

EARTHLABS



(Formerly GoldSpot Discoveries Corp.)

Management Discussion and Analysis
of Financial Position and Results of Operations
For the Year Ended December 31, 2022

This report is dated April 28, 2022



Management's Discussion and Analysis For the year ended: December 31, 2022

Introduction

This management's discussion and analysis ("MD&A") of the consolidated financial condition and results of operation of EarthLabs Inc. (formerly GoldSpot Discoveries Corp.) ("EarthLabs" or the "Company") should be read in conjunction with EarthLabs' annual audited consolidated financial statements ("Financial Statements") and notes thereto as at and for the year ended December 31, 2022. The accounting policies and methods of computation were followed in the preparation of the Financial Statements are described in note 3 of the Financial Statements.

Unless indicated otherwise, all financial data in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All dollar amounts in this MD&A are reported in Canadian dollars unless otherwise indicated.

Forward-Looking Information:

Certain information contained in this MD&A constitutes forward-looking information, which is information relating to future events or the Company's future performance and which is inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information contained in this MD&A includes, but is not limited to the Company's anticipated investment activities and results and financing activities, the Company's future working capital requirements, the impact of changes in accounting policies and other factors on the Company's operating results, and the performance of global capital markets and interest rates, the exposure of its financial instruments to various risks and its ability to manage those risks, and the Company's ability to use tax resource pools and loss carry-forwards.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking information contained in this MD&A include, but are not limited to: risks relating to the Company's ability to raise capital in order to fund obligations as they become due, the Company's ability to generate taxable income from operations, the strength of the Canadian, U.S. and other economies, foreign exchange fluctuations, political and economic conditions in the countries in which the Company's customers are located, and other risks included elsewhere in this MD&A under the heading "Other Risks".

Readers are cautioned that the foregoing lists of factors are not exhaustive. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. The forward-looking information contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

Overview of Business

Nature of the Business:

On August 31, 2022, the Company changed its name to EarthLabs Inc. (formerly GoldSpot Discoveries Corp.) ("EarthLabs" or the "Company"). EarthLabs was incorporated under the *Canada Business Corporations Act* on May 1, 2017. On February 21, 2019, the Company commenced trading on the TSX Venture Exchange ("TSXV") under the symbol "SPOT" and later on the OTCQX Best Market under the symbol "SPOFF". The Company's head office is at 69 Yonge Street, Suite 1010, Toronto, Ontario, M5E 1K3.

EarthLabs is a mining investment and technology company that aims to maximize torque to the junior resource sector with \$50,000,000 in cash and investments, a royalty portfolio and a full suite of data-driven media SaaS tools and services, including CEO.CA Technologies Ltd., the largest social media platform for resource investors, and DigiGeoData Inc., a software-based interactive mapping interface which provides earth modeling, geology data management, and specialized financial products.

Principal Business Overview:

EarthLabs is a mining investment and technology company that provides Artificial Intelligence ("AI") and Data Science to Subject Matter Experts and has developed a portfolio of software and hardware to improve mineral deposit discovery and understanding. The Company's specializations represent an attractive offering to junior exploration companies who request this technical expertise but lack sufficient capital to hire services outright. EarthLabs makes strategic investments in these junior companies to acquire royalties and equity, while the issuer benefits from dedicated access to geology and data science expertise and a constantly growing portfolio of technology.

In addition, with the acquisitions of CEO.CA Technologies Ltd. ("CEO.CA") and DigiGeoData Inc. ("DigiGeoData"), the Company now has a portfolio of software-as-a-service ("SaaS") tools that generate annual recurring revenue for EarthLabs.

EarthLabs operated two principal business divisions:

- **Exploration Technology Division** which houses the Company's exploration SaaS and global consulting services and field services divisions (EarthLab's consulting division, Ridgeline and Geotic); and
- **Financial Technology Division** which houses the Company's financial technology (CEO.CA and DigiGeoData) and growing investment portfolio.

The Company's marketing efforts focus on the growing demand for our solutions and to establish EarthLabs as a thought leader and innovator across the markets we and our subsidiaries serve.

On October 25, 2022, the Company announced that it had entered into an agreement to sell the Company's Exploration Technology Division. The transaction closed on December 1, 2022 and as a result, results for the Exploration Technology Division for the years ended December, 2022 and 2021 have been classified as net income (loss) from discontinued operations in the consolidated statements of income (loss) and comprehensive income (loss).

Exploration Technology Division

EarthLabs's Exploration Technology Division ("ETD") is a combination of acquired tools and services from third-party exploration software companies including Geotic Inc. as well as in-house developed tools such as LithoLens, a modular SaaS solution that uses AI for processing, optimizing, and extracting data from rock imagery and MinusOne, a software solution for creating 3-D models from geophysical data processed using deterministic and stochastic inversion methods.

Applied Geophysics data collection: Multi-Parameter Acquisition Survey System

Along with its wholly-owned subsidiary, Ridgeline Exploration Services Inc., EarthLabs's M-PASS (Multi-Parameter Acquisition Survey System) allows the simultaneous capture of gradient magnetics, LiDAR, 4-band orthophoto imagery, electromagnetic information in the Very Low Frequency band, and radiometric data. Our experience and analysis of legacy data layers held at client projects has indicated that they are generally poorly suited to advanced analytical methods – the datasets are not optimised in terms of resolution, quality, or overlapping coverage. By adding M-PASS in-house data collection, EarthLabs brings a significantly improved kick-starter to exploration targeting. Clients benefit from increased data efficiency, reduced mobilization and flight costs as compared with traditional third-party collection, and access to the EarthLabs data processing platforms for geophysics.

Geotic Inc.

From drilling data collection to 3D modelling, Geotic offers an integrated software solution to hundreds of global junior mineral explorers and senior producers with cost effective data analytics and a focus on quality and ease of use over traditional manual data collection methods. Geotic's software includes GeoticLog, its customizable core-logging platform; GeoticMine, its 3-D geological modelling and visualization solution; GeoticSection, its drill-hole visualizer, GeoticCAD, a cost-effective alternative to common industry tools with an integrated drawing motor; and GeoticField, its field-based survey data-entry platform.

Financial Technology Division

EarthLabs's Financial Technology Division ("FTD") business vertical includes CEO.CA, DigiGeoData and the Company's investment portfolio. Through FTD, EarthLabs offers a wide range of cloud-based, interoperable web applications. These applications represent EarthLabs's domain expertise within the mineral resource sector and generate annual recurring revenue for EarthLabs through multiple SaaS solutions.

CEO.CA Technologies Ltd.

CEO.CA is a social network for investors & traders in junior resource & venture stocks with online and mobile functionality. CEO.CA is visited by millions of users each year from over 164 countries. Since 2012, CEO.CA has brought investors together to discuss their portfolio holdings and find new investment opportunities. In addition to providing a chat medium, CEO.CA offers a monthly premium service known as CEO.CA PRO for real-time stock price monitoring and live market depth. CEO.CA is supporting a new wave of informed and educated market participants as a centralized investment resource hub.

DigiGeoData Inc.

On February 1, 2022, EarthLabs closed the acquisition of DigiGeoData, a digital mapping interface backed by a full suite of seamless claim data, assets, 43-101 reports and geological layers. DigiGeoData is developing its DigiGeoAtlas platform, a software-based GIS interactive mapping interface alongside its DigiGeoMaps distribution business used by over 300 clients. The Company believes the Atlas platform will become an industry staple alongside the addition of new visual data layers to CEO.CA and data sourced from the RQ platform to enhance investment decision making within the exploration space.

Investment Portfolio

EarthLabs's investment portfolio is a combination of its strategic investments in junior mineral exploration companies of which EarthLabs assists with exploration and discovery efforts as well as comprises certain royalties from these junior companies. EarthLabs is building a basket of equities and royalties, allowing investors that invest in EarthLabs to gain exposure to AI-driven mining assets.

Financial Highlights for Three Months Ended December 31, 2022

- From its recent acquisitions of CEO.CA and DigiGeoData, for the three months ended December 31, 2022, the Company had advertising and subscriptions revenue of \$1,599,233, and sales of exploration maps of \$100,274 as compared to advertising and subscriptions of \$438,773 for the three months ended December 31, 2021;
- Net investment gains of \$1,026,576 from our investment portfolio as compared to \$3,581,506 for the three months ended December 31, 2021;
- Recognized non-cash impairment loss on equity investment and goodwill of \$2,659,610 and \$6,755,282, respectively, as compared to \$nil for the three months ended December 31, 2021;
- Net loss from continuing operations of \$12,946,730 (basic loss per share of \$0.09) as compared to net income from continuing operations of \$2,762,249 (basic earnings per share of \$0.02) for the three months ended December 31, 2021;
- Realized gains from disposition of subsidiaries and assets (net of taxes) of \$20,445,301 offset by net loss from discontinued operations of \$148,894 (basic earnings per share of \$0.15) as compared to net loss from discontinued operations of \$571,733 (basic loss per share of \$0.00) for the three months ended December 31, 2021;
- Net income and comprehensive income of \$7,349,677 (basic earnings per share of \$0.06) as compared to \$2,190,516 (basic earnings per share of \$0.02) for the three months ended December 31, 2021.

Financial Highlights for Year Ended December 31, 2022

- For the current year, from its recent acquisitions of CEO.CA Technologies Ltd. and DigiGeoData, the Company had advertising and subscriptions revenue of \$4,017,064, and sales of exploration maps of \$286,324 as compared to advertising and subscriptions of \$438,773 for the year ended December 31, 2021;
- Net investment losses of \$11,062,919 from our investment portfolio as compared to net investment gains of \$7,139,069 for the year ended December 31, 2021;
- Recognized non-cash impairment loss on equity investment and goodwill of \$2,659,610 and \$6,755,282, respectively, as compared to \$nil for the year ended December 31, 2021;
- Net loss from continuing operations of \$26,610,837 (basic loss per share of \$0.20) as compared to net income from continuing operations of \$2,266,969 (basic earnings per share of \$0.02) for the year ended December 31, 2021;
- Realized gains from disposition of subsidiaries and assets (net of taxes) of \$20,445,301 offset by net loss from discontinued operations of \$679,473 (basic earnings per share of \$0.15) as compared to realized gains from disposition of subsidiary of \$7,659,798 and net income from discontinued operations of \$1,114,200 (basic earnings per share of \$0.08) for the year ended December 31, 2021;
- Net loss and comprehensive loss of \$6,845,009 (basic loss per share of \$0.05) as compared to net income and comprehensive income of \$11,040,967 (basic earnings per share of \$0.10) for the year ended December 31, 2021.
- As at December 31, 2022, the Company has total cash and cash equivalents, due from brokers, investments and equity investments of \$52,546,191 as compared to \$50,337,817 as at December 31, 2021.

Acquisition of DigiGeoData Inc. during 2022

On February 1, 2022, the Company acquired 100% of the issued and outstanding share capital and voting rights in DigiGeoData Inc. ("DigiGeoData"), a mineral resource intelligence data subscription and mapping service company. As consideration for the acquisition, EarthLabs issued 2,803,738 common shares of the Company ("Consideration Shares") with a fair value of \$2,003,652 as well as an aggregate cash payment of \$1,000,000. Included in the cash payment is a shareholder loan repayment of \$123,054, which has been accounted for as a separate transaction from the acquisition. The Consideration Shares were placed in a voluntary lock-up and will be released in tranches pursuant to a 30-month lock-up schedule and are also subject to a statutory hold period expiring on June 2, 2022. Accordingly, the fair value of common shares was measured using the Company's closing share price on February 1, 2022, and further adjusted due to the statutory hold period. The resulting total fair value of consideration has been measured as \$2,880,598. The Company began consolidating the operating results, cash flows, and net assets of DigiGeoData from February 1, 2022, onwards.

