in impairment of goodwill related to the valuation of Strutta performed in the prior year period;
- A decrease of \$493,117 in amortization of intangible assets. Intangibles were fully amortized in the first half of 2017 resulting in no amortization for the three months ended July 31, 2017;
- A decrease of \$58,413 in impairment of intangible assets related to the valuation of Strutta performed in the prior year period;
- A decrease of \$67,445 in professional fees largely related to the accrual of tax and audit fees of \$53,500 in the fourth quarter of 2016; and
- A decrease of \$96,076 in personnel related to \$60,000 in corporate finance consulting fees incurred in the fourth quarter of 2016 as well as the recovery of some staff costs in the current period through contracting out their services to other companies.

The Company's expenses for the year ended July 31, 2017, were \$2,270,506 compared to \$5,004,685 for the year ended July 31, 2016, a decrease of \$2,734,179. The decrease is largely related to the following:

- A decrease of \$1,243,307 in amortization of intangible assets. Intangibles were fully amortized in the first half of 2017;
- A decrease of \$620,639 in impairment of goodwill related to the valuation of Strutta performed in the prior year;
- A decrease of \$472,246 in personnel costs due to the inclusion of TYM wages and consulting fees of \$392,267 in the prior year;
- A decrease of \$108,597 in distribution costs which were wholly attributable to TYM operations in the prior year period;
- A decrease of \$111,057 in website and IT costs related to the decrease in Strutta services income;
- A decrease of \$60,888 in professional fees related to \$60,000 in corporate finance consulting fees incurred in the fourth quarter of 2016;
- A decrease of \$58,413 in impairment of intangible assets related to the valuation of Strutta performed in the prior year; and

- A decrease of \$56,687 in office and administration due to the inclusion of TYM office expenses of \$50,330 in the prior year.

Other Gains and Losses

Other gains and losses were a net gain of \$20,542 for the three months ended July 31, 2017, compared to a net loss of \$725,939 for the three months ended July 31, 2016, representing a decrease in loss of \$746,481. Other gains and losses were a net gain of \$22,241 for the year ended July 31, 2017 compared to a net loss of \$739,007 for the year ended July 31, 2016, representing a decrease in loss of \$761,248. The decrease in loss is largely related to the loss on disposition of investments of \$552,945 recorded in the year ended July 31, 2016 relating to the disposition of a portion of the investment in TYM as well as the unrealized loss on investments of \$156,210 recorded in the year ended July 31, 2016 which includes the write down to fair market value of other investments held by the Company at July 31, 2016.

Loss and Loss Per Share

The Company's net and comprehensive loss for the three-month period ended July 31, 2017, was \$126,596, compared to a net and comprehensive loss of \$2,264,751 for the same period in the prior year.

Loss per share for the three-month period ended July 31, 2017, was \$0.00, compared to \$0.33 for the same period in the prior year.

The Company's net and comprehensive loss for the year ended July 31, 2017, was \$1,952,681 compared to a net and comprehensive loss of \$5,124,983 for the year ended July 31, 2016.

Loss per share for the year ended July 31, 2017, was \$0.07, compared to \$0.79 for the prior year.

The Company's loss per share is illustrated in the following table:

Loss Per Share Calculation	Weighted Average		Net Loss	Loss Per Share
	Shares Outstanding			
Three months ended July 31, 2017	29,090,557	\$	(126,596)	\$ (0.00)
Three months ended July 31, 2016	6,803,151	\$	(2,264,751)	\$ (0.33)
Year ended July 31, 2017	28,065,010	\$	(1,952,681)	\$ (0.07)
Year ended July 31, 2016	6,504,922	\$	(5,124,983)	\$ (0.79)

Loss per share figures and weighted average shares outstanding figures have been adjusted for share consolidations which were effected on December 1, 2016, and December 15, 2015. See section 1 – Summary of Operations and Events.

4. LIQUIDITY AND CAPITAL RESOURCES

At July 31, 2017, the Company had a working capital deficit of \$447,591, compared to \$444,485 at July 31, 2016. Management has been actively engaged in developing new business, curtailing costs and in securing the resources necessary from internal and external sources to fulfill all of the Company's planned activities.

During the year ended July 31, 2017, the Company completed a private placement financing in which it raised \$1,627,500 (see section 1 – Summary of Operations and Events) and significantly bolstered its financial position.

On November 7, 2017, the Company received a loan in the amount of \$150,000 from Lanebury. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on November 7, 2018.

