

DEEPMARKIT CORP.
FORM 51-102F1
MANAGEMENT'S DISCUSSION & ANALYSIS

Date

This management's discussion and analysis ("MD&A") dated November 29, 2021 is in respect of the nine months ended September 30, 2021 for DeepMarkit Corp. ("DeepMarkit", the "Company" or the "Corporation"). This MD&A should be read in conjunction with the condensed consolidated interim financial statements for the six months ended September 30, 2021 and the audited consolidated financial statements for the years ended December 31, 2020 and 2019 (the "Financial Statements"). The financial information presented herein has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All financial data is expressed in Canadian dollars unless otherwise noted.

Forward-Looking Statements

This MD&A may contain "forward-looking information" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein may be forward-looking information. Generally, forward-looking information 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. This forward-looking information reflects the Corporation's current beliefs and is based on information currently available to the Corporation and on assumptions the Corporation believes are reasonable. These assumptions include, but are not limited to, future costs and expenses being based on historical costs and expenses, adjusted for inflation, and the ability of the Corporation to obtain necessary financing. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Corporation to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: the early stage development of the Corporation and its business and products; unfavourable capital market circumstances and uncertainty; general business, economic, competitive, political and social uncertainties; competition; changes in product scope as plans continue to be refined; other risks inherent in the technology industry; lack of insurance; delay or failure to receive board or regulatory approvals; changes in legislation affecting the Corporation and its business; timing and availability of external financing on acceptable terms; the effect of the COVID-19 pandemic on industry activity and economic activity globally; and lack of qualified, skilled labour or loss of key individuals. Although the Corporation has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, 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 information. The Corporation does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Operations Overview

Throughout the third quarter of 2021 and fiscal 2020, the Company focused on operating its digital marketing platform and seeking new business opportunities. The Company's present focus is on sourcing new business opportunities. All of the Corporation's new business and potential financing opportunities have been significantly affected by the global COVID-19 pandemic.

Corporation Profile

The Corporation completed its initial public offering as a CPC and began trading on the TSXV effective June 20, 2008. On November 26, 2009, the Corporation completed its Qualifying Transaction and began trading under the symbol "CDE.V" as a tier 2 mining issuer on the TSXV on December 15, 2009.

From 2009 through fiscal 2015 the business of the Corporation was mining exploration, specifically the coal mining industry. The Corporation disposed of all its coal mining related assets and ceased all related operations during 2014, following which it focused on a transition to the technology industry and the digital marketing and promotions platform development which is described below.

The Corporation's change of business was approved by the shareholders and accepted by the Exchange at the end of October, 2015 and the Corporation became a technology issuer as categorized by the TSXV. The Corporation began trading under the symbol "MKT.V" on November 2, 2015.

Overview of the Business

The Corporation's business is the operation of a digital marketing/promotions platform for retailers and other businesses. The platform is called the DeepMarkit Platform.

The DeepMarkit Platform offers a range of promotion products and services providing an additional marketing and advertising opportunity to consumer-facing businesses. The promotion products and services offered by DeepMarkit focus on providing game driven experiences, supporting various promotion models including sweepstakes, giveaways, and contests. The Corporation offers both instant-win and post-completion win models for promotion campaigns.

The Corporation is attempting to generate revenue through a monthly subscription service however results to date have proven that the platform cannot generate revenue sufficient to support the Corporation's operations. As a result, the Corporation has researched and developed tools to facilitate cross-border e-commerce activities between North American markets and Asian consumers. The pandemic and general economic circumstances related to this cross-border trade initiative have proven this to be unworkable.

Product Development

No new development on the existing product suite is being conducted at this time.

Operations

The Corporation's products and services are delivered to customers and consumers digitally using the Internet as a distribution method across multiple channels. Products and services are developed using industry-standard software development practices by employees of the Corporation.

The Corporation leverages a range of technologies to deliver an engaging and seamless promotions experience to businesses and consumers. These technologies include but are not limited to HTML5 supporting the client-side experience and Java for server-side processing.

Market

The Corporation's promotions application is designed to promote brand awareness, drive lead generation through data acquisition, reward loyalty and generate sales for businesses with physical and/or online presence.

DeepMarkit's product is available for any type or size of business which communicates or promotes its products or services to potential customers using an online channel such as direct email, social media or website promotions. Accordingly, the Corporation's product will be useable by businesses which sell online only and those who sell offline or through a combination of online and offline methods, assuming they have some form of online presence.

Marketing Plans and Strategies

Various advertising opportunities available to market the Corporation's promotion products and services, include paid ad placements, direct sales, press releases, and trade shows.

These marketing initiatives have been pursued and will be continued only as capital resources are available.

The Corporation's customer acquisition plan is based on three primary methods: Traditional online advertising and direct customer acquisition, integrations to e-commerce systems, and strategic relationships.

The Corporation has limited sales and accordingly has no history with its pricing models necessary to accurately predict optimal pricing required to attract new customers. As a result, in the future the Corporation may be required to change its pricing models or reduce its prices, which would adversely affect its potential revenue, profitability, financial position and cash flows.

