

FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: **Anonymous Intelligence Company Inc. (the Issuer)**.

Trading Symbol: **ANON**

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

The unaudited condensed interim consolidated financial statements of the Issuer for the three months ended December 31, 2023, as filed with the securities regulatory authorities, are attached to this Form 5 as Schedule A (the "Interim Financial Statements").

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

All related party transactions have been disclosed in Note 7 to the Interim Financial Statements and Management's Discussion and Analysis for the three months ended December 31, 2023 ("MD&A") which are attached hereto as Schedule A and Schedule B, respectively.

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,
- (b) summary of options granted during the period,
- (c) summary of restricted share units (RSUs) granted during the period,

All securities issued and options granted by the Issuer have been disclosed in Note 5 to Note 8 of the Interim Financial Statements.

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

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

An unlimited number of common shares without par value.

- (b) number and recorded value for shares issued and outstanding,

Please see attached Schedule A, Interim Financial Statements for the three months ended December 31, 2023.

- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

Please see Note 6 to Note 8 of the Interim Financial Statements for the three months ended December 31, 2023.

- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

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
Nilda Rivera	Chife Executive Officer, Chief Financial Officer and Corporate Secretary
Allan Larmour	Director
John Bean	Director

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

MD&A is attached to this Form 5 as Schedule B.

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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 February 28, 2024.

Nilda Rivera
Name of Director or Senior Officer

Signed: "Nilda Rivera"
Signature

Chief Financial Officer
Official Capacity

Issuer Details Name of Issuer Anonymous Intelligence Company Inc.	For Quarter Ended December 31, 2023	Date of Report YY/MM/D 24/02/28
Issuer Address 885 W Georgia St, #900		
City/Province/Postal Code Vancouver, BC V6C 3H1	Issuer Fax No. (604) 669-9768	Issuer Telephone No. (604) 669-9788
Contact Name Nilda Rivera	Contact Position CFO	Contact Telephone No. (604) 669-9788
Contact Email Address nilda@anonintelco.com	Web Site Address https://www.anonintelco.com/	

Schedule A



ANONYMOUS INTELLIGENCE COMPANY INC.

Consolidated Financial Statements

Three months ended December 31, 2023 and 2022
(In Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Anonymous Intelligence Company Inc.

Consolidated Statements of Financial Position

As at December 31, 2023 and September 30, 2023

(In Canadian dollars)

	Notes	December 31, 2023	September 30, 2023
		\$	\$
Assets			
Current			
Cash and cash equivalents		56,540	133,735
GST recoverable		26,540	27,189
Prepays and other assets		24,912	40,354
		107,992	201,278
Intangible assets	3	3,437,212	3,542,591
Total assets		3,545,204	3,743,869
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	(4)(b)	324,640	231,224
Loans and borrowings	4(b)	112,000	100,000
		436,640	331,224
Contingent consideration payable	3(a)	1,200,905	968,065
Total liabilities		1,637,545	1,299,289
Shareholders' equity			
Share capital	5	20,352,947	20,264,173
Reserves	6,7,8	1,000,416	1,537,286
Deficit		(19,445,704)	(19,356,879)
Total equity		1,907,659	2,444,580
Total liabilities and equity		3,545,204	3,743,869
Nature of operations and going concern	1		
Subsequent events	11		

Approved on behalf of the Board of Directors:

(Signed) "John Bean"

Director

(Signed) "Allan Larmour"

Director

Anonymous Intelligence Company Inc.

Consolidated Statements of Comprehensive Loss

Three months ended December 31, 2023 and 2022

(In Canadian dollars)

	Notes	2023	2022
		\$	\$
Expenses			
Amortization	3	138,355	147,106
Insurance		20,193	20,164
Investor and public relations		66,903	40,401
Office and administration		15,891	21,561
Professional fees		16,979	31,004
Regulatory and transfer agent fees		9,532	9,831
Research and development		26,100	-
Salaries and benefits	4(a)	91,674	92,575
Share-based compensation	7,8	13,529	66,514
Loss before other items		(399,156)	(429,156)
Other items			
Finance costs		(411)	(1,942)
Foreign exchange loss		(43)	(1,712)
Government grant		-	20,000
Unrealized loss on derivative		-	(16,000)
Unrealized loss on changes in fair value of contingent consideration	3(a)	(232,840)	-
		(233,294)	346
Net loss		(632,450)	(428,810)
Other comprehensive income			
Unrealized gain on investment		-	(10,000)
Comprehensive loss		(632,450)	(438,810)
Net loss per share - basic and diluted		(0.01)	(0.01)
Weighted average number of shares outstanding		109,343,726	67,593,275

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

Anonymous Intelligence Company Inc.

Consolidated Statements of Changes in Shareholders' Equity

Three months ended December 31, 2023 and 2022

(In Canadian dollars)

	Notes	Share capital		Reserves						
		Number	Amount	Stock Options	RSUs	Warrants	Accumulated comprehensive income	Total reserves	Deficit	Total
		#	\$	\$	\$	\$	\$	\$	\$	\$
Balance, September 30, 2023		108,336,253	20,264,173	963,861	127,637	699,788	(254,000)	1,537,286	(19,356,879)	2,444,580
Exercise of warrants	5	1,200,000	85,888	-	-	(3,888)	-	(3,888)	-	82,000
Modification of warrants	6	-	-	-	-	93,880	-	93,880	(93,880)	-
Expired warrants	6	-	-	-	-	(589,994)	-	(589,994)	589,994	-
Vested RSUs	5	62,500	2,886	-	(2,886)	-	-	(2,886)	-	-
Forfeited options	7	-	-	(47,511)	-	-	-	(47,511)	47,511	-
Share-based compensation	7,8	-	-	15,179	(1,650)	-	-	13,529	-	13,529
Net loss		-	-	-	-	-	-	-	(632,450)	(632,450)
Balance, December 31, 2023		109,598,753	20,352,947	931,529	123,101	199,786	(254,000)	1,000,416	(19,445,704)	1,907,659
Balance, September 30, 2022		68,122,653	16,817,468	1,102,535	195,676	790,135	649,000	2,737,346	(13,033,246)	6,521,568
Vested RSUs	5	150,000	9,000	-	(9,000)	-	-	(9,000)	-	-
Cancelled and forfeited options		-	-	(112,490)	-	-	-	(112,490)	112,490	-
Share-based compensation	7,8	-	-	10,822	55,692	-	-	66,514	-	66,514
Net loss		-	-	-	-	-	(10,000)	(10,000)	(428,810)	(438,810)
Balance, December 31, 2022		68,272,653	16,826,468	1,000,867	242,368	790,135	639,000	2,672,370	(13,349,566)	6,149,272

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

Anonymous Intelligence Company Inc.

