FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: Generative AI Solutions Corp. (the “Issuer”).

Trading Symbol: AICO

SCHEDULE A: FINANCIAL STATEMENTS

The unaudited interim consolidated financial statements for the nine month period (3rd quarter) ended October 31, 2023 are attached hereto as Schedule “A”.

SCHEDULE B: SUPPLEMENTARY INFORMATION

1. Related party transactions

All related party transactions have been disclosed in the Issuer's financial statements for the interim period ended October 31, 2023. Please refer to Note 9 to the unaudited consolidated interim financial statements for the nine months ended October 31, 2023, attached hereto as Appendix "A". For information supplementary to that contained in the notes to the unaudited consolidated interim financial statements, please refer to the Management's Discussion & Analysis ("MD&A") for the nine month period ended October 31, 2023, as filed with the securities regulatory authorities and attached to this Form 5 as Appendix "B".

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) summary of securities issued during the period,

During the period, the Company acquired all of the issued and outstanding securities of Ultron in exchange for 51,176,001 common shares of the Company. The value of the common shares issued (4,519,837 at $0.15 per share) was $677,976.

During the period, the Company issued 213,893 common shares of the Company after the conversion of 214 preferred shares to the former Poda Shareholders.

During the period, the Company converted all 816 of its outstanding Preferred Multiple Voting Shares into 815,611 Class B shares.

During the period, the Company completed a private placement for gross proceeds of $1,215,271 by issuance of 8,375,000 common shares.

During the period, the Company completed a private placement for gross proceeds of $5,372,901 by issuance of 9,595,531 units. Each unit consists of one common share and one common share purchase warrant at a conversion price of $1.65 per warrant share exercisable for a period of 24 months.

During the period, the Company issued issued 7,500,000 common shares in conjunction with the acquisition of all the securities of Global AI Billing at a value of $8,550,000.

During the period, the Company issued 3,260,870 common shares to acquire Minework Technologies Pte Ltd., at a value of $3,130,435.

(b) summary of options granted during the period,

On April 17, 2023, the Company granted a total of 4,750,00 incentive stock options to advisors and other eligible persons of the Company. The options vested immediately and are exercisable over a period of five years at a price of $0.15 per share.

3. Summary of securities as at the end of the reporting period.

The following information details the outstanding share capital of the issuer as at the quarter ended October 31, 2023:

(a) **Authorized**:

Unlimited common and Class B shares, without par value
Unlimited preferred shares, without par value

(b) **Common and Class B Shares Issued and Outstanding**:

77,081,743 common shares issued and outstanding.

(c) **Options and Warrants Outstanding**:

Security	Number of Common Shares Issuable	Exercise Price per Common Share	Expiry Date
STOCK OPTIONS			
	400	$4.73	March 15, 2024
	6,667	$3.00	January 15, 2026
	2,500	$3.00	March 30, 2026
	13,333	$16.80	November 1, 2026
	4,750,000	$0.15	April 17, 2028
WARRANTS			
	250,000	$75.00	August 4, 2024
	17,500	$75.00	August 4, 2024
	9,595,531	$1.65	June 6, 2025

(d) **Shares Subject to Escrow**:

None.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Name	Position
Ryan Selby	Director & CEO
Patrick Gray	COO
Paul Ciullo	CFO
Aaron Bowden	Director
Jordan Crockett	Director

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

The management discussion and analysis for the 3rd quarter ended October 31, 2023 is attached hereto as Schedule “B”.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated December 22, 2023.

Paul Ciullo
Name of Director or Senior Officer

"Paul Ciullo"
Signature

CFO
Official Capacity

<table>
<tr><td>Issuer Details
Name of Issuer

Generative AI Solutions Corp.</td><td>For Quarter Ended

OCTOBER 31 2023</td><td>Date of Report YY/MM/D

23/12/22</td></tr>
<tr><td colspan="3">Issuer Address

Unit 1010, 12471 Horseshoe Way</td></tr>
<tr><td>City/Province/Postal Code

Richmond, BC V7A 4X6</td><td>Issuer Fax No.
(604)</td><td>Issuer Telephone No.
(406) 879-7632</td></tr>
<tr><td>Contact Name

Paul Ciullo</td><td>Contact Position

CFO</td><td>Contact Telephone No.

(607) 760-7870</td></tr>
<tr><td>Contact Email Address

paul.ciullo@scubeenterprise.com</td><td colspan="2">Web Site Address

N/A</td></tr>
</table>

SCHEDULE "A"

GENERATIVE AI SOLUTIONS CORP.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED OCTOBER 31, 2023 AND 2022

(Expressed in Canadian Dollars)

(Unaudited)

GENERATIVE AI SOLUTIONS CORP.

CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited)

(Expressed in Canadian Dollars)

	October 31, 2023	January 31, 2023
	$	$
ASSETS		
Current		
Cash	**2,162,470**	444,885
GST and taxes recoverable	**26,421**	-
Income tax receivable	**199,919**	-
Prepaid expenses and deposits (Note 6)	**739,811**	351,356
	3,128,621	796,241
Intangible assets (Note 7)	**3,339,598**	150,000
Investment (Note 8)	**9,866,000**	-
Equipment (Note 12)	**2,568,452**	-
	18,902,671	946,241
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**60,897**	17,209
Acquisition costs payable (Note 7)	**150,000**	150,000
Convertible and promissory notes (Note 10)	**626,516**	-
Due to related party	**11,875**	11,875
	849,288	179,084
Non-current		
Convertible and promissory notes (Note 10)	**332,946**	226,912
	1,182,234	405,996
EQUITY		
Share capital (Note 11)	**19,388,203**	428,010
Special warrants	**10,000**	10,000
Convertible promissory note reserve	**88,200**	88,200
Contributed surplus	**605,985**	-
Retained earnings (deficit)	**(2,371,951)**	14,035
	17,720,437	540,245
	18,902,671	946,241

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

Approved and authorized for issuance on behalf of the Board on December 22, 2023:

/s/ Ryan Selby, Director   */s/ Aaron Bowden,* Director

The accompanying notes are an integral part of these consolidated interim financial statements.

GENERATIVE AI SOLUTIONS CORP.

CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS

(Unaudited)

(Expressed in Canadian Dollars)

	Three Months Ended Oct 31, 2023	Three Months Ended Oct 31, 2022	**Nine Months Ended Oct 31, 2023**	Nine Months Ended Oct 31, 2022
	$	$	**$**	$
EXPENSES				
Advertising and promotion	**154,858**	-	**286,012**	-
Amortization of intangible asset (Note 7)	**7,500**	-	**22,500**	-
Accretion and interest expense	**75,033**	-	**98,762**	-
Office and miscellaneous	**3,715**	-	**110,652**	-
Professional fees (Note 9)	**302,115**	-	**698,363**	-
Research and development	**122,775**	-	**358,768**	-
Listing recovery	**-**	-	**(73,952)**	-
Share-based compensation (Note 11)	**-**	-	**605,985**	-
Rent	**10,500**	-	**24,100**	-
Travel	**11,521**	-	**107,847**	-
Net loss before other items	**(688,017)**	-	**(2,239,037)**	-
OTHERITEMS				
Other income	**-**	-	**399**	-
Bad debt expense	**(9,352)**	-	**(9,352)**	
Loss on settlement of debt	**-**	-	**(171,963)**	-
Foreign exchange gain	**533**	-	**33,967**	-
Net and comprehensive loss for the period	**(696,835)**	-	**(2,385,986)**	-
Loss per share (basic and diluted)	**(0.01)**	-	**(0.04)**	-
Weighted average number of common shares outstanding	**66,094,031**	-	**66,094,031**	-

The accompanying notes are an integral part of these consolidated interim financial statements.

GENERATIVE AI SOLUTIONS CORP.

CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(Unaudited)

(Expressed in Canadian Dollars)

	Number of shares							
	Common and Class B Shares	Multiple Voting Shares	Amount	Special Warrants	Convertible Promissory Note Reserve	Contributed Surplus	Retained Earnings (Deficit)	Total
			$	$	$	$	$	$
Balance as at January 31, 2022	1,000	-	10	-	-		(1,210)	(1,200)
Comprehensive loss	-	-	-	-	-		-	-
Balance as at October 31, 2022	**1,000**	**-**	**10**	**-**	**-**		**(1,210)**	**(1,200)**
Balance as at January 31, 2023	42,801,001	-	428,010	10,000	88,200	-	14,035	540,245
Private Placement	17,970,531	-	6,588,172	-	-	-	-	6,588,172
Elimination of Ultron share capital following RTO	(51,176,001)	-	-	-	-	-	-	-
Issuance of common shares for the Ultron acquisition	51,176,001	-	677,976	-	-	-	-	677,976
RTO transaction	4,519,837	1,030	-	-	-	-	-	-
Conversion of preferred shares to common	213,893	(214)	-	-	-	-	-	-
Conversion to Class B Shares	815,611	(816)	-	-	-	-	-	-
Acquisition of Global AI Billing	7,500,000	-	8,550,000	-	-	-	-	8,550,000
Acquisition of Pulse AI	1,630,435	-	1,532,609	-	-	-	-	1,532,609
Other	-	-	13,610	-	-	-	-	13,610
Shares issued Pulse AI acquisition	1,630,435	-	1,597,826	-	-	-	-	1,597,826
Share-based compensation	-	-	-	-	-	605,985	-	605,985
Comprehensive loss	-	-	-	-	-	-	(2,385,986)	(2,385,986)
Balance as at October 31, 2023	**77,081,743**	**-**	**19,388,203**	**10,000**	**88,200**	**605,985**	**(2,371,951)**	**17,720,437**

The accompanying notes are an integral part of these consolidated interim financial statements.