On October 3, 2017, the Company received a loan in the amount of \$50,000 from Lanebury. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on October 3, 2018.

On September 12, 2017, the Company received a loan in the amount of \$20,000 from a company with a common director. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on September 12, 2018.

On July 26, 2017, the Company received a loan in the amount of \$100,000 from Lanebury. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on July 26, 2018. Interest of \$137 is accrued on the loan at July 31, 2017.

On July 12, 2017, the Company received a loan in the amount of \$50,000 from a company with a common director. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on July 12, 2018. Interest of \$241 is accrued on the loan at July 31, 2017.

During the year ended July 31, 2016, the Company closed a non-brokered private placement for gross proceeds of \$440,000.

The Company's continued activities over the long term are dependent upon the Company's ability to raise additional capital in the future, achieve profitability, monetize one or more of its proprietary technologies, or reduce discretionary expenditures.

5. SELECTED ANNUAL INFORMATION

The following table provides a summary of the Company's financial operations for the three most recently completed financial years. For more detailed information pertaining to the Company, please see Mobio's audited annual consolidated financial statements for the years ended July 31, 2017 and 2016.

SELECTED ANNUAL INFORMATION

Year ended July 31,	2017		2016		2015
Revenue	\$	295,584	\$	605,566	\$ 556,045
Expenses	\$	2,270,506	\$	5,004,685	\$ 5,145,020
Other income (expenses)	\$	22,241	\$	(739,007)	\$ 29,686
Net and comprehensive loss	\$	(1,952,681)	\$	(5,124,983)	\$ (4,559,289)
Earnings (loss) per share, basic and fully diluted	\$	(0.07)	\$	(0.78)	\$ (0.80)
Cash	\$	118,305	\$	441,967	\$ 859,604
Working capital surplus (deficiency)	\$	(447,591)	\$	(444,485)	\$ 505,290
Total assets	\$	879,342	\$	1,613,435	\$ 4,752,088
Total long-term liabilities	\$	-	\$	-	\$ -
Shareholders' equity	\$	254,901	\$	609,336	\$ 4,227,369
Cash dividends	\$	-	\$	-	\$ -

6. SELECTED QUARTERLY INFORMATION

The following table provides a brief summary of the Company's financial results for each of the eight most recent quarters. For additional information pertaining to the Company's quarterly results, please refer to the Company's audited annual consolidated financial statements for the years ended July 31, 2017, and 2016, to the Company's consolidated interim financial statements for corresponding periods, and to the MD&A for each period presented, which are available at www.sedar.com.

SUMMARY OF QUARTERLY RESULTS

Quarter ended	Jul. 31	Apr. 30	Jan. 31	Oct. 31	Jul. 31	Apr. 30	Jan. 31	Oct. 31
	2017	2017	2017	2016	2016	2016	2016	2015
Revenue	\$ 117,585	\$ 35,302	\$ 98,288	\$ 44,409	\$ 65,663	\$ 192,231	\$ 202,247	\$ 145,425
Expenses	261,749	334,117	849,463	825,177	1,604,475	863,605	1,405,826	1,130,779
Net loss	(126,596)	(295,702)	(745,014)	(785,369)	(2,264,751)	(628,817)	(1,243,491)	(987,924)
Loss per share, basic and diluted	0.00	(0.01)	(0.03)	(0.03)	(0.33)	(0.10)	(0.19)	(0.16)
Cash	118,305	191,838	505,154	1,124,245	441,967	54,783	240,449	323,664
Working Capital	(447,591)	(281,686)	87,093	770,208	(444,485)	(484,393)	(362,648)	(108,800)
Total assets	879,342	932,532	1,248,430	1,943,089	1,613,435	2,588,939	3,293,873	5,606,839
Shareholders' equity	254,901	381,495	677,197	1,422,211	609,336	1,894,249	2,536,245	4,308,787

7. RELATED PARTY TRANSACTIONS

Payments to key management and directors, for the years ended July 31, 2017, and 2016 were as follows:

	2017	2016
Management fees paid to current and former directors and/or officers, or to companies controlled by directors and/or officers	\$ 198,000	\$ 258,000

Fees paid to directors and officers are included in the line item "Personnel" in the Company's Consolidated Statements of Comprehensive Loss. All related party transactions were in the normal course of business and have been measured at the agreed upon exchange amounts, which is the amount of consideration established and agreed to by the related parties.

