

mobio technologies

Mobio Technologies Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED

JULY 31, 2020 AND 2019

TO OUR SHAREHOLDERS**November 30, 2020****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, 2020 and 2019, as well as information and expectations concerning the Company's outlook based on currently available information. This report is dated November 30, 2020.

This MD&A should be read in conjunction with the Company's audited annual financial statements for the years ended July 31, 2020 and 2019. 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 condensed 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.

Additional information is available at www.sedar.com.

Investment in Votigo, Inc. ("Votigo")

On November 12, 2019, Plank (a controlled subsidiary of the Company) purchased the following from Votigo, an online promotions company using Software-as-a-Service platform:

- 333,334 Series B Convertible Preferred Shares ("Series B Shares") for a price of USD \$0.90 per Series B Share, or USD \$300,000 (CDN \$399,052) in the aggregate which was satisfied by a cash payment. Plank will be purchasing an additional 777,777 Series B Shares at USD \$0.90 per Series B Share, or USD \$699,999 in the aggregate, no later than the one-year anniversary of the closing. Plank is the only holder of Series B Shares. The holders of Series B Shares have certain protective provisions whereby Votigo must obtain the consent from a majority of the holders of Series B Shares prior to entering into certain transactions. In addition, the Company entered into a voting agreement which gives the Company the right to appoint the majority of the directors of Votigo.
- 834,349 Series A Convertible Preferred Shares ("Series A Shares") out of a total issued and outstanding 1,668,695 Series A Shares, for a purchase price of \$0.8333 per Series A Share, or USD \$695,263 in the aggregate. USD \$347,632 (CDN \$462,409) of the purchase price was paid in cash at closing, and the remainder \$347,631 (CDN \$465,965) was payable as at July 31, 2020. The Company also has an option to a further 834,349 Series A Shares at US\$ 1,667 per share for a two-year period. The option which had a fair value, at the acquisition date, of \$82,650 was valued using a Black Scholes Option Pricing Model.

Plank owns 29.11% of Votigo's outstanding and issued shares and is the sole owner of Series B Shares. Being the sole owner of Series B shares and having certain protective provisions including the ability to elect the majority of the board of directors, in accordance with IFRS 10, Plank has control over Votigo.

The investment in Votigo was accounted for as a business combination. In accordance with IFRS 3 "Business Combinations", the assets acquired and liabilities assumed are measured at their fair value at the acquisition date and the excess value of the consideration above the fair value of the net assets acquired is recognized as goodwill.

In connection with the transaction, the Company issued 300,000 stock options to purchase common stock in the capital of the Company at an exercise price of \$0.10 per common share. The options vest over four years, with one quarter of the options vesting upon the one-year anniversary of closing, and thereafter vesting monthly.

Subsequent to July 31, 2020, Plank paid the remaining balance of US\$347,632 for the purchase of Series A Convertible Preferred Shares and purchased additional 777,777 Series B Share of Votigo for US\$699,999 (US\$0.90 per Series B Shares).

Development of the Company's Business

On February 22, 2019, the Company completed a plan of arrangement whereby the shares of one of the Company's subsidiaries, Plank Ventures Ltd. ("Plank"), was distributed to the shareholders of the Company and Plank ceased to be a subsidiary of the Company. Pursuant to the plan of arrangement, all of the Company's portfolio investments were transferred to Plank. In accordance with IFRS 10, as the Company has a variable interest in Plank through an intercompany receivable and has the same directors and shareholders as Plank, the Company meets the criteria for having control over Plank and, therefore, the consolidated financial statements include the assets, liabilities, revenues and expenses of Plank and its subsidiaries. The portion of equity attributable to the shareholders of Plank is included as a separate component of equity in the consolidated statements of financial position.

On November 7, 2018, Plank acquired 100% of the issued and outstanding common shares of Exahash Cryptomining Corp. ("Exahash"), a cryptomining company by exercising warrants for \$2,500. The acquisition was treated as a business combination. In accordance with IFRS 3 "Business Combinations", the assets acquired, and liabilities assumed are measured at their fair value at the acquisition date and the excess value of the consideration above the fair value of the net assets acquired is recognized as goodwill.