Competitive Conditions

A number of existing digital marketing service providers offer similar promotion solutions. The Corporation differentiates its products from these competitors on the basis of its expanded customization options and more sophisticated game options. While the Corporation will also support promotions using social media, the Corporation's products and services will not be limited to social media or rely on social media platforms to deliver value. DeepMarkit's product is designed to provide greater flexibility to business owners in the design and operation of their digital promotions.

In comparison with marketing agencies and individuals, the Corporation will offer a flexible and customizable, channel agnostic solution at a significantly lower price point.

A potentially significant source of competition is product expansion by existing digital marketing service providers. New competitors may emerge, which has also been identified as a potentially significant source of competition.

The market is transforming, competitive and highly fragmented, and the Corporation expects competition to increase in the future. The principal competitive factors in the Corporation's market are: vision for entertainment as a component of effective promotions; simplicity and ease of use of its platform; integration of multiple sales channels; cost-effectiveness of promotional campaigns; breadth and depth of functionality; pace of game and feature innovation; ability to scale; security and reliability.

Future Developments

The Corporation has created a substantial catalogue outlining future enhancements and new features however any further development has been suspended indefinitely.

New business opportunities are being investigated and developed.

Proprietary Protections

DeepMarkit's intellectual property rights are important to the Corporation. During the product development phase DeepMarkit utilizes a combination of confidentiality clauses with its employees and third-party partners, and invention assignment agreements with its employees and trade secrets.

Stated Business Objectives

The Corporation's business objective is to provide businesses that sell products to consumers or offer services to consumers, a sophisticated promotion solution, increasing brand awareness and ultimately sales. To accomplish this objective DeepMarkit's promotions application will facilitate promotional activities such as prize give-aways, instant win prizes and sweepstakes using games-based interactive online communication with customers. The Corporation's objective is to deliver to its customers a solution which:

1. is engaging and entertaining for consumers,
2. is fast and easy to use by its customers, and
3. is versatile in its ability to deliver enhancements to product purchasing behaviour and brand reinforcement.

Summary of Quarterly Financial Results

	Third Quarter Ended Sept. 30, 2021	Second Quarter Ended June 30, 2021	First Quarter Ended Mar. 31, 2021	Fourth Quarter Ended Dec. 31, 2020	Third Quarter Ended Sept. 30, 2020	Second Quarter Ended June 30, 2020	First Quarter Ended Mar. 31, 2020	Fourth Quarter Ended Dec. 31, 2019
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	599	821	950	1,066	1,136	1,347	2,303	1,763
Interest income	12	35	73	71	198	168	475	833
Operating expenses *	64,433	67,845	74,918	91,192	59,544	63,980	122,592	146,244
Finance costs	81,055	77,808	44,952	67,803	74,632	68,111	66,112	64,957
Loss and comprehensive loss	(145,781)	(144,797)	(118,847)	(170,806)	(132,843)	(130,579)	(175,771)	(115,099)
Comprehensive loss per share	(\$0.04)	(\$0.04)	(\$0.04)	(\$0.04)	(\$0.04)	(\$0.04)	(\$0.05)	(\$0.05)
Working capital	(2,324,515)	(2,870,728)	(2,545,582)	(2,608,344)	(2,450,871)	(2,318,928)	(2,189,250)	(2,004,228)

* Operating expenses includes costs related to wages, G&A, Professional and listing fees and amortization.

The decrease in the working capital deficit during Q3 2021 was the result of the \$700,000 of gross proceeds from issuance of 3,414,635 units consisting of one common share and one common share purchase warrant (each a “Warrant”). Each Warrant entitles the holder to purchase one additional common share of the Company at an exercise price of \$0.75 for a period of two years from the date of issuance of the Units. The proceeds of the financing were offset by payments made to maintain operations and the accrual of unpaid debenture interest.

Results of Operations

For the nine months ended September 30, 2021, the Corporation incurred operating expenses (including wages, general and administrative expenses, business investigation costs, professional fees, listing and filing fees and amortization) of \$207,196 (\$246,116 in Q3 2020). The decrease of \$38,920 or 16% is primarily due to lower wages and benefits from the wage subsidy and less staff on payroll and lower general and administrative expenses. The breakdown of general and administrative expense is as follows:

G&A Expense

	Nine months ended September 30, 2021	Nine months ended September 30, 2020	% change
Consulting Fees	-	17,442	-100%
Travel	2,300	1,902	21%
Rent	19,500	22,500	-13%
Advertising and promotions	-	1,121	-100%
Other Canadian G&A	17,124	2,614	555%
Total	38,924	45,579	-15%

The Company has decreased its G&A expense in Q3 2021. The decrease in expense is due to the Corporation’s efforts to conserve capital.

Capital Expenditures

The Corporation expended the following amounts on purchasing (disposing) equipment during the below referenced periods.

Nine Months Ended

	September 30, 2021	September 30, 2020	% change
Office equipment	\$0	\$0	0%

Liquidity

As at September 30, 2021, the Corporation had working capital deficit of \$2,324,515 (December 31, 2020 \$2,608,344).