GENERATIVE AI SOLUTIONS CORP.

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(Unaudited)

(Expressed in Canadian Dollars)

	For the nine months ended Oct 31, 2023	For the nine months ended Oct 31, 2022
	$	$
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the period	**(2,385,988)**	-
Items not affecting cash		
Listing recovery	**(73,952)**	-
Accretion and interest expense	**75,033**	-
Amortization expense	**22,500**	-
Loss on settlement of debt	**171,963**	-
Share-based compensation	**605,985**	-
Changes in non-cash working capital balances:		
GST and taxes recoverable	**(226,340)**	-
Prepaid expenses and deposits	**(203,497)**	-
Accounts payable	**43,690**	-
Cash used by operating activities	**(1,970,606)**	-
INVESTING ACTIVITIES		
Cash from RTO transaction	**566,969**	-
Purchase of intangible asset	**(68,053)**	-
Purchase of equipment	**(2,568,452)**	-
Cash used by investing activities	**(2,069,536)**	-
FINANCING ACTIVITIES		
Repayments of promissory notes	**(830,445)**	-
Proceeds from issuance of common stock	**6,588,172**	-
Cash provided by financing activities	**5,757,727**	-
CHANGE IN CASH DURING THE PERIOD	**1,717,585**	-
CASH, BEGINNING OF PERIOD	**444,885**	-
CASH, END OF PERIOD	**2,162,470**	**-**
SUPPLEMENTAL CASH DISCLOSURES		
Interest and income taxes paid	**-**	-

The accompanying notes are an integral part of these consolidated interim financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Generative AI Solutions Corp. (or the "Company") was incorporated in the Province of British Columbia on July 6, 2018, under the Business Corporations Act of British Columbia ("BCBCA") under the name Gamora Capital Corp. On March 11, 2021, the Company changed its name to PODA Lifestyle & Wellness Ltd. On September 27, 2021, the Company changed its name to PODA Holdings, Inc. On June 24, 2022, the Company changed its name to Idle Lifestyle, Inc. On February 4, 2023, the Company changed its name to Generative AI Solutions Corp. The Company's principal business activity is to identify and develop or acquire assets in the artificial intelligence and machine learning technology space.

The Company's head office is located at 550 Burrard Street, Suite 2300, Vancouver, British Columbia, V6C 2B5.

The accompanying interim consolidated interim financial statements comprise the financial statements of the Company and its legal subsidiaries.

On April 18, 2023, the Company announced that it been had granted approval by the Canadian Securities Exchange ("CSE") to begin trading of its common shares under the symbol "AICO". The listing is the result of the closing of the Company's business combination with Ultron Capital Corp. ("Ultron") pursuant to the terms of the business combination agreement dated February 16, 2023. Under the terms of the business combination agreement, the Company acquired all of the issued and outstanding securities of Ultron in exchange for 51,176,001 common shares of the Company (the "Transaction"). The Transaction resulted in a reverse takeover of the Company by Ultron, which constituted a fundamental change of the Company, as defined in the policies of the CSE. As the Company did not meet the definition of a business as defined by International Financial Reporting Standards ("IFRS") 3, the Transaction has been accounted for as a share-based payment transaction in accordance with IFRS 2.

As at October 31, 2023, the Company has not generated any revenue or cash flow from operations. These consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes the Company will realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months.

The Company's ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities, when due, is dependent upon the Company's ability to execute its business plan which may require additional financing. The timing and availability of additional financing will be determined largely by the performance of the Company and market conditions and there is no certainty that the Company will be able to raise funds as they are required in the future. These factors indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern.

These consolidated interim financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these consolidated interim financial statements, then adjustments would be necessary to reflect these interim consolidated interim financial statements on a liquidation basis which could differ from accounting principles applicable to a going concern.

(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION

a) Statement of compliance

These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. In preparation of these consolidated interim financial statements, the Company has consistently applied the same accounting policies disclosed in its audited annual financial statements, with the exception of the new accounting standards adopted in the current year, as described below.

These consolidated interim financial statements were authorized for issue by the Board of Directors on December 22, 2023.

b) Basis of measurement

These consolidated interim financial statements have been prepared on a historical cost basis except for certain non-current assets and financial instruments, which are measured at fair value, as disclosed in Note 3.

The functional and presentation currency of the Company and its subsidiaries is the Canadian dollar.

The preparation of these consolidated interim financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the consolidated interim financial statements are disclosed in Note 3.

c) Basis of consolidation

These consolidated interim financial statements include the financial statements of the Company and the subsidiaries controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the consolidated interim financial statements from the date on which control is transferred to the Company until the date that control ceases. All intercompany transactions and balances have been eliminated on consolidation.

Company	Place of Incorporation	Percentage of ownership
Global AI Billing Corp.	Canada	100%
Global AI Newswire Inc.	Canada	100%
Ultron Capital Inc.	Canada	100%
GenAI Tobacco Inc.	Canada	80%
MAI Cloud Solutions Inc.	Canada	100%
1431885 B.C. Ltd.	Canada	70%
Pulse AI Compute Solutions Inc.	Canada	100%
R&R&D Solutions Inc.	Canada	100%

3. SIGNIFICANT ACCOUNTING POLICIES

a) Significant accounting estimates and judgements

The preparation of these consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated interim financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Significant accounting estimates

i. inputs used in the measurement of share-based compensation.

Significant accounting judgment

i. the evaluation of the Company's ability to continue as a going concern;
ii. the evaluation on whether or not an acquisition of a business is considered a business combination or an asset acquisition;
iii. the determination of categories of financial assets and financial liabilities;
iv. Useful lives of long lived assets.

b) Income taxes

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Financial instruments

Financial assets

On initial recognition financial assets are classified as measured at:

i. Amortized cost;

ii. Fair value through other comprehensive income ("FVOCI"); and

iii. Fair value through profit and loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification:

i. Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest rate method.

The Company does not have any assets classified at amortized cost.

ii. FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.

The Company does not have any assets classified at FVOCI.

iii. FVTPL

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the Consolidated Interim Statement of Loss and Comprehensive Loss in the period in which it arises.

The Company's cash and its investment is classified at FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Liabilities and Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as measured at (i) FVTPL; or (ii) amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI and the remaining amount of the change in the fair value is presented in profit or loss.

The Company does not classify any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

The Company classifies its accounts payable, acquisition costs payable and convertible and promissory notes at amortized cost.

A financial liability is derecognized when the contractual obligation under the liability is discharged, cancelled or expires or its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

d) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and common share warrants are recognized as a deduction from equity. Common shares issued for non-monetary consideration are measured based on their market value at the date the common shares are issued.

The Company has adopted the residual method with respect to the measurement of common shares and warrants issued as equity units. Warrants that are part of units are assigned a value based on the residual value, if any, and included in the reserves.

e) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the earnings (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the earnings attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive. Basic and diluted loss per share is the same for the periods presented.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Impairment of long-lived assets

Long-lived assets, including intangible assets are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit, or "CGU"). The recoverable amount of an asset or a CGU is the higher of its fair value, less costs to sell, and its value in use. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in profit or loss by the amount by which the carrying amount of the asset exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

g) Intangible assets

Intangible assets consist of applications powered by artificial intelligence. Costs related to the intangible assets are carried at cost less accumulated amortization and impairment. Intangible assets with indefinite lives are not amortized but are tested annually for impairment. Any impairment of intangible assets is recognized in the statements of comprehensive loss but increases in intangible asset values are not recognized.

Estimated useful lives of intangible assets are shorter of the economic life and the period the right is legally enforceable. The assets' useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

h) Research and development

Research costs are expensed as incurred. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development to use or sell the asset. Other development expenditures are recognized in profit or loss as incurred.

i) Share-based payments

Share-based payments to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

Share-based compensation expense relating to deferred share units is accrued over the vesting period of the units based on the quoted market price. As these awards can be settled in cash, the expense and liability are adjusted each reporting period for changes in the underlying share price.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Business acquisitions

The Company assesses whether an acquisition should be accounted for as an asset acquisition or a business combination under IFRS 3 Business Combinations. This assessment requires management to make judgments on whether the assets acquired and liabilities assumed constitute a business as defined in IFRS 3 and if the integrated set of activities, including inputs and processes acquired, is capable of being conducted and managed as a business and the Company obtains control of the business inputs and processes.

Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. In a business combination, all identifiable assets, liabilities, and contingent liabilities acquired are recorded at their fair values. Assets are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

k) Equipment

Equipment is recorded at cost less accumulated amortization and accumulated impairment losses, if any.

The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, initial estimates of the costs of dismantling and removing an item and restoring the site on which it is located, and, where applicable, borrowing costs.

Where an item of equipment is composed of major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditures and building improvements, are capitalized.

