

Management Discussion and Analysis

Dated: August 29, 2018

The following management's discussion and analysis of the financial condition and results of operations of Visionstate Corp. (the "Company"), for the Quarter ended June 30, 2018, should be read in conjunction with the audited consolidated financial statements and the notes thereto for the fiscal year ending September 30, 2017.

The Company's financial statements have been prepared using International Financial Reporting Standards ("IFRS") that are applicable to a going concern which contemplates the realization of assets and settlement of liabilities in the normal course of operations. The Company's external auditors, Collins Barrow Edmonton LLP, have not performed an audit of these quarterly statements.

All amounts have been expressed in Canadian dollars unless otherwise stated. Additional information relating to the Company can be found on SEDAR at www.sedar.com.

Forward-Looking Information

This MD&A may contain "forward-looking statements" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein may be forward-looking statements. Generally, forward-looking statements may be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "proposed", "is expected", "budgets", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved.

These forward-looking statements reflect the Company's current beliefs and are based on information currently available to the Company and on assumptions the Company believes are reasonable. These assumptions include, but are not limited to, demand for the Company's products, meeting budgets and forecasts and future costs and expenses being based on historical costs and expenses, adjusted for inflation. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements. Such risks and other factors may include, but are not limited to: the early stage development of the Company's products; general business, economic, competitive, political and social uncertainties; an un-diversified customer base for the Company's products; competition; delay or failure to receive board or regulatory approvals; changes in legislation affecting the Company; timing and availability of external financing on acceptable terms; conclusions of economic evaluations; and lack of qualified, skilled labor or loss of key individuals.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those described in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue

reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.

Business Overview

Visionstate Corp. conducts its operations and derives revenue primarily through Visionstate IoT Inc., a software company that specializes in applications for the growing Internet of Things (IoT) market. The Company's focus is on the facility management industry where cleaning and maintenance are daily activities and have historically relied upon paper-based systems for tracking this information.

The Company's main product is a software called WANDA that, when bundled into a tablet type hardware, replaces the antiquated paper-based system of tracking and reporting cleaning and maintenance activities in public restrooms. The device displays the last time facility was cleaned, invites the public to flag issues, provides management with analytics on the supply and performance of their cleaning resources, and is prominently displayed at the entrance to restrooms or areas where cleaning activities are conducted.

The true power behind WANDA lies in the analytics dashboard that collects information on important issues related to restroom management such as public alerts, cleaning times, resources used, and maintenance and cleaning activities performed. The analytics can then be used to identify areas where greater efficiencies can be achieved, such as cleaning schedules and efficient use of supplies and labour. As well, the analytics are utilized by facility operations departments for future planning of resources including staffing and budgets.

The WANDA product is also being utilized for raising the public's perception about the importance of cleanliness, and the mitigation of risk through the collection of data pertinent to when and how certain areas were cleaned.

Visionstate markets its WANDA product primarily through prominent resellers in the facility management industry - both suppliers of these products and those that provide services. This strategy reduces Visionstate's reliance on managing sales teams while enabling the Company to tap into large sales networks through these resellers. Management believes this strategy will serve to protect Visionstate from potential competitors by establishing early relationships with the significant players in the facility management sector.

The Company sells its product as a bundled solution, whereby Visionstate's WANDA software is bundled with a tablet-sized device and then sold to customers. The business model is earning revenue through the initial sale of the WANDA unit, and through residual recurring annual license revenue. The Company's objective is to mass market the device in order to build residuals through license fees.

The interest in WANDA has increased dramatically through 2017 and into 2018, based on the growing interest in smart devices and the analytics they collect. Visionstate has had success particularly in hospitals, shopping centers, airports and large private or public buildings. The Company continues to deploy a significant number of units which have been installed in locations throughout North America and the United Kingdom.

WANDA's success is due to the analytics generated on cleaning and maintenance activities, resulting in new efficiencies that were not achievable through the use of paper-based monitoring. Moreover, as the WANDA technology expands, the Company plans to integrate device-driven sensors to provide real time analytics on their performance. This includes, for example, sensors in hand soap dispensers that provide real time reporting on the supply status. This paves the way for just in time inventory and therefore adds significant value to the WANDA provided analytics.