The transaction was accounted for as a business combination using the acquisition method of accounting under the provision of IFRS 3 – Business Combination, as the operations of DigiGeoData meet the definition of a business. As the transaction was accounted for as a business combination, transaction costs were expensed. The net assets acquired, and liabilities assumed are recorded at fair value. The goodwill resulting from the allocation of the purchase price to the total fair value of net assets will represent the sales and growth potential of DigiGeoData.

At acquisition date on February 1, 2022, the Company has allocated the purchase price as follows:

Consideration		
Equity consideration (2,803,738 common shares)	\$	2,003,652
Cash consideration		876,946
Total consideration	\$	2,880,598
Net assets acquired		
Cash	\$	28,114
Accounts receivable, net of ECL		13,534
Accounts payable and accrued liabilities		(33,984)
Deferred revenue		(171,721)
Sales tax payable		(9,356)
Shareholder loan		(123,054)
CEBA loan		(40,000)
Deferred tax liability		(288,915)
Intangible assets		1,295,000
Net assets at fair value, as at February 1, 2022	\$	669,618
Goodwill	\$	2,210,980

The goodwill generated as a result of this acquisition relates to other intangible assets such as workforce and synergies that do not qualify for separate recognition. No goodwill for the DigiGeoData acquisition is expected to be deductible for tax purposes.

The following table presents the net cash flow on the acquisition of DigiGeoData:

DigiGeoData Inc. cash on hand	\$	28,114
Cash consideration paid		(876,946)
Shareholder loans repaid on acquisition		(123,054)
Acquisition of DigiGeoData Inc., net of cash on hand	\$	(971,886)

The intangible assets acquired comprises of the developed technology with a fair value of \$1,060,000, trade name/brand with a fair value of \$235,000.

The fair values were determined using a discounted cash flow analysis with the following assumptions:

Assumptions	Intangible assets	
	Developed technology	Trade name/ brand
Discount rate	27.0%	26.0%
% revenue associated with trade name	100%	100%
Pre-tax royalty rate	n/a	3.0%
Life of the intangible asset	15 years	15 years
Income tax rate	23.0%	23.0%

From the date of the acquisition to December 31, 2022, DigiGeoData contributed \$367,701 to the Company's revenues. Had the acquisition occurred on January 1, 2022, the Company's revenue for the year ended December 31, 2022 would have been \$32,808 higher.

Discontinued operations (sale of ETD to ALS GoldSpot Discoveries Ltd.) in December 2022

On October 25, 2022, the Company announced that it has entered into an agreement dated October 25, 2022 (the "Definitive Agreement") to sell the Company's exploration consulting & technology division ("Exploration Technology Division" or "ETD") to ALS GoldSpot Discoveries Ltd. (formerly 1377900 BC Ltd.) (the "Purchaser"), a wholly owned subsidiary of ALS Limited (ASX: ALQ). Headquartered in Brisbane, Australia, ALS Limited is the largest provider of laboratory testing, inspection, certification and verification solutions with more than 18,000 employees worldwide. The transaction closed on December 1, 2022 and the Company sold its right, title and interest in the following (collectively, the Exploration Technology Division):

- (a) all of the issued and outstanding shares of the Company's wholly-owned subsidiaries: Ridgeline Explorations Services Inc. and Géotic Inc. (the "Purchased Entities");
- (b) the business currently carried on by the Company through its exploration technology division and by the Purchased Entities (collectively, the "Business"), including but not limited to the business of the development, maintenance and marketing of geological exploration consulting services that specialize in the application of machine learning and other automated data assessment technologies and tools; and
- (c) all undertakings, property, assets, rights and interests of the Company used exclusively in connection with the Business, including without limitation, specified accounts receivable, inventories, intellectual property, books, records and goodwill.

As a result, the Company realized a gain of \$23,555,224 (realized gain net of taxes of \$20,445,301) from the sale and the operating results of Ridgeline, Geotic, and EarthLabs consulting division for the years ended December 31, 2022 and 2021 have been classified as net income (loss) from discontinued operations in the consolidated statements of income (loss) and comprehensive income (loss).

The purchase price (the "Purchase Price") paid by the Purchaser to the Company for the Exploration Technology Division was comprised of (i) a cash payment of \$23,400,000 (subject to standard working capital adjustments); and (ii) the assumption by the Purchaser of certain specified assumed liabilities, including deferred revenue obligations of the Company in an aggregate amount of up to \$6,000,000 signed with the Company's investees.

To conform with the current period classification of the discontinued operations, prior period results have been reclassified to discontinued operations. Results of discontinued operations are as follows for the year ended December 31:

	2022	2021
Revenue		
Consulting income	\$ 10,049,878	\$ 8,484,458
Sales of software licensing	519,506	223,578
Other income	637,103	29,355
	11,206,487	8,737,391
Expenses		
Operating, general and administrative	9,738,642	5,934,810
Research and development	2,276,199	1,380,857
Finance expenses	35,104	22,603
	12,049,945	7,338,270
Income (loss) before income taxes	(843,458)	1,399,121
Income tax expense (recovery)	(163,985)	284,921
Net income (loss) for the year from discontinued operations	\$ (679,473)	\$ 1,114,200

The following table summarizes the components of realized gains from disposition of subsidiaries and other net assets:

	December 1, 2022
Proceeds	
Cash received	\$ 23,400,000
Deferred revenue assumed	6,000,000
Working capital adjustments	(37,676)
	29,362,324
Net assets sold	
Net investment in Ridgeline	\$ 1,768,681
Net investment in Geotic	2,063,278
EarthLab's accounts receivables	980,858
EarthLab's prepaids	379,232
EarthLab's property and equipment	1,583,453
EarthLab's accounts payable	(489,423)
EarthLab's lease liabilities assumed	(25,841)
EarthLab's deferred revenue	(453,138)
	5,807,100
Realized gains from disposition of subsidiaries and assets	\$ 23,555,224
Income tax expense	3,109,923
Realized gains from disposition of subsidiaries and assets, net of tax	\$ 20,445,301

Results of Operations

Selected financial information for the Company for its three most recently completed fiscal years and for the years ending December 31 is provided below:

	2022 ⁽¹⁾	2021 ⁽¹⁾	2020 ⁽¹⁾
Advertising and subscriptions revenue	\$ 4,017,064	\$ 438,773	\$ -
Sales of exploration maps	286,324	-	-
Net investment gains (losses)	(11,062,919)	7,139,069	12,273,066
Other income	180,319	55,268	16,470
Operating, general and administrative	(8,230,762)	(4,756,340)	(1,891,335)
Research and development expenses	(1,167,379)	(45,000)	(182,049)
Loss from equity investment	(4,703,643)	(1,294,042)	-
Deemed gain on disposition of equity investment	407,790	712,765	-
Impairment of equity investment	(2,659,610)	-	-
Impairment of goodwill	(6,755,282)	-	-
Income tax recovery (expense)	3,064,204	30,342	(1,399,246)
Net income (loss) from continuing operations	(26,610,837)	2,266,969	8,816,906
Realized gains from disposition of subsidiaries and assets, net of tax	20,445,301	7,659,798	-
Net income (loss) from discontinued operations	(679,473)	1,114,200	1,548,473
Net income (loss) and comprehensive income (loss) for the year	(6,845,009)	11,040,967	10,365,379
Earnings (loss) per common share for the year – basic	(0.05)	0.10	0.11
Earnings (loss) per common share for the year – diluted	(0.05)	0.09	0.11

⁽¹⁾ On October 25, 2022, the Company announced that it had entered into an agreement to sell the Company's Exploration Technology Division. The transaction closed on December 1, 2022 and as a result, results for the Exploration Technology Division for the years ended December, 2022, 2021 and 2020 have been classified as net income (loss) from discontinued operations in the consolidated statements of income (loss) and comprehensive income (loss).

As at December 31	2022	2021	2020
Cash and cash equivalents	\$ 25,346,049	\$ 6,558,818	\$ 4,467,177
Due from brokers	3,180,098	611,260	-
Investments	21,774,168	34,674,867	17,820,973
Equity investments	2,245,876	8,492,872	-
Property and equipment	146,244	1,641,549	340,360
Intangible assets	8,105,504	9,977,352	-
Goodwill	2,210,980	9,038,472	-
Total assets	63,271,860	73,125,047	23,727,167
Accounts payable and accrued liabilities	1,002,120	2,477,421	302,299
Deferred revenue	1,004,440	6,073,101	3,119,439
Deferred tax liabilities	1,572,001	3,291,684	1,399,246
Total liabilities	5,176,033	12,105,478	5,337,046
Equity	58,095,827	61,019,569	18,390,121

The Company did not declare any dividends during any of the years indicated.

The Company's selected quarterly results for the most recently completed interim financial periods are as follows:

	Quarter ended ⁽¹⁾			
	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
Advertising and subscriptions	\$ 1,599,233	\$ 1,278,108	\$ 450,019	\$ 689,704
Sales of exploration maps	100,274	52,600	53,000	80,450
Net investment gains (losses)	1,026,576	(3,747,401)	(8,083,620)	(258,474)
Operating, general and administrative	(1,976,487)	(2,027,353)	(2,513,683)	(1,713,239)
Research and development	(637,123)	(228,976)	(207,239)	(94,041)
Loss from equity investment	(4,313,288)	(238,053)	(73,398)	(78,904)
Gain on deemed disposition of equity investment	-	-	-	407,790
Impairment of equity investment	(2,659,610)	-	-	-
Impairment of goodwill	(6,755,282)	-	-	-
Net loss from continuing operations	(12,946,730)	(3,818,176)	(8,973,182)	(872,749)
Realized gains from disposition of subsidiaries and assets, net of tax	20,445,301	-	-	-
Net income (loss) from discontinued operations	(148,894)	(855,268)	70,998	253,691
Net income (loss) and comprehensive income (loss) for the period	7,349,677	(4,673,444)	(8,902,184)	(619,058)
Earnings (loss) per common share based on net income (loss) for the period – basic	0.06	(0.04)	(0.07)	(0.00)
Earnings (loss) per common share based on net income (loss) for the period – diluted	0.06	(0.04)	(0.07)	(0.00)

	Quarter ended ⁽¹⁾			
	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Advertising and subscriptions	\$ 438,773	\$ -	\$ -	\$ -
Net investment gains (losses)	3,581,506	(10,363,074)	16,003,092	(2,082,455)
Operating, general and administrative	(1,700,663)	(747,446)	(1,703,653)	(604,578)
Loss from equity investment	(68,613)	(273,304)	(660,880)	(291,245)
Net income (loss) from continuing operations	2,762,249	(9,674,712)	11,965,958	(2,786,526)
Realized gains from disposition of subsidiary	-	-	-	7,659,798
Net income (loss) from discontinued operations	(571,733)	108,082	747,936	829,915
Net income (loss) and comprehensive income (loss) for the period	2,190,516	(9,566,630)	12,713,894	5,703,187
Earnings (loss) per common share based on net income (loss) for the period – basic	0.02	(0.08)	0.13	0.06
Earnings (loss) per common share based on net income (loss) for the period – diluted	0.02	(0.08)	0.12	0.06

- (1) To conform with the current period classification of the discontinued operations, prior period results have been reclassified to discontinued operations. The Company did not declare any dividends during any of the periods indicated.

Three months ended December 31, 2022 and 2021:

In prior reporting periods, the Company's Exploration Technology Division revenue primarily consisted of consulting revenue which is now part of net income (loss) from discontinued operations.

For the three months ended December 31, 2022, the Company reported advertising and subscriptions of \$1,599,233 (2021 - \$438,773) and sales of exploration maps of \$100,274, from its recently acquired wholly owned subsidiaries CEO.CA and DigiGeoData.

