BEXAR VENTURES INC.

Management Discussion and Analysis
of
Financial Position and Results of Operations
for the
Six-month Period ended March 31, 2018

This report is dated May 30, 2018.
(The "Report Date")

Suite 1116 – 207 West Hastings Street Vancouver BC Canada V6B 1H7
Tel.: 604-270-8881 E-mail: corporate.admin@bexarventures.com

Introduction

The following information should be read in conjunction with the audited consolidated financial statements of Bexar Ventures Inc. ("Bexar" or the "Company") for the six-month period ended March 31, 2018, as well as the annual audited consolidated financial statements of the Company for the years ended September 30, 2017 and 2016.

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

Note 3 to the audited consolidated financial statements at September 30, 2017 describes the Company's significant accounting policies, as well as new accounting pronouncements not yet effective. During the three-month period ended December 31, 2017, the Company's critical accounting estimates and significant accounting policies have remained substantially unchanged.

All amounts presented in this document are stated in Canadian dollars, except where otherwise noted.

Forward Looking Statements

This Management's Discussion and Analysis is intended to supplement and complement the unaudited financial statements of the Company as of March 31, 2018, as well as the audited consolidated financial statements and notes thereto for the year ended September 30, 2017, and the notes thereto (the "Financial Statements"). Readers are encouraged to review these Financial Statements in conjunction with a review of this Management's Discussion and Analysis. Certain notes to the Financial Statements are specifically referred to in this Management's Discussion and Analysis and such notes are incorporated by reference herein. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. These forward-looking statements are based on, but not limited to, material assumptions including: the attainment of certain sales targets and company performance; the ability of the Company to successfully execute on its growth and new business strategies, including attracting new higher education clients; continuation of support from existing higher education clients; the demand for its products continuing to increase; stable currency valuations; a sufficiently stable and healthy global economic environment; and other expectations, intentions and plans contained in this MD&A that are not historical fact. When used in this MD&A, the words "plan," "expect," "believe," and similar expressions generally identify forward looking statements. These statements reflect current expectations. They are subject to a number of risks and uncertainties, including, but not limited to, changes in technology and general market conditions. In light of the many risks and uncertainties, readers should understand that the Company cannot offer assurance that the forward-looking statements contained in this analysis will be realized. **Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth below.**

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Corporate Overview and Description of Business

Bexar Ventures Inc. (the "Company") was incorporated under the provisions of the Company Act of British Columbia on February 1, 2017, as a wholly-owned subsidiary of Kona Bay Technologies Inc. ("Kona Bay")

On December 13, 2017, Kona Bay completed its reorganization, and the Company became a reporting issuer.

On March 27, 2018, the Company obtained a listing on the Canadian Stock Exchange under the symbol "BXV".

The Company's principal business activity consists of selling software-as-a-service and custom software development services to corporate customers.

The address of the Company's corporate office and its principal place of business is 1116-207 West Hastings Street, Vancouver, BC, V6B 1H7.

Corporate Restructuring

On February 28, 2017, the Company entered into an Arrangement Agreement (the "Agreement") with Kona Bay, ACT360 Media Ltd. ("ACT360") and Hapuna Ventures Inc. ("Hapuna") for the purposes of carrying out a corporate restructuring (the "Arrangement") pursuant to Section 288 of the Business Corporations Act (British Columbia). Under the Agreement, the Arrangement was to be effected pursuant to a Plan of Arrangement (the "POA") and the Arrangement provisions. On April 24, 2017, the shareholders of Kona Bay unanimously approved the POA. On April 28, 2017, the Supreme Court of British Columbia granted the final order approving the POA.

The POA closed on December 13, 2017, and the Kona Bay closed the legal transfer of the on-line advertising business into Hapuna Ventures Inc. and the software-as-a-service business into Bexar Ventures Inc. Subsequent to the formation of Bexar and Hapuna as wholly owned subsidiaries, the Company had commenced an internal transfer of the business segments into the new subsidiaries as contracts were signed or reassigned with applicable clients, and completed the transfer of assets and liabilities as of September 30, 2017.