In early 2018, Visionstate finalized a distribution and marketing agreement with a global logistics company, Bunzl Distribution, which has greatly expanded the reach of the WANDA IoT (Internet of Things) device. The agreement not only provides Visionstate with significant marketing resources across the globe, but also enables the Company to continue focusing on new enhancements for its product, particularly in the area of sensor development. These sensors, which measure supply quantities, will further expand WANDA's capabilities and also introduce new revenue streams for the Company. It is anticipated these sensors will be available for deployment by October 2018.

The distribution agreement paves the way toward Visionstate becoming a company that earns revenues through royalties on each unit sold, while retaining recurring license fees from each sale. This structure enables Visionstate to continue growing the recurring revenues as sales continue to be made through the new distribution channel.

Following the announcement of the agreement in February, Visionstate representatives travelled throughout Canada to conduct training sessions for Bunzl sales teams to market the WANDA product. The training included key centers in Canada including Toronto, Montreal, Moncton, Winnipeg, Edmonton, Calgary, Vancouver and Victoria. The Bunzl sales representatives were provided with complete marketing and sales packages to enable them to carry out their task effectively. Training also took place in the UK at Bunzl's head office.

The agreement also represents a significant change for Visionstate in that it can now leverage Bunzl's extensive presence globally and not have to build and fund its own sales force. Since Bunzl is well established with an extensive customer base, the Company believes the relationship will result in generating more sales than would otherwise be possible if Visionstate continued to do in-house sales alone. By not having to ramp up an internal sales staff, Visionstate is also saving on costs, and is focusing its resources on product development. Both companies acknowledge the value the partnership has created.

While the opportunity with the new distribution agreement is significant, Company management recognizes that there will be a learning curve for its partner. Coupled with the longer sales cycles typical of technology, Visionstate believes the true impact of the new agreement will start to be evident in the next six months to a year as the product is introduced to large customers. The Company is working with its partner to plan a similar sales training strategy in the US market over the next two months to further increase the sales reach. In the meantime, the Visionstate team continues to support the US sales while Bunzl ramps up its US sales effort.

Visionstate Corp. struck a subcommittee in March 2018 to review opportunities and examine the potential synergies with Visionstate Inc's IoT business. These investments can secure the Company as a leader in IoT products while expanding into new markets for Visionstate sensors. This could include the expanding cannabis industry, housing, hospitality and other synergies.

Visionstate IoT Inc.

In the fiscal quarter ending June 30, 2018, Visionstate IoT Inc. was focused on executing its sales and distribution agreement with Bunzl Inc.

The potential for IoT or Internet of Things applications in the cleaning and facility management industries is significant, and commercial real estate trends continue to demonstrate that investing in smart technology has a direct impact on operational efficiencies.

As mentioned earlier, the Bunzl agreement provides Visionstate with a global partner and an international sales force that will be pivotal in the Company capturing significant market share in the industry. The initial focus for Visionstate has been on training Canadian Bunzl staff to sell WANDA. The product was subsequently launched by Bunzl in the UK market and is now being introduced to markets in France, Spain and Australia.

Given the relative newness of the WANDA technology, Visionstate management recognizes that there is an inherent initial lag in sales as the relationship with Bunzl evolves. This is due to training and education on the technology, coupled with the sales cycle involved with introducing the product to new and existing Bunzl customers. There is also a general learning curve related to selling technology in an industry that has been predominantly commodity based.

Despite the anticipated lag, WANDA has now been introduced to potential customers around the world, building a significant pipeline of sales in many different sectors, including casinos, office buildings, convention centres, grocers, and airports. Management is confident that as its sales partner becomes fully proficient at selling the WANDA technology, that these sales deals will materialize. As a result of the ramping up period on the Bunzl agreement, Visionstate continues to operate efficiently. Management believes it has firm control over costs and that the Company is in an excellent position as significant sales begin to kick in as a result of the sales and distribution agreement.

The launch of WANDA to Bunzl customers has also provided Visionstate the opportunity to assess its current technology and plot a path toward future development based on customer demand. During the fiscal quarter Visionstate technical staff assessed and prioritized several new features for WANDA that will expand its capabilities and provide additional revenue streams to the Company.