Of the Corporation's accounts payable and accrued liabilities, \$107,299 are current and \$901,448 are past due. Included in the accounts payable is \$948,388 due to related parties (see "Related Party Transactions, Balances and Key Management Compensation and Subsequent Events").

Management believes that although the Corporation has sufficient cash and cash equivalents to meet its immediate current obligations, additional financing will be required during 2021 in order to continue business operations. Management cannot confirm that additional financing may be obtained or if financing is available, that it will be on favorable terms and if financing is not secured the Corporation will be unable to continue its business.

Financings

On September 29, 2021, the Company closed the first tranche of a non-brokered private placement consisting of 3,414,635 units (each a "Unit") of the Company, at a subscription price of \$0.205 per Unit for gross proceeds of \$700,000. Each Unit consists of one common share and one common share purchase warrant (each a "Warrant"). Each Warrant entitles the holder to purchase one additional common share of the Company at an exercise price of \$0.75 for a period of two years from the date of issuance of the Units.

The Company paid a finder's fee in connection with the private placement in the amount of \$5,381.25.

On October 18, 2021, the Company closed the second tranche of a non-brokered private placement consisting of 243,902 units (each a "Unit") of the Company, at a subscription price of \$0.205 per Unit for gross proceeds of \$49,999.91. Each Unit consists of one common share and one common share purchase warrant (each a "Warrant"). Each Warrant entitles the holder to purchase one additional common share of the Company at an exercise price of \$0.75 for a period of two years from the date of issuance of the Units. Using the residual value method, the fair value assigned to the warrants was \$nil. Aggregate finder's fees were \$3,499.99.

On November 8, 2021, the Company converted the \$2,000,000 debenture, the \$700,000 of accrued interest and \$39,000 of unpaid management fees into 13,360,974 common shares.

The Common Shares issued pursuant to the Debenture Conversion were issued to 1323552 B.C. Ltd., a private company owned and controlled by Ranjeet Sunder, a director and founder of the Company.

2020 transactions

There were no transactions during fiscal 2020.

Options

There were no transactions during Q3 2021.

2020 transactions

During the first quarter of 2020, all (610,000) outstanding options were cancelled.

Acquisitions/Dispositions

There were no acquisitions or dispositions during the nine months ended September 30, 2021.

Non-accountable Arrangements

There are no arrangements as at September 30, 2021, which are not disclosed in the Financial Statements, nor have any such arrangements been entered into by the Corporation as of the date of this report.

Transactions with Related Parties

Included in wages and benefits, general and administrative, stock-based compensation and professional fees are transactions with related parties. Related party transactions are disclosed below, unless they have been disclosed elsewhere in the condensed consolidated interim financial statements.

During the three and nine months ended September 30, 2021, the Company incurred \$30,000 and \$90,000 respectively for wages, benefits and consulting fees (2020 - \$25,000 and \$75,000 respectively), charged by directors, officers and key management personnel of the Company.

During the three and nine months ended September 30, 2021, the Company incurred \$6,000 and \$19,500 respectively for rental fees (2020 - \$3,750 and \$22,500 respectively), paid to a company in which a director and officer of the Company is the principal or a significant shareholder.

At September 30, 2021, \$2,000,000 in debentures payable were owing to a private company controlled by a director and officer. (December 31, 2020 - \$1,900,000 in debentures payable were owing to a director and officer and his family members). During the three and nine months ended September 30, 2021, the Company incurred \$79,893 and \$230,237 respectively (2020 - \$70,900 and \$198,412 respectively) for interest in respect of the debenture financing which is included in finance costs on the condensed consolidated interim statement of loss and comprehensive loss. Interest of \$694,826 remains unpaid (2020- \$376,952). See Note 6. - Debenture payable, for detailed information regarding the debentures.

On September 14, 2021, the Company entered into an agreement with 1323552 BC Ltd., a private company controlled by Ranjeet Sundher, a director and founder of the company, to convert up to \$2,700,000 of 12% Secured Participating Debentures (including accrued interest of up to \$700,000) at a conversion price of \$0.205 per common share, resulting in the issuance of up to 13,170,731 common shares (the "Debenture Conversion"). In addition, the Company has entered into an agreement with Ranjeet Sundher to convert up to \$40,000 of debt owed personally to Mr. Sundher at the same conversion price resulting in up to an additional 195,121 common shares (together with the Debenture Conversion, the "Debt Conversion"). The Debt Conversion constitutes a related-party transaction under MI 61-101 and received minority shareholder approval, as well as approval from the Exchange subsequent to the quarter end. The debt conversions lead to the creation of a new control person which was also approved. See "Subsequent Events"

Related party transactions are incurred in the normal course of business and are measured at the exchange amount which is the amount of consideration established and approved by the related parties. As of September 30, 2021, \$288,281 (December 31, 2020 - \$177,659) was due to related parties and included in accounts payable and accrued liabilities with respect to those transactions. The amounts are non-interest bearing, unsecured and have no specific terms of repayment.