Pursuant to the Arrangement, on January 4, 2018 Kona Bay distributed 100 per cent of the common shares of Bexar and of Bexar to shareholders of record of Kona Bay as of December 13, 2017. In conjunction with closing the arrangement: (A) Bexar consolidated its common shares on the basis of one post-consolidation common share of Bexar for every two pre-consolidation common shares of Bexar, and (B) Hapuna consolidated its common shares on the basis of one post-consolidation common share of Hapuna for every three pre-consolidation common shares of Hapuna (the "Consolidations"). Accordingly, holders of common shares of Kona Bay received, on a pro rata basis: (A) one post-consolidation Bexar common share for every two Kona Bay common shares, and (B) one post-consolidation Hapuna common share for every three Kona Bay common shares. A total of 2,380,601 shares of Bexar and 1,587,068 shares of Hapuna were distributed.

As a result of the spin-out, Bexar is a reporting issuer. As of March 27, 2018, the Company obtained a listing on the Canadian Stock Exchange.

Description of the Business

Bexar is a technology company specializing in selling software-as-a-service business services ("SAAS") to corporate customers. The Company specializes in online testing platforms for training and high-stakes applications. Bexar designs, develops, and manages an online testing platform for higher education clients with multiple campus locations and complex requirements. The testing platform is highly flexible and supports a wide range of question content types incorporating multimedia elements for reading, writing, speaking, and listening assessments. Higher education clients use the platform to deliver practice tests, high-stakes assessments, and professional training.

Results of Operations

The results presented for the years 2014 to 2017 are those of the operations of the business segment when it was part of the operations of ACT360 Media, a subsidiary of Kona Bay, the results of which were reported in the consolidated financial statements of Kona Bay.

Three Year History – 2015-2017

Over the past three years, the SAAS Assets have generated revenue from three major multinational clients to fund operations. The Company charges an annual hosting/service fee and separate service agreements for software development. The following table sets forth the annual revenues for the fiscal years ended 2015, 2016 and 2017.

	Year Ended Sept 30, 2015 (Audited)	Year Ended Sept 30, 2016 (Audited)	Year Ended Sept 30, 2017 (Audited)
Revenue	$190,437	$435,081	$423,387

History as a "Discontinued Operation of Kona Bay for the year ended September 30, 2017

Kona Bay reported the results of the Bexar business segment as discontinued operations held for sale in its annual audited consolidated financial statements.

The business segment reported revenues of $423,387, and expenses of $246,003. An income tax expense of $18,903 was also recorded. Accordingly, the business segment reported income of $158,481. The reader is referred to Note 11 of the audited financial statements of Bexar and Note 17 of the audited financial statements of Kona Bay for further details.

Selected Annual Information

The following table summarizes selected audited financial information of the Company for the fiscal years ended September 30, 2017, 2016 and 2015. The information should be read in conjunction with the Company's audited annual financial statements and related notes.

	Year ended 09/30/2015 (audited pro forma) $	**Year ended 09/30/2016 (audited pro forma) $**	**Year ended 09/30/2017 (audited) (1) $**
Statement of Operation			
Revenue	190,437	435,081	31,632
Operating Expenses	(156,488)	(231,219)	30,289
Other Items	(36,100)	(120,853)	(51,440)
Net Income (Loss)	(2,151)	83,009	(50,097)
Financial Position			
Current Assets	54,691	210,537	90,685
Total Assets	56,259	220,037	90,685
Total Liabilities	(34,181)	(85,097)	108,281
Shareholders' Equity	22,078	134,940	(17,596)

(1) The results presented are for the Company only as of September 30, 2017. A significant portion of the business segment operations were completed prior to transfer of the business operations, assets and liabilities to the Company by ACT360, a subsidiary of Kona Bay. Kona Bay disclosed discontinued operations related to this business segment in Note 17 of the audited consolidated financial statements as of September 30, 2017 as follows:

Revenues	$423,287
Expenses	(246,003)
Other items	(18,903)
Income from operations	$158,481

Results for the six-month period ended March 31, 2018.

