FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: SPOTLITE360 IOT SOLUTIONS, INC. (the “Issuer”).

Trading Symbol: LITE

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.

Second quarter (six-month period) ended June 30, 2021.

Unaudited condensed interim consolidated financial statements of the Issuer for the six-month period ended **June 30, 2021**, as filed with securities regulatory authorities, are attached to this Form 5 - Quarterly Listing Statement as Appendix "A".

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.

With respect to related party transactions for information supplementary to that contained in the notes to the unaudited condensed interim consolidated financial statements, which are attached hereto, please refer to Management's Discussion & Analysis for the six-month period ended **June 30, 2021**, as filed with securities regulatory authorities and attached to this Form 5 - Quarterly Listing Statement as Appendix "B".

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

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

As at **June 30, 2021**, 53,713,601 common shares in the capital of the Issuer were issued and outstanding.

(a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
Apr 20, 2021	Units. Each unit consists of one share and one warrant	Private Placement	10,460,000	$0.25	$2,615,000	Cash	Arm's Length	$116,100 cash, 332,400 finder's warrants and 190,400 finder's shares
Jun 4, 2021	Common Shares	Acquisition of Captios LLC	20,100,000	$0.15	$3,015,000	Securities	Arm's Length	N/A

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
Jun 14, 2021	6,000,000	N/A	Consultants	$0.25	Jun 14, 2026	N/A

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, As at **June 30, 2021,** the authorized capital of the Issuer consisted of an unlimited number of common shares without par value, and without any special rights or restrictions, of which **53,713,601** common shares were issued and outstanding.

The holders of common shares are entitled to receive notice of and to attend all meetings of the shareholders of the Issuer and are entitled to one vote in respect of each common share held at such meetings. Subject to the rights, if any at the time, of shareholders holding shares with special rights as to dividends (none of which are authorized or outstanding at the date of this Quarterly Listing Statement), holders of common shares of the Issuer are entitled to dividends as and when declared by the directors. Subject to the rights of holders of any shares ranking in priority to or on a parity with the common shares, the holders of common shares are entitled to participate ratably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Issuer.

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

Date	Number of common shares	Recorded value of common shares
As at June 30, 2021	53,713,601	$8,994,579

(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

Options: Options to purchase common shares in the capital of the Issuer are granted by the Issuer's Board of Directors to eligible persons pursuant to the Issuer's Stock Option Incentive Plan.

As at **June 30, 2021**, the following options were outstanding entitling holders to purchase common shares in the capital of the Issuer as summarized below:

Date of Grant	Number of Options	Exercise Price	Expiry Date	Recorded Value
December 1, 2020	4,000,000	$0.05	December 1, 2025	$515,940
June 14, 2021	6,000,000	$0.25	June 14, 2026	$1,113,005
TOTAL	**10,000,000**			

Warrants: As at **June 30, 2021**, the following warrants were outstanding entitling holders to purchase common shares in the capital of the Issuer as summarized below:

Date of Issue	Number of Warrants	Exercise Price	Expiry Date	Recorded Value
April 20, 2021	10,792,400	$0.75	April 20, 2023	$Nil
TOTAL	**10,792,400**			

Convertible Securities: The Issuer has no convertible securities outstanding.

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

As at **June 30, 2021**, 1,200,000 common shares of the Issuer were subject to an escrow agreement dated June 4, 2021.

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 of Director/Officer	Position with Issuer
Eugene Beukman	CEO and Director
James Greenwell	President
Gene McConnell	CFO and Secretary
Joel Dumaresq	Director
Alexander Somjen	Director
Peter Nguyen	Director

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

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

Management's Discussion & Analysis for the six-month period ended **June 30, 2021**, as filed with securities regulatory authorities, is attached to this Form 5 - Quarterly Listing Statement as Appendix "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: August 30, 2021.

Eugene Beukman
Name of Director or Senior Officer

/s/ "Eugene Beukman"
Signature

Chief Executive Officer
Official Capacity

Issuer Details Name of Issuer SpotLite360 IOT Solutions, Inc.	For Quarter Ended June 30, 2021	Date of Report YY/MM/DD 21/08/30
Issuer Address 789 West Pender Street, Suite 810		
City/Province/Postal Code Vancouver, British Columbia V6C 1H2	Issuer Fax No. (604) 687-3141	Issuer Telephone No. (604) 687-2038
Contact Name Eugene Beukman	Contact Position CEO	Contact Telephone No. (604) 687-2038
Contact Email Address ebeukman@partumadvisory.com	Web Site Address https://www.spotlite360.com/	

APPENDIX A

SPOTLITE360 IOT SOLUTIONS, INC.

Unaudited condensed interim financial statements
for the six-month period ended **June 30, 2021.**

SpotLite360 IOT Solutions, Inc.

(Formerly SpotLite360 Technologies, Inc.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six-months period ended June 30, 2021 and 2020

Unaudited

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the 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 condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

SpotLite360 IOT Solutions, Inc.
(Formerly SpotLite360 Technologies, Inc.)

Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

As at,	Notes		June 30, 2021		December 31, 2020
Assets					
Current Assets					
Cash		$	1,950,129	$	352,167
Investments	6		79,996		-
Prepaid expenses	4		547,623		-
Loan receivable	5		18,493		255,556
Total Current Assets			**2,596,241**		607,723
Non-Current Assets					
Intangible assets	7		1,877,778		-
Goodwill	3		3,750,465		-
Total Assets		**$**	**8,224,484**	$	607,723
Liabilities					
Current Liabilities					
Accounts payable and accrued liabilities	4,10	$	821,985	$	106,204
Loan payable	10	$	16,733	$	16,138
Total Liabilities			**838,718**		122,342
Shareholders' Equity					
Share capital	9		8,994,579		1,102,889
Subscriptions received in advance			-		39,550
Reserves			1,651,105		515,940
Accumulated other comprehensive loss			(30,471)		-
Deficit			(3,229,447)		(1,172,998)
Total Shareholders' Equity			**7,385,766**		485,381
Total Liabilities and Shareholders' Equity		**$**	**8,224,484**	**$**	607,723

Approved and authorized by the Board on August 30, 2021.

"Eugene Beukman" (signed)
Eugene Beukman, Director

"Joel Dumaresq" (signed)
Joel Dumaresq, Director

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

SpotLite360 IOT Solutions, Inc.
(Formerly SpotLite360 Technologies, Inc.)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three- and six-months period ended June 30, 2021 and 2020
(Unaudited - Expressed in Canadian dollars)

		Three-month periods ended		Six-month periods ended	
	Notes	**June 30, 2021**	**June 30, 2020**	**June 30, 2021**	**June 30, 2020**
Expenses					
Amortization	7	$ 22,222	$ -	$ 22,222	$ -
Consulting fees	10	526,466	8,551	536,231	17,401
Filing fees		41,550	368	41,550	4,857
Foreign exchange		825	-	1,264	-
Interest expense		602	-	897	-
Marketing		22,734	12,500	22,734	12,500
Office expenses		18,971	86	19,072	163
Professional fees	10	200,460	8,000	210,910	22,664
Salaries		14,730	-	14,730	-
Share-based compensation	9	1,113,005	-	1,113,005	-
Total expenses		**$ (1,961,565)**	$ (29,505)	**$ (1,982,615)**	$ (57,585)
Other income (expenses)					
Gain on write-off of debt		8,292	-	8,292	-
Unrealized loss on investments		(82,126)	-	(82,126)	-
Total other income (expenses)		**(73,834)**	-	**(73,834)**	-
Net loss for the period		**(2,035,399)**	(29,505)	**(2,056,449)**	(57,585)
Foreign currency translation adjustment		(30,471)	-	(30,471)	-
Net loss and comprehensive loss for the period		**$ (2,065,870)**	$ (29,505)	**$ (2,086,920)**	$ (57,585)
Net loss per share – basic and diluted		**$ (0.06)**	$ (0.00)	**$ (0.07)**	$ (0.00)
Weighted average number of common shares outstanding		**37,171,850**	15,121,240	**29,258,532**	14,540,089

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

SpotLite360 IOT Solutions, Inc.
(Formerly SpotLite360 Technologies, Inc., formerly 1014379 B.C. Ltd.)
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
For the six month periods ended June 30, 2021 and 2020
(Unaudited - Expressed in Canadian dollars)

	Share Capital						
	Number of Common Shares	Amount	Subscriptions Received	Reserves	Accumulated Other Comprehensive Loss	Deficit	Total
Balance at December 31, 2019	**13,946,023**	**$ 439,768**	**$ -**	**$ -**	**$ -**	**$ (503,445)**	**$ (63,677)**
Shares issued – Private placement	2,040,000	51,000	-	-	-	-	51,000
Subscriptions received in advance	-	-	21,805	-	-	-	21,805
Share issue costs	-	(1,455)	-	-	-	-	(1,455)
Net loss for the period	-	-	-	-	-	(57,585)	(57,585)
Balance at June 30, 2020	**15,986,023**	**$ 489,313**	**$ 21,805**	**$ -**	**$ -**	**$ (561,030)**	**$ (49,912)**

Balance at December 31, 2020	**20,362,864**	**$ 1,102,889**	**$ 39,550**	**$ 515,940**	$ -	**$ (1,172,998)**	**$ 485,381**
Shares issued – Private placement	13,060,337	3,005,050	(39,550)	-	-	-	2,965,500
Cash share issuance costs	-	(116,200)	-	-	-	-	(116,200)
Non-cash share issuance cost	190,400	(22,160)	-	22,160	-	-	-
Shares issued for Captios, LLC	20,100,000	5,025,000	-	-	-	-	5,025,000
Share-based compensation	-	-	-	1,113,005	-	-	1,113,005
Foreign currency translation adjustment	-	-	-	-	(30,471)	-	(30,471)
Net loss for the period	-	-	-	-	-	(2,056,449)	(2,056,449)
Balance at June 30, 2021	**53,713,601**	**$ 8,994,579**	**$ -**	**$ 1,651,105**	$ (30,471)	**$ (3,229,447)**	**$ 7,385,766**

SpotLite360 IOT Solutions, Inc.
(Formerly SpotLite360 Technologies, Inc., formerly 1014379 B.C. Ltd.)