Amortization is recognized in operations on a straight-line basis over the estimated useful lives of each asset or component part of an item of equipment, depending on which method (and rate) most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Equipment	3 years, straight line

Amortization methods and useful lives are reviewed at each annual reporting date and adjusted as appropriate.

l) Convertible debt

Convertible debentures, where applicable, are separated into their liability and equity components using the effective interest method. The fair value of the liability component at the time of the issue is determined based on an estimated interest rate of the debentures without the conversion feature. The fair value of the equity component is determined as the difference between the face value and the fair value of the liability component.

(Expressed in Canadian Dollars)

4. ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its financial statements would not be significant.

5. REVERSE TAKEOVER TRANSACTION

On April 17, 2023, the Company closed the Transaction with Ultron pursuant to the terms of the business combination agreement dated February 16, 2023. Under the terms of the business combination agreement, the Company acquired all of the issued and outstanding securities of Ultron in exchange for 51,176,001 common shares of the Company. The Transaction resulted in a reverse takeover of the Company by Ultron, which constituted a fundamental change of the Company, as defined in the policies of the CSE. As the Company did not meet the definition of a business as defined by International Financial Reporting Standards ("IFRS") 3, the Transaction has been accounted for as a share-based payment transaction in accordance with IFRS 2.

In accordance with the principles of reverse takeover accounting, the Company will report the operations of Ultron, and its related historical comparatives as its continuing business, except for the legal capital shown in the consolidated interim statements of changes in equity and in Note 11, which have been adjusted to reflect the share capital of Ultron. The acquisition date fair value of the consideration was estimated based on the net asset value of Ultron, as follows:

	$
Consideration paid	
Common shares deemed to be issued (4,519,837 at $0.15 per share)	677,976
Assets acquired	
Current assets (including cash of $566,969, income taxes receivable of $199,919)	798,267
Current liabilities assumed – accounts payable	(46,339)
Net assets	751,928
RTO recovery	(73,952)

6. PREPAID CONSULTING FEE

On January 10, 2023, Ultron entered into a one-year consulting services agreement for a total fee of $367,500. The consultant will assist the Company in identifying and facilitating a strategic transaction with an entity which has intellectual property assets in artificial intelligence and machine learning. In addition, the consultant will help the Company raise debt and equity financing and obtain a listing on a recognized stock exchange in North America.

The Company paid the consulting fee by issuing a non-refundable convertible promissory note (Note 9). As at October 31, 2023, the remaining prepaid balance of consulting services was $86,589.

(Expressed in Canadian Dollars)

7. INTANGIBLE ASSETS

The intangible assets consist of a mobile application powered by artificial intelligence with an estimated useful life of five years which was acquired by the Company for a purchase price of $150,000 during the year ended January 31, 2023. The application is in development and is expected to be ready for use by the end of calendar 2023.

On June 13, 2023, the Company acquired all the outstanding shares of Pulse AI Compute Solutions Inc. ("Pulse AI") from Minework Technologies Pte Ltd. ("Minework") in exchange for 1,630,435 common shares of the Company valued at $1,500,000. With the acquisition the Company acquired access to technology related to a manufacturer's inception program and a customer relationship. The acquisition was considered an asset purchase for accounting purposes as Pulse AI had no additional assets or liabilities.

In addition, the Company agreed to issue to Minework certain amounts of additional common shares if the following milestones are achieved:

a) Upon Pulse AI or the Company entering into an agreement to provide services or products to a certain customer, $1,500,000 worth of common shares will be issued (milestone met - 1,630,435 common shares issued); and
b) For each $1,500,000 of committed revenue generated by Pulse AI following the closing date , $1,500,000, up to a maximum of $4,500,000 worth of common shares to be issued.

On August 14, 2023, the Company's subsidiary, 1431885 B.C. Ltd. entered into a purchase agreement with Metachain Technologies Inc. to acquire certain intellectual property assets from Metachain, which include all intellectual property rights, source code, interface and other elements of a software package required to operate an artificial intelligence asset which will function as a virtual assistant mobile application expected to be marketed under the name "SpeakGPT".

	Customer relationship and other intangible assets	Accumulated Amortization	Total
	$	$	$
Balance April 30, 2022	-	-	-
Addition	150,000	-	150,000
Balance, January 31, 2023	150,000	-	150,000
Additions	3,212,098	-	3,212,098
Amortization	-	(22,500)	(22,500)
Balance, October 31, 2023	3,362,098	(22,500)	3,339,598

In the current period the Company recognized amortization expense of $22,500.

8. INVESTMENT

On May 2, 2023 the Company acquired all of the securities of Global AI Billing Corp. (Global AI Billing) in exchange for the issuance of 7.5 million common shares, an unsecured promissory note of USD $500,000 and the assumption of an unsecured promissory note of USD$750,000, for total consideration valued at $9,866,000. Both the promissory notes bear interest at 5% annually and are due April 15, 2025. At the time of the transaction, Global AI Billing's primary asset was the ownership of 10% in Remitz, Inc, a medical billing provider that has developed proprietary artificial intelligence technology to efficiently collect outstanding receivables on behalf of medical organizations in the United States. The acquisition was considered an asset purchase for accounting purposes and Global AI had no other assets or liabilities.

(Expressed in Canadian Dollars)

9. RELATED PARTY BALANCES AND TRANSACTIONS

All related party transactions have occurred in the normal course of operations. Related party transactions occur and are recorded at the amounts agreed between the parties.

Key management compensation

Key management is comprised of the Company's directors and executive officers. The Company incurred the following key management compensation during the periods ended October 31, 2023 and July 31, 2022:

	2023	2022
	$	$
Professional fees	**192,516**	-
Share-based compensation	**478,409**	-
	670,925	-

10. CONVERTIBLE INSTRUMENTS AND PROMISSORY NOTES

On January 10, 2023, Ultron issued a convertible promissory note with a principal amount of $367,500 as payment for a consulting agreement (Note 5). The convertible promissory note does not bear interest and matures on December 31, 2025. The convertible promissory note is convertible into common shares of the Company at $0.10 per common share at the discretion of the holder at any time after October 31, 2025, until the maturity date. The convertible promissory note holder may not exercise the conversion right in respect of any portion of the convertible promissory note if, after the conversion, it would hold more than 10% of the outstanding common shares of the Company. The liability component of the convertible promissory note of $226,912 was measured at the fair value of a similar liability that did not have an equity conversion option using a discount rate of 18%. Subsequent to the Transaction, the liability component of the convertible promissory note is carried at amortized cost.

On June 19, 2023, the Company announced that it had amended the conversion price of the convertible debenture issued in connection with the Company's acquisition of Global AI Billing Corp. Pursuant to the Amendment, the convertible debenture, which has a principal amount of US$500,000 and bears an interest rate of 5% per year, is now convertible to GenAI Shares at a price of $0.79 per GenAI Share. As at October 31, 2023, the carrying value of the convertible debenture was $626,516.

On May 2, 2023, the Company entered into a loan agreement (the "Loan") with Exponential Genomics, Inc., in which the Company received US$250,000. The Company agreed to repay the principal on or before April 25, 2025. The Loan will bear interest at the rate of 5% per annum, compounded annually. On June 30, 2023, the Company repaid US$125,000 of the outstanding loan. As at October 31, 2023, the outstanding loan balance is $106,035.

On May 2, 2023, the Company entered into a loan agreement with Romatex Trading AG ("Romatex") in which the Company received US$500,000. The Company agreed to repay the principal on or before April 15, 2025. The unpaid principal balance outstanding under the loan will bear interest at the rate of 5% per annum, compounded annually. As at October 31, 2023, the Company has repaid US$500,000 to Romatex and recorded a loss on debt settlement of $171,963.

11. SHARE CAPITAL

Authorized Share Capital

The Company announced that effective February 13, 2023, the equity securities of the Company, consisting of Subordinate Voting Shares and Multiple Voting Shares of the Company will be consolidated on the basis of one (1) post-consolidated share outstanding for every thirty (30) pre-consolidated share of the same class (the "Share Consolidation"). The Subordinate Shares began trading on a Consolidated basis on the CSE at the open of markets on February 13, 2023. All share and per share figures in these consolidated interim financial statements have been adjusted on a retroactive basis to reflect the Share Consolidation.

On April 11, 2023, the Company amended its authorized capital by, (i) creating a new class of common shares in the capital of the Company; (ii) redesignating the Subordinate Voting Shares to be Class B Shares; (iii) amending the rights and restrictions of the Class B Shares so that the Class B Shares shall be converted into common shares, such that, on a per-holder basis, 10% of the issued and outstanding Class B Shares will be converted into common shares on a date that is 24 months after the business combination with Ultron Capital Corp., and 15% are to be converted every 3 months thereafter; and (iv) by amending the rights and restrictions of the Multiple Voting Shares such that they are to be converted into Class B Shares immediately upon a resolution of the Board approving the conversion on a 1,000 Class B Shares for each Multiple Voting Share basis.