The Company has investments in some of its customers. The Company does not have a firm policy regarding (i) the extent of its investments in its customers; or (ii) the percentage of issued and outstanding shares that it may acquire in any given customer. In September 2021, the Company had contracted a portfolio manager to help manage its growing portfolio and with the acquisitions and disposition of any of its investments. The Company does not seek to acquire any particular level of ownership in order to exert influence over any of its investees and treats such holdings as passive investments. The Company may opt to hold, decrease or increase its position in any investee company at any time based upon market forces, management's assessment of the investment in question and the funding needs of the Company. The value of any particular investee company will be affected by its operations and general market fluctuations, each of which are beyond the control of the Company. Accordingly, the value of the Company's investments could increase or decrease at any time, and the Company may not realize upon any unrealized gains which it has reported, depending upon the nature and timing of its disposal of any such investments. See also the Investments section and Investment Risks section elsewhere in this MD&A.

For the three months ended December 31, 2022, the Company reported net investment gains of \$1,026,576 as compared \$3,581,506 for the three months ended December 31, 2021, related to net unrealized gains on investments of \$3,325,927 (three months ended December 31, 2021 – net unrealized losses on investments of \$1,907,235) from the net write-up to fair value and net reversal of previously recognized unrealized losses on the investments offset by net realized losses on disposal of investments of \$2,299,351 (three months ended December 31, 2021 – net realized gains of \$5,488,741) in accordance with the Company's accounting policy for investments.

For the three months ended December 31, 2022, the Company reported other income of \$31,250 as compared to \$40,379 for the three months ended December 31, 2021. Other income primarily consisted of dividend/interest income earned on the Company's investments. A summary of other income for the three months ended December 31, 2022 and 2021 is as follows:

	Three months ended December 31,	
	2022	2021
Dividend income	\$ 8,784	\$ 37,243
Interest income	14,396	3,136
Other sales	8,070	-
	\$ 31,250	\$ 40,379

Included in operating, general, and administrative expenses for the three months ended December 31 are the following:

	Three months ended December 31,	
	2022	2021
Salaries and consulting fees	\$ 600,842	\$ 417,051
Professional fees	344,276	400,542
Stock-based compensation expense	303,027	155,195
Software licensing fees	206,341	176,038
Amortization and depreciation	179,955	271,228
Brokerage fees and transaction costs	114,563	165
Directors' fees	64,500	64,500
Shareholder relations and filing fees	52,095	24,453
Other office and general	40,751	117,701
Other employee benefits	23,838	54,646
Foreign exchange gain	21,424	4,950
Operating lease payments	16,459	14,194
Travel and promotion	12,884	-
Provision for ECLs	(4,468)	-
	\$ 1,976,487	\$ 1,700,663

For the three months ended December 31, 2022, the Company had operating, general and administrative expenses of \$1,976,487 as compared to \$1,700,663 for the three months ended December 31, 2021, primarily due to an increase in operating investing activities and other expenses relating to its newly acquired subsidiaries. For the three months ended December 31, 2022 and 2021, salaries and consulting fees continue to be the Company's highest operating expense as expected. The Company expects a continued increase in salaries and consulting fees due to an increase in hiring to support the increase in the activities of its recently acquired subsidiaries, CEO.CA and DigiGeoData.

For the three months ended December 31, 2022, the Company's research and development expenditures (which consist of salaries and consulting fees) totalled \$637,123 as compared to \$45,000 for the three months ended December 31, 2021.

For the three months ended December 31, 2022, the Company had recorded finance expenses of \$5,527 as compared to \$3,056 for the three months ended December 31, 2021. The finance expenses relate to lease liabilities and the amount is the difference between lease payments and the net present value that has been accrued in accordance with the accounting policy for leases.

For the three months ended December 31, 2022, the Company recorded a loss from its equity investment of \$4,313,288 as compared to \$68,613 for the three months ended December 31, 2021. The Company also recognized a non-cash impairment of \$2,659,610 on its investment in GPM. See Equity Investment in Golden Planet Mining Corp. ("GPM") Section elsewhere in this MD&A.

In addition, for the three months ended December 31, 2022, the Company determined the carrying value of CEO.CA exceeded its recoverable amount and as at December 31, 2022, recognized a non-cash impairment loss of \$6,755,282 (December 31, 2021 - \$nil).

For the three months ended December 31, 2022, the Company had recorded an income tax recovery of \$618,337 as compared to income tax expense of \$193,842 for the three months ended December 31, 2021. The income tax recovery was primarily related to the reversal of deferred tax liabilities due to the Company's temporary differences on investments, equity investments and intangible assets.

For the three months ended December 31, 2022, the Company had a net loss from continuing operations of \$12,946,730 (basic loss per share of \$0.09) as compared to a net income from continuing operations of \$2,762,249 (basic loss per share of \$0.02) for the three months ended December 31, 2021.

For the three months ended December 31, 2022, the Company realized gains from disposition of subsidiaries and assets, net of tax, of \$20,445,301 and had a net loss from discontinued operations of \$148,894 (basic earnings per share of \$0.15) as compared to net loss from discontinued operations of \$571,733 (basic loss per share of \$0.00) for the three months ended December 31, 2021. The discontinued operations is related to the Company's Exploration Technology Division which includes the Company's subsidiaries Ridgeline and Geotic, as well as the consulting division of EarthLabs.

For the three months ended December 31, 2022, the Company had a net income and comprehensive income of \$7,349,677 (basic earnings per share of \$0.06) as compared to \$2,190,516 (basic earnings per share of \$0.02) for the three months ended December 31, 2021.

Year ended December 31, 2022 and 2021:

In prior reporting years, the Company's Exploration Technology Division revenue was primarily consisted of consulting revenue which is now part of net income (loss) from discontinued operations for the year.

For the year ended December 31, 2022, the Company reported advertising and subscriptions of \$4,017,064 (2021 - \$438,773) and sales of exploration maps of \$286,324, from its recently acquired wholly owned subsidiaries CEO.CA and DigiGeoData. None of these revenue occurred during the nine months ended September 30, 2021. On an annualized basis, the CEO.CA advertising and subscription revenue increased 125% since its acquisition on October 1, 2021.

For the year ended December 31, 2022, the Company reported net investment losses of \$11,062,919 as compared to net investment gains of \$7,139,069 for the year ended December 31, 2021, related to net unrealized losses on investments of \$7,773,685 (2021 – net unrealized gains on investments of \$173,013) from the write-down to fair value and reversal of previously recognized unrealized gains on the investments and the Company had net realized losses on disposal of investments of \$3,289,234 (2021 –net realized gains of \$6,966,056) in accordance with the Company's accounting policy for investments. The Company experienced a downturn in market conditions in the latter half of 2022 and realized losses as it disposed of some of its investment holdings to fund investing activities and operating expenses. The Company's management is continually assessing its portfolio holdings and may opt to hold, decrease or increase its position in any investee company at any time based upon market forces and the funding needs of the Company. The value of any particular investee company will be affected by its operations and general market fluctuations, each of which are beyond the control of the Company.

For the year ended December 31, 2022, the Company reported other income of \$180,319 as compared to \$55,268 for the year ended December 31, 2021, a significant increase primarily due to an increase in dividend income. The Company does not expect to continue to earn higher dividend income as it reallocates its investment holdings to more start-up and private investees. receive sign A summary of other income is as follows:

	2022	2021
Dividend income	\$ 137,908	\$ 37,243
Interest income	29,328	18,025
Other sales	13,083	-
	\$ 180,319	\$ 55,268

Included in operating, general, and administrative expenses for the years ended December 31, 2022 and 2021 are as follows:

	2022	2021
Salaries and consulting fees	\$ 2,244,871	\$ 2,208,568
Stock-based compensation expense	1,825,456	716,688
Amortization and depreciation	1,172,720	297,499
Professional fees	898,331	636,667
Software licensing fees	821,125	176,038
Brokerage fees and transaction costs	314,842	58,349
Directors' fees	258,000	235,000
Other office and general	229,486	142,807
Shareholder relations and filing fees	213,382	115,317
Other employee benefits	122,613	110,574
Operating lease payments	61,913	57,571
Travel and promotion	43,278	-
Provision for ECLs	18,998	-
Foreign exchange expense	5,747	1,262
	\$ 8,230,762	\$ 4,756,340

For the year ended December 31, 2022, the Company had operating, general and administrative expenses of \$8,230,762 as compared to \$4,756,340 for the year ended December 31, 2021. In the current year, the expenses increased from prior year and were primarily due to the growth of the Company and acquisitions of subsidiaries that closed during the year. Increases relate to software licencing fees for CEO.CA and DigiGeoData and professional fees relating to the sale of the ETD to ALS GoldSpot Discoveries Ltd. Also a significant increase was from non-monetary stock-based compensation expense of \$1,825,456 as compared to \$716,688 for the year ended December 31, 2021. Stock-based compensation expense will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date. During the year ended December 31, 2022, the Company granted 1,240,000 options exercisable at \$0.73 per share expiring on January 31, 2027 and 4,472,500 options exercisable at \$0.485 per share expiring on May 31, 2027. In the prior year, the Company granted 1,170,000 options exercisable at \$0.68 per share expiring on April 27, 2026. Stock options are accounted for in accordance with the fair value method of accounting for stock-based compensation. The fair value of these options is estimated at the date of grant using the Black-Scholes option pricing model, and expensed over the vesting periods based on the graded method. Unvested forfeited stock options are not expensed during the period.

The increases in expenses were offset by the recording of research and development tax credits. The Company undertakes research and development activities, the costs of which are eligible for investment tax credits which may be refunded or applied to reduce income tax payable in the current year and

future years. During the year ended December 31, 2022, the Company recognized \$20,584 (2021 - \$223,732) of Investment Tax Credits, which has been deducted from operating, general and administrative expenses. Investment tax credits for the fiscal year are dependent upon qualification of each individual project under stringent technical criteria and amounts may vary upon further review by the Canada Revenue Agency and Revenue Quebec. Adjustments to the claim, if any, will be accounted for in the year of assessment.

For the year ended December 31, 2022, the Company's research and development expenditures (which consist of salaries and consulting fees) totalled \$1,167,379 as compared to \$45,000 for the year ended December 31, 2021. Research and development expenditures relate primarily to the research done by CEO.CA and DigiGeoData.

For the year ended December 31, 2022, the Company had recorded finance expenses of \$14,160 as compared to \$13,866 for the year ended December 31, 2021. The finance expenses relate to lease expense and the amount is the difference between lease payments and the net present value that has been accrued in accordance with the accounting policy for leases.

For the year ended December 31, 2022, the Company recorded a loss from its equity investment of \$4,703,643 (2021 - \$1,294,042). In addition, the Company recorded a gain on deemed disposition of equity investment of \$407,790 (2021 -\$712,765) as a result of the Company's dilution ownership in GPM. The Company also recognized a non-cash impairment of \$2,659,610 on its investment in GPM. See Equity investment in Golden Planet Mining Corp. ("GPM") Section elsewhere in this MD&A.

In addition, for the three months ended December 31, 2022, the Company determined the carrying value of CEO.CA exceeded its recoverable amount and as at December 31, 2022, recognized a non-cash impairment loss of \$6,755,282 (December 31, 2021 - \$nil).

For the year ended December 31, 2022, the Company had recorded income tax recovery of \$3,064,204 as compared to \$30,342 for the year ended December 31, 2021. The income tax recovery for the year ended December 31, 2022 and 2021 related primarily to the reversal of net deferred tax liabilities due to the Company's temporary differences on unrealized losses on its investments and equity investments.

Net loss from continuing operations for the year ended December 31, 2022, was \$26,610,837 (basic loss per share of \$0.20) as compared to net income from continuing operations of \$2,266,969 (basic earnings per share of \$0.02) for the year ended December 31, 2021.