Condensed Interim Consolidated Statements of Cash Flows
For the six-month periods ended June 30, 2021 and 2020
(Unaudited - Expressed in Canadian dollars)

		Six -month periods ended June 30, 2021		June 30, 2020
Operating activities				
Net loss for the period	$	(2,056,449)	$	(57,585)
Accrued interest		897		-
Amortization		22,222		-
Unrealized loss on investment securities		82,126		-
Share-based compensation		1,113,005		-
Write-off of accounts payable		(8,292)		-
Changes in non-cash working capital item:				
Accounts payable and accrued liabilities		(189,922)		27,657
Prepaid expenses		(292,067)		-
Net cash flows used in operating activities	**$**	(1,328,480)	$	(29,928)
Investing activities				
Cash acquired from acquisition of Captios, LLC	$	111,202	$	-
Net cash received from investing activities	**$**	111,202	$	-
Financing activities				
Subscriptions received in advance	$	-	$	21,805
Net proceeds from issuance of shares – private placement		2,849,300		49,545
Proceeds from loans		-		17,803
Net cash received from financing activities	**$**	2,849,300	$	89,153
Foreign exchange on cash		(34,060)		-
Change in cash		1,597,962		59,225
Cash, beginning of the period		352,167		298
Cash, end of the period	**$**	**1,950,129**	**$**	**59,523**

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

1. Nature and continuance of operations

SpotLite360 IOT Solutions Inc. (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on September 23, 2014. The Company is focused on providing a software-as-a-service based asset management and a supply chain execution platform which leverages blockchain and a broad array of Internet of Things technologies.

Effective June 4, 2021, the Company changed its name from 1014379 B.C. Ltd. to Spotlite360 Technologies Inc. Effective August 24, 2021, the Company changed its name from Spotlite360 Technologies Inc. to SpotLite360 IOT Solutions Inc. The Company's principal address, records office and registered address are located at Suite 810 – 789 West Pender Street, Vancouver, BC, V6C 1H2.

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. The Company is in the development stage and currently has no sources of cash from operations. Further funds will be required to successfully develop the Company's business and there is no certainty that these funds will be available. As at June 30, 2021, the Company has working capital of $1,757,523 (December 31, 2020 – $485,381) and for the six months period ended June 30, 2021, the Company incurred a net loss of $2,056,449 (2020 - $57,585). A different basis of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations and ultimately achieve profitable operations. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus (COVID-19). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in 2021.

2. Statement of compliance and significant accounting policies

These unaudited condensed interim consolidated financial statements were authorized for issue on August 30, 2021 by the directors of the Company.

Statement of compliance

These unaudited interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee.

These unaudited interim consolidated financial statements do not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2020.

2. Statement of compliance and significant accounting policies (cont'd)

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The significant accounting policies have been applied consistently to all periods presented.

Basis of presentation

All figures presented in the consolidated financial statements are reflected in Canadian dollars; however, the functional currency of the Company includes the Canadian dollar and the US dollar.

Basis of Consolidation

The condensed interim consolidated financial statements include the accounts of the Company and its controlled entities. Control occurs when the Company is exposed to, or has the right to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Details of controlled entities are as follows:

Name	Jurisdiction of incorporation	Interest
Captios, LLC	US	100%
Spotlite360, Inc.	US	100%

All inter-company transactions and balances have been eliminated in the consolidated financial statement presentation.

Significant accounting judgments, estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments and estimates in applying the Company's consolidated financial statements include:

Going concern
The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty involves significant judgement based on historical experience and other factors, including the expectation of future events that are believed to be reasonable under the circumstances.

Stock-based compensation
The fair value of stock-based compensation requires estimates of assumptions that are used in the black-scholes option pricing model.

2. Statement of compliance and significant accounting policies (cont'd)

Significant accounting judgments, estimates and assumptions (cont'd)

Business combinations
Judgement is required to determine if the Company's acquisition represented a business combination or an asset purchase. If estimates or judgments differed, this could result in a materially different allocation of net assets on the consolidated statement of financial position. In a business combination, substantially all identifiable assets, liabilities and contingent liabilities acquired are recorded at the date of acquisition at their respective fair values. One of the most significant areas of judgment and estimation relates to the determination of the fair value of these assets and liabilities, including the fair value of contingent consideration, if applicable. If any intangible assets are identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent external valuation expert may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. These valuations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. In certain circumstances where estimates have been made, the Company may obtain third-party valuations of certain assets, which could result in further refinement of the fair-value allocation of certain purchase prices and accounting adjustments.

Functional Currency
The functional currency of the Company and each of the Company's subsidiaries is the currency of the primary economic environment in which the respective entity operates. Such determination involves certain judgements to identify the primary economic environment. The Company reconsiders the functional currency of an entity if there is a significant change in the events and/or conditions which determine the primary economic environment.

Recoverability of long-lived assets
The Company assesses at each reporting date if the intangible asset has indicators of impairment. In determining whether the intangible asset is impaired, the Company assesses certain criteria including observable decreases in value, significant changes with adverse effect on the entity, a change in market interest rates, and evidence of technological obsolescence. The application of the Company's accounting policy for intangible asset expenditures requires judgment in determining whether it is likely that the future economic benefits will flow to the Company, which are based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized in excess over the recoverable value is written off to profit or loss in the period the new information becomes available.