As the Company was not incorporated until February 2017, there is no comparative information as of December 31, 2016.

During the three and six-month period ended March 31, 2018, the Company had revenues of $76,085 (Year-to-date: $170,599), and operating expenses of $146,097 (YTD: $213,382). Accordingly, the loss from operations was $70,012 (YTD: $42,783). Interest and restructuring expenses resulted in a comprehensive loss of $77,981 (YTD: $94,904) for the period. Expenses were significantly higher during the second quarter compared to the first as regulatory fees were paid as well as a management fee to the former parent company.

The most significant elements of the Company's expenses are:

- A foreign exchange gain of $24,404 (YTD: $23,241) was recognized during the second quarter due to the timing and nature of receipts from clients;
- Consulting expenses of $31,300 (YTD: $31,300) were paid as the Company outsourced certain software development tasks to external contractors;
- Regulatory and filing fees were $15,871 as a result of seeking and obtaining a listing on a stock exchange;
- Management fees of $24,000 were paid to the former parent company for administering the operations of the Company. Direct expenses were also reimbursed;
- Selling, office and general expenses of $43,465 (YTD: $58,886) include:
    - Office expenses of $27,846; and
    - Accounting and legal of $15,619.
- Wages and benefits were $55,865 (YTD: $106,566) relating to contract and employee compensation directly related to the operations of the company;
- Interest expense of $2,969 (YTD: $3,561) accrued with respect to the note payable; and
- Restructuring expense of $5,000 (YTD: $48,560) was part of the billing of the costs of the POA to be paid by the Company to Kona Bay.

Summary of Quarterly Results (Unaudited)

As the Company was an inactive subsidiary, and commenced operations during the quarter, there are no quarterly comparisons.

The results are summarized as follows:

	Fiscal 2017-2018		**Fiscal 2016-2017**
	Q2 March 31, 2018	**Q1 Dec. 31, 2017**	**Q4 Sept. 30, 2017**
Sales	76,085	94,514	31,632
Expenses	(149,066)	(67,876)	(30,289)
Net income (loss)	(72,981)	26,638	1,343
Comprehensive income (loss)	(77,981)	(16,923)	(50,097)
Income (loss) per share	(0.02)	(0.04)	-
Total Assets	440,440	332,600	90,685
Working capital	98,561	25,851	(17,596)

Financing Activities

As part of the closing of the Arrangement, the Company issued a note payable to Kona Bay for $200,000 for a term of three years bearing interest at the rate of 6% per annum. The note was consideration for the acquisition of the business segment, including customer lists, software and other intangible assets.

In conjunction with closing the Arrangement on December 13, 2017, Bexar consolidated its common shares on the basis of one post-consolidation common share of Bexar for every two pre-consolidation common shares of Bexar. Accordingly, holders of common shares of Kona Bay received, on a pro rata basis, one post-consolidation Bexar common share for every two Kona Bay common shares. On January 4, 2018, a total of 2,380,601 shares of Bexar were distributed to Kona Bay shareholders of record.

On February 28, 2018, the Company completed a non-brokered private placement of 2,400,000 Units at a price of $0.10 per unit for gross proceeds of $240,000. Each Unit is comprised of one post-Consolidation Common Share and one post-Consolidation Common Share purchase warrant, with each warrant entitling the holder to purchase one additional post-Consolidation common share at $0.10 per share for a period of five years from the date of the issue. The proceeds of the financing will be used to fund the business operations of the Company.

Liquidity and Capital Resources

The Company's aggregate operating, investing and financing activities for the six-month period ended March 31, 2018 resulted in a cash increase of $47,897 (2017: increase of $12,555). As at March 31, 2018, the Company's cash and cash equivalents balance was $60,452 (September 30, 2017: $12,555) and the Company had working capital of $98,562 (September 30, 2017: deficit of $(17,596)).