Consolidated Statements of Cash Flows

Three months ended December 31, 2023 and 2022

(In Canadian dollars)

	2023	2022
	\$	\$
Operating activities		
Net loss	(632,450)	(428,810)
Items not affecting cash	-	
Amortization	138,355	147,105
Share-based compensation	13,528	66,514
Accrued interest and accretion expense	-	1,585
Government grant	-	(20,000)
Unrealized gain on derivative	-	16,000
Unrealized loss on fair value changes of contingent consideration payable	232,840	-
Changes in non-cash working capital items		
GST recoverable	649	573
Prepays and other assets	15,442	69,741
Accounts payable and accrued liabilities	93,417	(39,569)
	(138,219)	(186,861)
Investing activities		
Intangible assets development costs	(32,976)	(37,180)
Financing activities		
Shares issued for cash	82,000	-
Proceeds from (Repayment of) loans and borrowings	12,000	(40,000)
	94,000	(40,000)
Decrease in cash and cash equivalents	(77,195)	(264,041)
Cash and cash equivalents, beginning of year	133,735	1,104,535
Cash and cash equivalents, end of year	56,540	840,494
Cash and cash equivalents consist of		
Cash	56,540	40,494
GIC	-	800,000
Supplemental cash flow information		
Intangible assets in accounts payable	47,467	10,928

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

Anonymous Intelligence Company Inc.

Notes to Consolidated Financial Statements

Three months ended December 31, 2023 and 2022

(In Canadian dollars)

1. Nature of operations and going concern

(a) Nature of operations

Anonymous Intelligence Company Inc. (the "Company" or "ANON") was incorporated in the Province of British Columbia on April 14, 2015, under the Business Corporations Act of British Columbia. The Company's registered office is located at 900 – 885 West Georgia Street, Vancouver, BC, V6C 3H1.

The Company is a computational intelligence, decentralized network and data technology company, focused on leveraging its proprietary suite of Artificial Intelligence (AI) and privacy enabled products to increase confidence in technology for consumers and businesses. Its primary product and service offerings include the Limitless VPN, Turminal.ai and Haller.ai.

(b) Going concern

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company has incurred losses and negative operating cash flows since inception. During the three months ended December 31, 2023, the Company recorded a net loss of \$632,450 (2022 – \$428,810) and as of December 31, 2023, had an accumulated deficit of \$19,445,704 (September 30, 2023 – \$19,356,879) and working capital deficiency \$328,648 (September 30, 2023 – working capital deficiency of \$129,946). The continued operations of the Company are dependent on future profitable operations, management's ability to manage costs and the availability of equity and debt financings. Management is committed to raising additional capital to meet its financial obligations and commitments, fund its growth initiatives, capital expenditures and sustain its operations in the normal course of business (Note 11). Although the Company has raised funds in the past, there can be no assurance that the Company will be able to secure additional adequate financing. These factors indicate the existence of material uncertainties that may cast significant doubt regarding the Company's ability to continue as a going concern. These consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that may be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Significant accounting policies

Basis of presentation and consolidation

These condensed interim consolidated financial statements (the "Financial Statements") have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The Financial Statements should be read in conjunction with the Company's annual financial statements as at and for the year ended September 30, 2023 (the "Annual Financial Statements"). The accounting policies and critical estimates applied by the Company in the Financial Statements are the same as those applied in the Annual Financial Statements. The Financial Statements do not include all the information required for full annual financial statements, however, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the most recent Annual Financial Statements.

Anonymous Intelligence Company Inc.

Notes to Consolidated Financial Statements

Three months ended December 31, 2023 and 2022

(In Canadian dollars)

2. Significant accounting policies (continued)

Basis of presentation and consolidation (continued)

The Financial Statements include the accounts of the Company and its wholly-owned subsidiaries, Haller.ai Technologies Inc. ("Haller") and BHR Capital Corp. ("BHR").

The Financial Statements were approved and authorized for issue by the Board of Directors of the Company on February 28, 2024.

3. Intangible assets

The changes in the carrying amount of intangible assets are as follows:

	Haller (a)	Limitless VPN	Total
	\$	\$	\$
Cost			
Balance, September 30, 2022	-	5,406,109	5,809,081
Acquisition (a)	3,297,692	-	3,297,692
Development costs	-	52,981	52,981
Balance, September 30, 2023	3,297,692	5,459,090	9,159,754
Development costs	-	32,976	32,976
Balance, December 31, 2023	3,297,692	5,492,066	9,192,730
Accumulated amortization			
Balance, September 30, 2022	-	1,622,431	2,009,376
Amortization	-	544,068	560,095
Impairment (a)	3,047,692	-	3,047,692
Balance, September 30, 2023	3,047,692	2,166,499	5,617,163
Amortization	-	138,355	138,355
Balance, December 31, 2023	3,047,692	2,304,854	5,755,518
Net book value			
September 30, 2023	250,000	3,292,591	3,542,591
December 31, 2023	250,000	3,187,212	3,437,212

(a) Acquisition of Haller

On July 11, 2023, the Company acquired Haller.ai Technologies Inc. ("Haller"), a private technology company focused on the development of an artificial-intelligence powered document generation platform (the "AI Platform"). The Company acquired all of the issued and outstanding shares of Haller for aggregate consideration of \$3,241,672 comprised primarily of 20,000,000 common shares, 10,000,000 warrants, finder's fees of 2,000,000 common shares and a pre-acquisition loan of \$100,000 which was settled on closing of the acquisition. Certain of the common shares and warrants issued are subject to resale restrictions and will be released on achievement of future performance milestones related to revenue targets. The transaction was accounted for as an asset acquisition.

Anonymous Intelligence Company Inc.

Notes to Consolidated Financial Statements

Three months ended December 31, 2023 and 2022

(In Canadian dollars)

3. Intangible assets (continued)

(a) Acquisition of Haller (continued)

	\$
Consideration	
15,000,000 common shares	1,904,179
Acquisition cost – 2,000,000 common shares	290,000
Acquisition cost – legal fees	5,891
Loan settlement	100,000
Contingent consideration – 5,000,000 common shares ⁽¹⁾	378,213
Contingent consideration – 10,000,000 warrants ⁽¹⁾	563,389
	3,241,672

⁽¹⁾ Represent the discounted amounts of the fair value gross consideration of the shares of \$420,236 and warrants of \$704,237 to be released upon achievement of revenue targets. The warrants are exercisable at \$0.25 per share expiring July 11, 2028.

The purchase price consideration was allocated as follows:

	\$
Net identifiable assets acquired (liabilities assumed)	
Cash	21,483
Intangible assets	3,297,692
	3,319,175
Accounts payable and accrued liabilities	(77,503)
	3,241,672

As at September 30, 2023, there were events and changes in circumstances that affected the fair value of the AI Platform including a significant increase in competition in the AI market and a change in strategic plans of the Company whereby it has decided to defer enhancements and further development of the AI Platform in order to focus on the Limitless VPN. As a result, as at September 30, 2023, the Company determined the carrying value of the AI Platform at \$250,000 and recognized an impairment charge of \$3,047,692 during the year ended September 30, 2023.