Share Transactions

The Company issued the following shares during the period ended October 31, 2023:

(i) As described in Note 5, the Company acquired all of the issued and outstanding securities of Ultron in exchange for 51,176,001 common shares of the Company. The value of the common shares issued (4,519,837 at $0.15 per share) was $677,976.
(ii) The Company issued 213,893 common shares of the Company after the conversion of 214 preferred shares to the former Poda Shareholders.
(iii) The Company converted all 816 of its outstanding Preferred Multiple Voting Shares into 815,611 Class B shares.
(iv) The Company completed a private placement for gross proceeds of $1,215,271 by issuance of 8,375,000 common shares
(v) The Company completed a private placement for gross proceeds of $5,372,901 by issuance of 9,595,531 units. Each unit consists of one common share and one common share purchase warrant at a conversion price of $1.65 per warrant share exercisable for a period of 24 months.
(vi) The Company issued 7,500,000 common shares in conjunction with the acquisition of all the securities of Global AI Billing at a value of $8,550,000.
(vii) The Company issued 3,260,870 common shares to acquire Pulse AI, at a value of $3,130,435.

(Expressed in Canadian Dollars)

11. SHARE CAPITAL (continued)

Warrants

Movements in the number of warrants outstanding and their related weighted average exercise prices are as follows:

	Number of warrants	Weighted average exercise price $
Outstanding, January 31, 2022	1,288,846	21.00
Exercised	(858,335)	(3.00)
Outstanding, January 31, 2023	430,511	56.51
Granted	9,595,531	1.65
Expired	(163,011)	-
Outstanding, October 31, 2023	9,863,031	3.64

Warrants outstanding and exercisable as at October 31, 2023 are as follows:

Number of Warrants				
Outstanding	Exercisable	Exercise Price	Expiry Date	Contractual Life of Warrants Remaining
250,000	250.000	$75.00	August 4, 2024	0.76 years
17,500	17,500	$75.00	August 4, 2024	0.76 years
9,595,531	9,595,531	$1.65	June 6, 2025	1.60 years
9,863,031	9,863,031	$3.64		1.04 years

As at October 31, 2023, 9,863,031 warrants are outstanding with a weighed average exercise price of $3.64 and a weighted average remaining contractual life of 1.04 years.

Stock options

The Company has adopted a rolling incentive stock option plan (the “Option Plan”) which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange’s requirements, grant to Directors, officers, employees or consultants to the Company, non-transferable options to purchase common shares. Pursuant to the Option Plan, the number of common shares reserved for issuance will not exceed 15% of the issued and outstanding common shares of the Company. Options and RSU’s granted under the Option Plan can have a maximum exercise term of 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

On April 17, 2023, the Company granted a total of 4,750,00 incentive stock options to advisors and other eligible persons of the Company. The options vested immediately and are exercisable over a period of five years at a price of $0.15 per share.

(Expressed in Canadian Dollars)

11. SHARE CAPITAL (continued)

Movements in the number of stock options outstanding and their related weighted average exercise prices are as follows:

	Number of options	Weighted average exercise price $
Outstanding, January 31, 2022	178,835	5.28
Exercised	(149,268)	(4.55)
Forfeitures and cancellations	(6,667)	(3.00)
Outstanding, January 31, 2023	22,900	11.07
Granted	4,750,000	0.15
Outstanding, October 31, 2023	4,772,900	0.20

Stock options outstanding and exercisable as at October 31, 2023 are as follows:

Number of Stock Options				
Outstanding	Exercisable	Exercise Price	Expiry Date	Contractual Life of Options Remaining
400	400	$4.73	March 15, 2024	0.37 years
6,667	6,667	$3.00	January 15, 2026	2.21 years
2,500	2,500	$3.00	March 30, 2026	2.41 years
13,333	13,333	$16.80	November 1, 2026	3.01 years
4,750,000	4,750,000	$0.15	April 17, 2028	4.47 years
4,772,900	4,772,900	$0.20		4.46 years

As at October 31, 2023, 4,772,900 stock options are outstanding with a weighed average exercise price of $0.20 and a weighted average remaining contractual life of 4.46 years.

The fair value of the options granted during the year using the Black Scholes option pricing model was $605,985 using the following assumptions: exercise price of $0.15, share price of $0.15, estimated volatility of 125%, expected life of 5 years and a risk-free rate of 3.15%.

For the period ended October 31, 2023, the Company recognized share-based compensation of $605,985 (2022: $nil) related to stock options granted and vested during the period.

12. Equipment

On July 27, 2023, the Company purchased equipment for $2,568,452. The Company did not record any amortization as the equipment wasn't available for use.

(Expressed in Canadian Dollars)

13. FINANCIAL INSTRUMENTS AND RISKS

Fair values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at October 31, 2023 and January 31, 2023, as follows:

		October 31, 2023		
	Carrying value $	Level 1 $	Level 2 $	Level 3 $
Cash	2,162,470	2,162,470	-	-
Investment	9,866,000	-	-	9,866,000

		January 31, 2023		
	Carrying value $	Level 1 $	Level 2 $	Level 3 $
Cash	444,885	444,885	-	-

The fair values of other financial instruments, which include accounts payable, acquisition costs payable, convertible and promissory notes, approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit risk

Credit risk arises from cash held with banks and financial institutions, as well as credit exposure on any outstanding accounts receivable. The carrying amount of financial assets represents the maximum credit exposure.

Currency risk

The Company has minimal financial assets and liabilities held in foreign currencies.

Interest rate risk

Interest rate risk consists of two components:

(i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
(ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature and maturity. The Company's amounts due to related parties are non-interest bearing.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

14. CAPITAL MANAGEMENT

The Company manages its capital to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of all components of shareholders' equity.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities, as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the period ended January 31, 2023.

SCHEDULE "B"

INTRODUCTION

The following is management's discussion and analysis ("MD&A") of the results of operations and financial condition of Generative AI Solutions Corp. (formerly Idle Lifestyle Inc., or the "Company") and should be read in conjunction with the accompanying condensed interim financial statements for the nine months ended October 31, 2023, and related notes therein.

All financial information in this MD&A for the nine months ended October 31, 2023, has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting.

The effective date of this MD&A is December 22, 2023.

MANAGEMENT'S RESPONSIBILITY

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are responsible to ensure that this MD&A and related filings do not contain any untrue statements of material fact, or omit to state a material fact required to be stated, or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by this MD&A and related filings. The Board of Directors approved the MD&A, together with the condensed interim financial statements for the nine months ended October 31, 2023, and ensure that management has discharged its financial responsibilities.

FORWARD-LOOKING INFORMATION AND CAUTIONARY RISKS NOTICE

Certain statements contained in the following MD&A constitute forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as "plans", "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements may include statements regarding work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not statement of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors.

For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include: uncertainties involved in disputes and litigation; fluctuations in commodity prices and currency exchange rates; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and economic return; the need for cooperation of government agencies; the need to obtain additional financing and uncertainty as to the availability and terms of future financing; uncertainty related to the completion of a transaction or amalgamation.

It is the Company's policy that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward-looking statements contained herein are as of December 22, 2023, and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Forward-looking information or statements in this MD&A include, but are not limited to, information or statements concerning our expectations regarding the ability to raise additional funds and complete a transaction or amalgamation.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and factors including: the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain; dependence on key personnel; dependence on corporate collaborations; potential delays; uncertainties related to early stage of technology and product development; uncertainties as to fluctuation of the stock market; uncertainties as to future expense levels and the possibility of unanticipated costs or expenses or cost overruns; and other risks and uncertainties which may not be described herein. The Company has no policy for updating forward-looking information beyond the procedures required under applicable securities laws.

COMPANY OVERVIEW

Generative AI Solutions Corp. (or the "Company") was incorporated in the Province of British Columbia on July 6, 2018, under the Business Corporations Act of British Columbia ("BCBCA") under the name Gamora Capital Corp. On March 11, 2021, the Company changed its name to PODA Lifestyle & Wellness Ltd. On September 27, 2021, the Company changed its name to PODA Holdings, Inc. On June 24, 2022, the Company changed its name to Idle Lifestyle, Inc. On February 4, 2023, the Company changed its name to Generative AI Solutions Corp. The Company's principal business activity is to identify and develop or acquire assets in the artificial intelligence and machine learning technology space.

The Company's head office is located at 550 Burrard Street, Suite 2300, Vancouver, British Columbia, V6C 2B5.

On April 18, 2023, the Company announced that it been had granted approval by the Canadian Securities Exchange ("CSE") to begin trading of its common shares under the symbol "AICO", beginning on April 19, 2023. The listing is the result of the closing of the Company's business combination with Ultron Capital Corp. ("Ultron") pursuant to the terms of the business combination agreement dated February 16, 2023. Under the terms of the business combination agreement, the Company acquired all of the issued and outstanding securities of Ultron in exchange for 51,176,001 common shares of the Company. The Transaction resulted in a reverse takeover of the Company by Ultron, which constituted a fundamental change of the Company, as defined in the policies of the CSE. As the Company did not meet the definition of a business as defined by International Financial Reporting Standards ("IFRS") 3, the Transaction has been accounted for as a share-based payment transaction in accordance with IFRS 2.

Generative AI Solutions Corp. specializes in the development and application of artificial intelligence technology to solve complex problems in a variety of industries. From education to healthcare to finance to transportation, we work with clients to leverage the power of machine learning and natural language processing to improve efficiency, accuracy, and decision-making.