The new development includes a focus on IoT sensors which can monitor performance and supply levels. Currently Visionstate has successfully integrated people counting sensors with the WANDA solution and is testing generic sensors that can be retrofit to virtually any restroom appliance, including paper towel, soap and toilet paper dispensers. These sensors will enable Visionstate to deploy solutions that can include both the WANDA device in high traffic restrooms where required and sensors with data collectors

in less trafficked areas. The resulting technology will provide Visionstate with an additional revenue stream in sensors and provide a more widely adaptable solution, particularly for facilities with a large number of restrooms that may be reluctant to fully deploy WANDA due to high capital costs.

Also based on market assessment, Visionstate will develop a mobile application for WANDA that opens a third revenue stream for the Company. The development of a mobile app to compliment WANDA has a similar impact as sensors in terms of widening the applicability of the solution, taking it outside restrooms to all areas of a facility, and providing an additional revenue stream to the Company. The mobile version of WANDA is particularly applicable in industries such as groceries where an importance is put on restroom cleanliness but tracking issues outside of that area is equally critical, especially given the potential for liability claims.

As a result of Visionstate's record of success in deploying solutions such as WANDA, and working with global partners like Bunzl, the Company has been approached by large manufacturers seeking their proprietary smart solutions based on IoT applications. By focusing on sensor development, Visionstate will continue to gain experience in this growing area and will offer IoT services to these manufacturers on the basis of development and license fees.

Visionstate Corp. Investments

In Q2 of 2018, Visionstate Corp's board approved a debenture agreement with Exceed Solar of up to \$200,000, of which \$100,000 has been completed to date. The \$200,000 debenture is interest bearing at 8% and can be converted into equity of 20%.

Visionstate Corp. made a strategic investment into Freedom Cannabis subsequent to the end of the June 30 fiscal quarter. The Company made the investment at a seed round, purchasing approximately 460,000 shares of Freedom Cannabis at 35 cents a share for a total investment of \$150,000. Freedom Cannabis has since closed the seed round financing and is now closing a second round at 60 cents a share.

Visionstate Corp made these investments on the basis of potential synergies between the companies, particularly in the area of leveraging solar to offset energy needs for production, and also on the potential to incorporate sensors to better manage plant growth.

Freedom Cannabis is in the late stages of attaining its license to produce cannabis and is seeking a public listing on a Canadian exchange.

Visionstate management believes that this diversification strategy will lend to increased shareholder value and offer a closely tied range of investments that will grow together to co-generate revenues and steer the Company toward profitability over a greater range of time.

Overall Performance

During the three months ended June 30, 2018, the Company continued to focus on the development of smart devices in order to continue its footprint in the facility management industry and expand its reach with its existing product, WANDA.

During the period ended June 30, 2018, selling, general and administrative expenses increased to \$172,944 from \$125,994 in the three months ended June 30, 2017 and to \$669,366 in the nine months ended June 30, 2018 from \$407,631 in the nine months ended June 30, 2017. This was the result of legal and compliance fees as a result of increased public company activity in relation to an AGM, two private placements, an investment into Chatbot AI, investment into marketing and corporate strategy activities. Additionally, increased expenditures were necessary for the launch of the Bunzl distributorship program.

Gross revenues for the three months ended June 30, 2018 decreased by \$31,081 to \$37,943 from that of the previous year of \$69,024 (approximately 54%), and the nine months ended June 30, 2018 showed an increase of \$42,245 to \$166,492 from \$124,247. The gross margin percentage decreased slightly to 60.2% (2017 – 63.6%) as a result of the Company taking a lower margin from to gain larger sales volumes from its distributorship agreement with Bunzl. Management believes that disruptive technology like WANDA and CINDI are best sold through relationships with the large players in the industry rather than traditional sales methods and focused resources around expanding building those relationships. The Company believes this strategy, over the long term, will generate a greater amount of market penetration as a result of the focused efforts and existing networks of prominent industry players and management believes that a short term revenue decrease while Bunzl builds the sales and marketing strategy for Wanda will result in a larger and more stable market penetration of Wanda globally.

Revenues are driven primarily by the sale of these IoT products but more importantly, revenues are also derived from annual licensing fees, thus as the number of units in the marketplace increases, so does the long term recurring revenue stream.

Selected Annual Information

The following table details the company's previous three years performance (in Canadian dollars) based on audited financial results prepared in accordance with International Financial Reporting Standards.