4. Related party transactions

Key management compensation for the three months ended December 31, 2023 and 2022 consisted of the following:

(a) Compensation of key management personnel

	2023	2022
	\$	\$
Former CEO management fee ⁽¹⁾	30,000	30,000
CFO salary	29,293	58,575
Share-based compensation ⁽²⁾	9,968	20,098

⁽¹⁾ CEO management fee is paid to Walrus Enterprises, a company controlled by Lucas Russell, CEO.

⁽²⁾ Share-based compensation represents the fair value of options granted and RSUs vested to directors and officers of the Company.

Anonymous Intelligence Company Inc.

Notes to Consolidated Financial Statements

Three months ended December 31, 2023 and 2022

(In Canadian dollars)

4. Related party transactions (continued)

(b) Related party balances

The following related party amounts were included in (i) loans and borrowings and (ii) accounts payable and accrued liabilities as at December 31, 2023 and September 30, 2023:

	December 31, 2023	September 30, 2023
	\$	\$
(i) Loan from a former director ⁽¹⁾	100,000	100,000
(ii) Due to a director and former officers ⁽²⁾	71,000	50,000

⁽¹⁾ Pursuant to a promissory note dated September 30, 2014 with Tom Musial, a former director of the Company. The loan is unsecured, non-interest bearing and due on September 30, 2015. The loan was extended to December 1, 2016, for a one-time interest charge of \$20,000.

⁽²⁾ Management fees of \$50,000 (September 30 - \$50,000) is due to Allan Larmour, a director and former CEO of the Company and \$21,000 (September 30 - \$Nil) to Lucas Russell, former CEO of the Company. The amounts due are unsecured, non-interest-bearing and without fixed terms of repayment.

5. Share capital

(a) Authorized

The authorized share capital of the Company is an unlimited number of common shares without par value.

(b) Issued and outstanding

As at December 31, 2023, the Company's outstanding share capital consisted of 109,598,753 (September 30 2023 – 108,336,253) issued and fully paid common shares.

The following shares were issued during the three months ended December 31, 2023:

- (i) 62,500 common shares were issued for vested RSUs. The fair value of the RSUs of \$2,886 was reclassified from reserves to share capital on the issuance of these shares.
- (ii) An aggregate of 1,200,000 common shares were issued for gross proceeds of \$82,000 pursuant to warrant exercises. The fair value of the warrants of \$3,888 was reclassified from reserves to share capital on the issuance of these shares.

The following shares were issued during the three months ended December 31, 2022:

- (iii) An aggregate of 150,000 common shares were issued for vested RSUs. The fair value of the RSUs of \$9,000 was reclassified from reserves to share capital on the issuance of these shares.

Anonymous Intelligence Company Inc.

Notes to Consolidated Financial Statements

Three months ended December 31, 2023 and 2022

(In Canadian dollars)

6. Share purchase warrants

Each whole warrant entitles the holder to purchase one common share of the Company.

	Warrants	Weighted average exercise price
	#	\$
Balance, September 30, 2022	21,998,065	0.15
Issued	23,215,600	0.14
Exercised ⁽¹⁾	(3,873,000)	0.07
Expired	(558,078)	0.40
Balance, September 30, 2023	40,782,587	0.15
Exercised ⁽²⁾	(1,200,000)	0.07
Expired ⁽³⁾	(4,723,654)	0.40
Balance, December 31, 2023	34,858,933	0.12

⁽¹⁾ During the year ended September 30, 2023, the weighted average price of the shares on the dates of exercises of the warrants was \$0.15.

⁽²⁾ During the three months ended December 31, 2023, the weighted average price of the shares on the dates of exercises of the warrants was \$0.05.

⁽³⁾ During the three months ended December 31, 2023, the aggregate fair value of expired warrants of \$589,994 was transferred from reserves to deficit.

The following table summarizes the warrants outstanding as at December 31, 2023:

Exercise Price	Expiry date	Warrants
\$		#
0.06	April 24, 2028	11,315,600
0.07	January 31, 2026 ⁽¹⁾⁽²⁾	13,543,333
0.25	July 11, 2028	10,000,000
		34,858,933

⁽¹⁾ On February 16, 2023, the Company extended the expiry date of these warrants to January 31, 2024 from the original expiry dates of between February 18, 2023 and January 18, 2024. During the year ended September 30, 2023, the Company recorded a fair value incremental change of \$119,988 on the modification of the warrants. The value of the warrant modification was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions at the time of modification: risk free rate of 4.80%; dividend yield of 0%; stock price volatility of 119.64%; and an expected life of 0.96 years.

⁽²⁾ On December 8, 2023, the Company extended the expiry date of these warrants from January 31, 2024 to January 31, 2026. During the three months ended December 31, 2023, the Company recorded a fair value incremental change of \$93,880 on the modification of the warrants. The value of the warrant modification was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions at the time of modification: risk free rate of 4.16%; dividend yield of 0%; stock price volatility of 153%; and an expected life of 2.15 years.

As at December 31, 2023, the weighted average contractual life of the warrants was 3.65 years (2022 – 0.98 years).

Anonymous Intelligence Company Inc.

Notes to Consolidated Financial Statements

Three months ended December 31, 2023 and 2022

(In Canadian dollars)

7. Stock options

The Company has an Omnibus Equity Incentive Plan (the “Plan”) which provides that the Board of Directors of the Company may from time to time, at its discretion, and in accordance with the Canadian Securities Exchange (the “Exchange”) requirements, grant to directors, officers, employees and consultants of the Company, equity-based incentive awards in the form of stock options (“Options”), restricted share units (“RSUs”), performance share units (“PSUs”) and deferred share units (“DSUs”). The Plan is a rolling plan which provides that the aggregate maximum number of common shares that may be issued upon the exercise or settlement of awards granted under the Plan shall not exceed 10% of the Company’s issued and outstanding common shares from time to time.

A summary of the status of the options outstanding is as follows:

	Stock options	Weighted average exercise price
	#	\$
Balance, September 30, 2022	3,475,000	0.10
Granted	400,000	0.07
Exercised	(100,000)	0.10
Cancelled and expired ⁽¹⁾	(450,000)	0.14
Balance, September 30, 2023	3,325,000	0.09
Granted	1,300,000	0.05
Forfeited ⁽²⁾	(250,000)	0.09
Balance, December 31, 2023	4,375,000	0.08

⁽¹⁾ During the year ended September 30, 2023, an aggregate fair value of \$134,985 was transferred from reserves to deficit related to 100,000 expired options and 350,000 cancelled options.