For the year ended December 31, 2022, the Company had recorded realized gains from disposition of subsidiaries and assets, net of taxes of \$20,445,301 and had net loss from discontinued operations for the year of \$679,473 (totaling \$0.15 per basic share). For the year ended December 31, 2021, the Company had recorded realized gains from disposition of subsidiary (XCorp) of \$7,659,798. As a result, net loss and comprehensive loss for the year ended December 31, 2022, was \$6,845,009 (basic loss per share of \$0.05) as compared to net income and comprehensive income of \$11,040,967 (basic earnings per share of \$0.10) for the year ended December 31, 2021.

Cash Flows

Year ended December 31, 2022 and 2021:

During the year ended December 31, 2022, the Company generated cash of \$18,655,337 in operating activities as compared to using cash of \$10,436,434 for the year ended December 31, 2021. For the year ended December 31, 2022, the Company had significant non-cash items relating to impairment of equity investment of \$2,659,610 (2021 - \$nil), impairment of goodwill of \$6,755,282 (2021- \$nil), stock based-compensation of \$1,825,456 (2021 - \$716,688), and amortization and depreciation of \$1,172,719 (2021 - \$297,503). During the year ended December 31, 2022, the Company purchased investments totalling \$18,031,498 (2021 - \$20,614,840) and received proceeds on disposition of investments totalling \$19,269,279 (2021 - \$10,900,015). The Company's investment activities, specifically the purchases of mineral exploration mining companies, are expected to increase as its consulting business decreases (discontinued operations) and the Company deploys its funds into investing. For the year ended December 31, 2022, the Company generated net cash in operating activities of \$17,822,391 from discontinued operations (sale of ETD) as compared to \$4,805,425 in the prior year.

During the year ended December 31, 2022, the Company used net cash of \$74,220 in financing activities as compared to generating net cash of \$19,914,957 during the year ended December 31, 2021. During the year ended December 31, 2022, the Company received cash of \$107,159 (2021 - \$148,971) from the exercise of stock options offset by using cash of \$53,833 (2021 - \$42,900) for principal payments of lease liabilities and \$15,000 (2021 - \$33,299) for the share issuance costs (for the acquisition of DigiGeoData in 2022 and Ridgeline, CEO.CA and Geotic in 2021). During the year ended December 31, 2021, the Company received net cash of \$19,373,941 from two private placement financings of which one was a bought deal public offering for gross proceeds of \$11,500,000 and the Company also received proceeds of \$596,355 from the exercise of broker warrants. During the year ended December 31, 2022, the Company used net cash in financing activities of \$112,546 (2021 - \$128,111) for discontinued operations, primarily for lease liabilities payments.

During year ended December 31, 2022, cash generated in investing activities was \$206,114 as compared to cash used of \$7,386,882 during the year ended December 31, 2021. During the year ended December 31, 2022, the Company spent a net total of \$971,886 for its acquisition of DigiGeoData (2021 - \$5,205,000 for the acquisition of CEO.CA). During the year ended December 31, 2022, the Company generated cash of \$1,183,373 (2021 - use cash of \$2,181,882) for discontinued operations in investing activities, primarily from the sale of property and equipment as a part of the sale of the Exploration Technology Division. In the prior year, cash used in discontinued operations was primarily for the acquisition of Ridgeline and Geotic.

For the year ended December 31, 2022, the Company had a net increase in cash and cash equivalents of \$18,787,231 as compared to \$2,091,641 for the year ended December 31, 2021. As a result, the Company had a cash and cash equivalents balance of \$25,346,049 as at December 31, 2022 as compared to \$6,558,818 as at December 31, 2021, relating to continuing operations.

Equity investment in Golden Planet Mining Corp. ("GPM")

On August 14, 2020, the Company incorporated a wholly-owned subsidiary, XCorp AI Ltd. ("XCorp") to acquire certain exploration and evaluation assets. XCorp was formed as an initiative between the Company and Hanging Wall Metals Inc. ("Hanging Wall"), a private exploration company, and it holds an option to acquire a 100% interest in the Rider Block Project (located in central British Columbia, Canada) pursuant to an option agreement dated October 9, 2020 with Hanging Wall.

On January 1, 2021, the Company completed the transaction of its majority owned subsidiary, XCorp AI Ltd. (“XCorp”) with Golden Planet Mining Corp. (“GPM”) (the “Transaction”). Pursuant to the Transaction, (i) EarthLabs and each of the other shareholders of XCorp. exchanged their common shares of XCorp (“XCorp Shares”) on the basis of 1.6999431 common shares of GPM (“GPM Shares”) for each one (1) XCorp Share held; and (ii) XCorp became a wholly-owned subsidiary of GPM. Immediately following the Transaction, EarthLabs held an aggregate of 16,149,629 GPM Shares representing 31.3% of all issued and outstanding GPM Shares on a non-diluted basis.

In July 2021, GPM completed a non-brokered financing by issuing 7,330,078 GPM common shares at a price of \$0.90 per share, raising gross proceeds of \$6,597,070. The Company participated in the financing and increased its holdings by 1,110,371 GPM common shares at a total cost of \$999,334.

As at December 31, 2021, EarthLabs held an aggregate of 17,260,000 GPM Shares representing 28.3% of all issued and outstanding GPM Shares on a non-diluted basis. For the year ended December 31, 2021, included in the consolidated statement of income (loss) and comprehensive income (loss) is realized gains from disposition of subsidiary of \$7,659,798 and the dilution resulted in a gain on deemed disposition of equity investment of \$712,765.

On January 31, 2022, GPM acquired an investee of the Company, Godzilla Gold Corp (“Godzilla”), a private company focused on mineral exploration in Newfoundland and Labrador. GPM acquired all of the issued and outstanding shares of Godzilla in exchange for shares of GPM, at an exchange ratio of 1 for 4.44444. The acquisition was completed on January 31, 2022 and the Company received 666,666 shares of GPM in exchange for its 150,000 shares of Godzilla.

As a result of this transaction, the Company recognized a realized gain from disposition of Godzilla shares in the amount of \$450,000 and a gain on deemed disposition of equity investment in the amount of \$407,790 in the consolidated statements of income (loss) and comprehensive income (loss). The gain on deemed disposition of equity investment was a result of the net dilution on the transaction from the issuance of GPM shares to all of Godzilla’s shareholders.

On March 21, 2022, the Company received 120,520 shares of GPM with a fair value of \$108,467 in exchange for \$108,467 of receivables owing to the Company by GPM for consulting services. As of December 31, 2022, the Company owns 27.5% of GPM.

The following is a summary of the financial information of GPM (100%) for the year ended and as at December 31:

	2022	2021
Cash and cash equivalents	\$ 6,759,444	\$ 9,672,317
Other current assets	103,631	114,014
Non-current assets	1,327,492	11,864,807
Current liabilities	29,682	508,786
Net assets	\$ 8,160,885	\$ 21,142,352

	2022	2021
Amortization and depreciation	\$ 2,539	\$ 1,904
Stock-based compensation expense	-	1,266,082
Other expenses	17,087,938	3,677,480
Total net loss	17,090,477	4,945,466
Other comprehensive income	546	630,760
Total net loss and comprehensive loss	\$ 17,089,931	\$ 4,314,706

The following table reconciles the summarized financial information to the carrying amount of EarthLabs's interest in GPM:

	2022	2021
Opening net assets - GPM	\$ 21,142,352	\$ 6,067,597
Net change in share capital - GPM	4,108,464	19,389,461
Total net loss and comprehensive loss - GPM	(17,089,931)	(4,314,706)
Closing net assets - GPM	\$ 8,160,885	\$ 21,142,352
EarthLabs's ownership	27.52%	28.29%
EarthLabs's share of closing net assets	\$ 2,245,876	\$ 5,981,171
Goodwill relating to investment in GPM	-	2,511,701
Carrying amount in the consolidated statements of financial position	\$ 2,245,876	\$ 8,492,872

The following is a summary of the Company's investment in GPM:

	GPM
Equity investment as at December 31, 2020	\$ -
Share exchange of XCorp for GPM (at fair value)	8,074,815
Purchased during the year	999,334
EarthLabs's share of loss	(1,294,042)
Gain on deemed disposition of equity investment	712,765
Equity investment as at December 31, 2021	\$ 8,492,872
Shares received on settlement of debt	108,467
EarthLabs's share of loss for the year	(4,703,643)
Share exchange of Godzilla for GPM (at fair value)	600,000
Gain on deemed disposition of equity investment	407,790
Impairment relating to investment in GPM	(2,659,610)
Equity investment at December 31, 2022	\$ 2,245,876

As at December 31, 2022, the Company determined that there was an impairment of \$2,659,610 (2021 - \$nil) on the equity investment in GPM.

Investments:

The fair value and cost of investments are as at December 31, 2022 and 2021 as follows:

	Fair Value	Cost
2022	\$ 21,774,168	\$ 18,250,680
2021	\$ 34,674,867	\$ 23,377,694

As at December 31, 2022, included in the fair value is warrants with a fair value of \$3,578,018 (December 31, 2021 - \$3,083,032), valued in accordance with the Company's accounting policy for warrants. The warrants were acquired as part of the Company's participation in private placement financings of the investees.

As at December 31, 2022, the fair value of investments exceeded original cost by \$3,523,488 as compared to \$11,297,173 as at December 31, 2021. The decrease for the year end December 31, 2022 was primarily due to the net change in unrealized losses on investments of \$7,773,685 for the current year.

The fair value of the Company's investments as reflected in its financial statements and calculated in accordance with IFRS and its accounting policies may differ from the actual proceeds of disposition that would be realized by the Company. For example, the amounts at which the Company's publicly-traded investments could be disposed of currently may differ from fair values based on market quotes, as the value at which significant ownership positions are sold is often different than the quoted market price due to a variety of factors such as premiums paid for large blocks or discounts due to illiquidity.

As at December 31, 2022, the investments (with individual disclosure of investments over 20% of the fair value of total investments) by type consists of the following:

Investments by type	Number of positions	Cost	Fair value	% of total FV of Investments
New Found Gold Corp. (TSXV: NFG)	1	\$ 376,000	\$ 5,123,000	23.5%
TSX listed issuers	4	3,251,185	3,626,403	16.7%
TSXV listed issuers	58	8,418,425	6,502,096	29.9%
CSE listed issuers	20	3,169,335	3,359,885	15.4%
Private companies	7	3,035,735	3,162,784	14.5%
	90	\$ 18,250,680	\$ 21,774,168	100.0%

As at December 31, 2021, the investments (with individual disclosure of investments over 20% of the fair value of total investments) by type consists of the following:

Investments by type	Number of positions	Cost	Fair value	% of total FV of Investments
New Found Gold Corp. (TSXV: NFG)	1	\$ 414,000	\$ 9,294,300	26.8%
TSX listed issuers	39	8,853,910	8,935,532	25.8%
TSXV listed issuers	37	10,062,006	11,300,135	32.6%
CSE listed issuers	3	547,440	814,712	2.3%
US listed issuers	7	1,168,735	1,286,887	3.7%
Private companies	6	2,331,603	3,043,301	8.8%
	93	\$ 23,377,694	\$ 34,674,867	100.0%

As at December 31, 2022, the investments by industry consists of the following:

Investments by industry	Number of positions	Cost	Fair value	% of total FV of Investments
Gold and precious metals	3	\$ 2,070,084	\$ 1,973,052	9.1%
Junior natural resource - mining	71	12,978,547	17,700,765	81.3%
Junior natural resource - oil and gas	1	70,000	40,950	0.2%
Metals and mining - metal mines	3	553,138	481,150	2.2%
Metals and mining - mining	8	1,263,632	1,053,515	4.8%
Metals and mining - non-based mining	2	106,250	86,500	0.4%
Real estate	1	151,994	131,202	0.6%
Technology software	1	1,057,035	307,034	1.4%
	90	\$ 18,250,680	\$ 21,774,168	100.0%

As at December 31, 2021, the investments by industry consists of the following:

Investments by industry	Number of positions	Cost	Fair value	% of total FV of Investments
Gold and precious metals	24	\$ 4,699,134	\$ 4,805,563	13.9%
Junior natural resource - mining	56	13,686,659	24,509,863	70.7%
Metals and mining - metal mines	6	3,114,199	3,375,264	9.7%
Metals and mining - mining	6	877,701	984,176	2.8%
Technology software	1	1,000,001	1,000,001	2.9%
	93	\$ 23,377,694	\$ 34,674,867	100.0%

During the year ended December 31, 2022, three of the Company's private investees were listed on a public exchange (2021 – four) and another was acquired by a private company. As at December 31, 2022, total investments included securities of six private companies with a fair value totalling \$3,162,783 (14.5% of total fair value of the Company's investments; cost of \$3,035,736). As at December 31, 2021, total investments included securities of six private companies with a fair value totalling \$3,043,301 (8.8% of total fair value of the Company's investments; cost of \$2,331,603). The fair value was determined in accordance with the Company's accounting policy for private company investments. The amounts at which the Company's private company investments could be disposed of currently may differ significantly from their carrying values since there is no active market to dispose of these investments.