During the six-month period ended March 31, 2018, the Company paid $nil (year ended September 30, 2017 - $nil) to acquire equipment. No other capital expenditures were incurred.

Transactions with Related Parties

The Company has identified its directors and certain senior officers as its key personnel and the compensation costs for key personnel and companies related to them will be recorded at their exchange amounts as agreed upon by transacting parties if, as and when the Company pays any compensation. No remuneration has been paid to any of the Company's directors and other key management to date.

Included in accounts receivable is $135,113 due from Act360 Media and $13,483 due from Kona Bay. These items arose from transitional revenues paid by clients to the former related companies which relate to contracts assigned to the Company.

Included in accounts payable is $99,508 due to Act360 Media and $3,624 due to Kona Bay. These amounts are for expenses paid by these companies on behalf of the Company, including payroll and business expenses during the transition period.

These balances are unsecured, non-interest bearing and have no specific terms of repayment.

Kona Bay charged a management fee of $24,000 during the period for the administration of the Company.

Off Balance Sheet Arrangements

To the best of management's knowledge, there are no other off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the company.

Critical Accounting Estimates

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

Revenue Recognition

The Company develops and hosts software products for customers. Revenues from the development of custom software products is recognized by the stage of completion of the arrangement determined using the percentage of completion method or as such services are performed as appropriate in the circumstances. The revenue and profit of contracts is recognized on a percentage of completion basis when the outcome of a contract can be estimated reliably. When the outcome of the contract cannot be estimated reliably, the amount of revenue recognized is limited to the cost incurred in the period. Losses on contracts are recognized as soon as a loss is foreseen by reference to the estimated costs of completion. Hosting revenues are recorded on a monthly basis if collection is probable.

Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

Share Based Payments

The Company records all share-based payments at their fair value. The share-based compensation costs are charged to operations over the stock option vesting period and agents' options and warrants issued in connection with common share placements are recorded at their fair value on the date of issue as share issuance costs. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options expected to vest. On the exercise of stock options and agents' options and warrants, share capital is credited for consideration received and for fair value amounts previously credited to contributed surplus. The Company uses the Black-Scholes option pricing model to estimate the fair value of share-based compensation.

Changes in Accounting Policies

During the six-month period ended March 31, 2018, the Company applied the accounting policies referred to in Note 3 to the annual audited financial statements as of September 30, 2017, on a consistent basis with the previous year. The reader is referred to those notes for a detailed discussion of the Company's accounting policies.

The Company did not adopt any new or amended standards for the year beginning October 1, 2017 that had a material impact on the consolidated financial statements.

Numerous new standards, amendments and interpretations to existing standards have been issued but are not yet effective. Below is the list of new standards that are likely to be relevant to the Company. However, management has yet to assess the impact on the Company's operations:

Standard	Title	Applicable for financial years beginning on/after
IFRS 9	Financial instruments	January 1, 2018
IFRS 15	Revenue from contracts with customers	January 1, 2018
IFRS 16	Leases	January 1, 2019
IFRIC 22	Foreign currency transactions and advance consideration	January 1, 2018

The Company has not early adopted the new standards and does not expect the impact of IFRS 9, IFRS 15, IAS 7 and IFRIC 22 on the Company's consolidated financial statements to be material.

Under IFRS 15, there is a requirement to apply a five-step model to determine when and what amount of revenue to recognize. Revenue will either be recognized over time or at a point in time, when control transfers to the customer.

Under IFRS 16, virtually all leases are required to be accounted for as finance leases rather than operating leases, where the required lease payments are disclosed as a commitment in the notes to the financial statements. As a result, the Company will be required to recognize leased assets ("right-of-use" assets) and the related lease liability on the statement of financial position.

Financial Instruments

The company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

General Objectives, Policies, and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk.