⁽²⁾ During the three months ended December 31, 2023, an aggregate fair value of forfeited options of \$47,511 was transferred from reserves to deficit.

The following table summarizes the options outstanding and exercisable as at December 31, 2023:

Exercise Price	Expiry Date	Outstanding and Exercisable
\$		#
0.12	October 28, 2024	75,000
0.095	February 14, 2027	2,325,000
0.095	July 20, 2027	200,000
0.095	August 30, 2027	150,000
0.095	September 21, 2027	75,000
0.06	November 30, 2027	250,000
0.05	November 21, 2028	1,300,000
		4,375,000

As at December 31, 2023, the weighted average contractual life of the stock options was 3.39 years (2022 – 4.20 years).

Anonymous Intelligence Company Inc.

Notes to Consolidated Financial Statements

Three months ended December 31, 2023 and 2022

(In Canadian dollars)

7. Stock options (continued)

During the three months ended December 31, 2023, the Company recorded share-based compensation of \$15,179 (2022 – \$10,822) for stock options granted and vested during the period. The fair value of stock options granted was determined using the Black-Scholes option pricing model based on the following weighted average assumptions at the time of grant:

	2023	2022
Risk-free annual interest rate	-	3.73%
Expected annual dividend yield	-	0%
Expected stock price volatility	-	162.29%
Expected life of options (years)	-	3
Forfeiture rate	-	15%

The weighted average fair value of stock options granted during the three months ended December 31, 2023 was \$Nil (2022 - \$0.04) per option.

8. Restricted share units ("RSUs")

Under the terms of the Plan, RSUs may be awarded to directors, officers, employees and consultants of the Company which will be released as common shares at the end of each vesting period. Each RSU gives the participant the right to receive one common share of the Company.

A summary of the status of the RSUs outstanding is as follows:

	RSUs	Weighted average issue price
	#	\$
Balance, September 30, 2022	1,662,500	0.39
Granted	300,000	0.07
Released	(1,025,000)	0.37
Cancelled	(275,000)	0.41
Balance, September 30, 2023	662,500	0.26
Granted	650,000	0.015
Released	(62,500)	0.06
Forfeited	(62,500)	0.08
Balance, December 31, 2023	1,187,500	0.15

The following table summarizes the RSUs outstanding as at December 31, 2023:

Issue Price	Expiry date	RSUs outstanding
\$		#
0.41	February 14, 2024	362,500
0.095	July 20, 2024	25,000
0.095	August 30, 2024	25,000
0.06	November 30, 2024	125,000
0.015	November 21, 2025	650,000
		1,187,500

The weighted average remaining contractual life of RSUs is 0.83 years (2022 – 1.29 years).

Anonymous Intelligence Company Inc.

Notes to Consolidated Financial Statements

Three months ended December 31, 2023 and 2022

(In Canadian dollars)

8. Restricted share units ("RSUs") (continued)

During the three months ended December 31, 2023, the Company recorded share-based compensation of \$(1,650) (2022 - \$55,692) for RSUs granted and vested during the period. The weighted average fair value of RSUs granted during the three months ended December 31, 2023 was \$0.015 per share (2022 - \$0.06).

9. Fair value of financial instruments

At December 31, 2023, the Company's financial instruments consist of cash and cash equivalents, other assets, accounts payable and accrued liabilities and loans and borrowings. The carrying amounts of these financial instruments approximate fair value due to their immediate or short-term maturity.

10. Financial instruments risk

The Company is exposed to a variety of financial instrument related risks. The Board mitigates these risks by assessing, monitoring and approving the Company's risk management processes.

The Company employs risk management strategies and policies to ensure that any exposures to risk are in compliance with the Company's business objectives and risk tolerance levels.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations associated with its financial liabilities as they come due. The Company's approach to managing liquidity risk is to ensure that it has sufficient liquidity to settle obligations and liabilities when they are due. As at December 31, 2023, the Company had working capital deficiency of \$328,648 (September 30, 2023 – working capital deficiency of \$129,946). The Company is pursuing additional sources of financing to ensure that it can meet its ongoing operating requirements and planned capital expenditures (Note 11). There is no assurance that the Company will be successful in these initiatives. The Company's capital expenditures mainly consist of the development of its technology platforms. Accounts payable and accrued liabilities are due within 90 days and loans and borrowings mature within 1 to 3 years.

11. Subsequent events

The following events occurred subsequent to December 31, 2023:

- (a) On February 20, 2024, the Company announced a consolidation of all of its issued and outstanding common shares on the basis of ten (10) pre-consolidated common shares for one (1) post-consolidated common share.
- (b) On February 22, 2024, the Company announced a non-brokered private placement of up to 16,000,000 units on a post-consolidation basis at a price of \$0.05 per Unit for gross proceeds of up to \$800,000. Each consists of one common share and one warrant exercisable at \$0.10 per share for a period of two years.

Schedule B



ANONYMOUS INTELLIGENCE COMPANY INC.

Management's Discussion and Analysis

Three months ended December 31, 2023 and 2022

Management's Discussion & Analysis

This Management's Discussion and Analysis (the "**MD&A**") of the financial condition and results of operations of Anonymous Intelligence Company Inc. (the "**Company**" or "**ANON**") constitutes management's review of the factors that affected the Company's financial and operating performance for the three months ended December 31, 2023.

The MD&A should be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended September 30, 2023, and the notes related thereto (the "**Annual Financial Statements**"), which were prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").

All information in the MD&A is as of February 28, 2024, unless otherwise indicated. The Annual Financial Statements and MD&A have been reviewed by the Company's Audit Committee and approved by the Board of Directors on February 28, 2024.

This MD&A may contain forward-looking statements and should be read in conjunction with the cautionary statement on forward-looking statements at the end of this MD&A. These forward-looking statements are based on assumptions and judgments of management regarding events or results that may prove to be inaccurate resulting from risk factors beyond its control. Actual results may differ materially from the expected results.

The Annual Financial Statements, Interim Financial Statements, MD&As and other information, including news releases and other continuous disclosure documents are available on SEDAR at <https://www.sedarplus.ca/landingpage/> and on the Company's website at <https://www.anonintelco.com/>.

Significant Events and other Corporate Developments during the Quarter

On November 21, 2023, the Company announced that that Allan Larmour is returning to assume the role of independent director of the Company. Mr. Larmour previously served as the Company's President & CEO for four years, in addition to his six-year tenure as a director. He steps into this position following the departure of Kant Trivedi and Tyler Koverko from the Board. The Company also announced that Lucas Russell, the Company's CEO, has taken on the role of CEO and director of the Company's wholly-owned subsidiary, Haller.ai. Mr. Russell assumes this position following the resignation of Tyler Koverko as CEO and director of Haller.ai.