In addition, as at December 31, 2021, the Company has an equity investment in GPM with a carrying value of \$2,245,876 (2021 - \$8,492,872), as previously discussed.

Segmented information:

The management of the Company is responsible for the Company's sales and considers the business to have two operating segments:

- The Exploration Technology Division which houses the Company's exploration SaaS and global consulting services and field services divisions (Ridgeline and Geotic); and
- The Financial Technology Division which houses the Company's financial technology (CEO.CA and DigiGeoData) and growing investment portfolio.

In the prior year, the Company had only one operating segment. The Company measures each reportable operating segment's performance based on revenue and segment operating income, which is the profit metric utilized by the Company's management, for assessing the performance of operating segments. The Company has a single reportable geographic segment, Canada, and all of the Company's assets and equipment are located in Canada. The Company's operating segments are not reliant on any single external customer. The internal reporting provided to the management of the Company's assets, liabilities, and performance is prepared consistently with the measurement and recognition principles of IFRS. The intercompany sales and advances have been eliminated in the consolidated financial statements.

On October 25, 2022, the Company announced that it has entered into an agreement to sell the Company's Exploration Technology Division. The transaction closed on December 1, 2022 and as a result, results for the Exploration Technology Division for the years ended December, 2022 and 2021 have been classified as net income (loss) from discontinued operations in the consolidated statements of income (loss) and comprehensive income (loss).

Liquidity and capital resources:

Consolidated statements of financial position highlights	December 31, 2022	December 31, 2021
Cash and cash equivalents	\$ 25,346,049	\$ 6,558,818
Due from brokers	3,180,098	611,260
Accounts receivable, net of expected credit losses	116,214	1,288,398
Investments, at fair value	21,774,168	34,674,867
Equity investment	2,245,876	8,492,872
Property and equipment	146,244	1,641,549
Intangible Assets	8,105,504	9,977,352
Goodwill	2,210,980	9,038,472
Total assets	63,271,860	73,125,047
Accounts payable and accrued liabilities	1,002,120	2,477,421
Deferred revenue	1,004,440	6,073,101
Income tax payable	1,017,408	4,600
Deferred tax liabilities	1,572,001	3,291,684
Total liabilities	5,176,033	12,105,478
Share capital, contributed surplus, and warrants	50,034,868	46,113,601
Retained earnings	8,060,959	14,905,968

As at December 31, 2022, the Company had total cash and cash equivalents, due from brokers, investments and equity investments of \$52,546,191 as compared to \$50,337,817 as at December 31, 2021.

As at December 31, 2022, total liabilities decreased by \$6,929,445 to \$5,176,033 as compared to \$12,105,478 as at December 31, 2021, primarily due to a decrease in deferred revenue, deferred tax liabilities and accounts payable and accrued liabilities. As part of the sale of the Exploration Technology Division, ALS GoldSpot Discoveries Ltd. assumed \$6,453,138 of the Company's deferred revenue. The deferred tax liabilities as at December 31, 2022 and 2021 relates to the potential tax payable on the Company's unrealized gains on its investments, intangible assets and other temporary tax differences.

In addition, as at December 31, 2022, total liabilities included income tax payable of \$1,017,408 primarily related to the taxable gain on sale of the ETD and CEO.CA's taxable income.

The Company's cash and cash equivalents and investments as at December 31, 2022 is sufficient to meet the Company's current liabilities. The Company continues to have no long-term debt (other than non-current lease liabilities) and is well positioned to meet its operating expenditure obligations as they become due and to fund its investing activities.

In February 2018, the Company signed a lease for new premises in Montreal, Quebec, which started March 1, 2018 for annual payments of approximately \$96,000 (\$8,000 monthly, increased by 2.5% each year) plus applicable taxes until February 28, 2023. In November 2020, the Company signed a lease for premises in Toronto, Ontario which started December 1, 2020 for annual payments of \$42,900 plus operating costs and applicable taxes until April 30, 2024. In August 2022, the Company signed a lease for new premises in Montreal, Quebec, which started August 1, 2022 for annual payments of approximately \$21,239 (increased by the CPI rate each year) plus applicable taxes until July 31, 2027 (the "New Montreal Lease"). In addition, Ridgeline has leased three vehicles with total payments of approximately \$2,321 per month plus applicable taxes.

On December 1, 2022, the Company sold the Montreal Lease, and the Ridgeline vehicle leases to ALS GoldSpot Discoveries Ltd. as part of the Definitive Agreement entered into between EarthLabs and ALS GoldSpot Discoveries Ltd. The carrying value of the lease liabilities associated with these leases have been included as part of realized gains from disposition of subsidiaries and assets on the consolidated statement of loss and comprehensive loss as at December 31, 2022.

Related party transactions:

All transactions with related parties have occurred in the normal course of operations.

- (a) During the years ended December 31, 2022 and 2021, key management personnel are defined as those individuals having authority and responsibility for planning, directing, and controlling the activities of the Company. EarthLabs considers Denis Laviolette, its Executive Chairman and CEO ("EC&CEO"), Vincent Dube-Bourgeois, its President ("President"), Binh Quach, its Chief Financial Officer and Corporate Secretary ("CFO"), Cejay Kim, its Chief Business Officer, and Shawn Hood, formerly its Chief Technology Officer to be its key management personnel, in addition to its board of directors.

Compensation of key management is included in the consolidated statements of income (loss) and comprehensive income (loss) as follows:

	2022	2021
Salaries and consulting fees	\$ 1,197,150	\$ 1,925,000
Directors fees	258,000	235,000
Stock-based compensation expense	489,397	137,142
Employee benefits	21,865	15,159
	\$ 1,966,412	\$ 2,312,301

For the year ended December 31, 2022, included in salaries and consulting fees are cash bonuses paid to key management personnel totaling \$403,400 (2021 - \$1,175,000).

- (b) On May 31, 2022, the Company granted 1,975,000 options to directors and officers of the Company, exercisable at \$0.485 per share and expiring on May 31, 2027.
- (c) During the year ended December 31, 2022, an officer exercised 100,000 options at \$0.40 per share for a total cost of \$40,000 and received 100,000 common shares of EarthLabs.
- (d) During the year ended December 31, 2022, the Company recorded consulting revenue of \$266,737 (included in net income (loss) from discontinued operations) (2021 - \$1,351,109) from New Found Gold Corp (“NFGC”), a mineral exploration company trading on the TSX Venture Exchange under the symbol “NFG”. As at December 31, 2022, the Company had accounts receivable of \$nil (2021 - \$225,619) due from NFGC. As at December 31, 2022, the Company also has an investment in NFGC with a fair value of \$5,123,000 (2021 - \$9,294,300). The Company’s EC&CEO is also a director and President of NFGC.
- (e) During the year ended December 31, 2022, the Company recorded consulting income and sales of software licensing of \$50,497 (included in net income (loss) from discontinued operations) (2021 - \$546,613) from Golden Planet Mining Corp. (“GPM”). As at December 31, 2022, the Company had an accounts receivable of \$nil (2021 - \$97,840) due from GPM. As at December 31, 2022, the Company also has an equity investment of \$2,245,876 (2021 - \$8,492,872) in GPM and recognized impairment losses of \$2,659,610. The Company’s EC&CEO is also a director and CEO of GPM.
- (f) As at December 31, 2022, included in accounts payable and accrued liabilities is \$nil (2021 - \$18,864) due to the officers of the Company, relating to reimbursement of expenses.

Off-Balance Sheet arrangements:

In January 2019, the Company entered into a Mineral Interest Purchase Agreement (the “Agreement”) with a wholly-owned subsidiary of Triple Flag Mining Finance Bermuda Ltd. (“Triple Flag”), a company that focuses on financing and investing in the mining sector. In connection with the Agreement, Triple Flag has acquired 50% of certain mineral interests held or to be acquired by EarthLabs, and certain rights with respect to future mineral interests that are acquired by EarthLabs, for cash consideration of \$100,000. The Company also has net smelter royalties agreements with various junior mining companies in connection with service contracts with them.

As at December 31, 2022, there were no other off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of EarthLabs.

Management of capital:

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may borrow from its shareholders or raise additional funds. The Company considers its capital to include total equity attributable to shareholders of the Company which amounts to \$58,095,827 on December 31, 2022 (2021 – \$61,019,569). The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern, so that it can provide returns for shareholders.

The Company's objectives when managing capital are:

- (a) to ensure that the Company maintains the level of capital necessary to meet its working capital;
- (b) to give shareholders sustained growth in shareholder value by increasing shareholders' equity; and
- (c) to maintain a flexible capital structure that optimizes the cost of capital at acceptable levels of risk.

The Company maintains or adjusts its capital level to enable it to meet its objectives by:

- (a) maintaining a pipeline of customer orders;
- (b) realizing proceeds from the disposition of its investments; and
- (c) raising capital through share or debt financings.

There were no changes in the Company's approach to capital management during the year ended December 31, 2022. Since inception, the Company has not declared any cash dividends to its shareholders as part of its capital management program. The Company's current capital resources are sufficient to discharge its current liabilities as at December 31, 2022.

Financial instruments and financial risk management:

Financial instruments

The carrying amounts of accounts receivable, net of ECL, accounts payable and accrued liabilities, and current lease liabilities approximate their fair value due to their short periods to maturity.

Financial risk management

The Company has exposure to credit risk, market risk, liquidity risk, and currency risk associated with its financial assets and liabilities.

There were no significant or material changes to the Company's risk management during the year ended December 31, 2022. A discussion of the Company's use of financial instruments and other associated risks is as follows.

- (a) Credit risk:

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, due from brokers and accounts receivable. All funds in cash are held in financial institutions that have a credit rating above AA and the Company believes the risk of loss to be remote.

The Company has accounts receivable from mining and exploration companies. The Company's credit risk arises from the possibility that a counterparty which owes the Company money is unable

or unwilling to meet its obligations in accordance with the terms and conditions in the contracts with the Company, which would result in a financial loss to the Company. These specific mining and exploration companies may be affected by economic factors and government factors which may impact accounts receivable. Management does not believe that a single industry or geographic region represents significant credit risk. This risk is mitigated through established credit management techniques, including monitoring counterparty creditworthiness, setting exposure limits and monitoring exposure against these customer credit limits.

The maximum exposure to credit risk is the carrying amount of the Company's cash and cash equivalents, due from brokers and accounts receivable, net of ECLs which total \$28,736,117 as at December 31, 2022 (2021 - \$8,458,476).