Disclosure of Outstanding Share Data

The following table describes the outstanding equity securities and convertible securities issued by the Corporation:

	Authorized	Outstanding	Outstanding	Outstanding
		as at November 29, 2021 (1)(2)	as at September 30, 2021 (3)	as at September 30, 2020 (3)
Voting or equity securities issued and outstanding	Unlimited Common Shares	20,568,704 Common Shares	3,549,193 Common Shares	17,745,967 Common Shares
Securities convertible or exercisable into voting or equity securities – stock options	Stock options to acquire up to 10% of outstanding Common Shares	Nil	Nil	Nil
Voting or equity securities issuable on conversion or exchange of outstanding securities - warrants	3,658,537 Warrants to acquire Common Shares exercisable at \$0.75 per Warrant	3,658,537 Warrants to acquire Common Shares exercisable at \$0.75 per Warrant	Nil	6,263,194 Warrants to acquire Common Shares exercisable at \$0.10 per Warrant

(1) – On April 16, 2021, the Corporation’s common shares were consolidated at a ratio of 1:5.

(2) – These numbers are post-consolidation (see “Subsequent Events”)

(3) – These numbers are pre-consolidation

Critical Accounting Estimates and Accounting Policies

The Corporation’s critical accounting estimates and significant accounting policies as well as changes in accounting policy and disclosure are disclosed in notes 3 and 4 of the condensed consolidated interim financial statements for the nine months ended September 30, 2021 and notes 3, 4 and 5 of the audited consolidated financial statements for the year ended December 31, 2020.

Financial Instruments

The Corporation, through its financial assets and liabilities, is exposed to various risks. The following analysis provides descriptions and measurement of the significant risks as at September 30, 2021:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation's cash and cash equivalents are exposed to credit risk, however the risk is deemed minimal as the counterparty is considered to be a low risk financial institution. Accounts receivable consists of the amount due from Canada Revenue Agency in relation to input tax credits arising as a result of the Goods and Services Tax (GST).

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation's cash and cash equivalents are exposed to interest rate risk as the Corporation invests cash and cash equivalents at floating rates of interest in highly liquid instruments. Fluctuations in interest rates impact the value of cash and cash equivalents. For the nine months ended September 30, 2021 and 2020, if interest rates had been 1% higher, total interest income received would have been higher by approximately \$654 and \$1,945 on an annualized basis. If interest rate had been 1% lower, total interest income would have been lower by approximately \$654 and \$1,945 on an annualized basis. Pursuant to the terms of the participating debentures, the Company is required to pay additional interest equal to 12% of the revenue generated on qualifying product sales, see Note 6. - Debenture payable.

Currency Risk

Currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation minimizes its currency risk by maintaining the majority of its liquid assets in stable currencies, including Canadian and US currencies. The Corporation holds US dollars, a 10% change in the exchange rate between the Canadian dollar and the US Dollar would result in the Corporation incurring a gain or loss of approximately \$Nil (2020 - \$Nil).

Liquidity Risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation's accounts payable and accrued liabilities of \$107,299 are current and \$901,448 are past due. The past due accounts payable and accrued liabilities are primarily with directors and officers of the Corporation and the majority of which relates to unpaid interest on the Corporation's outstanding Debentures. The Corporation ensures that it has sufficient capital to meet short term financial obligations after taking into account cash and cash equivalents on hand.

Fair Value Risk

The methods and assumptions used to develop fair value measurements for those financial instruments carried at fair value on the statement of financial position have been prioritized into three levels of a fair value hierarchy included in IFRS 7. Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities, level two includes inputs that are observable other than quoted prices included in level one and level three includes inputs that are not based on observable market data.

Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available. The classification of a financial instrument in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

The Corporation's cash and cash equivalents are recorded using a level one fair value measurement.

The accounts receivable and accounts payable and accrued liabilities carrying values approximate fair value due to the short-term nature of the financial instruments.

The fair value of the debenture payable is impacted by changes in market yields which can result in differences between the carrying value and the fair value of the instruments. The carrying value of the debenture payable as at September 30, 2021 is \$2,000,000 (December 31, 2020 - \$2,000,000). The fair value of the debenture payable is not disclosed as it cannot be measured reliably due to the fact that there is no open market for similar debentures, all of which are held by a related party and the participating interest component is dependent on future sales, which are not reliably predictable. See “Subsequent Events”.

Risks and Uncertainties

The Corporation’s new business as a technology issuer is subject to a number of significant risk factors. The following are certain risk factors related to the Corporation, its business, and ownership of securities of the Corporation. If any event arising from the risk factors set forth below occurs, the Corporation’s business, prospects, financial condition, results of operation or cash flows and in some cases, its reputation, could be materially adversely affected.

Risk Factors Related to the Operations of the Corporation

No Operating History as a Technology Issuer

The Corporation has a limited record of operating as a technology issuer in the media/promotions software research and development areas. As such, the Corporation is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that the Corporation will not achieve its financial objectives as estimated by management of the Corporation. Past successes of management of the Corporation or the Board in other ventures do not guarantee future success.