On December 8, 2023, the Company announced the extension of the expiry date of 13,543,333 warrants previously set to expire on January 31, 2024 to January 31, 2026. This extension is in accordance with the maximum term allowed under the policy of the Canadian Securities Exchange. The warrants are exercisable into common shares of the company at a price of seven cents per share. The expiry date of the warrants had been previously extended by one year.

Significant Events and other Corporate Developments Subsequent to the Quarter

The following is a summary of significant events and transactions that occurred subsequent to December 31, 2023:

On February 5, 2024, the Company announced the resignation of Lucas Russell, CEO. Mr. Russell will continue to serve as a consultant of the Company to support a smooth transition in leadership. The company has commenced its search for a new CEO.

On February 15, 2024, the Company announced the appointment of Nilda Rivera, Chief Financial Officer, as Interim Chief Executive Officer of the Company while the Board of Directors completes its search for a President and Chief Executive Officer. The appointment follows the previously announced resignation of Lucas Russell as President and CEO of the Company.

On February 15, 2024, the Company announced the resignation of Anthony Zelen from the Board of Directors, effective February 7, 2024. The Company will announce the appointment of a new director in the near future to fill the vacancy left by Mr. Zelen's resignation.

On February 20, 2024, the Company announced a proposed consolidation of all of its issued and outstanding common shares on the basis of ten (10) pre-consolidated common shares for one (1) post-consolidated common share.

On February 22, 2024, the Company announced a non-brokered private placement of up to 16,000,000 units of the Company on a post-consolidation basis at a price of \$0.05 per unit for gross proceeds of up to \$800,000 (the "Offering"). Each unit will consist of one common share in the capital of the Company and one share purchase warrant exercisable at a price of \$0.10 per share for a period of two years. The Offering is being carried out pursuant to the listed issuer financing exemption ("LIFE") in accordance with National Instrument 45-106 - Prospectus Exemptions. The securities offered under the LIFE exemption will not be subject to a statutory hold period in accordance with applicable Canadian securities laws.

Company Overview

ANON is a computational intelligence, decentralized network and data technology company, focused on leveraging its proprietary suite of AI and privacy-enabled products to increase confidence in technology for consumers and businesses. Its platforms enable a privacy first AI enabled world where decentralized users and machines are able to interact with data, value and other counterparties without the need for third parties creating many benefits such as giving each user full control and ownership of all personal and corporate data. The Company's products consist of the Limitless VPN (Virtual Private Network) which is currently functional and offered to the public without charge, Turminal.ai which is currently in beta development and Haller.ai which was launched in late September 2023.

The Company is in the pre-revenue phase as business efforts to date have focused on customer acquisition and product development. As of the date of this MD&A, the Company had approximately 61,550 registered users, of which approximately, 31,500 are active users of the Company's Limitless VPN. The Company considers active registered users as those people who provide the Company will full time access to their hardware. Those users who do not provide full time access or who have outdated or legacy

hardware are not considered active registered users by the Company. The Company's Turminal.ai platform currently has approximately 185 active users and a waitlist of approximately 37,400 potential users as of the date of this MD&A.

Users who wish to use its Limitless VPN or Turminal.ai products are required to agree to the Company's terms of use and privacy policies. The Company intends to monetize its Limitless VPN and Turminal.ai products by utilizing its in-house developed ANON SDK public data mining plugin.

Limitless VPN

The Limitless VPN is a proprietary product that provides end users the usage of network infrastructure to perform distributed computational processing with secure and encrypted connection to the internet. Consumers receive the benefits and features of a paid VPN subscription, e.g., unlimited bandwidth and number of devices, for free.

Limitless VPN, a comprehensive and free virtual private network service that prioritizes user privacy, performance and accessibility, includes the following main features:

Robust Security and Privacy: Limitless VPN offers end-to-end encryption to ensure all data remains private and secure. It adheres to a strict no-data-logging policy, meaning user activities are not tracked or stored, thus maintaining complete anonymity.

High Performance for Gaming: The service is optimized for gamers, offering low latency and high-speed connections, which are crucial for online gaming experiences.

Custom-Built Servers and Network Optimization: Unlike many VPNs that rent servers, Limitless VPN operates its custom-built servers, providing more reliable and faster connections. This setup is complemented by a unique Compression Engine that optimizes data transmission, particularly beneficial for users with slower internet connections.

User-Friendly Interface: The VPN is designed for ease of use, ensuring that even users who are not tech-savvy can navigate and utilize the service effectively.

No Cost with Unlimited Access: It is a free service, requiring no payment or credit card details. Users enjoy unthrottled bandwidth and unlimited access, which is a significant advantage over many other VPN services that limit bandwidth or offer tiered pricing.

Cross-Platform Compatibility: Limitless VPN is designed to be compatible across various platforms, ensuring users can secure their internet connection regardless of the device they are using.

This service is ideal for individuals who prioritize privacy and security online, especially for activities like streaming, browsing, and gaming. Limitless VPN's commitment to user privacy, combined with its high-performance capabilities and user-friendly design, makes it a competitive option in the VPN market.

For a complete description of the Limitless VPN including VPN Security, Services Provided to the Company by Custodians, Regulatory Frameworks Applicable to Custodians, Cryptocurrencies and Privacy and Terms of Use, please see the Company's 2022 AIF and Filing Statement dated May 12, 2023 filed by the Company on SEDAR at www.sedarplus.ca.

Originally, ANON's intention was to monetize the technology through accessing the VPN users' unused computational power to mine cryptocurrencies. Through the Limitless VPN infrastructure, the hose can perform distributed computing, which is the process of connecting multiple servers though a network to share data and coordinate processing power. Once a critical mass of users is obtained, the collective unused processing power could be used for cryptocurrency mining. ANON planned to partner with third parties that would perform the cryptocurrency mining, and in exchange, ANON would receive a fiat commission for the cryptocurrency mined.

The initial version of the Limitless VPN was released and available to the public on September 23, 2021. By September 30, 2021, the Limitless VPN had approximately 13,000 unique users registered to the platform. By August 2022, there were 55,000 registered users, of which, 31,078 were active users.

In the second quarter of 2023, due to the volatility in the cryptocurrency sector, ANON shifted its business model from crypto currency mining to public data gathering, i.e., to gather and monetize the Limitless VPN users' information and activities undertaken while using the Limitless VPN. During this time, the Company raised capital to fund the research and development, specifically, in the development of a proprietary plugin that gathers and sanitizes user data to remove personally identifiable information. User data can include websites visited, advertisements viewed, purchases made and other activities the users undertake while using the Limitless VPN. The anonymous user data could then be sold to third parties. The plugin with data anonymization capabilities is referred to as SDK. The newest version of the Limitless VPN including the SDK plugin was launched on September 6, 2023.