Foreign Currency Risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and US dollar or other foreign currencies will affect the Company's operations and financial results. The Company has significant exposure to foreign exchange rate fluctuation. The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company holds balances in United States dollars which could give rise to exposure to foreign exchange risk. Sensitivity to a plus or minus 10% change in the foreign exchange rate of the US dollar to the Canadian dollar would affect the reported loss and comprehensive loss by approximately $1,718, as detailed below:

United States Dollar Denominated Balances	
Cash	$ -
Accounts Receivable	17,175
Accounts payable	-
	17,175
10% change in exchange rate impact	$ 1,718

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and cash equivalents and accounts receivable. Cash and cash equivalents are maintained with financial institutions of reputable credit and may be redeemed upon demand. The Company considers this risk to be minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meets its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage

to the Company's reputation. They key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

The Company's objective is to ensure that it has sufficient cash on demand to meet expected operational expenses. To achieve this objective, the Company will prepare annual capital expenditure budgets which will be regularly monitored and updated as necessary.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

	Up to 3 months	Between 3 & 12 months	Between 1 & 3 years	Total
March 31, 2018				
Accounts payable	$ 9,948	$ -	$ -	$ 9,948
Due to Kona Bay	3,624	-	-	3,624
Due to ACT 360 Media	99,508			99,508
Due to Hapuna	-			-
Notes payable	-	-	203,561	203,561
	$ 113,080	$ -	$ 203,561	$ 316,641
September 30, 2017				
Accounts payable	$ 8,734	$ 99,547	$ -	$ 108,281
	$ 8,734	$ 99,547	$ -	$ 108,281

Outstanding Share Data

As at March 31, 2018 and the Report Date, the following table summarizes the outstanding share capital of the Company:

	March 31, 2018	Report Date
Common Shares	4,780,601	4,780,601
Stock Options	-	-
Warrants (1)	2,400,000	2,400,000
Total, Fully Diluted	**7,180,601**	**7,180,601**

1) Consists of:
   - 2,400,000 warrants exercisable at a price of $0.10 per share until February 28, 2023.

Risks and Uncertainties

An investment in the Company' shares should be considered highly speculative due to the nature of the Company's business and the present stage of its development. In evaluating the company and its business, the Reader should carefully consider the following risk factors in addition to the other information contained in this management discussion and analysis. These risk factors are not a definitive list of all risk factors associated with the Company. It is believed that these are the factors that could cause actual results to be different from expected and historical results. Investors should not rely upon forward-looking statements as a prediction of future results.

Business Model

The industry in which the Company operates is characterized by rapidly-changing Internet media, evolving industry conditions and standards, and changing user and client demands. Any evaluation of the Company's business and its prospects must be considered in light of these factors and the risks and uncertainties often encountered by companies in an evolving industry.

Some of these risks and uncertainties relate to the Company's ability to maintain and expand client relationships, sustain and increase the number of visitors to the Company's websites, respond effectively to competition and potential negative effects of competition on profit margins, and respond to government regulations relating to the Internet and personal data protection. If the Company is unable to address these risks, its business, results of operations and prospects could suffer.

Government Regulation of the Internet

The Company's online products and student recruitment services may be subject to various laws relating to internet access, usage, and privacy. New regulations affecting copyright, content, privacy, and the quality and nature of online products and services may negatively affect the Company's planned expansion of its student recruitment services into countries outside of Canada. Changes in the regulatory environment may decrease future demand for its products and services and increase the cost of doing business. The extent and applicability of laws with respect to the internet are uncertain and may in the future expose the Company to significant liabilities.

Dependence on Data Center Providers

The Company relies on Internet bandwidth and data center providers and other third parties for key aspects of the process of providing services to its clients, and any failure or interruption in the services and products provided by these third parties could harm the Company's business. Any financial or other difficulties the Company's providers' face may have negative effects on the Company's business, the nature and extent of which the Company cannot predict. The Company exercises little control over these third-party vendors, which increases the Company's vulnerability to problems with the services they provide. The Company licenses technology and related databases from third parties to facilitate analysis and storage of data and delivery of offerings. The Company has experienced interruptions and delays in service and availability for data centers, bandwidth and other technologies in the past. Any errors, failures, interruptions or delays experienced in connection with these third-party technologies and services could adversely affect the Company's business and could expose it to liabilities to third parties.