In March 2017, the Company entered into an agreement to invest \$1 million in a company with a common director. As of July 31, 2017, \$150,000 has been advanced. Additional advances of \$300,000 are required on each of the first, second and the balance on the third anniversaries of the agreement.

During the year ended July 31, 2017, \$25,000 of short-term loans were repaid to a company controlled by a director of the Company. These loans were unsecured and non-interest bearing.

On November 7, 2017, the Company received a loan in the amount of \$150,000 from Lanebury. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on November 7, 2018.

On October 3, 2017, the Company received a loan in the amount of \$50,000 from Lanebury. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on October 3, 2018.

On September 12, 2017, the Company received a loan in the amount of \$20,000 from a company with a common director. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on September 12, 2018.

On July 26, 2017, the Company received a loan in the amount of \$100,000 from Lanebury. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on July 26, 2018. Interest of \$137 is accrued on the loan at July 31, 2017.

On July 12, 2017, the Company received a loan in the amount of \$50,000 from a company with a common director. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on July 12, 2018. Interest of \$241 is accrued on the loan at July 31, 2017.

As of July 31, 2017, "Trade payables and accruals" on the Company's Consolidated Statements of Financial Position included \$120,000 due to a director and officer of the Company.

8. FUTURE ACCOUNTING CHANGES

The IASB has made the pronouncements related to accounting changes, which have not yet been adopted by the Company. As of the date hereof, these standards, amendments and interpretations have not been early adopted and are not expected to have a material effect on the Company's future results and financial position.

Financial Instruments

In November 2013, the IASB issued IFRS 9, Financial Instruments, (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39). IFRS 9 (2009) establishes the measurement and classification of financial assets. Financial assets are measured either at fair value through earnings or at amortized cost if certain conditions are met. IFRS 9 (2010) includes guidance on the classification and measurement of financial liabilities.

The most recent amendment, IFRS 9 (2013) includes a new general hedge accounting model, which will align hedge accounting more closely with risk management. Additionally, the new standard removes the January 1, 2015 effective date. The new mandatory effective date of this standard is January 1, 2018.

The Company is currently evaluating the impact of IFRS 9 on its consolidated financial statements and expects to apply the standard in accordance with its future mandatory effective date.

Revenue from Contracts with Customers

On May 28, 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. The new standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The new standard is effective for fiscal years beginning on or after January 1, 2018, and is available for early adoption.

The Company is currently evaluating the impact of IFRS 15 on its consolidated financial statements and expects to apply the standard in accordance with its future mandatory effective date.

9. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, restricted cash, accounts receivable, investments in equity securities and trade payables. As at July 31, 2017, there were no significant differences between the carrying amounts of these items and their estimated fair values. The carrying value of these items approximates their fair values.

Fair Value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable. The three levels of the fair value hierarchy are:

- 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 or indirectly; and

- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's primary financial instruments are classified as follows:

Cash and restricted cash	Loans and receivables
Investments	Fair value through profit or loss
Accounts receivable	Loans and receivables
Trade payables	Other financial liabilities

As of July 31, 2017, all of the Company's investments are classified as Level 3.

10. RISK MANAGEMENT

Early stage technology companies face many risks. While management is unable to eliminate risks, the Company is intent on identifying and mitigating such risks as much as is reasonably possible.

Many early stage technology companies are unsuccessful in achieving development of their product or commercialization thereof due to external factors that cannot be predicted, anticipated, or controlled by management, and even one such factor may result in the economic viability of a particular project being detrimentally impacted to the point where it is not feasible nor economical to proceed. The Company frequently evaluates and monitors its activities and the risk factors which could impact those activities, and makes timely decisions in regard to risk management. Management occasionally seeks the assistance of experienced professionals when appropriate to address risks.

The Company has exposure to the following risks from its use of financial instruments:

- Interest rate risk
- Credit risk
- Liquidity risk and funding risk
- Market risk
- Currency risk

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company manages its financial instruments with the objective of minimizing potential interest rate risk, which generally means avoiding interest-bearing obligations other than in unusual circumstances.

Credit Risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash, restricted cash, and accounts receivable. Management believes that the credit risk with respect to cash and restricted cash is minimal as balances are held with a high-credit quality financial institution. Accounts receivable have historically been subject to very few bad debts.

During the year ended July 31, 2017, the Company did not record any bad debts. All outstanding receivables were collected or are reasonably assured for their collectability. The Company believes that its current credit practices mitigate exposure to bad debts.