BUSINESS DEVELOPMENTS

On May 13, 2022, the Company announced that, together with Ryan Selby and Ryan Karkairan (the "Owners"), it has entered into a definitive agreement dated May 13, 2022 (the "Asset Purchase Agreement") with a subsidiary of Altria Group, Inc. ("Altria") (NYSE:MO), Altria Client Services LLC ("ALCS"), pursuant to which the Company and the Owners have each agreed to sell to ALCS substantially all of the assets and properties used in the Company's business (the "Purchased Assets") of developing, manufacturing and marketing multi-substrate heated capsule technology, including, without limitation, the Owners' patents related to such technology and the Company's exclusive, perpetual license of certain of those patents pursuant to an amended and restated royalties agreement dated April 12, 2019 (the "Royalties Agreement"), for a total purchase price of US$100.5 million ("Purchase Price"), subject to certain adjustments and holdbacks (the "Transaction"). The Company carries on its business pursuant to the Royalties Agreement and the Company and the Owners have agreed to allocate US$55.28 million of the Purchase Price to the Company (being 55% of the Purchase Price), with the balance to the Owners. This sale was completed on June 24, 2022.

On July 26, 2022, the Company's Board of Directors declared the payment of a special dividend, and approved the return of capital, on its Subordinate Voting Shares ("**SVS**") and Multiple Voting Shares ("**MVS**") together amounting to a distribution of $0.41 per SVS, and $0.41 per MVS on an as converted to SVS basis (the "**Distribution**"). The Distribution was paid during the month of August 2022 to holders of record of SVS and MVS on August 3, 2022 (the "**Record Date**").

The Distribution was an aggregate amount of approximately $68.2 million and was comprised of a return of capital of approximately $28 million and dividends of approximately $40.2 million. The Shareholders will receive $0.41 per each SVS held, being $0.215 in connection with the return of capital, and $0.195 in connection with the dividend payment and $410 per each MVS held, being $56.00 in connection with the return of capital, and $354 in connection with the dividend payment.

As a result of the completion of the Transaction, the Company no longer had any material property or assets other than cash which the Company retained to explore new business opportunities for the economic benefit of its Shareholders.

On April 11, 2023, the Company amended its authorized capital by, (i) creating a new class of Common Shares in the capital of the Company; (ii) redesignating the SVS to be Class B Shares; (iii) amending the rights and restrictions of the Class B Shares so that the Class B Shares shall be converted into Common Shares, such that, on a per-holder basis, 10% of the issued and outstanding Class B Shares will be converted into Common Shares on a date that is 24 months after the business combination with Ultron Capital Corp., and 15% are to be converted every 3 months thereafter; and (iv) by amending the rights and restrictions of the MVS such that they are to be converted into Class B Shares immediately upon a resolution of the Board approving the conversion on a 1,000 Class B Shares for each MV Share basis

The Company announced on April 18, 2023, that it been had granted approval by the Canadian Securities Exchange ("CSE") to begin trading of its Common Shares under the symbol "AICO", beginning on April 19, 2023. The Listing is the result of the closing of the Company's business combination with Ultron Capital Corp. ("Ultron") pursuant to the terms of the business combination agreement dated February 16, 2023. Under the terms of the business combination agreement, the Company acquired all of the issued and outstanding securities of Ultron in exchange for 51,176,001 Common Shares of the Company. The Transaction resulted in a reverse takeover of the Company by Ultron, which constituted a fundamental change of the Company, as defined in the policies of the CSE.

On May 10, 2023, the Company completed its acquisition of all of the outstanding securities of Global AI Billing Corp. ("Global AI") pursuant to a share purchase agreement (the "Agreement"). Pursuant to the Agreement, the Company acquired all of the securities of Global AI in exchange for the issuance of 7,500,000 common shares at a value of $0.72 per share and the assumption of US$1.25 million in existing liabilities of Global AI, of which US$500,000 was reorganized as a convertible debenture of the Company (the "Convertible Debenture"). The Convertible Debenture bears 5% interest per year and is convertible into common shares at an exercise price of $0.79 (the "Conversion Price"). The Convertible Debenture has a term of 12 months and is secured against Global AI's ownership interest in Remitz, Inc. ("Remitz"). Global AI owns 10% of Remitz which operates in the artificial intelligence industry. The Company may also elect to satisfy the Convertible Debenture in full without payment by causing the transfer from Global AI of 6.7% of the common shares of Remitz of the 10% position it currently holds, to the holder of the Convertible Debenture. No finder's fee or other commission was paid to any person in respect of the Transaction.

On June 6, 2023, the Company announced that it had closed a private placement financing of 9,595,531 units at a price of $0.56 per Unit.

Each Unit will consist of one common share in the capital of the Company and one Common Share purchase warrant. Each Warrant will entitle the subscriber to acquire one additional Common Share at a price of $1.65 per Common Share for a period of two years from the applicable closing date. The Company intends to use the gross proceeds of the Offering for general working capital purposes.

On June 19, 2023, the Company announced the closing of a share purchase agreement dated June 13, 2023 (the "Share Purchase Agreement") with Minework Technologies Pte Ltd. ("Minework"), pursuant to which, subject to the satisfaction of certain conditions to closing, the Company's wholly-owned subsidiary, MAI Cloud Solutions Inc. ("MAI

Cloud"), agreed to purchase all of the issued and outstanding shares (the "Purchased Shares") in the authorized share structure of Pulse AI, which were held by Minework (the "Transaction").

Through the acquisition of Minework, MAI Cloud was able to secure membership in the NVIDIA Inception program, which, in addition to a number of other benefits, provides priority access and exclusive discounts on specialized AI computing equipment from NVIDIA, such as A100 and H100 graphics processing units. The NVIDIA A100s and H100s are specialized graphics processing units ("GPU") designed for AI computing and deep learning tasks. One of the notable features of the A100 and H100 GPUs are their tensor core technologies. Tensor cores are hardware accelerators designed to efficiently perform matrix operations, which are fundamental to AI computations, such as matrix multiplications and convolutions. Tensor cores enable faster training and inference times for deep neural networks, improving the overall efficiency of AI workloads.

MAI Cloud™ will enable its customers to access and utilize resources without the need for physical infrastructure or hardware on their premises. AI algorithms require substantial computational power and large datasets for training and inference, which can be efficiently hosted and managed in the cloud. MAI Cloud™ will provide scalable and on-demand computing resources, allowing organizations to easily scale up or down based on their AI needs, enabling faster and more efficient training and inference processes.

The Company intends to use the MAI Cloud™ platform to perform AI computing tasks and hosting for its existing internal projects, including GenAI Tobacco, Remitz, Classmate, and Global AI Newswire.

MAI Cloud acquired the Purchased Shares from Minework for an aggregate purchase price of $1,500,000 (the "Purchase Price"). The Purchase Price was paid to Minework at the closing of the Transaction (the "Closing") through the issuance of 1,630,435 common shares (the "Consideration Shares") in the authorized share structure of the Company (the "GenAI Shares") at a deemed price per share of $0.92 per GenAI Share (the "GenAI Share Price"), being the closing price of the GenAI Shares on the Canadian Securities Exchange (the "CSE") on June 13, 2023. The Consideration Shares issued by the Company to Minework in full satisfaction of the Purchase Price are subject to a contractual restriction whereby Minework may not trade any such Consideration Shares for a period of 12 months following the date of the Closing (the "Closing Date").

In addition to the Purchase Price, the Company shall pay to Minework the following amounts, to be settled through the further issuance of GenAI Shares at the GenAI Share Price:

(a) upon Pulse AI or the Company entering into an agreement to provide services or products to certain customers, $1.5 million; and

(b) for each $1.5 million of committed revenue generated by Pulse AI following the Closing Date, $1.5 million, up to a maximum of $4.5 million.

The Company's subsidiary, 1431885 B.C. Ltd. ("**Company Subco**"), has entered into a purchase agreement dated August 14, 2023 with Metachain Technologies Inc. ("**Metachain**") to acquire certain intellectual property assets (the "**IP Assets**") from Metachain, which include all intellectual property rights, source code, interface and other elements of a software package required to operate an artificial intelligence ("**AI**") asset which will function as a virtual assistant mobile application (the "**App**") expected to be marketed under the name "SpeakGPT".

Pursuant to the terms of the purchase agreement, the total consideration payable is $60,000 USD, which will be settled through a payment on closing by Company Subco of $50,000 USD in cash and 300 common shares of Company Subco at a deemed price of USD$33.33 per common share, representing 30% of the issued and outstanding equity securities of Company Subco.

Company Subco was formed as a special purpose vehicle for the purpose of acquiring the IP Assets from Metachain. Prior to the closing of the acquisition of the IP Assets, Company Subco will at all times be a wholly owned subsidiary of the Company and following the closing of the acquisition of the IP Assets, the Company will hold 70% of the equity interest of Company Subco.

On November 7, 2023 the Company announced that its wholly owned subsidiary, MAI Cloud Solutions Inc., had entered into a purchase agreement dated July 12, 2023 with an arm's length third-party customer headquartered in Silicon Valley, pursuant to which, among other things, MAI Cloud agreed to provide the Customer with access to approximately 350,000 hours per year of artificial intelligence compute services using H100 graphics processing units for a period of up to seven years subject to the terms and conditions of the Supply Agreement.

The Equipment has now been installed at the hosting facility and was tested and validated by the Customer. All of the Equipment went online and became fully operational with full functionality available to the Customer at midnight on November 6, 2023. MAI Cloud has issued to the Customer an invoice in the amount of approximately $143,000, inclusive of a deposit of 10% of the first year's services in the amount of approximately $88,500 and an advance for services to be delivered in the month of November 2023 in the amount of approximately $54,500.