Problems Resulting from Rapid Growth

The Corporation is pursuing a plan to market its promotional platforms throughout North America and abroad and will require additional capital in order to meet these growth plans. Besides attracting and maintaining qualified personnel, employees or contractors, the Corporation requires working capital and other financial resources to meet the needs of its planned growth. No assurance exists that the plans will be successful or that these requirements will be satisfactorily handled, and this may have material adverse consequence on the business of the Corporation.

Risks Related to the Corporation’s Business and Industry

DeepMarkit’s success will depend on its ability to attract new customers and subsequently retain them and to subsequently increase sales to both new and existing customers. The Corporation will principally generate revenues through the sale of promotion campaigns. The current financial model is pay-as-you-go. DeepMarkit’s customers have no obligation to purchase more than one campaign at a time. The Corporation may also fail to attract customers or increase sales to customers as a result of a number of other factors, including: competitive factors affecting the software as a service, or SaaS, business software applications market, including the introduction of competing products, discount pricing and other strategies that may be implemented by its competitors; its ability to execute on its growth strategy and operating plans; and the timeliness and success of its products.

Growth of E-Commerce

The gamification of online advertising is a relatively nascent marketing medium. The Corporation’s ability to attract clients and grow is directly connected to growth in, demand for, alternative online marketing solutions.

Competition Risk

The Corporation will face competition from a number of direct and indirect competitors. These competitors may limit the Corporation's opportunities to penetrate new markets and grow its market share. Further, the Corporation may face challenges attracting and retaining clients as other larger marketing/advertising companies with significantly more resources expand their product and services offerings to include promotional games and other services similar to those of the Corporation.

Liquidity and Capital Requirements

The Corporation faces significant challenges in order to achieve sustainability. There can be no assurance that it will be able to maintain adequate liquidity or achieve long-term viability. The Corporation's ability to meet its obligations in the ordinary course of business is dependent upon management's ability to establish profitable operations or raise capital, as needed, through public or private debt or equity financings, or other sources of financing to fund operations. The disruption of the capital markets and the continued decline in economic conditions, amongst other factors, could negatively impact the Corporation's ability to sustain operations or raise additional capital when needed.

DeepMarkit will need to seek additional equity or debt financing to fund its continued operations or make acquisitions or other investments. The Corporation's business plans may change, general economic, financial or political conditions in its markets may deteriorate or other circumstances may arise, in each case that have a material adverse effect on its potential cash flows and the anticipated cash needs of its business. Any of these events or circumstances could result in significant additional funding needs, requiring the Corporation to raise additional capital. DeepMarkit cannot predict the timing or amount of any such capital requirements at this time however the Corporation will require equity capital in the near term and may require further capital in the medium or long term. If near-term financing is not available, the Corporation will be unable to continue its business. If continued financing over the medium or long term is not available on satisfactory terms, or at all, the Corporation may be unable to expand its business at the rate desired and its results of operations may suffer. Financing through issuances of equity securities would be dilutive to holders of DeepMarkit's shares.

Existing Debt

The Corporation has granted a security interest in its assets, including its intellectual property, to certain lenders under the provisions of a Participating Debenture as security for the loan. The loan also requires the Corporation to comply with certain financial covenants, which are tested on a monthly basis, and contains a number restrictive covenants, which would, among other things, prevent the Corporation from: (i) disposing of or selling its assets; (ii) making any changes in its debt or capital structure or amending its bylaws, (iii) consolidating or merging with other entities; (iv) entering into contracts outside of the normal course of business; (v) purchasing or redeeming any shares; (vi) paying dividends; or (vii) incurring lease obligations or capital expenditures above defined thresholds. A failure by the Corporation to repay the Debenture in accordance with its terms or other default would entitle the Debenture holder to, among other things, foreclose on the Corporation's assets, which would likely terminate its ability to continue its current business operations.

Interest payable under the Debenture is in arrears and the Debentures have matured. The Corporation reached an agreement with the holder of all outstanding Debentures to convert the principal and outstanding interest into common shares and completed the conversion subsequent to the quarter end.

New Technology

Online advertising and promotions is a competitive environment where software and other products and services are subject to rapid technological change and evolving industry standards. The Corporation's future success depends on its ability to design and produce new games, products, services and platforms, deliver enhancements to its products and services, accurately predict and anticipate evolving technology and respond to technological advances in its industry and its customer's increasingly sophisticated needs. The Corporation's platforms embody complex technology that may not meet those standards, changes and preferences. If the Corporation is unable to respond to technological changes, or if it fails or delays to develop products in a timely

and cost effective manner, its products and services may become obsolete and the Corporation may be unable to recover research and development expenses which could negatively impact sales, profitability and the continued viability of the business.

Management of Growth

The Corporation may be subject to growth-related execution risks including capacity constraints and pressure on its internal systems and controls. The ability of the Corporation to manage growth effectively will require it to continue to implement and improve its operations and financial systems and to expand, train and manage its employee base. The inability of the Corporation to deal with this growth could have a material adverse impact on its business, operations and prospects.