	2015	2016	2017
Total Revenue	\$ 215,785	\$ 296,035	\$ 174,465
Net Loss	\$ (1,154,618)	\$ (329,056)	\$ (814,476)
Basic and Diluted Net Loss per Common Share	\$ (0.05)	\$ (0.01)	\$ (0.01)
Total Assets	\$ 174,966	\$ 218,581	\$ 26,569
Total Long Term Financial Liabilities	\$ -	\$ -	\$ 50,249

Results of Operations

The accompanying audited consolidated financial statements ending September 30, 2017 include the accounts of the Company and its wholly owned subsidiary and operating division, Visionstate Inc. and have been prepared in accordance with International Financial Reporting Standards (“IFRS”) for financial statements and include all of the disclosures normally contained in the Company’s annual financial statements. Additionally, unaudited financial statements have been prepared for the nine months ended June 30, 2018.

Revenue

Total revenues for the three months ended June 30, 2018 were \$37,943 and for the nine months ended June 30, 2018 were \$166,492 (\$69,024 for the three months and \$124,247 for the nine months ended June 30, 2017) The increase in revenue was mainly a result of increased WANDA penetration into the marketplace.

The gross margin for the three months ended June 30, 2018 was \$20,905 and \$100,192 for the nine months ended June 30, 2018 (\$39,287 for the three months ended June 30, 2017 and \$79,054 for the nine months ended June 30, 2017). The Gross Margin percentage for this year saw a decrease to approximately

60.2% (2017 – 63.6%). This was a result of the Company taking a lower margin from to gain larger sales volumes from its distributorship agreement with Bunzl.

Selling, General and Administrative

Selling, general and administrative expenses saw an increase for the three months and nine months ended June 30, 2018 were \$172,944 and \$669,366 (\$125,994 and \$407,631 for the three and nine months ended June 30, 2017). These costs include marketing and sales expenses, public company compliance fees, investor relations costs, accounting and legal fees, staffing and general office expenses.

Selling, general and administrative expenses increased from year to year as a result of launching the Bunzl relationship, increased staffing costs and greater public company activity in this fiscal year resulting in increased compliance and legal fees.

Summary of Quarterly Results

Description	Apr 18 – Jun 18	Jan 18 – Mar 18	Oct 17 – Dec 17	Jul 17 – Sep 17	Apr 17 – Jun 17	Jan 17 – Mar 17	Oct 16 – Dec 16	Jul 16 – Sep 16
Total Revenue	37,943	52,699	75,850	50,218	69,024	31,863	23,360	76,572
Net Loss	(159,721)	(280,119)	(135,666)	(423,783)	(109,303)	(128,330)	(153,060)	(148,257)
Basic and Diluted Net Loss Per Common Share	(.00)	(.00)	(.00)	(.01)	(.00)	(.00)	(.00)	(.00)

The quarterly results of the Company mainly fluctuate as a result of variations in revenue, amortization, public company costs and staffing included in selling, general and administrative expenses. Revenue varies directly on the client’s roll out schedule as well as the types of products sold, amortization varies due to the development stage of the intangible assets and staffing costs vary depending on projects the Company is working on.

Liquidity and Capital Resources

The Company has limited financial resources and its ability to continue as a going concern is dependent on attaining profitability. Visionstate continues to deploy its client management software which has given the company a proprietary platform upon which to customize each client, and this has given the company the ability to deploy in much shorter periods of time to a larger and more varied customer base.

Furthermore, the company is beginning to receive requests for quotations from different market sectors and is beginning to see a definite increase in interest for its product in different areas of the marketplace as the market comes to adopt this disruptive technology. The Company is also continuing to roll its products out into the US marketplace, reaching a larger marketplace thereby getting a competitive advantage.

As at the year end, the Company had cash in the amount of \$795,818 and is dependent on recurring licensing fees, sales of product and related party advances to ensure adequate cash flow to cover expenses and continue as a going concern. There are no assurances the Company will be able to raise additional funds or attain profitability. The company however continues to deploy its products and establish strategic reseller and other relationships, expanding its US product penetration and is currently in discussions with potential partners for the possibility of a joint venture with a new product the Company is currently developing.

Related Party Transactions

Key management of the Company includes the Chief Executive Officer and Chief Financial Officer. Remuneration paid to them during the period is as follows:

The Company paid management fees for the three and nine months ended June 30, 2018 in the amount of \$28,500 and \$84,178 respectively (June 30, 2017 - \$15,000 and \$8,000 respectively) to two officers of the Company, one of which is also a Director of the Company

The Company paid interest in the amount of \$1,384 and \$14,897 for the three and nine months ended June 30, 2018 (June 30, 2017 - \$9,734 and \$26,613 respectively) to related parties including Officers and Directors of the Company.