The Company offers the Limitless VPN to uses at no charge at www.limitlessvpn.com, and in exchange, the users are required to agree to ANON's terms of use and privacy policies including the download of the SDK plugin.

Monetization of VPN

The Limitless VPN's monetization strategy is unique in that it does not rely on traditional methods such as subscription fees or selling user data. Instead, it generates revenue only when the VPN is actively used. This model aligns the service's financial interests with user activity, ensuring that the service remains free for users while still supporting its operational costs. The specifics of this monetization method, however, are not clearly detailed, but it is designed to be non-intrusive and respects user privacy.

The VPN is now monetized by the ANON SDK, an innovative app monetization solution that takes a different approach compared to traditional methods. It moves away from the usual reliance on in-app purchases and advertisements, aiming to improve user experience and revenue generation for app developers.

Key features of the ANON SDK include:

Non-Ad Based Monetization: ANON SDK deviates from the standard advertising SDKs by not displaying ads or requiring direct payments from users. Instead, it utilizes unused bandwidth from users' devices to collect publicly accessible data like product prices and reviews from the internet.

User Privacy and GDPR Compliance: The platform strictly adheres to GDPR regulations. It primarily uses the user's IP address to gather publicly available information from reputable websites without collecting any personal data, ensuring user anonymity and data security.

Seamless Integration and User Experience: ANON SDK is designed to function in the background, offering a non-intrusive experience for the user. This aspect is crucial as it does not disrupt the app's functionality or the user experience, differentiating it from traditional advertisements which can be seen as intrusive and annoying.

Empowering Developers and Users: The tool operates only with user consent to join the ANON SDK network. For developers, this means a potential revenue stream when the app is in active use. For users, it offers an ad-free app experience.

Versatility Across Multiple Platforms: ANON SDK is adaptable across a variety of platforms, including mobile devices, desktops, and smart TVs. This flexibility ensures developers can maximize their revenue potential across different channels while maintaining a consistent user experience.

Partnership and Support: The platform offers a lucrative partner program, investing in the success of its partners through marketing and R&D funds. It also provides personal support and exclusive resources to help businesses grow and develop innovative applications.

By incorporating ANON SDK, developers can engage in a modern monetization approach that prioritizes user-centered design and data privacy, fostering a more harmonious and beneficial relationship between developers, users, and businesses in the app ecosystem.

Turminal.ai

The Turminal.ai app, developed by ANON, is a sophisticated platform designed with a focus on privacy and AI integration. Built on ANON's Limitless privacy technology, Turminal.ai creates a secure connection between users and the AI infrastructure, addressing widespread concerns about data and privacy breaches often associated with AI technologies. This initiative is a response to the discomfort expressed by thought leaders and governments regarding the current state of AI privacy.

Key features of the Turminal.ai include:

Privacy-Centric Design: The app is tailored to ensure user privacy in AI interactions, creating a private tunnel that secures data exchange between users and the AI system.

Innovative Functionality: Turminal.ai has been developed to include a 'jailbreak' feature, which allows it to access and utilize language learning models (LLMs) to build live links for various projects. This feature enables the platform to provide practical assistance, such as creating shopping lists for specific projects with live online purchase links.

Accessibility and User Engagement: Initially launched in a private alpha stage, the app has moved to a public beta phase, with a significant number of sign-ups indicating strong consumer interest. The beta version is aimed at refining the platform based on user feedback and ensuring a high-quality product experience.

Mobile App Development: The mobile version of Turminal.ai, which will initially be available on iOS, focuses on enhancing user convenience and functionality, particularly for on-the-go use.

Monetization Strategy: The app plans to shift to a freemium model, powered by the ANON SDK. This

strategy aims to provide value to shareholders and generate revenue for the Company without compromising user data. The ANON SDK, integral to this approach, harvests public data instead of private user information, aligning with the Company's privacy commitment.

Corporate Synergies and Marketing: The development of Turminal.ai is part of a broader strategy by ANON, which includes the acquisition of Haller.ai and partnerships to build a suite of enterprise AI products. Marketing and investor relations efforts are underway to broaden the Company's reach and enhance public and investor awareness of its products and technologies.

Turminal.ai represents a significant step in ANON's mission to leverage proprietary Web 3.0 technology, enabling decentralized interactions among users and machines. The company's vision is to create a sustainable world where data, value, and interactions occur on a peer-to-peer basis without third-party intermediaries, ensuring full control and ownership of personal and corporate data for users.

Haller.ai

Haller AI, developed by Haller.ai, is an innovative AI platform ("Haller.ai Platform") tailored for enterprise use, emphasizing ease of use and versatility across various markets and industries. Following ANON's acquisition of Haller.ai, Haller AI has been positioned to address the enterprise-level AI market with several key features:

Intuitive Interface: Haller AI is designed to simplify the AI experience, making it accessible and effective even for users without technical knowledge. This approach is intended to significantly boost productivity at a low cost.

Privacy and Data Security: Haller.ai incorporates top-tier security features, such as state-of-the-art encryption protocols, multi-factor authentication mechanisms, and secure data storage solutions, to ensure data integrity and confidentiality.

Market Adaptability: The platform is adaptable to all markets and industries, offering AI solutions tailored to the unique needs of different enterprises.

Focus on Enterprise Solutions: The platform is being developed with a strong focus on providing enterprise-level AI products to enhance productivity and address intellectual property issues that many current AI platforms face.

Integration with ANON's Technology: Haller AI's development aligns with ANON's strategy to combine best-in-class AI assets with internally developed Company assets. This integration aims to commercialize AI applications for users who are not familiar with 'prompting', enhancing the usability of AI technology.

The Company provides access to Haller.ai for users via www.haller.ai.

Trends, Commitments, Events or Uncertainties

There are no trends, commitments, events or uncertainties known to management which could reasonably be expected to have a material effect on the Issuer's business, financial condition or results of operations. There are significant risks associated with the business of the Company. For a complete disclosure of risk factors, please refer to the Company's AIF dated January 17, 2023.

Summary of Quarterly Results

The following table sets forth selected financial information of the Company for each of the last eight quarters:

Three months ended	Dec 2023	Sep 2023 ⁽¹⁾	Jun 2023 ⁽²⁾	Mar 2023	Dec 2022	Sep 2022 ⁽³⁾	Jun 2022 ⁽⁴⁾	Mar 2022 ⁽⁵⁾
	\$	\$	\$	\$	\$	\$	\$	\$
Total expenses	399,156	813,520	933,896	448,252	429,156	659,773	476,665	1,448,826
Net (loss) income	(632,450)	(4,688,495)	(958,837)	(462,628)	(428,810)	(1,631,921)	(1,106,440)	(1,477,568)
Total comprehensive (loss) income	(632,450)	(5,561,495)	(977,837)	(463,628)	(438,810)	(1,577,921)	(1,924,440)	(1,477,568)
Income (loss) per share								
– basic and diluted	(0.01)	(0.05)	(0.01)	(0.01)	(0.01)	(0.03)	(0.02)	(0.02)

⁽¹⁾ The increase in net loss during the quarter was primarily attributable to an impairment charge to intangible assets related to the Haller.ai Platform of \$3,047,692 and an impairment charge on derivative of \$861,000.