An aging of accounts receivable, net of expected credit losses are as follows as at December 31:

	2022	2021
Accounts receivable aging		
0-30 days	\$ 113,302	\$ 790,547
31-60 days	2,634	346,383
61-90 days	278	142,191
Greater than 90 days	107,641	125,752
	\$ 223,855	\$ 1,404,873
Expected credit loss provision	(107,641)	(116,475)
Accounts receivable, net of expected credit losses	\$ 116,214	\$ 1,288,398

The movement in the expected credit loss provision can be reconciled as follows as at December 31:

	2022	2021
Expected credit loss provision:		
Expected credit loss provision, beginning balance	\$ (116,475)	\$ (55,528)
Provision used during the year	116,475	4,678
Provision recorded during the period	(107,641)	(65,625)
Expected credit loss provision, ending balance	\$ (107,641)	\$ (116,475)

The following default rates are used to calculate the expected credit loss provision on accounts receivable as at December 31, 2022:

	Total	0-30 days	31-60 days	61-90 days	Greater than 90 days
Default rates		0%	0%	0%	100%
Accounts receivable	\$ 223,855	\$ 113,302	\$ 2,634	\$ 278	\$ 107,641
Expected credit loss provisions	\$ 107,641	\$ -	\$ -	\$ -	\$ 107,641

The following default rates are used to calculate the expected credit loss provision on accounts receivable as at December 31, 2021:

	Total	0-30 days	31-60 days	61-90 days	Greater than 90 days
Default rates		0%	0%	0%	93%
Accounts receivable	\$ 1,404,873	\$ 790,547	\$ 346,383	\$ 142,191	\$ 125,752
Expected credit loss provisions	\$ 116,475	\$ -	\$ -	\$ -	\$ 116,475

The Company does not have collateral to any of its receivable balances.

During the year ended December 31, 2020, the Canadian federal government made certain government support programs available to eligible entities as part of its COVID-19 economic response plan. Each applicant's eligibility for these programs is subject to validation and detailed verification by the federal government. Due to nature of the eligibility requirements and related calculations, it is possible that the eligibility requirements may not be considered to be met upon validation, and as such the benefits received may be repayable. During the years ended December 31, 2022 and 2021, the Company did not receive any wage subsidies. During the year ended December 31, 2022, the Company repaid \$40,000 in Canada Emergency Business Account ("CEBA") loans.

(b) Market risk:

Market risk is the risk that the fair value of future cash flows from the Company's financial instruments will significantly fluctuate because of changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices.

Additionally, the Company adjusts its investments to fair value at the end of each reporting period. This process could result in significant write-downs of the Company's investments over one or more reporting periods, particularly during periods of overall market instability, which would have a significant unfavourable effect on the Company's financial position. As at December 31, 2022, the Company held \$339,000 U.S. denominated investments (2021 – \$1,286,887) therefore market risk also includes currency risk.

There were no changes in the way the Company manages market risk during the years ended December 31, 2022 and 2021.

The following table shows the estimated sensitivity of the Company's after-tax net loss for the year ended December 31, 2022 from a change in the fair value price of the Company's investments with all other variables held constant as at December 31, 2022:

Percentage of change in closing trade price	Decrease in after-tax net loss from % increase in closing trade price	Increase in after-tax net loss from % decrease in closing trade price
2%	\$ 377,782	\$ (377,782)
4%	755,564	(755,564)
6%	1,133,345	(1,133,345)
8%	1,511,127	(1,511,127)
10%	1,888,909	(1,888,909)

The following table shows the estimated sensitivity of the Company's after-tax net income for the year ended December 31, 2021 from a change in the fair value price of the Company's investments with all other variables held constant as at December 31, 2021:

Percentage of change in closing trade price	Increase in after-tax net income from % increase in closing trade price	Decrease in after-tax net income from % decrease in closing trade price
2%	\$ 601,609	\$ (601,609)
4%	1,203,218	(1,203,218)
6%	1,804,827	(1,804,827)
8%	2,406,436	(2,406,436)
10%	3,008,045	(3,008,045)

(c) Liquidity risk:

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due. The Company's management is responsible for reviewing liquidity resources to ensure funds are available to meet financial obligations as they become due, as well as ensuring funds exist to support business strategies and operating growth.

There were no changes to the way that the Company manages liquidity risk during the year ended December 31, 2022. The Company's accounts payable and accrued liabilities are due within less than 1 year as at December 31, 2022 and 2021. The Company's cash and cash equivalents balance is sufficient to meet the Company's current liabilities.

The following table shows the Company's liabilities and potential due dates related to liquidity risk as at December 31, 2022:

Liabilities and obligations	Payments due by period				
	Total	Less than 1 year	1 – 3 years	4 – 5 years	Non-cash payable
Accounts payable and accrued liabilities	\$ 1,002,120	\$ 1,002,120	\$ -	\$ -	\$ -
Sales tax payable	440,555	440,555	-	-	-
Deferred revenue	1,004,440	-	-	-	1,004,440
Income tax payable	1,017,408	1,017,408	-	-	-
Deferred tax liabilities	1,572,001	-	-	-	1,572,001
Office and other lease payments	182,789	69,904	104,651	8,234	-
	\$ 5,219,313	\$ 2,529,987	\$104,651	\$ 8,234	\$ 2,576,441

The following table shows the Company's liabilities and potential due dates related to liquidity risk as at December 31, 2021:

Liabilities and obligations	Payments due by period				
	Total	Less than 1 year	1 – 3 years	4 – 5 years	Non-cash payable
Accounts payable and accrued liabilities	\$ 2,477,421	\$ 2,477,421	\$ -	\$ -	\$ -
Sales tax payable	31,933	31,933	-	-	-
Deferred revenue	6,073,101	-	-	-	6,073,101
Income tax payable	4,600	4,600	-	-	-
Deferred tax liabilities	3,291,684	-	-	-	3,291,684
Office and other lease payments	252,969	157,189	95,780	-	-
	\$ 12,131,708	\$ 2,671,143	\$ 95,780	\$ -	\$ 9,364,785

The following table shows the Company's source of liquidity by assets as at December 31, 2022:

Assets	Liquidity by period				
	Total	Less than 1 year	1 – 3 years	4 – 5 years	Non-liquid assets
Cash and cash equivalents	\$ 25,346,049	\$25,346,049	\$ -	\$ -	\$ -
Due from brokers	3,180,098	3,180,098	-	-	-
Accounts receivable, net of ECLs	116,214	116,214	-	-	-
Investments, at fair value	21,774,168	21,774,168	-	-	-
Equity investment	2,245,876	2,245,876	-	-	-
Prepays	146,727	-	-	-	146,727
Property and equipment	146,244	-	-	-	146,244
Intangible assets	8,105,504	-	-	-	8,105,504
Goodwill	2,210,980	-	-	-	2,210,980
	\$ 63,271,860	\$52,662,405	\$ -	\$ -	\$10,609,455

The following table shows the Company's source of liquidity by assets as at December 31, 2021:

Assets	Liquidity by period				Non-liquid assets
	Total	Less than 1 year	1 – 3 years	4 – 5 years	
Cash and cash equivalents	\$ 6,558,818	\$ 6,558,818	\$ -	\$ -	\$ -
Due from brokers	611,260	611,260	-	-	-
Accounts receivable, net of ECLs	1,288,398	1,288,398	-	-	-
Investments, at fair value	34,674,867	34,674,867	-	-	-
Equity investment	8,492,872	8,492,872	-	-	-
Tax credits receivable	447,068	447,068	-	-	-
Prepays	394,391	-	-	-	394,391
Property and equipment	1,641,549	-	-	-	1,641,549
Intangible assets	9,977,352	-	-	-	9,977,352
Goodwill	9,038,472	-	-	-	9,038,472
	\$ 73,125,047	\$ 52,073,283	\$ -	\$ -	\$ 21,051,764

(d) Currency risk:

Currency risk is the risk of loss from the Canadian dollar depreciating when it fluctuates against other foreign currencies. The Company presently holds funds in Canadian dollars but some of its receivables are denominated in U.S. dollars. The Company does not engage in any hedging activities to mitigate its foreign exchange risk. A change in the foreign exchange rate of the Canadian dollar versus another currency may increase or decrease the value of the Company's financial instruments.

As at December 31, 2022, the Company had net \$1,703,393 (US\$1,257,738) in cash, accounts receivable, and accounts payable (2021 - \$269,465 (US\$212,587) in cash) and had the Canadian dollar strengthened or declined by 5% in relation to the U.S. dollar, with all other variables held constant, net income and comprehensive income for the year would have decreased or increased, respectively, by approximately \$85,170 (2021 - \$13,473). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

Other Risks:

The Company's financial condition, results of operation and business are subject to certain risks, which may negatively affect them. Certain of these risks are described below in addition to elsewhere in this MD&A.

(a) Cash flows from investing activities:

The Company may generate revenue and cash flow from its financing activities and proceeds from the disposition of its investments, in addition to interest and dividend income earned on investments and other activities. The availability of these sources of income and the amounts generated from these sources are dependent upon various factors, many of which are outside of the Company's direct control. Its liquidity and operating results may be adversely affected if its access to the capital markets is hindered, whether as a result of a downturn in the market conditions generally or to matters specific to the Company, or if the value of its investments decline, resulting in capital losses upon disposition.

(b) Dependence on management and key personnel:

EarthLabs's future growth and its ability to develop, depend, to a significant extent, on its ability to attract and retain highly qualified staff. EarthLabs relies on a limited number of key employees, consultants and members of senior management, and there is no assurance that the Company will be able to retain such personnel. The loss of one or more key employees, consultants or members of senior management, if such persons are not replaced, could have a material adverse effect on EarthLabs's business, financial condition and prospects. To operate successfully and manage its potential future growth, EarthLabs must attract and retain highly qualified engineering, managerial and financial staff. Competition for its personnel can be intense, and the Company cannot ensure that it will be able to bring in and retain highly skilled technical and management staff in the future. In addition, the Company may be obligated to increase the compensation paid to current or new staff, which could substantially increase operating expenses.

(c) Technological changes:

The Company's consulting services and investing divisions operate in business segments that are entirely dependent on technology and the internet. As such, technological change will impact the ability of the Company to expand and grow its business and will affect the costs and expenses incurred by the Company, including capital requirements. The Company's products and services rely heavily on third-party software. There is a risk that new technologies and standards may render the Company's software applications obsolete. The Company may be required to invest significant capital in new technology and software development to remain competitive.

(d) Investment risks:

Through its investing division, the Company will acquire securities of public and private companies from time to time, which are primarily junior or small-cap companies. Poor investment performance could impair revenues and growth. The market values of the securities can experience significant fluctuations in the short and long term due to factors beyond the Company's control. Market value can be reflective of the actual or anticipated operating results of the companies and/or the general market conditions in a specific sector as a whole, such as fluctuations in commodity prices and global political and economic conditions. The Company's investments will be carried at fair value, and unrealized gains/losses on the securities and realized losses on the securities sold could have a material adverse impact on the Company's operating results. There is no assurance that EarthLabs will be able to achieve or maintain any particular level investment return, which may have a material adverse impact on its ability to attract investors. Furthermore, the junior mining space tends to be more volatile than the general market indices. This volatility combined with negative or poor performance could combine to lead to a reduction in investor interest.