Liquidity Risk

The Company's exposure to liquidity risk is dependent on the collection of accounts receivable, purchasing commitments and obligations or raising funds to sustain operations. The Company controls liquidity risk by management of working capital and cash flows.

Market Risk

The Company's exposure to financial market risk is limited, as it presently does not have any investments where value fluctuates as a result of changes in prices quoted in open markets.

Currency risk

The Company is headquartered in Canada and its functional reporting currency is the Canadian dollar. The Company's cash assets and liabilities are denominated in Canadian dollars and in US dollars. Additionally, a portion of Strutta's revenues are denominated in US dollars. As such, the Company's results of operations are subject to foreign currency fluctuation risks and these fluctuations may adversely affect the financial position and operating results of the Company. As of July 31, 2017, the Company does not use derivative instruments to reduce its exposure to currency risk.

11. ACCOUNTING POLICIES & USE OF CRITICAL ESTIMATES

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. An area subject to significant estimates is the impairment of financial and non-financial assets. Actual results could differ from those estimates.

The most significant judgement applied in the preparation of these consolidated financial statements relate to the carrying value of the Company's investments (Note 8). The Company invests in start-up technology companies whose products and services are under development. The successful development and commercialization of these products and services is subject to a high degree of risk. Judgement is applied in the consideration of impairment indicators of investments.

The preparation of these consolidated financial statements required the use of judgment with respect to assessing whether certain acquisitions meet the definition of a "business" as defined in IFRS 3, Business Combinations. Those acquisitions which meet the definition of a business are accounted for as a business combination using the purchase method, and require the purchase price to be allocated to the fair values of the net assets acquired, including any intangible assets that may have arisen as a result of the acquisition, with the remainder of the purchase price allocated to goodwill. Those acquisitions which did not meet the definition of a business are accounted for as a purchase of assets. The judgment applied to making this determination includes assessing whether the acquisition contains inputs, processes, and outputs as described in IFRS 3.

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to asset impairment. The recoverable amount of an asset or a cash generating unit ("CGU") is determined using the greater of fair value less costs to sell and value in use which requires the use of

various judgments, estimates, and assumptions. The Company identifies CGUs as identifiable groups of assets that are largely independent of the cash inflows from other assets or groups of assets. Value in use calculations require estimations of discount rates and future cash flows derived from revenue growth, gross margin and operating costs. Fair value less costs to sell calculations require the Company to estimate fair value of an asset or a CGU using market values of similar assets as well as estimations of the related costs to sell.

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its financial statements for the year ended July 31, 2017. Management prepares the consolidated financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management considered a wide range of factors relating to current and expected profitability, current working capital levels, and potential sources of replacement financing.

As a result of the assessment and as described in Note 1 of the consolidated financial statements, management concluded the going concern basis of accounting is appropriate based on its profit and cash flow forecast and expectations with respect to access to financing for the next twelve months.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

12. OUTSTANDING SHARE DATA

On December 1, 2016, the Company consolidated its common shares on the basis of 1 new share for every 2 old shares (the "2016 Consolidation"). During the prior year, on December 18, 2015, the Company consolidated its common shares on the basis of 1 new share for every 10 old shares (the "2015 Consolidation").

All references herein to the number of shares, options, warrants, issuance and/or exercise prices have been restated for the impacts of both the 2016 Consolidation and the 2015 Consolidation.

As of July 31, 2017, 29,090,557 common shares were issued and outstanding.

As of July 31, 2017, the Company had the following share purchase warrants issued and outstanding:

Number of Warrants	Exercise Price	Expiry Date
3,142,855	\$ 0.15	Jul. 28. 2018
8,260,000	\$ 0.15	Aug. 24, 2018
11,402,855		

As of July 31, 2017, the Company had the following stock options issued, vested and exercisable:

Outstanding (#)	Exercisable (#)	Exercise Price (\$)	Expiry Date
52,500	52,500	3.20	Nov. 15, 2017
2,500	2,500	5.40	May 10, 2018
12,500	12,500	6.40	May 30, 2018
36,000	36,000	3.00	Oct. 11, 2018
19,250	19,250	10.00	Dec. 24, 2018
12,500	12,500	5.00	Apr. 2, 2019
192,500	192,500	1.00	Oct. 31, 2019
50,000	50,000	1.00	Dec. 3, 2019
377,750	377,750	2.30	

As of the date of this MD&A, the fully diluted share capital of the Company is 40,818,662 shares, comprising 29,090,557 common shares, 11,402,855 share purchase warrants, and 325,250 stock options.