Estimated useful life of long-lived assets
Judgment is used to estimate each component of a long-lived asset's useful life and is based on an analysis of all pertinent factors including, but not limited to, the expected use of the asset and in the case of an intangible asset, contractual provisions that enable renewal or extension of the asset's legal or contractual life without substantial cost, and renewal history. If the estimated useful lives were incorrect, it could result in an increase or decrease in the annual amortization expense, and future impairment charges or recoveries.

2. Statement of compliance and significant accounting policies (cont'd)

Investments
Investment transactions are recorded on a trade date basis. The cost of investments represents the amount paid for each investment and is determined on an average cost basis excluding transaction costs. The Company classifies its investments as fair value through profit or loss, with unrealized gains and losses recognized in profit or loss. The fair value of the Company's investments as at the financial reporting date are determined as follows: Common shares in quoted companies – All securities listed on a recognized public stock exchange are generally valued at their last bid price. Options and warrants – The options and warrants are valued at fair value using the Black-Scholes pricing model which considers factors such as market value of the underlying security, strike price, volatility and expected life. Investments in private companies and other investments – When the fair values of financial assets and financial liabilities recorded on the condensed interim consolidated statements of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgement is required to establish fair value.

Financial Instruments

Classification
The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of a debt instrument is driven by the Company's business model for managing its financial assets and their contractual cash flow characteristics. Equity instruments that are held-for trading are classified as at FVTPL. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL.

Measurement
Financial assets at FVTOCI - Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive loss.

Financial assets and liabilities at amortized cost - Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL - Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of operations. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of operations in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive loss.

Impairment of financial assets at amortized cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statement of operations, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

2. Statement of compliance and significant accounting policies (cont'd)

Derecognition
Financial assets - The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statement of operations. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within the accumulated other comprehensive loss.

Financial liabilities - The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of operations.

Fair value hierarchy
The Company's financial instruments consist of cash, loan receivable, investments, accounts payable and accrued liabilities, and loans payable. Financial instruments measured at fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of hierarchy are:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial instruments classified as level 1 – Unadjusted quoted prices in active markets include cash and investments in common shares.

Financial instruments classified as level 2 –Includes investments in warrants.

The estimated fair value of loan receivable, accounts payable and accrued liabilities, and loans payable are equal to their carrying values due to the short-term nature of these instruments.

Intangible Assets

The Company owns intangible assets consisting of licensed intellectual property. Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired in connection with a business combination are initially recorded at fair value. Following initial recognition, intangible assets are carried at initial carrying value less any accumulated amortization and any accumulated impairment losses.

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in operations as incurred. The Company does not hold any intangible assets with indefinite lives. Intangible assets with finite lives are amortized over the lower of contractual period or useful economic life and assessed for impairment at each reporting date or whenever there is an indication that the intangible asset may be impaired.

2. Statement of compliance and significant accounting policies (cont'd)

Intangible Assets (cont'd)

The amortization method and amortization period of an intangible asset with a finite life is reviewed at least quarterly. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

Intangible assets with finite useful lives are amortized over their estimated useful lives as follows:

Intangible asset	Useful life
Software License	7 years

Goodwill

Goodwill represents the excess of the purchase price paid for the acquisition of an entity over the fair value of the net tangible and intangible assets acquired. Goodwill is allocated to the cash generating unit ("CGU") or group of CGUs which are expected to benefit from the synergies of the combination. Goodwill is not subject to amortization.

The goodwill balance is assessed for impairment annually or when facts and circumstances indicate that it is impaired. Goodwill is tested for impairment at a CGU level by comparing the carrying value to the recoverable amount, which is determined as the greater of fair value less costs of disposal and value in use. Any excess of the carrying amount over the recoverable amount is the impaired amount. The recoverable amount estimates are categorized as Level 3 according to the fair value hierarchy. Impairment charges are recognized in the statement of comprehensive loss. Goodwill is reported at cost less any accumulated impairment. Goodwill impairments are not reversed.

Impairment of Non-Financial Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purpose of testing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating unit, or "CGU"). An impairment loss is recognized for the amount, if any, by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and the value in use (being the present value of expected future cash flows of the asset or CGU). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount and the carrying amount that would have been recorded had no impairment loss been previously recognized, with the exception of goodwill and indefinite lived intangible assets.

2. Statement of compliance and significant accounting policies (cont'd)

Functional Currency

All figures presented in the condensed interim consolidated financial statements are reflected in Canadian dollars; however, the functional currency of the Company includes the Canadian dollar and the US dollar. The Company's functional currency is the Canadian dollar whereas the remainder of the Company's subsidiaries' functional currency is the US dollar.

Foreign currency transactions are translated to the respective functional currencies of the Company's entities at the exchange rates in effect on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the foreign exchange rate applicable at the statement of financial position date. Non-monetary items carried at historical cost denominated in foreign currencies are translated to the functional currency at the date of the transactions. Non-monetary items carried at fair value denominated in foreign currencies are translated to the functional currency at the date when the fair value was determined. Realized and unrealized exchange gains and losses are recognized through profit and loss.

On consolidation, the assets and liabilities of foreign operations reported in their functional currencies are translated into Canadian dollars, the Company's presentation currency, at period-end exchange rates. Income and expenses, and cash flows of foreign operations are translated into Canadian dollars using average exchange rates. Exchange differences resulting from translating foreign operations are recognized in accumulated other comprehensive loss.