(e) Private issuers and illiquid securities:

The Company invests in securities of private issuers. Investments in private issuers cannot be resold without a prospectus, an available exemption or an appropriate ruling under relevant securities legislation and there may not be any market for such securities. These limitations may impair the Company's ability to react quickly to market conditions or negotiate the most favourable terms for exiting such investments. Investments in private issuers may offer relatively high potential returns, but will also be subject to a relatively high degree of risk. There can be no assurance that a public market will develop for any of the Company's private company investments or that the Company will otherwise be able to realize a return on such investments. The Company

also invests in illiquid securities of public issuers. A considerable period of time may elapse between the time a decision is made to sell such securities and the time the Company is able to do so, and the value of such securities could decline during such period. Illiquid investments are subject to various risks, particularly the risk that the Company will be unable to realize the Company's investment objectives by sale or other disposition at attractive prices or otherwise be unable to complete any exit strategy. In some cases, the Company may be prohibited by contract or by law from selling such securities for a period of time or otherwise be restricted from disposing of such securities. Furthermore, the types of investments made may require a substantial length of time to liquidate.

(f) Concentration of investments:

There are no restrictions on the proportion of the Company's funds and no limit on the amount of funds that may be allocated to any particular investment, industry or sector. The Company may participate in a limited number of investments and, as a consequence, its financial results may be substantially adversely affected by the unfavourable performance of a single investment, or sector. Completion of one or more investments may result in a highly concentrated investment by the Company in a particular company, business, industry or sector. As at December 31, 2022, the Company has one investment (New Found Gold Corp.) that is over 20% of the total fair value of its investments. See Investments section elsewhere in this MD&A.

(g) Non-controlling interests:

The Company's investments include equity and convertible securities of companies that it does not control. These securities may be acquired by the Company in the secondary market or through purchases of securities from the issuer. Any such investment is subject to the risk that the company in which the investment is made may make business, financial or management decisions with which the Company does not agree or that the majority stakeholders or the management of the company may take risks or otherwise act in a manner that does not serve the Company's interests. If any of the foregoing were to occur, the values of the Company's investments could decrease and its financial condition, results of operations and cash flow could suffer as a result.

(h) Conflicts of interest:

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers may become subject to conflicts of interest. The Canadian Business Corporation Act ("CBCA") provides that in the event that a director has a material interest in an agreement or proposed agreement that is material to an issuer, the director shall disclose his interest in such agreement and shall refrain from voting on any matter in respect thereof, subject to and in accordance with the CBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the CBCA.

Significant Accounting Policies:

Refer to Note 2 of the Notes to the consolidated financial statements as at and for year ended December 31, 2022, for details of the Company's basis of preparation of the consolidated financial statements.

Refer to Note 3 of the Notes to the financial statements as at and for the year ended December 31, 2022, for details of the Company's accounting policies.

Refer to Note 4 of the Notes to the financial statements as at and for the year ended December 31, 2022, for details of the Company's current and future changes in accounting policies.

Due to the nature of the Company's operations, various legal matters can arise from time to time. The Company believes that none of the litigation in which it is currently involved, or has been involved, in individually or in the aggregate, is material to the Company's consolidated financial condition or results of operations. In the event that management's estimate of the future resolution of these matters changes, the Company will recognize the effects of the changes in its consolidated financial statements for the period in which such changes occur.

Critical accounting estimates:

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Critical accounting estimates used in the preparation of the Company's interim condensed consolidated financial statements include the Company's provision for expected credit losses, valuation of privately-held companies, the valuation related to the Company's deferred tax assets ("DTA"), the valuation of stock-based compensation expense, the valuation of unlisted warrants of investees, the valuation of the Company's broker warrants, and the valuation of the Company's intangible assets and goodwill, and commitments and contingencies.

Provision for expected credit losses (ECL):

The Company performs impairment testing annually for accounts receivable in accordance with IFRS 9. The ECL model requires considerable judgement, including consideration of how changes in economic factors affect ECLs, which are determined on a probability-weighted basis. IFRS 9 outlines a three-stage approach to recognizing ECLs which is intended to reflect the increase in credit risks of a financial instrument based on i) 12-month expected credit losses or ii) lifetime expected credit losses. The Company measures provision for ECLs at an amount equal to lifetime ECLs.

The Company applies the simplified approach to determine ECLs on trade receivables by using a provision matrix based on historical credit loss experiences. The historical results are used to calculate the run rates of default which are then applied over the expected life of the trade receivables, adjusted for forward looking estimates. Management is required to make the judgment whether a receivable balance is collectible based on their relationship with the client and knowledge of the client's financial position. These judgments will affect the reported amounts of accounts receivable and provision for expected credit losses. If the economic conditions of the debtors of the Company were to deteriorate, resulting in an impairment of their ability to make payments, additional provisions might be required.

Accounts receivable, net of expected credit losses consist of the following as at December 31:

	2022	2021
Accounts receivable	\$ 223,855	\$ 1,404,873
Expected credit loss provision	(107,641)	(116,475)
	\$ 116,214	\$ 1,288,398

Valuation of privately-held investments:

The valuation of these investments (“private investments”) requires management to assess the current financial status and prospects of private investments based upon potentially incomplete or unaudited financial information provided by the investee company, on management’s general knowledge of the private investment’s activities, and on any political or economic events that may impact upon the private investment specifically, and to attempt to quantify the impact of such events on the fair value of the investment. In addition to any events or circumstances that may affect the fair value of a particular private investment, management can consider general market conditions that may affect the fair value either of a specific private investment or of a group, segment or complete portfolio of private investments.

As at December 31, 2022, the Company had six private investees (2021 – six private investees), with the following changes in its private investment categorized as level 3 in the financial instrument hierarchy:

	Opening balance at January 1,	Purchases	Transfer to Level 1 or 2	Net unrealized gains (losses)	Ending balance
2022	\$ 3,043,301	\$ 1,649,134	\$ (946,700)	\$ (582,952)	\$ 3,162,783
2021	\$ 1,150,625	\$ 2,975,004	\$ (1,620,157)	\$ 537,829	\$ 3,043,301

During the year ended December 31, 2022, three (2021 – four) of the Company’s investees was transferred from Level 3 to Level 1 when the investee became a reporting issuer and another was acquired by a private company. The net unrealized gains (losses) primarily reflect recent transaction prices.

Deferred tax assets (“DTA”) and Deferred tax liabilities (“DTL”):

Deferred tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

DTL are recognized for all taxable temporary differences and DTA are recognized for all temporary deductible differences, carry forward of unused tax credits and unused tax losses. The Company does not record DTA to the extent that it considers it is not more likely than not that temporary deductible differences, the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset. As at December 31, 2022, the Company recorded a DTL of \$1,572,001 (2021 - \$3,291,684) relating to taxable temporary differences associated with the unrealized gains on investments and other temporary differences.

The following table summarizes the movement in the net deferred tax liabilities for the years ended December 31:

	2022	2021
Balance at the beginning of the year	\$ (3,291,684)	\$ (1,399,246)
Recognized in the consolidated statements of income (loss) and comprehensive income (loss)	1,400,816	30,342
Recognized in share capital	-	334,817
Recognized in goodwill	(273,710)	(1,927,212)
Discontinued operations	592,577	(330,385)
Balance at the end of the year	\$ (1,572,001)	\$ (3,291,684)

Stock-based Compensation Expense:

The Company uses the Black-Scholes option pricing model to calculate stock-based compensation expense and the fair value of the warrants and broker warrants issued under the Company's private placements. The model requires six key inputs: exercise price, the market price at the date of issue, risk-free interest rate, expected dividend yield, expected life and expected volatility. The first two inputs are facts rather than estimates, while the risk-free interest rate, expected life, expected volatility and expected dividend yield (estimated at 0% based on the Company's history of not paying any dividends) are based on the Company's estimates. A shorter expected life of the option, lower volatility number or higher dividend yield used would result in a decrease in stock-based compensation expense. A longer expected life of the option or a higher volatility number used would result in an increase in stock-based compensation expense. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of stock-based compensation expense. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

On January 31, 2022, the Company granted 1,240,000 stock options to employees and consultants of the Company, exercisable at \$0.73 per share expiring on January 31, 2027.

On May 31, 2022, the Company granted 4,472,500 stock options to directors, officers, employees and consultants of the Company, exercisable at \$0.485 per share expiring May 31, 2027. The stock options granted vest at the rate of 1/3 of the grant every year over 3 years. Options granted are accounted for by the fair value method of accounting for stock-based compensation. The Company records compensation expense and credits contributed surplus for all options granted.

The fair value of the options granted on January 31, 2022 and May 31, 2022 was estimated at the date of grant using the Black-Scholes option valuation model with the following assumptions:

Black-Scholes option valuation model assumptions used (weighted average)	
Expected volatility	106.2%-109.6%
Expected dividend yield	0%
Risk-free interest rate	1.64%-2.72%
Expected option life in years	5 years
Expected forfeiture rate	0%
Fair value per stock option granted on January 31, 2022	\$ 0.576
Fair value per stock option granted on May 31, 2022	\$ 0.379

On April 27, 2021, the Company granted 1,170,000 stock options to employees and consultants of the Company, exercisable at \$0.68 per share expiring on April 27, 2026. The stock options granted vest at the rate of 1/6 of the grant every three months over an 18-month period. Options granted are accounted for by the fair value method of accounting for stock-based compensation. The Company records compensation expense and credits contributed surplus for all options granted.

The fair value of the options granted on April 27, 2021 was estimated at the date of grant using the Black-Scholes option valuation model with the following assumptions:

Black-Scholes option valuation model assumptions used (weighted average)	
Expected volatility	119.2%
Expected dividend yield	0%
Risk-free interest rate	0.96%
Expected option life in years	5 years
Expected forfeiture rate	0%
Fair value per stock option granted on April 27, 2021	\$ 0.559

The expected volatility is based on the historical volatility of comparable companies over the life of the options. The Company has not paid any cash dividends historically and has no plans to pay cash dividends in the foreseeable future. The risk-free interest rate is based on the yield of Canadian Benchmark Bonds with equivalent terms. The expected option life in years represents the period of time that options granted are expected to be outstanding based on the vesting dates.

For the year ended December 31, 2022, included in the consolidated statements of income (loss) and comprehensive income (loss) is stock-based compensation expense of \$1,825,456 (2021 - \$716,688) relating to the stock options granted to directors, officers, employees and consultants of the Company.

Valuation of unlisted warrants of investees:

The Company uses the Black-Scholes option pricing model to calculate the fair value of unlisted warrants of public companies if there are sufficient and reliable observable market inputs; if no such market inputs are available, the warrants are valued at intrinsic value. The model requires six key inputs: i) risk free interest rate; ii) exercise price; iii) market price at date of issue; iv) expected dividend yield; v) expected life; and vi) expected volatility. The first four inputs are facts rather than estimates, while the expected life, expected volatility and expected dividend yield (estimated at 0% based on the Company's history of not paying any dividends) are based on the Company's estimates. A shorter expected life of the warrant, lower volatility number or higher dividend yield used would result in a decrease in the fair value of the warrant. A longer expected life of the warrant or a higher volatility number used would result in an increase in the fair value of the warrant. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. As at December 31, 2022, the fair value of unlisted warrants were \$3,578,018 (2021 – \$3,083,032).

Valuation of the Company's broker warrants:

On June 2, 2021, the Company completed a bought deal public offering to which EarthLabs issued 14,375,000 common shares at a price of \$0.80 per share, for aggregate gross proceeds of \$11,500,000, which included the full exercise of the over-allotment option. In connection with this offering, the Company paid a cash commission to the Underwriter in the amount of \$660,000, together with an aggregate of 825,000 broker warrants (the "Broker Warrants"). Each Broker Warrant entitles the Underwriter to purchase one common share at an exercise price of \$0.80 expiring on June 2, 2024.

The Broker Warrants were valued using the Black-Scholes option pricing model with the following assumptions: expected volatility of 114.9%; dividend yield of 0%; risk-free interest rate of 0.32%; and an expected life of 2.0 years. The expected volatility is based on the average historical volatility over the life of the Broker Warrant at EarthLabs's closing share trade price. The Company has not paid any cash dividends historically and has no plans to pay cash dividends in the foreseeable future. The risk-free interest rate is based on the yield of Canadian Benchmark Bonds with equivalent terms. The expected option life in years represents the period of time that the Broker Warrants are expected to be outstanding. The value assigned to the compensation options was \$425,700.