Advances from Related Parties	Jun 30, 2018	Mar 31, 2018	Dec 3, 2017	Sep 30, 2017	Jun 30, 2017
Due to an individual related to a director, unsecured, interest payable at 10% per annum and without specified terms of repayment.	\$8,893	\$8,676	\$22,657	\$37,511	\$42,982
Due to a company owned by an individual related to a director, unsecured, interest payable at 12% and without specified terms of repayment	11,872	11,872	11,872	11,872	11,872
Due to a director, unsecured, interest payable monthly at 10% per annum, due on demand	-	-	42,750	37,000	45,388
Due to a director, unsecured, non-interest bearing, and without specified terms of repayment	7,377	7,377	7,377	5,640	11,699
Due to a director, unsecured, non-interest bearing and without specified terms of repayment	-	-	-	-	15,533
Due to a director, unsecured, interest payable at 10% per annum, and without specified terms of repayment	-	-	4,000	4,000	4,000
Due to a company owned by a director, unsecured, interest payable monthly at 10% per annum, and without specified terms of repayment	9,419	9,419	40,969	71,145	85,752
Due to a company controlled by a director, unsecured, interest payable at 10% per annum and without specified terms of repayment	73,700	83,700	83,700	83,700	83,700
Due to a director, unsecured, interest payable at 10% per annum, and without specified terms of repayment	5,122	6,122	6,122	11,905	6,250
	116,383	\$127,166	\$219,447	\$262,773	\$307,176

The advances from related parties have been provided to the Company for working capital purposes.

Share Data

Shares Outstanding: 133,243,625 common shares as at August 29, 2018.

Stock Options Outstanding: Nil options to purchase common shares are outstanding as at August 29, 2018.

Common Share Purchase Warrants Outstanding: 27,000,000 as at June 30, 2018

Future Accounting Pronouncements

Effective October 1, 2018, the Company will be required to adopt IFRS 9 - Financial Instruments”, as the first phase of the IASB’s project to replace IAS 39 - Financial Instruments: Recognition and Measurement”. The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. A detailed review will be completed in the future in order to determine if this standard will have significant impacts.

IFRS 15 “Revenue from Contracts with Customers” (“IFRS 15”) was issued by the IASB in May 2014 and will replace IAS 11 “Construction Contracts”, IAS 18 “Revenue”, IFRIC 13 “Customer Loyalty Programmes”, IFRIC 15 “Agreements for the Construction of Real Estate”, IFRIC 18 “Transfers of Assets from Customers” and SIC-31 “Revenue – Barter Transactions Involving Advertising Services”. IFRS 15 provides new standards for recognizing revenue from contracts with customers and establishes a single revenue recognition and measurement framework that applies to contracts with customers. The new standard is effective October 1, 2018 with early adoption permitted.

IFRS 16 Leases was issued by the IASB in January 2016. The new standard replaces IAS 17 Leases and requires lessees to recognize all leases on the balance sheet. IFRS 16 removes the classification of leases as either operating leases or finance leases (for the lessee—the lease customer), treating all leases as finance leases. Short-term leases (less than 12 months) and leases of low-value assets (such as personal computers) are exempt from the requirements. Earlier application is permitted for companies that also apply IFRS 15 Revenue from Contracts with Customers. IFRS 16 is effective for the Company’s fiscal year beginning October 1, 2019. The Company is currently assessing the impact of this standard on its consolidated financial statements.

Management is currently assessing the potential impact of the adoption of these new standards on the Company’s consolidated financial statements.

Financial Instruments

The Company's financial instruments consist of cash and bank indebtedness, accounts receivable, accounts payable and accrued liabilities, convertible debentures, advances from related parties and promissory note payable.

The Company has designated its financial assets and liabilities as follows:

Financial statement item	Classification	Measurement
Cash, Investment and Bank Indebtedness	Fair Value through profit and loss	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Financial liabilities measured at amortized cost	Amortized cost
Convertible debentures	Financial liabilities measured at amortized cost	Amortized cost
Advances from related parties	Financial liabilities measured at amortized cost	Amortized cost
Promissory note payable	Financial liabilities measured at amortized cost	Amortized cost

Fair Value

The carrying values of accounts receivable and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these instruments. Financial instruments also include advances from related parties, convertible debentures and promissory notes payable. Management considers that no events have occurred subsequent to the inception of these financing arrangements that would indicate that fair value differs substantially from carrying value.