Acquisitions or Other Business Transactions

The Corporation may, when and if the opportunities arise, acquire other products, technologies or businesses involved in activities similar to the Corporation, or having products or intellectual property that are complementary to its business. Acquisitions involve numerous risks, including difficulties in the assimilation of operations, technologies and products of the acquired companies, the diversion of management's attention from other business concerns, risks associated with entering new markets or conducting operations in industry segments in which the Corporation has no or limited experience, and the potential loss of key employees of the acquired company. Future acquisitions by the Corporation could result in potentially dilutive issuances of equity securities, the use of cash, the incurrence of debt and contingent liabilities, and write-off of acquired research and development costs, all of which could materially adversely affect the Corporation's financial condition, results of operations and cash flows. Moreover, there can be no assurances that any anticipated benefits of an acquisition will be realized.

Impact of Competition

The online advertising and promotions industry is dynamic and competitive with new technology and services being introduced by a range of players, from larger established companies to start-ups, on a frequent basis. Newer technology may render the Corporation's platforms obsolete which would have a material, adverse effect on its business and results of operations.

If the Corporation's platforms fail to achieve or maintain market acceptance, or if new technologies are introduced by competitors that are more favorably received than the Corporation's platforms, or are more cost-effective or are otherwise able to render the Corporation's platforms obsolete, the Corporation would experience a decline in demand which would result in lower sales performance (if achieved at all) and associated reductions in operating profits (if achieved at all), all of which would negatively affect trading price of the Corporation's shares.

Viability of Internet and System Infrastructure

The end-customers of the Corporation's software depend on internet service providers, online service providers and the Corporation's infrastructure for access to the software solutions. These services are subject to service outages and delays due to system failures, stability or interruption. As a result, the Corporation may not be able to meet a satisfactory level of service which could have a material adverse effect on the Corporation's business, revenues, operating results and financial condition.

New Laws or Regulations

A number of laws and regulations may be adopted with respect to browser-based and mobile phone services and promotional games covering issues such as user privacy, freedom of expression, pricing, content and quality of products and services, taxation, advertising, intellectual property rights, consumer disclosure, prize award restrictions and information security. Adoption of any such laws or regulations may impact the ability of the Corporation to deliver innovative online promotional services thus adversely affecting results of operations.

Retention or Maintenance of Key Personnel

There can be no assurance that the Corporation will be able to continuously retain or maintain key personnel. Failure to ensure the Corporation has adequate personnel may materially impact the Corporation's operations.

Strategic Relationships

DeepMarkit's growth will depend in part on its success in establishing strategic relationships with third parties such as e-commerce design and development platforms and marketing agencies. Identifying, negotiating and documenting relationships with third parties requires significant time and resources as does integrating with third-party technology. The Corporation's competitors may be effective in providing incentives to third parties to favor their products or services or to prevent or reduce sales of its promotional campaigns. The Corporation do not currently have any such strategic relationships established.

Conflicts of Interest

The Corporation may contract with affiliated parties or other companies or members of management of the Corporation or companies owned or controlled by members of the Corporation's management and associated and affiliated parties thereto. These parties may obtain compensation and other benefits in transactions relating to the Corporation. Certain members of management of the Corporation have business activities other than the business of the Corporation, but each member of management intends to devote a large portion of his or her working time to the Corporation. Although management intends to act fairly, there can be no assurance that the Corporation will not inadvertently enter into arrangements under terms less favorable than what might otherwise be available.

Proprietary Rights could be subject to Suits or Claims

No assurance exists that the Corporation or any company with which it transacts, can or will be successful in pursuing protection of proprietary rights such as business names, logos, marks, ideas, inventions, copyrights in visual works and technology which may be acquired over time. Failure by the Corporation to successfully defend or claim against a breach of proprietary rights may have a material adverse effect on the Corporation.

Market Price Volatility

Volatility in the market price of the Common Shares may affect the ability of holders to sell the Common Shares at an advantageous price. Market price fluctuations affecting the Common Shares may be due to the Corporation's operating results failing to meet the expectations of securities analysts or investors, downward revision in securities analysts' estimates, governmental regulatory action, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Corporation or its competitors, among others. Additionally, macro-economic conditions may adversely affect the market price of the Common Shares.

Insurance Inadequacy

No assurance can be given that insurance will cover the risks to which the Corporation's activities will be subject, or will be available at economically feasible premiums, or at all. There is no assurance that in the event of claim or loss, the Corporation will have adequate insurance coverage.

Foreign Currency Risk

The Corporation anticipates transacting business in multiple currencies, the most significant of which are expected to be the Canadian dollar, the US dollar, the Euro and various Asian currencies. As a result, the Corporation will have foreign currency exposure with respect to items denominated in foreign currencies.