Business combination

A business combination is a transaction or event in which an acquirer obtains control of one or more businesses and is accounted for using the acquisition method. The total consideration paid for the acquisition is the fair value equity instruments issued in exchange for control of the acquiree at the acquisition date. The acquisition date is the date when the Company obtains control of the acquiree. The identifiable assets acquired, and liabilities assumed are recognized at their acquisition date fair values, except for deferred taxes and share-based payment awards where IFRS provides exceptions to recording the amounts at fair value. Goodwill represents the difference between total consideration paid and the fair value of the net-identifiable assets acquired. Acquisition costs incurred are expensed in the statement of comprehensive loss.

Based on the facts and circumstances that existed at the acquisition date, management will perform a valuation analysis to allocate the purchase price based on the fair values of the identifiable assets acquired and liabilities assumed on the acquisition date. Management has one year from the acquisition date to confirm and finalize the facts and circumstances that support the finalized fair value analysis and related purchase price allocation. Until such time, these values are provisionally reported and are subject to change. Changes to fair values and allocations are retrospectively adjusted in subsequent periods.

In determining the fair value of all identifiable assets acquired and liabilities assumed, the most significant estimates generally relate to contingent consideration and intangible assets. Identified intangible assets are fair valued using appropriate valuation techniques which are generally based on a forecast of the total expected future net cash flows of the acquiree. Valuations are highly dependent on the inputs used and assumptions made by management regarding the future performance of these assets and any changes in the discount rate applied.

(Unaudited - Expressed in Canadian dollars)

2. Statement of compliance and significant accounting policies (cont'd)

New standards adopted

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

Comparative figures

Certain comparative figures have been reclassified to conform to current year's presentation. Such reclassification is for presentation purpose only and has no effect on previously reported results.

3. Business Combination

On June 21, 2020, the Company entered into a share exchange agreement (the "Share Exchange Agreement") with Captios, LLC. ("Captios"). Captios is a United States based technology company that provides logistics technologies solutions for all participants in a supply chain. On June 4, 2021, the Company completed the acquisition of all the issued and outstanding ordinary shares in the capital of Captios. As consideration, the Company issued 20,100,000 common shares of the Company.

The acquisition of Captios constituted a business combination as Captios met the definition of a business under IFRS 3 - Business Combinations.

Purchase price:	**$**
20,100,000 common shares	5,025,000
Total consideration paid	**5,025,000**
Cash	111,202
Investments	158,995
Loan receivable	18,031
Intangible asset – software platform	1,900,000
Accounts payable and accrued liabilities	(542,402)
Loan liabilities	(371,291)
Net assets assumed	1,274,535
Goodwill	3,750,465
Total	**5,025,000**

The Company determined that Captios' technology and business objectives were synergistic with the Company's business plans and objectives. Goodwill consists of an assembled workforce, cost synergies and future economic potential of Captios.

Loan liabilities include $314,184 that relates to a working capital loan issued to Captios.

During the period ended from June 4, 2021 to June 30, 2021, the Company recorded a net loss of $287,028 in the Consolidated Statement of Loss and Comprehensive Loss in connection with Captios.

Net loss for the Company would have been higher by approximately $705,774, for the period ended June 30, 2021, if the acquisition had taken place on January 1, 2021. In connection with this transaction, the Company did not recognize any material transaction cost.

(Unaudited - Expressed in Canadian dollars)

4. Prepaid Expenses

	June 30, 2021 $	December 30, 2020 $
Consulting fees	479,391	-
Corporate development	7,857	-
Marketing	60,375	-
Total	**547,623**	**-**

5. Loans receivable

At June 30, 2021, the Company had advanced $18,493 to TrackX Holdings, Inc. ("TrackX") a related company through common management. The loan was non-interest-bearing and due on demand.

At December 31, 2020, the Company provided a loan of $255,556 (USD - $200,000) to Captios. The loan is unsecured, with no set terms of repayment and interest free. On June 4, 2021, the acquisition of Captios closed, and the loan was eliminated.

6. Investments

As part of the business combination described in Note 3, the Company acquired 1,000,000 shares of Cyon Exploration Ltd ("Cyon") with a cost base of $104,995 and 1,000,000 share purchase warrants enabling the Company to purchase an additional Cyon common share at $0.15 per share for a period of three years with a cost basis of $54,000.

		Shares	Warrants	Total
December 31, 2020	**$**	**-**	**-**	**-**
Additions		104,995	**54,000**	158,995
Fair value adjustment		(39,999)	**(39,000)**	(78,999)
Balance at June 30, 2021	**$**	**64,996**	**15,000**	**79,996**

7. Intangible Asset

As part of the acquisition of Captios, the Company acquired a software license. On July 6, 2020, Captios entered into a Software License Agreement (the "Agreement" or "License") with TrackX. TrackX operates as an enterprise asset management company deploying SaaS-based solutions leveraging multiple auto-ID and sensor technologies for the comprehensive tracking and management of physical assets. TrackX's Global Asset Management for Enterprises ("GAME") Platform enables the Industrial Internet of Things ("IIoT") by providing unique item level tracking, workflow processing, event management, alerting and powerful analytics to deliver solutions across a growing number of industries.