On October 18, 2012, the Company purchased 12,500 common shares of Paltech Solutions Inc. for \$20,000. During the year ended July 31, 2014, the Company fully impaired the investment. During the year ended July 31, 2020, the Company recorded a fair value gain on the investment of \$211,427. Subsequent to the year ended July 31, 2020, the Company sold the 12,500 common shares for proceeds of \$211,427 (USD \$157,734)

On August 20, 2020, the Company forgave the intercompany receivable from Plank of \$6,543,410. Effective August 20, 2020, the Company is no longer exposed to variable returns in Plank and therefore no longer controls Plank. Operations related to Plank have been adjusted to reclassify the results as discontinued operations. During the year ended July 31, 2020, the Company recorded a net loss from discontinued operations of \$50,859.

Over the past several 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

Financing Activities

During the year ended July 31, 2020

On April 6, 2020, Plank received a loan in the amount of \$200,000 from a company controlled by a significant shareholder. The loan is secured by a promissory note, bears interest at 10% per annum and is due on demand. During the year ended July 31, 2020, the Company recorded interest of \$6,411 (year ended July 31, 2019 - \$Nil) on the loan. The balance of the loan at July 31, 2020 is \$206,411.

On April 6, 2020, the Company received a loan in the amount of \$100,000 from a company controlled by an officer. The loan is unsecured, due on demand and bears interest at 10% per annum. During the year ended July 31, 2020, the Company recorded \$3,206 (year ended July 31, 2019 - \$Nil) in interest on the loan. The balance of the loan at July 31, 2020 is \$103,206.

On January 30, 2020, the Company received a loan in the amount of \$50,000 from a company controlled by an officer. The loan is unsecured, due on demand and bears interest at 10% per annum. During the year ended July 31, 2020, the Company recorded \$2,521 (year ended July 31, 2019 - \$Nil) in interest on the loan. The balance of the loan at July 31, 2020 is \$52,521.

On November 20, 2019, the Company received a loan in the amount of \$50,000 from a company controlled by an officer. The loan is unsecured, due on demand and bears interest at 10% per annum. During the year ended July 31, 2020, the Company recorded \$3,493 (year ended July 31, 2019 - \$Nil) in interest on the loan. The balance of the loan at July 31, 2020 is \$53,493.

On October 21, 2019, Plank received a loan in the amount of \$1,000,000 from a company controlled by a significant shareholder. The loan is secured by a promissory note, bears interest at 5% per annum and is due on demand. During the year ended July 31, 2020, the Company recorded interest of \$39,041 (year ended July 31, 2019 - \$Nil) on the loan. The balance of the loan at July 31, 2020 is \$1,039,041.

On August 29, 2019, the Company received a loan in the amount of \$100,000 from a company controlled by a significant shareholder. The loan is unsecured, due on demand and bears interest at 10% per annum. During the year ended July 31, 2020, the Company recorded \$9,260 (year ended July 31, 2019 - \$Nil) in interest on the loan. The balance of the loan at July 31, 2020 is \$109,260.

On August 14, 2019, the Company received a loan in the amount of \$25,000 from a company controlled by an officer. The loan is unsecured, due on demand and bears interest at 10% per annum. During the year ended July 31, 2020, the Company recorded \$2,418 (year ended July 31, 2019 - \$Nil) in interest on the loan. The balance of the loan at July 31, 2020 is \$27,418.

During the year ended July 31, 2019

On January 30, 2019, the Company completed the second tranche of a private placement financing issuing 4,766,666 units at a price of \$0.075 per unit for gross proceeds of \$357,500. Each unit consisted of one common share and one-half of one share purchase warrant, whereby each whole warrant entitles the holder to purchase an additional common share of the Company at a price of \$0.10 for a period of two years from the date of issuance.

On January 29, 2019, Plank received a loan in the amount of \$700,000 from a company with a common director and a common officer. The loan is unsecured and bears interest at 10% per annum. Principal and any unpaid interest are due on January 29, 2021. The loan was originally recorded at face value of \$700,000 less the value of the equity component of the loan, determined by discounting the loan at an appropriate market rate of interest, of \$108,147. During the year ended July 31, 2020, the Company recorded \$128,079 (2019 - \$60,307) in interest and accretion on the loan. The balance of the loan at July 31, 2020 is \$780,239.

On January 25, 2019, the Company completed the first tranche of a private placement financing issuing 10,966,668 units at a price of \$0.075 per unit for gross proceeds of \$822,500. Each unit consisted of one common share and one-half of one share purchase warrant, whereby each whole warrant entitles the holder to purchase an additional common share of the Company at a price of \$0.10 for a period of two years from the date of issuance. Finders' fees of \$1,125 and 15,000 finders' warrants with a value of \$602 were issued in connection with the private placement.