Technological Change

The Company operates in business segments that are entirely dependent on technology and the internet. As such, technological change will impact the ability of the Company to expand and grow its business and will also affect the costs and expenses incurred by the Company, including capital requirements. The online software applications

market continues to experience rapid technological change. The Company's products and services rely heavily on Microsoft Windows and Linux. There is a risk that new technologies and standards may render the Company's software applications obsolete. The Company may be required to invest significant capital in new technology and software development to remain competitive. Failure to do so may adversely affect demand for the Company's products and services.

Global Economic Conditions

Global economic conditions could have a negative effect on the Company's business and results of operations. Economic activity throughout much of the world has been volatile. Market disruptions have included extreme volatility in securities prices, as well as severely diminished liquidity and credit availability. The economic crisis may adversely affect the Company in a variety of ways. Access to lines of credit or the capital markets may be severely restricted, which may preclude the Company from raising funds required for operations and to fund continued expansion. It may be more difficult for the Company to complete strategic transaction with third parties. Such developments could decrease the Company's ability to obtain financing and could expose it to risk that one of its customers or banks will be unable to meet their obligations under agreements with them.

Reliance on Key Customers

The Company relies on key customers and B2B relationships. Our ability to maintain our network and attract additional customers will depend on a number of factors, many of which are outside of our control. A significant portion of the Company's revenues have come from three large customers. While the Company is actively seeking to diversify its customer base, the loss of any one of its large customers will result in a material adverse effect on the business and may adversely affect revenues going forward. The Company's clients can generally terminate their contracts at any time, with limited prior notice or penalty. The Company's clients may also reduce their level of business with the Company, leading to lower revenue. The Company expects that a limited number of clients will continue to account for a significant percentage of the Company's revenue, and the loss of, or material reduction in, their marketing spending with the Company could decrease the Company's revenue and adversely affect the Company's business.

Additional Requirements for Capital

Substantial additional financing may be required if the Company is to be successful at developing its business. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Management of Growth

The Company may be subject to growth-related risks including pressure on its internal systems and controls. The Company's ability to manage its 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 could have a material adverse impact on its business, operations and prospects. While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, the Company may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for the Company's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Company will also need to continue to implement and improve its

operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. There can be no assurance that the Company will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support the Company's operations or that the Company will be able to achieve the increased levels of revenue commensurate with the levels of operating expenses associated with this growth.

Dependence on Management Team

The Company will depend on certain key senior managers to oversee the core marketing, business development, operational and fund-raising activities and who have developed key relationships in the industry. Their loss or departure in the short-term would have an adverse effect on the Company's future performance.

Competition

The Company faces competition in the markets in which it operates. Some of the Company's competitors may also be better positioned to develop superior product features and technological innovations and able to better adapt to market trends than the Company. Increased competition may require the Company to reduce prices or increase costs and may have a material adverse effect on its financial condition and results of operations. Any decrease in the quality of the Company's products or level of service to customers may adversely affect the business and results of operations.

Exchange Rate

The reporting currency of the Company is the Canadian Dollar. A significant portion of the Company's revenues, however, are remitted in United States Dollars. Future fluctuations in the value of the Canadian Dollar relative to these currencies will likely have a material impact on the Company's overall financial results. Appreciation of the Canadian dollar will decrease revenues and increase expenses.

Smaller Companies

Market perception of junior companies may change, potentially affecting the value of investors' holdings and the ability of the Company to raise further funds through the issue of further Common Shares or otherwise. The share price of publicly traded smaller companies can be highly volatile. The value of the Common Shares may be subject to sudden and large falls in value given the restricted marketability of the Common Shares.

Events Subsequent to the Reporting Date

The Company has evaluated its activities subsequent to March 31, 2018 and has determined that there are no material events to be reported.