⁽²⁾ Higher expenditures and net loss due to higher investor and public relations costs during the June 2023 quarter.

⁽³⁾ The increase in net loss during the quarter was primarily attributable to an impairment charge to intangible assets related to the Limitless VPN of \$1,087,646.

⁽⁴⁾ Net loss during the quarter was largely attributable to an unrealized fair value loss of \$629,000 on derivative related to the warrant component of the investment in Next Decentrum. The increase in comprehensive loss was primarily attributable to the unrealized fair value loss of \$818,000 on the share component of the investment in Next Decentrum.

⁽⁵⁾ Higher expenditures and net loss during the quarter were primarily attributable to stock-based compensation of \$1,009,870.

⁽⁶⁾ Net income during the quarter was primarily attributable to the unrealized gain on the fair value of derivative of \$1,225,000 related to the warrant component of the investment in Next Decentrum. Comprehensive income during the quarter was mainly due to the unrealized gain on the fair value of the shares of Next Decentrum of \$1,413,000.

Results of Operations

The following selected financial information is derived from the financial statements of the Company prepared within acceptable limits of materiality and is in accordance with IFRS.

	Q1 2024	Q1 2023
	\$	\$
Expenses:		
Investor and public relations	66,903	40,401
Office and administration	15,891	21,561
Professional fees	16,979	31,004
Research and development	26,100	-
Share-based compensation	13,529	66,514
Other Item:		
Unrealized loss on changes in fair value of contingent consideration	(232,840)	-
Net loss	(632,450)	(428,810)
Net loss per share	(0.01)	(0.01)

Q1 2024 compared with Q1 2023

During Q1 2024 and Q1 2023, the Company has not generated any revenues from operations and recorded a net loss of \$632,450 and \$428,810, respectively. The overall increase in net loss of \$203,640 during Q1 2024 was largely attributable to the unrealized loss on changes in fair value of contingent consideration of \$232,840 and increases in investor and public relations of \$26,502 and research and development of \$26,100 offset by a decrease in share-based compensation of \$52,985.

Expenses

During Q1 2024, the Company incurred research and development costs of \$26,100 related to the Haller.ai. No such expenses were incurred in Q1 2023.

Investor and public relations increased by \$26,502 in Q1 2024 in connection with marketing campaigns and key branding initiatives carried out including online programs, news media features, presentation decks, article coverages and web development to create a greater following and increase brand awareness in order to drive users to the ANON's Limitless VPN platforms and Turminal.ai beta signups.

The decreases in office and administration and professional fees of \$5,670 and \$14,025, respectively, resulted from cost-cutting measures carried out by the Company. Certain corporate tasks were done in-house to save on legal fees.

Share-based compensation during Q1 2024 and 2023 related to stock options granted and vested during the periods. The decrease in share-based compensation by \$52,985 in Q1 2024 was mainly due to the difference in weighted average fair value of Options and RSUs of \$0.01 and \$0.014, respectively, during Q1 2024 as compared to \$0.04 and \$0.07, respectively, in Q1 2023.

Other item

In Q1 2024, the Company recorded an unrealized loss on the changes in fair value of contingent consideration related to the acquisition of Haller. Haller was acquired in Q4 2023, hence, no such fair value change was recognized in Q1 2023.

Liquidity and Capital Resources

The Company manages liquidity risk by ensuring, as far as reasonably possible, that it has sufficient capital to meet working capital and operating requirements as well as its financial obligations and commitments. The Company has historically financed its operations and met its capital requirements primarily through debt and equity financing.

As of December 31, 2023, the Company had a working capital deficiency of \$328,648 (September 30, 2023 – working capital deficiency of \$129,946) and cash and cash equivalents of \$56,540 (September 30, 2023 – \$133,735). The decrease in working capital of \$198,702 in Q1 2024 was largely attributable to the funding of the Company's operating expenses and intangible asset development.

During Q1 2024, the Company raised \$82,000 from the exercised of 1,200,000 warrants and received

12,000 from a third-party loan.

The Company requires additional funds in order to fulfill its expenditure requirements to meet existing and any new business objectives and expects to either issue additional securities or incur debt to do so. There can be no assurance that additional funding required by the Company will be available on acceptable terms or at all. The Company's inability to raise financing to fund capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability.

Cash Flow Highlights

The table below summarizes the Company's cash flows for Q1 2024 and 2023:

	Q1 2024	Q1 2023
	\$	\$
Cash used in operating activities	(138,219)	(186,861)
Cash used in investing activities	(32,976)	(37,180)
Cash provided by (used in) financing activities	94,000	(40,000)
Decrease in cash	(77,195)	(264,041)

Cash flow used for operations decreased in Q1 2024 as a result of decreases in office and administration and professional fees due to cost-cutting measures carried out by the Company commencing Q1 2024.

Investing activities during Q1 2024 and Q1 2023 consisted of the Limitless VPN development costs of \$32,976 and \$37,180, respectively.

Financing activities in Q1 2024 consisted of \$82,000 raised from the exercise of warrants and \$12,000 from a third-party loan. Financing activity in Q1 2023 consisted of the repayment of \$40,000 on the outstanding \$60,000 CEBA loan. The remaining \$20,000 CEBA loan was forgiven and recognized as a government grant.

Contractual Obligations and Commitments

A summary of the Company's contractual obligations and commitments, which outlines the year the payments are due are as follows:

	Total	< 1 year	1 – 3 years	3 – 5 years
	\$	\$	\$	\$
Accounts payable and accrued liabilities	324,640	324,640	-	-
Loans and borrowings	112,000	112,000	-	-
	436,640	436,640	-	-

Management is committed to raising additional capital to meet its financial obligations and commitments, fund its operations, growth initiatives and capital expenditures. Subsequent to December 31, 2023, the Company announced its intention to raise capital of up to \$800,000. See *"Significant Events and other Corporate Developments Subsequent to the Quarter"*.

The Company considers its capital structure to include net residual equity of all assets, less liabilities. Capital is comprised of the Company's shareholders' equity and any debt that it may issue. Management's objective is to manage its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of share capital and working capital.

To achieve this objective, management adjusts its capital resources to respond to changes in economic conditions and risk characteristics of the underlying assets. The capital resources used for operations were mainly from loans and borrowings and proceeds from the issuance of common shares.

There are no third-party working capital requirements, covenants or other similar restrictions. There were no capital expenditure commitments as at the reporting date or as of the date of this MDA.