On November 9, 2018, the Company issued 3,994,779 common shares to settle short-term and long-term debt of \$359,530. Of the total debt settled, \$99,051 was owing to a company controlled by the CEO of the Company.

On November 8, 2018, Plank received a loan in the amount of \$64,777 (US \$50,000) from a company controlled by an officer. The loan is unsecured, due on demand and bears interest at 10% per annum. During the year ended July 31, 2020, the Company recorded \$6,750 (2019 - \$4,834) in interest on the loan. The balance of the loan at July 31, 2020 is \$78,625.

On August 30, 2018, Plank received a loan in the amount of \$379,828 (US\$300,000) from a company controlled by an officer. The loan is unsecured and bears interest at 10% per annum. Principal and any unpaid interest are due on August 30, 2020. The loan was originally recorded at face value of \$379,828 less the value of the equity component of the loan, determined by discounting the loan at an appropriate market rate of interest, of \$57,836. During the year ended July 31, 2020, the Company recorded \$76,965 (2019 - \$64,934) in interest and accretion on the loan. The balance of the loan at July 31, 2020, \$483,320.

On August 20, 2018, the Company received a loan in the amount of \$50,000 from a company with a common director and officer. The loan was unsecured and bore interest at 10% per annum. Principal and any unpaid interest were due on August 20, 2020. During the year ended July 31, 2019, the Company repaid the loan and accrued interest in the amount of \$51,006 through the issuance of common shares (noted above).

On August 17, 2018, the Company received a loan in the amount of \$200,000 from company with a common shareholder. The loan was unsecured and bore interest at 10% per annum. Principal and any unpaid interest were due on August 17, 2020. During the year ended July 31, 2019, the Company repaid the loan and accrued interest in the amount of \$204,193 through the issuance of common shares.

2. EARNINGS AND EXPENSES

Following is a discussion of the Company's consolidated financial results for the years and three months ended July 31, 2020 and 2019. The consolidated financial statements of the Company for the years ended July 31, 2020 have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee. All inter-company balances and transactions have been eliminated upon consolidation.

Three Months Ended July 31, 2020 and 2019

Revenue

The Company's revenues primarily consist of software licensing fees and usage fees generated by Strutta.

The Company's revenues for the three months ended July 31, 2020, were \$Nil compared to \$5,206 for the three months ended July 31, 2019, a decrease of \$5,206 was related to the decrease in Strutta revenue.

Effective August 20, 2020, the Company has no longer variable interest in Plank. Revenue from cryptomining and social platform services was restated as discontinued operations.

Expenses

The Company's expenses for the three-month period ended July 31, 2020, were \$76,232 compared to \$154,396 for the three-month period ended July 31, 2019, a decrease of \$78,164. The major differences are described below:

- A decrease of \$31,515 in hosting and computing services related to the decrease in Strutta revenue.
- A decrease of \$50,401 in personnel costs related to an increase in the cost recovery for Strutta staff.

Other items for the three months ended July 31, 2020 were a net gain of \$223,590 compared to a net gain of \$79,804 for the three months ended July 31, 2019. The variance of \$153,786 is largely related to the fair value gain on investment of \$211,427, a recognition of \$20,152 Covid-19 government grant to income versus \$Nil in 2019, an increase in other income of \$11,116 from the Covid-19 wage subsidy versus \$Nil in 2019, a decrease of \$9,023 in interest costs for the three months ended July 31, 2020, due to lower related party loans in the current period as a result of reclassification of discontinued operations.

Years Ended July 31, 2020**Revenue**

The Company's revenues primarily consist of software licensing fees and usage fees generated by Strutta.

The Company's revenues for the year ended July 31, 2020, were \$4,708 compared to \$39,441 for the year ended July 31, 2019, a decrease of \$37,433 was related to the decrease in Strutta revenue.

Effective August 20, 2020, the Company has no longer variable interest in Plank. Revenue from cryptomining was restated as discontinued operations.