Included in advances from related parties are advances from a director in the amount of \$7,377 which are non-interest bearing. As a result the Company believes the fair value of this financial instrument to be less than the carrying value at March 31, 2018. However due to the uncertainty as to the eventual repayment date of this financial instrument, the Company is unable to estimate the fair value.

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consists of accounts receivable. The maximum exposure to credit risk as represented by the carrying amount of the financial assets is \$ 27,151 as at June 30, 2018. In the normal course of business, the Company evaluates the financial condition of its customers on a continuing basis and reviews the credit worthiness of all new customers. Management assesses the need for allowances for potential credit losses by considering the credit risk of specific customers, historical trends and other information. At June 30, 2018, no accounts receivable are past due or impaired.

The aging of accounts receivable is as follows:

	June 30, 2018	September 30, 2017
Current	\$ 18,956	\$ 4,342
31 – 90 days	3,307	1,648
91+ days	4,888	11,050
	\$ 27,151	\$ 17,040

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's objective in managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The \$100,000 convertible debenture is due on demand. The Company is currently negotiating with debenture holders to extend the terms or convert their debentures to shares. The Company is actively working towards increasing marketing activities to improve sales of its software to meet future working capital requirements, but it may have to seek equity or debt financing

At June 30, 2018, the Company had cash in the amount of \$382,360 and accounts receivable of \$27,151 with which to meet its obligations.

The contractual maturity of the Company's liabilities of \$470,378 at June 30, 2018 and the convertible debentures principal balance of \$147,730 is due on demand.

Interest Rate Risk

Interest rate risk is the risk that the fair value of the future cash flows of financial instruments will fluctuate due to changes in interest rates. The Company is susceptible to interest rate fair value risk on its fixed rate debt.

Capital Management

The Company considers the contributed surplus of \$1,908,678 (June 30, 2017 - \$1,908,678) share capital of \$8,809,782 (June 30, 2017 - \$6,837,882), warrant reserve of \$675,000 (June 30, 2017 - \$NIL), advances from related parties of \$116,383 (June 30, 2017 - \$262,773) and convertible debentures of \$147,730 (June 30, 2017 - \$177,730) as capital. The Company's objectives when managing its capital structure are to provide sufficient capital to maintain its current operations and to continue with the development of new and existing products. The Company has no externally imposed capital restrictions.

The Company's officers and senior management take full responsibility for managing the Company's capital and do so through regular meetings and review of financial information. The Company's Board of Directors is responsible for overseeing this process.

The Company is currently receiving interest from both the Canadian and US marketplaces, including hospitals, airports and shopping centers, in its applications. As well, the Company has successfully entered into several reseller agreements that management feels will assist the Company to expand its market reach more expeditiously. Management believes that successful execution of its business plan will result in sufficient cash flow to meet its objectives and current obligations.

Methods used by the Company to manage its capital include the issuance of new share capital and issuance of convertible debentures. The Company's capital management objectives have remained unchanged over the years presented.

Critical Accounting Policies and Estimates

The preparation of the Company's consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect amounts reported in the consolidated financial statements and accompanying notes.

There is a full discussion and description of the Company's critical accounting policies in the audited consolidated financial statements for the fiscal year ended September 30, 2017.

Future Plans and Outlook

Moving forward Visionstate is focused on increasing sales of WANDA while at the same time executing on its development plan that will introduce several new revenue streams to the Company. While continuing to support Bunzl sales initiatives, the Company's technical staff will be focused on sensor development for restroom appliances, a mobile WANDA and IoT services to equipment manufacturers. The Company has been working on a new web site and corporate presentation to reflect this direction.

Subsequent to the quarter end, the Company also entered into an agreement with CHF Investor Relations for investor relations services commencing August 1, 2018. The addition of these services will help expand the shareholder base of the Company and build a better overall profile with and supply additional and continued information to investors.

Management continues to monitor expenses closely to control costs as the sales of WANDA ramp up through Bunzl. Overall, management's strategy recognizes the need for tight control on costs and increased revenue in the IoT sector. This will be accomplished by continuing to support Bunzl while the company develops new technology to expand revenue streams.