Off-Balance Sheet Arrangements

The Company had no material off-balance sheet arrangements as at December 31, 2023, and as at the date of this MD&A, that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company.

Transactions with Related Parties

During the three months ended December 31, 2023 and 2022, compensation to key management personnel consisted of:

	Q1 2024	Q1 2023
	\$	\$
CEO management fee ⁽¹⁾	30,000	30,000
CFO salary	29,293	58,575
Share-based compensation ⁽²⁾	9,968	20,098

⁽¹⁾ CEO management fee was paid to Walrus Enterprises, a company controlled by Lucas Russell, CEO.

⁽²⁾ Share-based compensation represents the fair value of options granted and RSUs vested to directors and officers of the Company.

As at December 31, 2023, included in loans and borrowings was \$100,000 due to a former director of the Company under a promissory note dated September 30, 2014. The loan is unsecured, non-interest bearing and matured on December 1, 2016.

As December 31, 2023, included in accounts payable and accrued liabilities was \$50,000 due to a director and former CEO of the Company, and \$21,000 due to a former CEO for salaries.

Critical Accounting Estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to exercise judgment and to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Estimates and associated assumptions are based on historical experience and other factors. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated for reasonableness and relevancy. Where revisions to accounting estimates are required, they are recognized in the period in which the estimates are revised for the current as well as future periods that are affected.

Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the Company's consolidated financial statements are described in the Annual Financial Statements.

New Accounting Pronouncements

The Company has performed an assessment of new standards issued by the IASB that are not yet effective and has determined that any new standards that have been issued would have no or very minimal impact on the Company's financial statements.

Financial Instruments

At December 31, 2023, the Company's financial instruments consist of cash and cash equivalents, other assets, accounts payable and accrued liabilities and loans and borrowings. The carrying amounts of these financial instruments approximate fair value due to their immediate or short-term maturity.

The Company may be exposed to risks of varying degrees of significance from financial instruments. Management's close involvement in the operations allows for the identification of risks and variances from expectations. A discussion of the types of risks the Company is exposed to and how such risks are managed by the Company is provided in note 15 to the Annual Financial Statements.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations associated with its financial liabilities as they come due. The Company's approach to managing liquidity risk is to ensure that it has sufficient liquidity to settle obligations and liabilities when they are due. As at December 31, 2023, the Company had a working capital deficiency of \$328,648 (2022 – working capital deficiency of \$129,946). The Company is actively pursuing additional sources of financing to ensure that it can meet its ongoing operating requirements, planned capital expenditures and business objectives. There is no assurance that the Company will be successful in these initiatives. The Company's capital expenditures consist of the development of its Limitless VPN. Accounts payable and accrued liabilities are due within 90 days and loans and borrowings mature within 1 to 3 years.

As at December 31, 2023, the Company did not have any financial instruments subject to significant credit, price or interest rate risks. The Company employs risk management strategies and policies to ensure that any exposures to risk are in compliance with the Company's business objectives and risk tolerance levels.

Other Risks and Uncertainties

The Company's business is subject to other risks and uncertainties that may have a material adverse effect on the Company's business, assets, liabilities, financial condition, results of operations, prospects, and cash flows and the future trading price of the common shares. Due to the nature of ANON's business, the legal and economic climate in which it operates and its present stage of development and proposed

operations, ANON is subject to significant risks. For additional risk factors, please refer to the Company's AIF dated January 17, 2023.

Summary of Outstanding Share Data

As at the date of this MD&A, the Company had the following issued and outstanding securities:

Description of securities	Number of securities
Issued and outstanding common shares	109,973,753
Warrants	34,858,933
RSUs	800,000
	145,632,686

Controls and Procedures

In connection with National Instrument 52-109 ("NI 52-109"), the CEO and CFO of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the Interim Financial Statements and accompanying MD&A as at and for the three months ended December 31, 2023 (together the "Interim Filings").

In contrast to the certificate under NI 52-109, the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Interim Filings on SEDAR at www.sedar.com.

Disclosure Controls and Procedures

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with IFRS.

Venture companies are not required to provide representations in the Annual Filings relating to the establishment and maintenance of DC&P and ICFR, as defined in NI 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's IFRS. The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as “forward-looking statements”). These statements relate to future events or the Company’s future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company’s ability to predict or control. For a complete list of the factors that could affect the Company, please make reference to those risk factors further detailed under the heading “*Risk Factors*”. Readers are cautioned that such risk factors, uncertainties and other factors are not exhaustive. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, forward-looking statements in this MD&A include, but are not limited to, statements with respect to:

- timelines;
- the Company’s anticipated cash needs and its needs for additional financing;
- the Company’s anticipated use of proceeds and business strategy;
- the Company’s ability to protect, maintain and enforce its intellectual property;
- the Company’s future growth plans, including growth of its userbase;
- the Company’s expectations with respect to advancement of its business, operations, products, and services, including its monetization strategies;
- the Company’s ability to attract new customers and develop and maintain existing customers;
- the Company’s competitive position;
- anticipated trends and challenges in the Company’s business.

The actual results, performance or achievements of the Company could differ materially from those anticipated in the Forward-Looking Statements as a result of the risk factors set forth below and under the

heading “Risk Factors”, including, but not limited to, risks related to: (i) the Company’s ability to generate sufficient cash flow from operations and obtain financing, if needed, on acceptable terms or at all; (ii) general economic, financial market and regulatory conditions in which the Company operates; (iii) advancement of technology to support the Company’s operations; (iv) customer interest in the Company’s products; (v) competition; (vi) anticipated and unanticipated costs; (vii) government regulation of the Company’s products and operations, including privacy, cryptocurrency and cybersecurity laws and regulations; (viii) the timely receipt of any required regulatory approvals; (ix) the Company’s ability to obtain qualified staff, equipment and services in a timely and cost efficient manner; (x) the Company’s ability to conduct operations in a safe, efficient and effective manner; and (xi) the Company’s plans and timeframe for completion of such plans.

Readers are cautioned that these factors are difficult to predict and that the assumptions used in developing the Forward-Looking Statements may prove to be incorrect. Readers are also cautioned that the list of risk factors contained in this MD&A is not exhaustive. Accordingly, readers are cautioned that the Company’s actual results may vary from the Forward-Looking Statements, and the variations may be material.

Although the Company believes that the expectations reflected in the Forward-Looking Statements are reasonable, it can give no assurance that such expectations will prove to be correct, and the Forward-Looking Statements are expressly qualified in their entirety by this cautionary statement. The purpose of the Forward-Looking Statements is to provide the reader with a description of management’s expectations, and the Forward-Looking Statements may not be appropriate for any other purpose. The reader should not place undue reliance on the Forward-Looking Statements. The Forward-Looking Statements are made as at the date hereof and the Company undertakes no obligation to update or revise any of the Forward-Looking Statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.