Expenses

The Company's expenses for the year ended July 31, 2020, were \$472,439 compared to \$754,002 for the year ended July 31, 2019, a decrease of \$281,563. The major differences are described below:

- A decrease of \$54,821 in hosting and computing services related to the decrease in Strutta revenue.
- A decrease of \$141,492 in personnel costs related to an increase in the cost recovery for Strutta staff.
- A decrease of \$44,191 in professional fees related to a decrease in legal fees incurred in respect to the Company's investment activities and plan of arrangement transaction in 2019. The increase in professional fees was partially offset by an increase in tax consultation services and accrual of audit fees.
- A decrease of \$26,965 in office and administration largely related to lower net rental costs due to a sublease agreement entered into in 2019.
- A decrease of \$10,792 in the regulatory and filing costs largely related to the plan of arrangement transaction in the prior year.

Other items for the year ended July 31, 2020 were a net gain of \$224,024 compared to a net expense of \$47,089 for the year ended July 31, 2019. The variance of \$271,113 is largely related to the fair value gain on investment of \$211,427, a recognition of \$20,152 Covid-19 government grant to income versus \$Nil in 2019, an increase in other income of \$14,147 from the Covid-19 wage subsidy versus \$Nil in 2019, a decrease of \$52,513 in interest costs for the year ended July 31, 2020, due to lower related party loans in the current year as a result of reclassification of discontinued operations, and a decrease in interest income of \$27,181 due as a result of reclassification of discontinued operations.

Discontinued Operations

On February 22, 2019, the Company completed a plan of arrangement with its subsidiary Plank Ventures Ltd., whereby the shares of Plank held by the Company were distributed to the shareholders of the Company and Plank ceased to be a subsidiary of the Company. Pursuant to the plan of arrangement, all of the Company's investments were transferred to Plank. In accordance with IFRS 10, as the Company has a variable interest in Plank through an intercompany receivable of \$6,543,410 and has the same directors and shareholders as Plank, the Company meets the criteria for having control over Plank and, therefore, the consolidated financial statements include the assets, liabilities, revenues and expenses of Plank and its subsidiaries.

Subsequent to July 31, 2020, the Company forgave the intercompany receivable from Plank of \$6,543,410. Consequently, the Company, as of August 20, 2020, will no longer have a variable interest in Plank and Plank and its subsidiaries will be deconsolidated. Accordingly, the operations for the years ended July 31, 2020 and 2019 have been reclassified in the statement of comprehensive loss to disclose results of the discontinued operations into one line.

The results of the discontinued operations are as follows:

Years ended		July 31, 2020		July 31, 2019
Operating information:				
Revenue	\$	1,139,550	\$	6,289
Cost of revenue		(114,000)		-
Expenses		(1,770,052)		(32,487)
Other revenue (expense) items		720,377		(47,790)
Deferred income tax recovery		74,984		-
Net income (loss) from discontinued operations	\$	50,859	\$	(73,988)

Major classes of assets and liabilities from discontinued operations are as follows, including the comparative amounts, that were not reclassified on consolidated statement of financial position:

		July 31, 2020
Assets		
Cash	\$	611,961
Accounts receivable		851,247
Digital currencies		15,696
Deposits and prepaid expenses		24,880
Equipment		139
Right-of-use asset		79,786
Intangible asset		2,364,914
Purchase option		64,018
Investments		2,765,939
Total assets from discontinued operations	\$	6,778,580
Liabilities		
Accounts payable and accrued liabilities	\$	1,111,902
Current portion of related party loans payable		2,587,636
Current portion of lease liability		29,761
Current portion of term loans		985
Deferred government grant		126,538
Deferred revenue		203,507
Lease liability		53,335
Term loans payable		48,897
Deferred tax liability		263,773
Related party loans payable		-
Total liabilities from discontinued operations	\$	4,426,334

3. LIQUIDITY AND CAPITAL RESOURCES

At July 31, 2020, the Company had a working capital deficit of \$443,570, compared to working capital of \$172,331 at July 31, 2019. Management has been actively engaged in securing the resources necessary from internal and external sources to fulfill all of the Company's planned activities.

On August 14, 2019, the Company received a loan in the amount of \$25,000 from a company controlled by an officer. The balance of the loan at July 31, 2020 is \$27,418.

On August 29, 2019, the Company received a loan in the amount of \$100,000 from a company controlled by a significant shareholder. The balance of the loan at July 31, 2020 is \$109,260.

On November 20, 2019, the Company received a loan in the amount of \$50,000 from a company controlled by an officer. The balance of the loan at July 31, 2020 is \$53,493.

On January 30, 2020, the Company received a loan in the amount of \$50,000 from a company controlled by an officer. The balance of the loan at July 31, 2020 is \$52,521.