Forward-Looking Information May Prove Inaccurate

Readers are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Investment Returns

The Corporation may never achieve a level of profitability that would permit payment of dividends or making other forms of distributions to security holders. Payment of any future dividends by the Corporation will be at the sole discretion of the Board of Directors. The Corporation currently intends to retain earnings to finance the expansion of its business and does not anticipate paying dividends in the foreseeable future.

Litigation Risks

In the normal course of the Corporation's operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings including regulatory proceedings, tax proceedings and legal actions relating to personal injuries, property damage, property taxes, intellectual property rights and contract disputes. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to the Corporation and as a result, could have a material adverse effect on the Corporation's assets, liabilities, business, financial condition and results of operations. Even if the Corporation succeeds in any such legal proceeding, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from the Corporation's business operations, which could adversely affect its financial condition.

*Risks Relating to the Corporation's Intellectual Property**Protection of the Corporation's Intellectual Property*

The Corporation intends to protect its intellectual property through trade secrets, reliance upon copyright legislation and patent or patent pending applications, where applicable. Despite the Corporation's best efforts, filing patent or patent pending applications may not result in enforceable patent rights in all jurisdictions in which the Corporation conducts operations. Any issued patents or third-party patents to which the Corporation has licensed rights may be of a restricted scope that does not cover possible foundational technologies and/or technologies used by others.

The Corporation may not be successful in securing or maintaining proprietary or future patent protection for the technology developed internally and used in its systems or services, and protection that is secured may be challenged and possibly lost.

Unauthorized parties may attempt to copy aspects of the Corporation's products or to obtain information the Corporation may regard as proprietary. Policing unauthorized use of proprietary technology, if required, may be difficult, time-consuming and costly. If a third-party misappropriates the Corporation's intellectual property, the Corporation may be unable to enforce its rights. If the Corporation is unable to protect its intellectual

property against unauthorized use by others, an adverse effect on the Corporation's business, operations and market position.

Open Source Software

The Corporation may use open source software in some of its software solutions. Licenses governing the Corporation's use of open source software may contain requirements that the Corporation make available source code for modifications or derivative works based upon the open source software, and that the Corporation license such modifications or derivative works under the terms of a particular open source license or other license granting third parties certain rights of further use. The terms of certain open source licenses may require that the Corporation release the source code of its proprietary software and make it available under open source licenses. Although the Corporation monitors its use of open source software, the Corporation cannot provide assurance that all open source software has been reviewed prior to use in its software solutions, or that the Corporation's programmers have not incorporated open source software into its platforms and will not do so in the future. In addition, the terms of open source software licenses may require the Corporation to provide software that the Corporation develops using such open source software to others on unfavorable license terms. As a result of the Corporation's future use of open source software, the Corporation may face claims or litigation, be required to release its proprietary source code, pay damages for breach of contract, re-engineer its solutions, discontinue making its solutions available in the event re-engineering cannot be accomplished on a timely basis or take other remedial action. Any such re-engineering or other remedial efforts could require significant additional research and development resources, and the Corporation may not be able to successfully complete any such re-engineering or other remedial efforts. Further, in addition to risks related to license requirements, use of certain open source software may lead to additional unanticipated risks as open source licensors generally do not provide warranties or controls on the origin of software. Any of these risks could be difficult to eliminate or manage, and, if not addressed, could have a negative effect on the Corporation's business, financial condition and operating results.

COVID-19

The COVID-19 pandemic continues to have a significant negative effect on the business of the Corporation. Financing opportunities for the Corporation are primarily focussed in China and have been unsuccessful. As a result of these factors, the impact of the COVID 19 pandemic will be particularly negative for the Corporation. The extent and duration of the impact of the COVID 19 pandemic is unknown however it has had and may continue to have a very negative impact on the ability of the Corporation to continue or to develop new business opportunities must be assumed.

SUBSEQUENT EVENTS

On October 18, 2021 the Corporation completed the second tranche of a non-brokered private placement which consisted of 243,902 Units.

On November 8, 2021 the Corporation completed the debt conversion, under which it issued an aggregate of 13,360,974 common shares ("Common Shares") pursuant to the conversion of debt in the aggregate amount of \$2,739,000 (the "Debt Conversion").

All Common Shares issued pursuant to the Debt Conversion were issued at a price of \$0.205 per Common Share. The Debt Conversion comprised two components, conversion of the Company's \$2 million of 12% Secured Participating Debentures (the "Debentures"), plus accrued interest of \$700,000, resulting in the issuance of 13,170,731 Common Shares (the "Debenture Conversion"), and the conversion of \$39,000 of previously incurred and unpaid management fees, resulting in the issuance of 190,243 Common Shares (the "Management Fee Debt Conversion").

The Common Shares issued pursuant to the Debenture Conversion were issued to 1323552 B.C. Ltd., a private company owned and controlled by Ranjeet Sunder, a director and founder of the Company. All Common Shares issued pursuant to the Management Fee Debt Conversion were issued to Mr. Sundher.