Pursuant to the Agreement the Company has acquired the License to the GAME Platform and the ancillary software products from TrackX on a non-exclusive basis to commercialize an entire supply chain solution in the pharmaceutical, healthcare and agriculture industries (the "Licensed Industries").
As a consideration for the License, the Company will pay TrackX USD$300,000 as follows:

- USD$200,000 paid on or before November 30, 2020 (paid).
- USD$10,000 per month paid at the end of each of the subsequent 10 months, through September 2021.

(Unaudited - Expressed in Canadian dollars)

7. Intangible asset (cont'd)

In addition, TrackX shall receive 10% of first year SaaS revenue derived from the licensing of GAME Platform for each location installed within the Licensed Industries. The Company will pay to TrackX development, integration, support and other service fees based upon the then current TrackX services pricing and as agreed by TrackX and the Company within an associated services agreement.

The Company will have a perpetual non-exclusive right to the targeted licensed industries from the execution date of the agreement. The Company retains the right to obtain exclusivity within the 12-month period following execution of the agreement for the licensed industries under terms which will be negotiated between the parties and for not less than $900,000.

		Software license
December 31, 2020	**$**	**-**
Additions		1,900,000
Amortization		(22,222)
Balance at June 30, 2021	**$**	**1,877,778**

8. Accounts payable and accrued liabilities

		June 30, 2021		December 31, 2020
Accounts payable	$	810,105	$	102,204
Accrued liabilities		11,880		4,000
	$	**821,985**	**$**	**106,204**

Included in accounts payable are amounts totaling $214,412 (2020 - $94,306) due to related parties including a previous director and companies controlled by a previous director of the Company. (Note 10).

9. Share Capital

Authorized share capital
Unlimited number of common shares without par value
Unlimited number of preferred shares without par value

Shares issued during the six months period ended June 30, 2021:

On February 26, 2021, the Company completed a non-brokered private placement of 2,600,337 common shares at a price of $0.15 per share, for gross proceeds of $390,050. No finder's fees were paid in connection with the private placement. The Company received subscriptions in advance of $39,550 prior to December 31, 2020.

On April 20, 2021, the Company completed a non-brokered private placement of 10,460,000 units at a price of $0.25 per share, for gross proceeds of $2,615,000. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.75 per share for a period of two years. In connection with the Private Placement, the Company paid finder's fees consisting of $116,100 cash commission, 332,400 warrants (the "Brokers Warrants") and 190,400 of the company's common shares to arm's-length finders with a fair value of $47,600. The fair value of the shares was measured at $0.25. The Brokers Warrants had a fair value of $22,160 and were measured using the Black-Scholes pricing model with the following assumptions: stock price - $0.25; exercise price - $0.75; expected life – 2 years; volatility – 100%; dividend yield – Nil; and risk-free rate – 0.29%.

(Unaudited - Expressed in Canadian dollars)

9. Share Capital (Cont'd)

Shares issued during the year ending December 31, 2020:

On September 3, 2020, the Company completed a non-brokered private placement consisting of 4,090,506 common shares at $0.15 per share, for gross proceeds of $613,576. In connection with the private placement, the Company issued 286,335 finder's fee common shares, to arm's-length finders, with a fair value of $42,950.

On May 8, 2020, the Company completed a non-brokered private placement consisting of 2,040,000 common shares at $0.025 per share, for gross proceeds of $51,000. In connection with the private placement, the Company paid a cash finder's fee of $1,455.

b) Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the requirements of the Exchange, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 20% of the issued and outstanding common shares of the Company. Such options will be exercisable for a period of up to ten years from the date of grant.

On December 1, 2020, the Company granted incentive stock options to consultants to purchase an aggregate of 4,000,000 common shares at an exercise price of $0.05 per common share for up to five years. The options vested upon grant. The grant date fair value of the options was measured at $515,940. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price - $0.15; exercise price - $0.05; expected life – 5 years; volatility – 100%; dividend yield – $0; and risk-free rate – 0.46%.

On June 14, 2021, the Company granted incentive stock options to consultants to purchase an aggregate of 6,000,000 common shares at an exercise price of $0.25 per common share for up to five years. The options vested upon grant. The grant date fair value of the options was measured at $1,113,005. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price - $0.25; exercise price - $0.25; expected life – 5 years; volatility – 100%; dividend yield – $0; and risk-free rate – 0.85%.

The following is a summary of the Company's option activity for the year ended December 31, 2020 and for the six months period ended June 30, 2021.

	Number of Options
Outstanding, December 31, 2019	-
Issued	4,000,000
Outstanding, December 31, 2020	4,000,000
Issued	6,000,000
Outstanding, June 30, 2021	10,000,000

(Unaudited - Expressed in Canadian dollars)

9. Share Capital (Cont'd)

b) Stock options

Details of options outstanding as at June 30, 2021 are as follows:

Exercise price	Number of Options outstanding and exercisable	Expiry date
$0.25	6,000,000	June 14, 2026
$0.05	4,000,000	December 1, 2025
Total	10,000,000	

The weighted average remaining contractual life of the options outstanding at June 30, 2021, is 4.56 years (December 31, 2020 – 4.92).

b) Warrants

As at June 30, 2021, the Company had warrants outstanding and exercisable enabling holders to acquire the following:

Number of Warrants Issued	Number of Warrants exercisable	Exercise Price	Expiry Date
10,792,400	10,792,400	$0.75	April 20, 2023

A summary of the status of the Company's warrants outstanding and exercisable as at June 30, 2021 and December 31, 2020, and changes during those years is presented below:

	Number of warrants Issued		Weighted Average Exercise Price
Balance, December 31, 2020 and 2019	-	$	-
Issued	10,792,400		0.75
Balance, June 30, 2021	10,792,400		0.75

c) Reserve

The share-based payment reserves record items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

10. Related party transactions

The Company considers its related parties to comprise directors, officers, companies controlled by directors and officers and companies with common directors. The key management compensation and fees consist of the following for the six months period ended June 30, 2021 and 2020:

		June 30, 2021		June 30, 2020
Accounting, corporate and interest charged by a company controlled by a director	$	67,473	$	31,350
	$	**67,473**	**$**	**31,350**

10. Related party transactions (Cont'd)

Included in professional and corporate fees are $46,978 (2020 – $16,350) corporate services and $19,900 (2020 - $15,000) for accounting services by a company controlled by a director of the Company.

During the six months period ending June 30, 2021, the Company owed a principal loan of $15,000 (December 31, 2020 - $15,000) obtained from a company controlled by a director of the Company to cover ongoing operational expenses. The loan is unsecured, bearing interest at 8% per annum and is due on demand. During the six months period ended June 30, 2021, the Company accrued interest of $595 (year ending December 31, 2020 - $1,138).

As at June 30, 2021, there was $6,962 (December 31, 2020 - $13,288) included in accounts payable and accrued liabilities owing to a former officer and director and companies controlled by the former director. The balances are unsecured, payable on demand and non-interest bearing.

As at June 30, 2021, there was $207,450 (December 31, 2020 - $81,018) included in accounts payable and accrued liabilities owing to directors and a company controlled by a director of the Company. The balances are unsecured, payable on demand and non-interest bearing.

11. Financial instruments and risk management

The Company's financial instruments consist of cash, loan receivable, investments, accounts payable and accrued liabilities, and loans payable. Financial instruments measured at fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of hierarchy are:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial instruments classified as level 1 – Unadjusted quoted prices in active markets include cash and investments in common shares.

Financial instruments classified as level 2 –Includes investments in warrants.

The estimated fair value of loan receivable, accounts payable and accrued liabilities, and loans payable are equal to their carrying values due to the short-term nature of these instruments.

The Company's risk exposure and the impact on the Company's financial instruments is summarized below:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash. The Company limits exposure to credit risk through maintaining its cash with high-credit quality Canadian financial institutions. The Company is not exposed to significant credit risk. The carrying amount of financial assets represents the maximum credit exposure.

11. Risk management and financial instruments (cont'd)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company has funds of $1,950,129 (December 31, 2020 – $352,167) to satisfy its financial obligations of $838,718 (December 31, 2020 - $122,342). The Company will be required to raise additional financing to be able and to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company has assessed its foreign exchange risk as low as at June 30, 2021.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's sensitivity to interest rates is minimal.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of shareholders' deficiency. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

The Company is actively looking to acquire an interest in a business or assets and this involves a high degree of risk. The Company has not determined whether it will be successful in its endeavors and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of capital stock. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid. There were no changes in the Company's capital risk management approach during the six months period ended June 30, 2021.

(Unaudited - Expressed in Canadian dollars)

12. Segmented information

The Company operates within two geographic areas, Canada and U.S.

	Canada $	U.S. $	Total $
Three months ended June 30, 2021			
Revenue	-	-	-
Net Loss	(1,748,371)	(287,028)	(2,035,399)
Three Months ended June 30, 2020			
Revenue	-	-	-
Net Loss	(29,505)	-	(29,505)
Six months ended June 30, 2021			
Revenue	-	-	-
Net Loss	(1,769,421)	(287,028)	(2,056,449)
Six months ended June 30, 2020			
Revenue	-	-	-
Net Loss	(57,585)	-	(57,585)
As at June 30, 2021			
Total non-current assets	-	5,628,243	5,628,243
As at December 31, 2020			
Total non-current assets	-	-	-

13. Subsequent event

On July 5, 2021, the Company issued 700,000 restricted shares units of the Company ("RSUs") under the Company's restricted share unit plan (the "RSU Plan") to the President of the Company, as compensation and an incentive for the President to drive the growth of the Company. The RSUs and the RSU Plan remain subject to shareholder approval and ratification at the next annual general and special meeting of shareholders, scheduled for August 30, 2021.

An initial 70,000 RSUs will vest on the date of shareholder approval, and the remaining six tranches of 105,000 RSUs per tranche will vest every six months over a period of 36 months from June 15, 2021. Once vested, each RSU shall entitle the holder to acquire one common share of the Company underlying each such RSU by delivering a notice of acquisition to the Company in accordance with the RSU Plan for a period of 5 years.

APPENDIX B

SPOTLITE360 IOT SOLUTIONS, INC.

Management's Discussion & Analysis
for the six-month period ended **June 30, 2021.**

SpotLite360 IOT Solutions, Inc.
(Formerly SpotLite360 Technologies, Inc.)