On April 6, 2020, the Company received a loan in the amount of \$100,000 from a company controlled by an officer. The balance of the loan at July 31, 2020 is \$103,206.

The loans received from discontinued operations are:

On October 21, 2019, Plank received a loan in the amount of \$1,000,000 from a company controlled by a significant shareholder. The balance of the loan at July 31, 2020 is \$1,039,041.

On April 6, 2020, Plank received a loan in the amount of \$200,000 from a company controlled by a significant shareholder. The balance of the loan at July 31, 2020 is \$206,411.

Subsequent to July 31, 2020, Plank received a loan of US\$1,100,000 from a company with common director and common officer. The loan is secured by a promissory note, bears interest at 10% per annum and repayable in one year.

The Company's continuing 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.

4. 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, 2020, and 2019, to the Company's condensed 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 2020	Apr. 30 2020	Jan. 31 2020	Oct. 31 2019	Jul. 31 2019	Apr. 30 2019	Jan. 31 2019	Oct. 31 2018
Revenue ⁽¹⁾	\$ -	\$ 683	\$ 2,071	\$ 1,954	\$ 5,206	\$ 8,880	\$ 13,210	\$ 12,145
Expenses ⁽¹⁾	76,231	98,282	141,874	156,051	154,541	173,577	219,011	206,873
Net comprehensive income (loss) ⁽¹⁾	635,601	(192,886)	(392,505)	(273,460)	(333,487)	(176,938)	(105,654)	(219,559)
Net loss from continuing operations ⁽¹⁾	157,358	(100,791)	(143,882)	(156,392)	(69,531)	(163,281)	(309,279)	(219,559)
Net income (loss) from discontinued operations ⁽¹⁾	508,645	(92,095)	(248,623)	(117,068)	(263,956)	(13,657)	203,625	-
Loss per share, basic and diluted - continuing operations	0.00	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)

⁽¹⁾ Results from discontinued operations have been reclassified.

5. SELECTED ANNUAL INFORMATION

Annual results for the years ended July 31, 2020, 2019 and 2018 are as follows:

SELECTED ANNUAL INFORMATION			
Year ended July 31,	2020	2019	2018
Revenue ⁽¹⁾	\$ 4,708	\$ 39,441	\$ 71,200
Expenses ⁽¹⁾	\$ 472,438	\$ 754,002	\$ 851,152
Other income (expenses) ⁽¹⁾	\$ (224,023)	\$ 47,089	\$ (171,841)
Net and comprehensive loss ⁽¹⁾	\$ (192,848)	\$ (835,638)	\$ (951,793)
Net loss from continuing operations ⁽¹⁾	\$ (243,707)	\$ (761,650)	\$ (951,793)
Net income (loss) from discontinued operations ⁽¹⁾	\$ 50,859	\$ (73,988)	\$ -
Loss per share, basic and diluted - continuing operations	\$ (0.01)	\$ 0.02	\$ (0.02)
Income (loss) per share, basic and diluted - discontinued operations	\$ 0.00	\$ (0.00)	\$ -
Cash	\$ 51,070	\$ 307,190	\$ 76,883
Working capital (deficiency)	\$ (443,570)	\$ 172,331	\$ (956,338)
Total assets	\$ 7,073,945	\$ 2,175,693	\$ 1,090,282
Shareholders' equity (deficiency)	\$ 2,099,783	\$ 903,886	\$ (2,499)

⁽¹⁾ Results from discontinued operations have been reclassified

6. RELATED PARTY TRANSACTIONS

Payments to key management and directors, for the periods ended July 31, 2020 and 2019 were as follows:

Period Ended July 31,	2020	2019 ⁽¹⁾
Fees paid to current and former directors and/or officers, or to companies controlled by directors and/or officers	\$ 75,000	\$ 165,000
Share-based payments to directors and officers	147	607
Total compensation	\$ 75,147	\$ 165,607

⁽¹⁾ Results from discontinued operations have been reclassified

Fees paid to directors and officers are included in the line item "Personnel" in the Company's consolidated statements of comprehensive loss.