Valuation of the Company's intangible assets and Goodwill:

In 2021, the acquisition of Ridgeline resulted in a purchase price allocation with intangible assets of \$530,000 and goodwill of \$1,380,883.

The intangible assets acquired comprises of the trade name/brand with a fair value of \$210,000, non-compete agreements with a fair value of \$320,000 and customer relationships with a fair value of \$nil.

The fair values were determined using a discounted cash flow analysis with the following assumptions:

Assumptions	Intangible assets		
	Trade name/ brand	Non-compete agreements	Customer relationships
Discount rate	28.6%	26.6%	26.6%
% revenue associated with trade name	100%	n/a	n/a
Pre-tax royalty rate	2.0%	n/a	n/a
Life of the intangible asset	15 years	4 years	n/a
Probability to compete	n/a	37.5%	n/a
Revenue impact % rate	n/a	50.0%	n/a
Income tax rate	27.0%	27.0%	27.0%

In 2021, the acquisition of CEO.CA resulted in a purchase price allocation with intangible assets of \$8,202,000 and goodwill of \$6,755,282.

The intangible assets are comprised of the developed technology with a fair value of \$6,288,000, trade name/brand with a fair value of \$1,734,000 and customer relationships with a fair value of \$180,000.

The fair values were determined using a discounted cash flow analysis with the following assumptions:

Assumptions	Intangible assets		
	Developed technology	Trade name/ brand	Customer relationships
Discount rate	37.3%	36.3%	19.7%
% revenue associated	100%	100%	100%
Pre-tax royalty rate	n/a	5.0%	n/a
Life of the intangible asset	7 years	15 years	5 years
Customer attrition rate	n/a	n/a	33.0%
Income tax rate	26.5%	26.5%	26.5%

In 2021, the acquisition of Geotic resulted in a purchase price allocation with intangible assets of \$1,609,000 and goodwill of \$902,307.

The intangible assets are comprised of the developed technology with a fair value of \$1,380,000, trade name/brand with a fair value of \$64,000, customer relationships with a fair value of \$132,000 and non-compete agreements with a fair value of \$33,000. The fair values were determined using a discounted cash flow analysis with the following assumptions:

Assumptions	Intangible assets			
	Developed technology	Trade name/ brand	Customer relationships	Non-compete agreements
Discount rate	56.0%	56.0%	20.0%	56.0%
% revenue associated	100%	100%	100%	n/a
Pre-tax royalty rate	n/a	1.5%	n/a	n/a
Life of the intangible asset	7 years	8 years	5 years	2 years
Customer attrition rate	n/a	n/a	20.0%	n/a
Probability to compete	n/a	n/a	n/a	15.0%
Revenue impact % rate	n/a	n/a	n/a	10.0%
Income tax rate	26.5%	26.5%	26.5%	26.5%

On February 1, 2022, the Company acquired DigiGeoData and the Company has allocated the purchase price as follows:

Consideration	
Equity consideration (2,803,738 common shares)	\$ 2,003,652
Cash consideration	876,946
Total consideration	\$ 2,880,598
Net assets acquired	
Cash	\$ 28,114
Accounts receivable, net of ECL	13,534
Accounts payable and accrued liabilities	(33,984)
Deferred revenue	(171,721)
Sales tax payable	(9,356)
Shareholder loan	(123,054)
CEBA loan	(40,000)
Deferred tax liability	(288,915)
Intangible assets	1,295,000
Net assets at fair value, as at February 1, 2022	\$ 669,618
Goodwill	\$ 2,210,980

The intangible assets acquired comprises of the developed technology with a fair value of \$1,060,000, trade name/brand with a fair value of \$235,000 and customer relationships with a fair value of \$nil. The fair values were determined using a discounted cash flow analysis with the following assumptions:

Assumptions	Intangible assets	
	Developed technology	Trade name/ brand
Discount rate	27.0%	26.0%
% revenue associated with trade name	100%	100%
Pre-tax royalty rate	n/a	3.0%
Life of the intangible asset	15 years	15 years
Income tax rate	23.0%	23.0%

A continuity of intangible assets are as follows for the years ended December 31, 2022 and 2021:

Cost	Technology	Trade name/Brand	Non-compete agreements	Customer relationships	Total
Balance – December 31, 2020	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition of Ridgeline (discontinued)	-	210,000	320,000	-	530,000
Acquisition of CEO.ca	6,288,000	1,734,000	-	180,000	8,202,000
Acquisition of Geotic (discontinued)	1,380,000	64,000	33,000	132,000	1,609,000
Balance – December 31, 2021	\$ 7,668,000	\$ 2,008,000	\$ 353,000	\$ 312,000	\$ 10,341,000
Acquisition of DigiGeoData	1,060,000	235,000	-	-	1,295,000
Dispositions - discontinued operations	(1,380,000)	(274,000)	(353,000)	(132,000)	(2,139,000)
Balance – December 31, 2022	\$ 7,348,000	\$ 1,969,000	\$ -	\$ 180,000	\$ 9,497,000

Accumulated amortization	Technology	Trade name/Brand	Non-compete agreements	Customer relationships	Total
Balance – December 31, 2020	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization - continuing operations	224,571	28,900	-	9,000	262,471
Amortization - discontinued operations	49,286	7,833	37,458	6,600	101,177
Balance – December 31, 2021	273,857	36,733	37,458	15,600	363,648
Amortization - continuing operations	963,064	129,961	-	36,000	1,129,025
Amortization - discontinued operations	147,857	16,500	72,375	19,800	256,532
Dispositions - discontinued operations	(197,143)	(24,333)	(109,833)	(26,400)	(357,709)
Balance – December 31, 2022	\$ 1,187,635	\$ 158,861	\$ -	\$ 45,000	\$ 1,391,496

Carrying Value	Technology	Trade name/Brand	Non-compete agreements	Customer relationships	Total
Balance – December 31, 2021	\$ 7,394,143	\$ 1,971,267	\$ 315,542	\$ 296,400	\$ 9,977,352
Balance – December 31, 2022	\$ 6,160,365	\$ 1,810,139	\$ -	\$ 135,000	\$ 8,105,504

A continuity of the Company's goodwill is as follows for the years ended December 31, 2022 and 2021:

	Ridgeline	CEO.CA	Geotic	DigiGeoData	Total
Balance – December 31, 2020	\$ -	\$ -	\$ -	\$ -	\$ -
Additions - continuing operations	-	6,755,282	-	-	6,755,282
Additions - discontinued operations	1,380,883	-	902,307	-	2,283,190
Balance – December 31, 2021	1,380,883	6,755,282	902,307	-	9,038,472
Additions - continuing operations	-	-	-	2,210,980	2,210,980
Dispositions - discontinued operations	(1,380,883)	-	(902,307)	-	(2,283,190)
Impairment loss	-	(6,755,282)	-	-	(6,755,282)
Balance – December 31, 2022	\$ -	\$ -	\$ -	\$ 2,210,980	\$ 2,210,980

The sensitivity analysis prepared by the Company for the goodwill impairment test of the CEO.CA CGU is as follows:

CEO.CA CGU			
Unobservable Input	Decemeber 31, 2022	Sensitivity	Potential Imparment
Revenue growth rate	14%	Decrease by 5%	\$ 1,665,121
Operating expense percentage	59%	Increase by 5%	661,838
Weighted average cost of capital	36%	Increase by 5%	719,836

CEO.CA CGU			
Unobservable Input	Decemeber 31, 2021	Sensitivity	Potential Imparment
Revenue growth rate	29%	Decrease by 5%	\$ 301,525
Operating expense percentage	58%	Increase by 5%	1,422,323
Weighted average cost of capital	35%	Increase by 5%	1,563,541

The Company determined the carrying value of the CEO.CA CGU exceeded its recoverable amount and as at December 31, 2022 and recognized an impairment loss of \$6,755,282 (2021 - \$nil).

The sensitivity analysis prepared by the Company for the goodwill impairment test of the DigiGeoData CGU is as follows:

DigiGeoData CGU			
Unobservable Input	Decemeber 31, 2022	Sensitivity	Potential Imparment
Revenue growth rate	56%	Decrease by 5%	\$ 544,610
Operating expense percentage	66%	Increase by 5%	406,135
Weighted average cost of capital	26%	Increase by 5%	544,610

The Company noted that the recoverable amount was greater than the carrying value and that no impairment was required as at December 31, 2022.

The sensitivity analysis prepared by the Company for the goodwill impairment test of the Ridgeline CGU as at December 31, 2021 is as follows:

Ridgeline CGU			
Unobservable Input	Decemeber 31, 2021	Sensitivity	Potential Imparment
Revenue growth rate	19%	Decrease by 5%	\$ 560,780
Operating expense percentage	81%	Increase by 5%	775,484
Weighted average cost of capital	25%	Increase by 5%	473,256

As at December 1, 2022, the Company sold all of its issued and outstanding shares of Ridgeline to ALS GoldSpot Discoveries Ltd. The goodwill associated with the Ridgeline CGU has been derecognized and included as part of realized gains from disposition of subsidiaries and assets in the consolidated statement of loss and comprehensive loss as at December 31, 2022.

The sensitivity analysis prepared by the Company for the goodwill impairment test of the Geotic CGU as at December 31, 2021 is as follows:

Unobservable Input	Geotic CGU		
	December 31, 2021	Sensitivity	Potential Imparment
Revenue growth rate	38%	Decrease by 5%	\$ 142,215
Operating expense percentage	55%	Increase by 5%	129,881
Weighted average cost of capital	55%	Increase by 5%	126,481

As at December 31, 2022, the Company sold all of its issued and outstanding shares of Geotic to ALS GoldSpot Discoveries Ltd. The goodwill associated with the Geotic CGU has been derecognized and included as part of realized gains from disposition of subsidiaries and assets on the consolidated statement of loss and comprehensive loss as at December 31, 2022.

Commitments and contingencies:

In addition to the Company's liabilities and obligations, the Company is party to legal proceedings and other claims in the ordinary course of its operations. Litigation and other claims are subject to many uncertainties and the outcome of individual matters is not predictable. Where management can estimate that there is a loss probable, a provision has been recorded in its consolidated financial statements, where proceedings are at a premature stage or the ultimate outcome is not determinable, then no provision is recorded. It is possible that the final resolution of these matters may require the Company to make expenditures over an extended period of time and in a range of amounts that cannot be reasonably estimated and may differ significantly from any amounts recorded in these consolidated financial statements. Should the Company be unsuccessful in its defense or settlement of one or more of these legal actions, there could be a materially adverse effect on the Company's consolidated financial position, future expectations, and cash flows.

Outstanding Share Data:

Subsequent to December 31, 2022, 833,334 options were exercised at \$0.18 per share for total gross proceeds of \$150,000.

Subsequent to December 31, 2022, 5,537,860 options exercisable at prices between \$0.18 to \$0.73 per share expired.

As at the date of this MD&A, the number of common shares of the Company outstanding and the number of common shares issuable pursuant to other outstanding securities of EarthLabs are as follows:

	Number of securities outstanding	Number of securities exercisable
Common shares		
Outstanding	137,388,527	137,388,527
Issuable under the exercise of options	6,316,533	4,704,861
Issuable under the exercise of broker warrants	79,556	79,556
Total diluted common shares	143,784,616	142,172,944

Refer to Note 22 of the Notes to the consolidated financial statements as at and for the year ended December 31, 2022, for details of the Company's share capital as at December 31, 2022.

Additional Information:

Additional information relating to EarthLabs may be found on the Company's website at www.earthlabs.com and the Company's profile on Sedar at www.sedar.com.