CASH USED IN OPERATING ACTIVITIES

For the nine months ended October 31, 2023, cash flows used in operating activities amounted to $1,970,606. Cash flows resulted from a net loss of $2,385,988, offset by changes in non-cash items of $801,556 and changes in working capital balances of $386,147. There was no activity in the comparative period due to the reverse takeover of the Company by Ultron as described above, as Ultron had minimal operations.

CASH USED IN INVESTING ACTIVITIES

For the nine months ended October 31, 2023, cash used by investing activities amounted to $2,069,536 resulting from the purchase of equipment of $2,568,452 partly offset by the cash acquired from the reverse takeover of Ultron by the Company of $566,969. There was no activity in the comparative period due to the reverse takeover of the Company by Ultron as described above, as Ultron had minimal operations.

CASH PROVIDED BY FINANCING ACTIVITIES

For the nine months ended October 31, 2023, cash flows provided by financing activities amounted to $5,757,727 resulting from proceeds from the issuance of common stock of $6,588,172 partly offset by repayments of promissory notes of $830,445. There was no activity in the comparative period due to the reverse takeover of the Company by Ultron as described above, as Ultron had minimal operations.

SECOND QUARTER RESULTS OF OPERATIONS

For the three months ended October 31, 2023, compared to the three months ended October 31, 2022:

During the three months ended October 31, 2023, the Company recorded a net and comprehensive loss of $696,835 (2022: loss of $nil). There was no activity in the comparative period due to the reverse takeover of the Company by Ultron as described above, as Ultron had minimal operations.

The drivers of the increase on a year over year basis were as follows:

- Professional fees of $302,115 (2022: $0), which include primarily legal, accounting and consulting fees incurred in connection with the reverse takeover.
- Advertising and promotion of $154,858 (2022: $0), associated with marketing and brand awareness.
- Research and development of $122,775 (2022: $0), associated with expenses around intellectual property protection and research. The material components of expensed for research and development costs were for payments related to application development, building of interfaces, coding, testing, and model enhancements of approximately $120,000.

For the nine months ended October 31, 2023, compared to the nine months ended October 31, 2022:

During the nine months ended October 31, 2023, the Company recorded a net and comprehensive loss of $2,385,986 (2022: loss of $nil). There was no activity in the comparative period due to the reverse takeover of the Company by Ultron as described above, as Ultron had minimal operations.

The drivers of the increase on a year over year basis were as follows:

- Professional fees of $698,363 (2022: $0), which include primarily legal, accounting and consulting fees incurred in connection with the reverse takeover.
- Advertising and promotion of $286,012 (2022: $0), associated with marketing and brand awareness.
- Research and development of $358,768 (2022: $0), associated with expenses around intellectual property protection and research. The material components of expensed for research and development costs were for payments related to application development, building of interfaces, coding, testing, and model enhancements along with the payment of the Classmate application.
- Share-based compensation expense recognized of $605,985 (2022: $0), representing the fair value of options issued to certain directors, officers, and consultants of the Company.

SELECTED ANNUAL INFORMATION

The below table provides a summary of selected financial data, prepared in accordance with IFRS.

	Oct 31, 2023 $	July 31, 2023 $	Apr 30, 2023 $	Jan 31, 2023 $
Revenue	-	-	-	-
Assets	18,902,671	19,355,836	2,832,184	946,241
Non-current liabilities	332,946	884,429	226,912	226,912
Net and comprehensive gain (loss)	(696,835)	(1,029,507)	(659,645)	15,245
Basic gain (loss) per common share	(0.01)	(0.01)	(0.01)	0.00

SELECTED QUARTERLY INFORMATION FOR MOST RECENT COMPLETED QUARTERS

	October 31, 2023	July 31, 2023	April 30, 2023	January 31, 2023
	$	$	$	$
Total revenue	-	-	-	-
Net income (loss)	(696,835)	(1,029,507)	(659,645)	15,245
Basic gain (loss) per share	(0.01)	(0.02)	(0.01)	0.00

	October 31, 2022	July 31, 2022	April 30, 2022	January 31, 2022
	$	$	$	$
Total revenue	-	-	-	-
Net loss	-	-	-	-
Basic and diluted loss per share	-	-	-	-

For the quarters ending January 31, 2022, April 30, 2022, July 31, 2022, October 31, 2022, and January 31, 2022, there was minimal activity in Ultron as the Company was working on structuring its business. For the quarters ending April 30, 2023, July 31, 2023, and October 31, 2023, following the completion of the reverse takeover of the Company by Ultron, the Company closed two private placements and began incurring professional fees, advertising and promotional expenses, and research in development costs to create brand awareness and build its intellectual property catalog.

RELATED PARTY TRANSACTIONS

All related party transactions have occurred in the normal course of operations. Related party transactions occur and are recorded at the amounts agreed between the parties.

Key management compensation

Key management is comprised of the Company's directors and executive officers. The Company incurred the following key management compensation during the periods ended October 31, 2023 and October 31, 2022:

	2023	2022
	$	$
Professional fees (1)	192,516	-
Share-based compensation (2)	478,409	-
	670,925	-

(1) Represents the professional fees paid to Ryan Selby (CEO) and Paul Ciullo (CFO).
(2) Represents the share-based compensation for Paul Ciullo (CFO) and Aaron Bowden and Patrick Gray (two of the Company's Directors).

CONVERTIBLE INSTRUMENTS & PROMISSORY NOTES

On January 10, 2023, Ultron issued a convertible promissory note with a principal amount of $367,500 as payment for a consulting agreement (Note 5). The convertible promissory note does not bear interest and matures on December 31, 2025. The convertible promissory note is convertible into common shares of the Company at $0.10 per common share at the discretion of the holder at any time after October 31, 2025, until the maturity date. The convertible promissory note holder may not exercise the conversion right in respect of any portion of the convertible promissory note if, after the conversion, it would hold more than 10% of the outstanding common shares of the Company. The liability component of the convertible promissory note of $226,912 was measured at the fair value of a similar liability that did not have an equity conversion option using a discount rate of 18%. Subsequent to the Transaction, the liability component of the convertible promissory note is carried at amortized cost.

On June 19, 2023, the Company announced that it had amended the conversion price of the convertible debenture issued in connection with the Company's acquisition of Global AI Billing Corp. Pursuant to the Amendment, the convertible debenture, which has a principal amount of US$500,000 and bears an interest rate of 5% per year, is now convertible to GenAI Shares at a price of $0.79 per GenAI Share. As at October 31, 2023, the carrying value of the convertible debenture was $626,516.

On May 2, 2023, the Company entered into a loan agreement (the "Loan") with Exponential Genomics, Inc., in which the Company received US$250,000. The Company agreed to repay the principal on or before April 25, 2025. The Loan will bear interest at the rate of 5% per annum, compounded annually. On June 30, 2023, the Company repaid US$125,000 of the outstanding loan. As at October 31, 2023, the outstanding loan balance is $106,035.

On May 2, 2023, the Company entered into a loan agreement with Romatex Trading AG ("Romatex") in which the Company received US$500,000. The Company agreed to repay the principal on or before April 15, 2025. The unpaid principal balance outstanding under the loan will bear interest at the rate of 5% per annum, compounded annually. As at October 31, 2023, the Company has repaid US$500,000 to Romatex and recorded a loss on debt settlement of $171,963.

OUTSTANDING SHARE DATA

Authorized Share Capital

The Company announced that effective February 13, 2023, the equity securities of the Company, consisting of Subordinate Voting Shares and Multiple Voting Shares of the Company will be consolidated on the basis of one (1) post-consolidated share outstanding for every thirty (30) pre-consolidated share of the same class. The Subordinate Shares began trading on a Consolidated basis on the Canadian Securities Exchange ("**CSE**") at the open of markets on February 13, 2023.

On April 11, 2023, the Company amended its authorized capital by, (i) creating a new class of common shares in the capital of the Company; (ii) redesignating the Subordinate Voting Shares to be Class B Shares; (iii) amending the rights and restrictions of the Class B Shares so that the Class B Shares shall be converted into common shares, such that, on a per-holder basis, 10% of the issued and outstanding Class B Shares will be converted into common shares on a date that is 24 months after the business combination with Ultron Capital Corp., and 15% are to be converted every 3 months thereafter; and (iv) by amending the rights and restrictions of the Multiple Voting Shares such that they are to be converted into Class B Shares immediately upon a resolution of the Board approving the conversion on a 1,000 Class B Shares for each Multiple Voting Share basis.

Share Transactions

The Company issued the following shares during the period ended October 31, 2023:

(i) As described in Note 5, the Company acquired all of the issued and outstanding securities of Ultron in exchange for 51,176,001 common shares of the Company. The value of the common shares issued (4,519,837 at $0.15 per share) was $677,976.
(ii) The Company issued 213,893 common shares of the Company after the conversion of 214 preferred shares to the former Poda Shareholders.
(iii) The Company converted all 816 of its outstanding Preferred Multiple Voting Shares into 815,611 Class B shares.
(iv) The Company completed a private placement for gross proceeds of $1,215,271 by issuance of 8,375,000 common shares
(v) The Company completed a private placement for gross proceeds of $5,372,901 by issuance of 9,595,531 units. Each unit consists of one common share and one common share purchase warrant at a conversion price of $1.65 per warrant share exercisable for a period of 24 months.
(vi) The Company issued 7,500,000 common shares in conjunction with the acquisition of all the securities of Global AI Billing at a value of $8,550,000.
(vii) The Company issued 3,260,870 common shares to acquire Pulse AI, at a value of $3,130,435.