Interest and accretion recorded on related party loans for the periods ended July 31, 2020 and 2019 were as follows:

Period Ended July 31,	2020	2019 ⁽¹⁾
Interest and accretion accrued on loans payable to companies with a common director and officer or to companies controlled by directors and/or officers or by significant shareholders	\$ 20,897	\$ 204,406

⁽¹⁾ Results from discontinued operations have been reclassified

Included in accrued liabilities at July 31, 2020 is \$90,000 (July 31, 2019 - \$60,000) owing to an officer of the Company and included in accounts payable is \$4,123 (July 31, 2019 - \$5,792) owing to an officer of the Company.

7. NEW ACCOUNTING STANDARDS AND POLICIES

Leases

On August 1, 2019, the Company adopted IFRS 16. IFRS 16 is a new standard which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. It introduces a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease. The adoption of this new standard did not have an impact on the consolidated financial statements as the Company had no leases.

8. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, restricted cash, accounts receivable, investments, related party loans payable, and accounts payable and accrued liabilities. As at July 31, 2020, 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 value.

Related party loans payable and lease payable are measured at amortized cost using the effective interest rate method and transaction costs associated with the loans are amortized through net loss over the life of the loans.

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).

As of July 31, 2020, cash and restricted cash are classified as Level 1 and investments are classified as Level 3. The fair value of investments is determined using various valuation techniques which include comparable company metrics, Black-Scholes Option Pricing Models and discounted cash flow analysis. The Company also has an option to a further 834,349 Series A Shares at US\$ 1,667 per share for a two-year period. The option, which had a fair value at the acquisition date of \$82,650, was valued using a Black Scholes Option Pricing Model.

The Board of Directors approves and monitors the risk management processes. The Company has exposure to the following risks from its use of financial instruments:

- Interest rate risk
- Credit risk
- Liquidity 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. The Company is not exposed to significant interest rate risk.

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.

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. The Company's ability to meet its future obligations may depend in significant part on the extent to which the Company can raise sufficient funds or implement successfully its business growth and cost reduction strategies. The Company cannot provide any assurance that it will be able to implement its strategy fully or that the anticipated results of its strategy will be realized.

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

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's reporting currency is Canadian dollars and has not entered into any derivative instruments to manage foreign exchange fluctuations.

9. 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.

In evaluating an investment in Mobio, in addition to other information contained in this MD&A, investors should consider the following risk factors associated with Mobio's business of investing in startup companies. These risk factors are not a definitive list of all risk factors associated with the Company and its business.

Risk of Loss of Entire Investment

Investing in startup companies involves a high level of risk. Startup companies may fail completely or Mobio may be unable to resell the shares it owns in the startup or collect upon the debt instrument that the Company has purchased from the startup. In these situations, Mobio may lose the entire amount of the investment.

Return on Investment is Not Guaranteed

The amount of return on investment, if any, is highly variable and not guaranteed. Some startups may be successful and generate significant returns, but many will not be successful and will only generate small returns, if any at all. Investment returns that the Company may receive will be variable in amount, frequency, and timing.

Delay in Return on Investment

Any returns generated by startup companies may take several years to materialize. Most startups take five to seven years to generate any investment return, if at all.

Liquidity Risk

It may be difficult to resell the investment in a startup. Startup investments are privately held companies and are not traded on a public stock exchange. Also, there is currently no readily available secondary market for private buyers to purchase securities of startups. Furthermore, there may be restrictions on the resale of the shares of the startup and the ability to transfer those shares.

Dilution Risk of the Investment

Startup companies may need to raise additional capital in the future through the issue of additional shares. This will dilute the percentage ownership that Mobio has in the company.

Risk of Inaccurate Valuation of the Investment

Unlike publicly traded companies that are valued through market-driven stock prices, the valuation of private companies, especially startups, is difficult to assess. The issuer will set the share price of the investment and there is a risk of overpaying for that investment.

Risk of Failure of the Startup

Investments in startups are speculative and these companies often fail. Unlike an investment in a mature business where there is a track record of revenue and income, the success of a startup often relies on the development of a new product or service that may or may not find a market.

Risk of Profitability of Startup Companies

A startup company is still in an early phase and may be just beginning to implement its business plan. There can be no assurance that it will ever operate profitably. The likelihood of achieving profitability should be considered in light of the problems, expenses, difficulties, complications and delays usually encountered by companies in their early stages of development. The startup company may not be successful in attaining the objectives necessary for it to overcome these risks and uncertainties.