The Company obtained disinterested shareholder approval for the Debt Conversion at its annual and general meeting of shareholders held on October 29, 2021, including approval for the Debt Conversion as a related party transaction pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") and Policy 5.9 of the TSX Venture Exchange (the "Exchange"), approval of 1323552 B.C. Ltd. as a Control Person of the Company (as defined in the policies of the Exchange), and approval to convert the full amount of the management fees owing to Mr. Sundher, as required under Exchange policies. All other matters put forth to shareholders at the meeting were also approved.

On November 23, 2021 the Company entered into a non-binding letter of intent (the "LOI") to acquire all of the issued and outstanding shares of First Carbon Corp. ("FCC"). The LOI sets forth the general terms and conditions of the Acquisition, pursuant to which shareholders of FCC will receive an aggregate of approximately 15,000,000 common shares of DeepMarkit ("Common Shares") issued at a deemed price of \$0.50 per Common Share, for deemed consideration of approximately \$7,500,000 (the "Acquisition"). DeepMarkit also announced a non-brokered private placement (the "Private Placement"). Under the Private Placement, which is subject to acceptance by the TSX Venture Exchange (the "Exchange"), DeepMarkit intends to issue, pursuant to applicable exemptions from prospectus requirements of Canadian securities laws, up to 4,000,000 units ("Units") at a price of \$0.50 per Unit, for gross proceeds of up to \$2,000,000. Each Unit comprises one Common Share and one Common Share purchase warrant (each, a "Warrant"). Each Warrant will entitle the holder to purchase one additional Common Share of DeepMarkit at an exercise price of \$1.25 for a period of three (3) years from the date of the issuance of the Units.

DeepMarkit may pay a finder's fee of up to 7% cash and 7% compensation warrants to eligible finders in connection with the issue and sale of any or all of the Units under the Private Placement. The net proceeds from the Private Placement will be used to fund continued business and corporate operations of DeepMarkit (for which it is estimated that approximately 40% of the net proceeds will be allocated), as well as the operations of FCC (for which it is estimated that approximated 60% of the net proceeds will be allocated). Insiders of the Company may participate for up to 25% of the total offering. The Common Shares and Warrants issued pursuant to the Private Placement will be subject to a four month hold period required under applicable securities laws. Closing of the Private Placement is not a condition to completion of the Acquisition.

FCC is a software infrastructure company operating in the tokenization vertical of blockchain. FCC's primary asset, MintCarbon.io, is an SaaS, web-based platform which facilitates the minting of carbon credits into re-saleable tokens. MintCarbon.io is currently undergoing beta testing and FCC anticipates an official launch in Q1 2022. FCC is a private company incorporated under the laws of Canada. FCC currently has 39,474,999 common shares issued and outstanding.

The LOI serves as an agreement in principle concerning the Acquisition, which is expected to be completed pursuant to the terms of a share purchase agreement or share exchange agreement entered into among DeepMarkit, FCC and each shareholder of FCC. The final structure of the Acquisition is subject to receipt by all parties of tax, corporate and securities law advice and will be agreed to and superseded by a definitive agreement (the "Definitive Agreement"). Other terms of the Acquisition include the right of FCC to appoint a director (the "FCC Director Nominee") upon closing, and the agreement by DeepMarkit to use its best efforts to adopt a long-term equity incentive compensation plan, subject to approval of the Exchange and DeepMarkit's disinterested shareholders.

The completion of the Acquisition is also subject to several other conditions set out in the LOI, including approval by the directors of DeepMarkit and FCC, satisfactory completion of due diligence, the execution of the Definitive Agreement by all parties, including the FCC shareholders, and regulatory approval. A more

comprehensive news release will be issued by DeepMarkit disclosing details of the Acquisition, including information about the FCC Director Nominee, and other information relevant to the Acquisition.

DeepMarkit views the business of FCC as highly synergistic. The MintCarbon.io platform is a powerful tool which enables businesses to monetize and manage carbon credits to achieve various business objectives. DeepMarkit expects to leverage its extensive investment in its existing platform and intellectual property for the benefit of FCC's business. The Acquisition will give DeepMarkit the opportunity to expand its business of providing software tools into a unique new and quickly expanding market.

The Acquisition is expected to constitute a "Fundamental Acquisition" transaction pursuant to Exchange Policy 5.3 *Acquisitions and Dispositions of Non-Cash Assets* and will be subject to Exchange review in accordance with that policy. No "Control Person" will be created as a result of the Acquisition or the Private Placement, and the Acquisition will be an "Arm's Length Transaction" as such terms are defined in Policy 1.1 of the Exchange. There are no finder's fees payable in connection with the Acquisition.

Trading in the Common Shares of DeepMarkit is currently halted. While there is no certainty that the Common Shares of the Company will resume trading until the Acquisition is completed and approved by the Exchange, the Exchange may allow trading to resume after it has reviewed initial filings by DeepMarkit with respect to the Acquisition.

Reference is made in this MD&A to the Corporation's financial statement disclosure for the relevant periods filed on the SEDAR website for the Corporation at www.sedar.com where additional disclosure relating to the Corporation can also be located. Readers are strongly encouraged to review such additional disclosure.

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