As at December 22, 2023, the Company has 71,532,402 common and 5,549,341 class B shares outstanding.

Warrants

Movements in the number of warrants outstanding and their related weighted average exercise prices are as follows:

	Number of warrants	Weighted average exercise price $
Outstanding, January 31, 2022	1,288,846	21.00
Exercised	(858,335)	(3.00)
Outstanding, January 31, 2023	430,511	56.51
Granted	9,595,531	1.65
Expired	(163,011)	-
Outstanding, October 31, 2023	9,863,031	3.64

Warrants outstanding and exercisable as at October 31, 2023 are as follows:

Number of Warrants				
Outstanding	Exercisable	Exercise Price	Expiry Date	Contractual Life of Warrants Remaining
250,000	250.000	$75.00	August 4, 2024	0.76 years
17,500	17,500	$75.00	August 4, 2024	0.76 years
9,595,531	9,595,531	$1.65	June 6, 2025	1.60 years
9,863,031	9,863,031	$3.64		1.04 years

As at October 31, 2023, 9,863,031 warrants are outstanding with a weighed average exercise price of $3.64 and a weighted average remaining contractual life of 1.04 years.

Stock option plan

The Company has adopted a rolling incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange's requirements, grant to Directors, officers, employees or consultants to the Company, non-transferable options to purchase common shares. Pursuant to the Option Plan, the number of common shares reserved for issuance will not exceed 15% of the issued and outstanding common shares of the Company. Options and RSU's granted under the Option Plan can have a maximum exercise term of 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

On April 17, 2023, the Company granted a total of 4,750,00 incentive stock options to advisors and other eligible persons of the Company. The options vested immediately and are exercisable over a period of five years at a price of $0.15 per share.

	Number of options	Weighted average exercise price $
Outstanding, January 31, 2022	178,835	5.28
Exercised	(149,268)	(4.55)
Forfeitures and cancellations	(6,667)	(3.00)
Outstanding, January 31, 2023	22,900	11.07
Granted	4,750,000	0.15
Outstanding, October 31, 2023	4,772,900	0.20

Stock options outstanding and exercisable as at October 31, 2023 are as follows:

Number of Stock Options				
Outstanding	Exercisable	Exercise Price	Expiry Date	Contractual Life of Options Remaining
400	400	$4.73	March 15, 2024	0.37 years
6,667	6,667	$3.00	January 15, 2026	2.21 years
2,500	2,500	$3.00	March 30, 2026	2.41 years
13,333	13,333	$16.80	November 1, 2026	3.01 years
4,750,000	4,750,000	$0.15	April 17, 2028	4.47 years
4,772,900	4,772,900	$0.20		4.46 years

As at October 31, 2023, 4,772,900 stock options are outstanding with a weighed average exercise price of $0.20 and a weighted average remaining contractual life of 4.46 years.

The fair value of the options granted during the year using the Black Scholes option pricing model was $605,985 using the following assumptions: exercise price of $0.15, share price of $0.15, estimated volatility of 125%, expected life of 5 years and a risk-free rate of 3.15%.

For the period ended October 31, 2023, the Company recognized share-based compensation of $605,985 (2022: $nil) related to stock options granted and vested during the period

FINANCIAL INSTRUMENTS AND RISKS

Fair values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at October 31, 2023 and January 31, 2023, as follows:

		October 31, 2023		
	Carrying value $	Level 1 $	Level 2 $	Level 3 $
Cash	2,162,470	2,162,470	-	-
Investment	9,866,000	-	-	9,866,000

		January 31, 2023		
	Carrying value $	Level 1 $	Level 2 $	Level 3 $
Cash	444,885	444,885	-	-

The fair values of other financial instruments, which include accounts receivable, accounts payable, RSU liability, convertible note and loans payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit risk

Credit risk arises from cash held with banks and financial institutions, as well as credit exposure on outstanding GST and taxes recoverable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. GST and taxes recoverable consist of GST refunds due from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

Currency risk

Currency risk is the risk that changes in foreign exchange rates will affect the Company's income or the value of its holdings of financial instruments. The Company has minimal financial assets and liabilities held in foreign currencies.

Interest rate risk

Interest rate risk consists of two components:

(i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
(ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature and maturity. The Company's amounts due to related parties are non-interest bearing.

Liquidity and Financial Position

As of October 31, 2023, the Company had a working capital balance of $2,279,333 including cash of $2,162,470. The Company has earned minimal revenue from operations to date, has a limited operating history, and there can be no assurance that the Company's historical performance will be indicative of its future performance.

The Company's ability to continue as a going concern is dependent on the Company's ability to efficiently operationalize its IP, manage operational expenses, and raise additional funds through debt or equity financing if needed.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

Capital resources

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of all components of shareholders' equity.

The Company manages its capital structure and adjusts it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under specific circumstances. The Company may manage its capital structure by issuing equity, seeking financing through loan products, adjusting capital spending, or disposing of assets if needed.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the period ended October 31, 2023.

Significant Projects that have not Generated Revenue

The Company continues to work on developing the Classmate application and anticipates that the application will be launched in Q2 of 2024. To date, approximately CAD$50,000 has been spent towards the development and commercialization of the Classmate application, and it is anticipated that an additional spend of CAD$100,000 will be required to finalize the development and commercialization of the project for an anticipated commercialization in Q2 of 2024.

Available Funds and Principal Purposes

In the Company's Annual Information form dated August 31, 2023, the Company disclosed that it had approximately $2,269,354 in working capital available. The Company represented that it expected to use the funds available to it in furtherance of its stated business objectives for the 12 months which are summarized in the table appearing below. The Company stated that intended uses of funds may vary based upon a number of factors and such variances may be material.

The amounts shown in the table are estimates only and are based upon the information available to the Company as of the date hereof:

	Estimated Amount ($)
Total working capital of the Company as at August 31, 2023	**2,269,354**
Uses of Funds:	
General and administrative[1]	671,000
Product development[2]	500,000

	Estimated Amount ($)
Sales and marketing[(3)]	200,000
Professional fees[(4)]	125,000
Unallocated working capital[(5)]	773,354
Total Uses of Funds:	**2,269,354**

Notes:

(1) Includes management and consultant fees ($216,000), advisory ($120,000) and contractor fees ($180,000), general office expense ($20,000), rent ($60,000) and professional fees ($75,000). For greater certainty, as of the date hereof the Company does not intend to allocate any of its available funds for investor relations or similar purposes.
(2) Includes the design and mockup of additional functionality within the application; performance testing and revisions; writing code for the final version of the application; and modifications and maintenance after release.
(3) Includes brand development activities ($50,000), search engine optimization ($50,000) and expenses related to the sales team ($100,000).
(4) Includes unpaid professional fees for the completion of the Business Combination. Ongoing professional fees are included under the general and administrative heading.
(5) As a result of the Company's business model, the Company does not believe that it can allocate all of its cash with certainty. As such, the Company has not specifically allocated all of its available funds. Decisions on the allocation of unallocated funds will depend on the development and evolution of the Company's products and services, continuing market research on the best way to deploy the technology and underlying product and market conditions, all of which may evolve over time and may include unplanned costs and expenses. Until such unallocated proceeds are used, the Company intends to invest available cash in short-term, investment grade, interest bearing instruments or hold them as cash.

Notwithstanding the proposed uses of available funds set out above, there may be circumstances where, for sound business reasons, a reallocation of funds or additional funds may be necessary. It is difficult, at this time, to definitively project the total funds necessary to effect the planned activities of the Company. For these reasons, management of the Company consider it to be in the best interests of the Company and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed amongst the uses identified above, or for other purposes, as the need arises. Further, the above uses of available funds should be considered estimates.

As the date of this MD&A, the Company has utilized the funds available described in the AIF in the below listed manner. There are no significant variances to note as of this date as we are track with our expected deployment of spend, nor have there been any events that will negatively affect the Company's ability to achieve its business objectives.

Uses of Funds:	Per AIF	As of 12/22/2023
General & administrative	$671,000	$118,102
Product development	$500,000	$188,734
Sales & marketing	$200,000	$240,055
Professional fees	$125,000	$271,823
Unallocated working capital	$773,354	$1,450,639
Total Uses of Funds:	$2,269,354	$2,269,354

OFF-BALANCE SHEET ARRANGEMENTS AND PROPOSED TRANSACTIONS

The Company has no off-balance sheet arrangements or proposed transactions.

SIGNIFICANT ACCOUNTING POLICIES

The Company follows the accounting policies described in Note 3 of the Company's unaudited interim consolidated financial statements for the nine months ended October 31, 2023, with the exception of the new accounting standards adopted in the current year, as described below.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated interim financial statements in accordance with IFRS requires the use of certain critical accounting estimates and judgments. It also requires management to exercise judgment in applying the Company's accounting policies. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience, but actual results may differ from amounts included in the financial statements. The critical accounting estimates and judgments used by the Company are described in Note 3 of Generative AI's unaudited interim consolidated financial statements for the nine months ended October 31, 2023.

ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

RISK FACTORS

This section discusses factors relating to the business of the Company that should be considered by both existing and potential investors. The information in this section is intended to serve as an overview and should not be considered comprehensive and the Company may face risks and uncertainties not discussed in this section, or not currently known to us, or that we deem to be immaterial. All risks to the Company's business have the potential to influence its operations in a materially adverse manner.

The Company's actual financial position and results of operations may differ materially from the expectations of the Company's management

The Company's actual financial position and results of operations may differ materially from management's expectations. The Company's revenue, net income and cash flow may differ materially from the Company's projected revenue, net income and cash flow. The process for estimating the Company's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

We are an early, commercial-stage company with a limited operating history

The Company has limited historical financial data upon which to base our projected revenue, planned operating expenses or upon which to evaluate our business and our commercial prospects. Based on our limited experience in developing and marketing our existing products and services as well as launching new products, we may not be able to effectively:

- drive adoption of our current and future products and services;
- attract and retain customers for our products and services;
- provide appropriate levels of customer training and support for our products and services;
- implement an effective marketing strategy to promote awareness of our products and services;

- develop, manufacture and commercialize new products or achieve an acceptable return on our manufacturing or research and development efforts and expenses;
- anticipate and adapt to changes in our market or predict future performance;
- accommodate customer expectations and demands with respect to our products and services;
- grow our market share by marketing and selling our products and services to new and additional market segments;
- maintain and develop strategic relationships with vendors and manufacturers to acquire necessary materials for the production of our existing or future products;
- adapt or scale our manufacturing activities to meet potential demand at a reasonable cost;
- avoid infringement and misappropriation of third-party intellectual property;
- obtain any necessary licenses to third-party intellectual property on commercially reasonable terms;
- obtain valid and enforceable patents that give us a competitive advantage;
- protect our proprietary technology; and
- attract, retain and motivate qualified personnel.

The Company may not be able to manage its growth

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

The Company is subject to changes in laws, regulations and guidelines which could adversely affect the Company's future business, financial condition and results of operations

The Company's operations will be subject to various laws, regulations and guidelines enacted by national, regional, and local governments. Changes to such laws, regulations and guidelines due to matters beyond the control of the Company may cause adverse effects to its operations. The Company endeavors to comply with all relevant laws, regulations and guidelines. To the best of the Company's knowledge, the Company is in compliance or in the process of being assessed for compliance with all such laws, regulations and guidelines as described elsewhere in this MD&A.

There is no assurance that the Company will turn a profit or generate immediate revenues

There is no assurance as to whether the Company will be profitable, earn revenues, or pay dividends. The Company has incurred and anticipates that it will continue to incur substantial expenses relating to the development and initial operations of its business. The payment and amount of any future dividends will depend upon, among other things, the Company's results of operations, cash flow, financial condition, and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

If our products and services fail to achieve and sustain sufficient market acceptance, we will not generate expected revenue and our business may not succeed

We cannot be sure that our current or future services will gain acceptance in the marketplace at levels sufficient to support our costs. We must successfully develop and commercialize our technology for use in a variety of life science and other applications. Even if we are able to implement our technology and develop products successfully, we and/or our sales and distribution partners may fail to achieve or sustain market acceptance of our products across the full range of our intended life science and other applications.

In attempting to keep pace with any new market developments, the Company will need to expend significant amounts of capital in order to successfully develop and generate revenues from new products. The Company may not be successful in developing effective and safe new products, bringing such products to market in time to be effectively commercialized, or obtaining any required regulatory approvals, which together with capital expenditures made in the court of such product development and regulatory approval processes, may have a material adverse effect on the Company's business, financial condition and results of operations.

The Company is dependent upon the Company's executive officers and directors and their departure could adversely affect the Company's ability to operate

The Company's success has depended and continues to depend upon its ability to attract and retain key management, including the Company's CEO, technical experts, management team and sales personnel. The Company will attempt to enhance its management and technical expertise by continuing to recruit qualified individuals who possess desired skills and experience in certain targeted areas. The Company's inability to retain employees and attract and retain sufficient additional employees or engineering and technical support resources could have a material adverse effect on the Company's business, results of operations, sales, cash flow or financial condition. Shortages in qualified personnel or the loss of key personnel could adversely affect the financial condition of the Company, results of operations of the business and could limit the Company's ability to develop and market its products. The loss of any of the Company's senior management or key employees could materially adversely affect the Company's ability to execute its business plan and strategy, and the Company may not be able to find adequate replacements on a timely basis, or at all. The Company does not maintain key person life insurance policies on any of its employees.

The size of the Company's target market is difficult to quantify, and investors will be reliant on their own estimates on the accuracy of market data

Because the artificial intelligence industry is in a nascent stage with uncertain boundaries, there is a lack of information about comparable companies available for potential investors to review in deciding about whether to invest in the Company and, few, if any, established companies whose business model the Company can follow or upon whose success the Company can build. Accordingly, investors will have to rely on their own estimates in deciding whether to invest in the Company. There can be no assurance that the Company's estimates are accurate or that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results. The Company regularly purchases and follows market research.

The Company could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses or claims against the Company

The Company is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Company that violates: (i) government regulations; (ii) manufacturing standards; (iii) federal and provincial healthcare fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It is not always possible for the Company to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Company, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the Company's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Company's operations, any of which could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company will be reliant on information technology systems and may be subject to damaging cyber-attacks

The Company has entered into agreements with third parties for hardware, software, telecommunications and other information technology ("IT") services in connection with its operations. The Company's operations depend, in part, on how well it and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

The Company has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

The Company's officers and directors may be engaged in a range of business activities resulting in conflicts of interest

The Company may be subject to various potential conflicts of interest because some of its officers and directors may be engaged in a range of business activities. In addition, the Company's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers and directors.

In addition, the Company may also become involved in other transactions which conflict with the interests of its directors and the officers who may from time-to-time deal with persons, firms, institutions or Companies with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company. In addition, from time to time, these persons may compete with the Company for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, if such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In certain circumstances, the Company's reputation could be damaged.

Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views regarding the Company and its activities, whether true or not. Although the Company believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, the Company does not ultimately have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects.

Risks of foreign operations

The Company's strategy includes exporting its expertise and technologies to foreign countries. Working outside of Canada gives rise to the risk of dealing with business and political systems that are different than what the Company is accustomed to in Canada. The potential risks include expropriation or nationalization; civil insurrection; labor unrest; strikes and other political risks; fluctuations in foreign currency and exchange controls; increases in duties and taxes; and changes in laws and policies governing operations of foreign based companies. Restrictions on repatriation of capital or distributions of earnings could adversely affect the Company in the future.

Anti-bribery and anti-corruption laws

The Company is subject to anti-bribery and anti-corruption laws, including the Corruption of Foreign Public Officials Act (Canada) and the U.S. Foreign Corrupt Practices Act. Failure to comply with these laws could subject the Company to, among other things, reputational damage, civil or criminal penalties, other remedial measures and legal expenses which could adversely affect the Company's business, results of operations and financial condition. It may not be possible for the Company to ensure compliance with anti-bribery and anti-corruption laws in every jurisdiction in which its employees, agents, sub-contractors or joint venture partners are located or may be located in the future.

Market risks for securities

The market price of common shares, should the Company become listed on a securities exchange, may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Company, general economic conditions, legislative changes, and other events and factors outside of the Company's control.

Dividends

Other than the dividends paid in connection with the Transaction, the Company has not paid any dividends on its issued and outstanding common shares and may not pay dividends in the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of the board of directors of the Company (the "Board") and will depend on, among other things, financial results, cash requirements, contractual restrictions and other factors that the Board may deem relevant. As a result, investors may not receive any return on an investment in the Common

Shares unless they sell their common shares of the Company for a price greater than that which such investors paid for them.

Financing risk

The Company will be dependent upon the capital markets to raise additional financing in the future. As such, the Company is subject to liquidity risks in meeting its development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. An economic downturn of global capital markets has been shown to make the raising of capital by equity or debt financing more difficult. These and other factors may impact the Company's ability to raise equity or obtain loans and other credit facilities in the future and on terms favorable to the Company and its management. The Company may not be able to raise capital on favorable terms or at all, which could have an adverse impact on the Company's operations and the trading price of the common shares, should the Company become listed on a securities exchange. Additionally, future financing may substantially dilute the interests of the Company's shareholders.

Changes to tax laws may have an adverse impact on the Company and holders of the Company's common shares

Changes in tax laws, including amendments to tax laws, changes in the interpretation of tax laws, or changes in the administrative pronouncements or positions by the Canada Revenue Agency, or CRA, may have a material adverse effect on the Company. In addition, tax authorities could disagree with the Company on tax filing positions taken by the Company and any reassessment of the Company's tax filings could result in material adjustments of tax expense, income taxes payable and deferred income taxes.

Changes in tax laws, including amendments to tax laws, changes in the interpretation of tax laws or changes in the administrative pronouncements or positions by the CRA, may also have a material adverse effect on the Company's shareholders and their investment in the Company's common shares. Purchasers of the Company's common shares should consult their tax advisors regarding the potential tax consequences associated with the acquisition, holding and disposition of the Company's common shares in their particular circumstances.

Additional Information

Additional information relating to the Company is available on the Company's website at HOME | GenAI (genai-solutions.com) and under the Company's profile on SEDAR at www.sedar.com.