Funding risk

A startup company may require funds in excess of its existing cash resources to fund operating expenses, develop new products, expand its marketing capabilities, and finance general and administrative activities. Due to market conditions at the time the startup company needs additional funding, it is possible that the company will be unable to obtain additional funding when it needs it, or the terms of any available funding may be unfavorable. If the company is unable to obtain additional funding, it may not be able to repay debts when they are due, or the new funding may excessively dilute existing investors. If the company is unable to obtain additional funding as and when needed, it could be forced to delay its development, marketing and expansion efforts and, if it continues to experience losses, potentially cease operations.

Disclosure risks

The startup company is at an early stage and may only be able to provide limited information about its business plan and operations because it does not have fully developed operations or a long trading history. The company is also only obligated to provide limited information regarding its business and financial affairs to investors.

Personnel risks

An investment in a startup is also an investment in the management of the company. Being able to execute on the business plan is often an important factor in whether the business is viable and successful. The startup company's management may not have the necessary expertise and experience to deliver on the company's business plan.

Growth risk

For a startup to succeed, it will need to expand significantly. There can be no assurance that it will achieve this expansion. Expansion may place a significant strain on the company's management, operational and financial resources. To manage growth, the company will be required to implement operational and financial systems, procedures and controls. It also will be required to expand its finance, administrative and operations staff. There can be no assurance that the company's current and planned personnel, systems, procedures and controls will be adequate to support its future operations. The company's failure to manage growth effectively could have a material adverse effect on its business, results of operations, and financial condition.

Competition risk

The startup may face competition from other companies, some of which might have received more funding than the startup has. One or more of the company's competitors could offer services similar to those offered by the company at significantly lower prices, which would cause downward pressure on the prices the company would be able to charge for its services. If the company is not able to charge the prices it anticipates charging for its services, there may be a material adverse effect on the company's results of operations and financial condition.

Market demand risk

While a startup company believes that there will be customer demand for its products, there is no assurance that there will be broad market acceptance of the company's offerings. There also may not be broad market acceptance of the company's offerings if its competitors offer products which are preferred by prospective customers. In such event, there may be a material adverse effect on the company's results of operations and financial condition, and the company may not be able to achieve its goals.

Control risks

Because the company's founders, directors and executive officers may be among the company's largest stockholders, they can exert significant control over the company's business and affairs and have actual or potential interests that may depart from Mobio's. The company's founders, directors and executive officers may own or control a significant percentage of the startup company. In addition to their board seats, such persons will have significant influence over corporate actions requiring stockholder approval, irrespective of how the company's other shareholders, including Mobio, may vote.

Cyber Security Risks

As the Company continues to increase its dependence on information technologies to conduct its operations, the risks associated with cyber security also increase. The Company relies on management information systems and computer control systems. Business and supply chain disruptions, plant and utility outages and information technology system and network disruptions due to cyber-attacks could seriously harm its operations and materially adversely affect its operation results. Cyber security risks include attacks on information technology and infrastructure by hackers, damage or loss of information due to viruses, the unintended disclosure of confidential information, the issue or loss of control over computer control systems, and breaches due to employee error. The Company's exposure to cyber security risks includes exposure through third parties on whose systems it places significant reliance for the conduct of its business. The Company has implemented security procedures and measures in order to protect its systems and information from being vulnerable to cyber-attacks. The Company believes these measures and procedures are appropriate. To date, it has not experienced any material impact from cyber security events. However, it may not have the resources or technical sophistication to anticipate, prevent, or recover from rapidly evolving types of cyber-attacks. Compromises to its information and control systems could have severe financial and other business implications

COVID-19

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus ("COVID-19"). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations, cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in future periods.

10. 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 preparation of these condensed consolidated interim 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 consolidated financial statements for the year ended July 31, 2020. Management prepares the condensed consolidated interim 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, 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.

11. OUTSTANDING SHARE DATA

As of the date of this MD&A, 38,147,546 common shares were issued and outstanding.

As of the date of this MD&A, the Company had the following share purchase warrants issued and outstanding:

Number of Warrants	Exercise Price	Expiry Date
5,483,334	\$ 0.10	January 25, 2021
2,383,332	\$ 0.10	January 30, 2021
1,666,670	\$ 0.30	March 26, 2021
4,068,750	\$ 0.30	August 24, 2021
13,602,086		

As of the date of this MD&A, the Company had the following stock options issued and exercisable:

Outstanding (#)	Exercisable (#)	Exercise Price (\$)	Expiry Date
362,500	362,500	0.22	Jan. 19, 2028