Management Discussion and Analysis

For the six months ended June 30, 2021

This management's discussion and analysis ("MD&A") provides an analysis of our financial situation which will enable the reader to evaluate important variations in our financial situation for the six months ended June 30, 2021, compared to the six months ended June 30, 2020. This report prepared as at August 30, 2021 intends to complement and supplement our condensed interim consolidated financial statements (the "financial statements") as at June 30, 2021 which have been prepared in accordance with International Financial Reporting Standards, and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and should be read in conjunction with the condensed interim consolidated financial statements and the accompanying notes. Readers are also advised to read the Company's audited financial statements (the "financial statements") and accompanying notes for the year ended December 31, 2020, (the "financial statements"), which have been prepared in accordance with International Financial Reporting Standards.

Our condensed interim consolidated financial statements and the management's discussion and analysis are intended to provide a reasonable base for the investor to evaluate our financial situation.

Our condensed interim consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). All dollar amounts contained in this MD&A are expressed in Canadian dollars, unless otherwise specified.

Where we say "we", "us", "our", the "Company" or "numbered company", we mean SpotLite IOT Solutions Inc., as it may apply.

This management discussion and analysis may contain forward-looking statements in respect of various matters including upcoming events and include without limitation, statements regarding discussions of the Company's business strategy, future plans, projections, objectives, estimates and forecasts and statements as to management's expectations with respect to, among other things, the development of the Company's business. These forward-looking statements involve numerous risks and uncertainties and actual results may vary. Important factors that may cause actual results to vary include without limitation include certain transactions; rapid technological change in the industry in which the Company operates; managing growth in a high-tech environment; a highly competitive industry; failure to obtain or maintain required regulatory approvals; possibility of data breaches and inadequacy of consumer protection and data privacy policies; and increased research and development costs and reduced profitability as a result. In making the forward-looking statements in this MD&A, the Company has applied several material assumptions, including without limitation, the assumptions that any additional financing needed will be available on reasonable terms.

Additional factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements include, among other factors, the state of the global economy and economic and political events, including the deterioration of the global capital markets, affecting supply and demand and economic and political events affecting supply and demand; and exposure to information systems security threats.

The Company cannot assure you that any of these assumptions will prove to be correct.

The words "expect," "anticipate," "estimate," "may," "will," "should," "intend," "believe," "target," "budget," "plan," "projection" and similar expressions are intended to identify forward-looking statements. Information concerning mineral reserve and mineral resource estimates also may be considered forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present during operations or if and when an undeveloped project is actually developed.

These factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements. The Company believes that the expectations reflected in the forward-looking statements, including future-oriented financial information, contained in this MD&A and any documents incorporated by reference are reasonable, but no assurance can be given that these expectations will prove to be correct. In addition, although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, including future-oriented financial information, there may be other factors that cause actions, events, or results not to be as anticipated, estimated, or intended. The Company undertakes no obligation to disclose publicly any future revisions to forward-looking statements, including future-oriented financial information, to reflect events or circumstances after the date of this MD&A or to reflect the occurrence of unanticipated events, except as expressly required by law.

Additionally, the forward-looking statements, including future-oriented financial information, contained herein are presented solely for the purpose of conveying our reasonable belief of the direction of the Company and may not be appropriate for other purposes.

The results or events predicted in these forward-looking statements may differ materially from the actual results or events. The Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

BACKGROUND

The Company was incorporated under the *Business Corporations Act* (British Columbia) on September 23, 2014. The principal business of the Company is to provide a software-as-a-service based asset management and a supply chain execution platform which leverages blockchain and a broad array of Internet of Things technologies.

Effective June 4, 2021, the Company changed its name from 1014379 B.C. Ltd. to Spotlite360 Technologies Inc. Effective August 24, 2021, the Company changed its name from Spotlite360 Technologies Inc. to SpotLite360 IOT Solutions Inc. The address of its head office is 810 - 789 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2.

BUSINESS COMBINATION

On June 21, 2020, the Company entered into a share exchange agreement (the "Share Exchange Agreement") with Captios, LLC. ("Captios"). Captios is a United States based technology company that provides logistics technologies solutions for all participants in a supply chain. On June 4, 2021, the Company completed the acquisition of all the issued and outstanding ordinary shares in the capital of Captios. As consideration, the Company issued 20,100,000 common shares of the Company.

The acquisition of Captios constituted a business combination as Captios met the definition of a business under IFRS 3 - Business Combinations.

Purchase price:	**$**
20,100,000 common shares	5,025,000
Total consideration paid	**5,025,000**
Cash	111,202
Investments	158,995
Loan receivable	18,031
Intangible asset – software platform	1,900,000
Accounts payable and accrued liabilities	(542,402)
Loan liabilities	(371,291)
Net assets assumed	1,274,535
Goodwill	3,750,465
Total	**5,025,000**

The business of Captios is primarily the Spotlite360 Software, a SaaS-based supply chain execution and sustainability platform for enterprise customers in the pharmaceutical, healthcare and agricultural industries. By leveraging IoT technologies, blockchain, machine learning and analytics, the Spotlite360 Software is uniquely positioned to meet customer needs for supply chain execution, tracing, tracking, and sustainability. Customers will benefit by realizing improved visibility, a reduction in loss and theft, increased supply chain velocity, labor efficiency, improves asset utilization, and support of their global sustainability initiatives. The Spotlite360 Software is owned by and operated through Spotlite360, a wholly-owned subsidiary of Captios.

The primary objective business objective for the Company over the next 12 months is to develop Captios' business.

HIGHLIGHTS

On April 21, 2021, the Company completed a non-brokered private placement of 10,460,000 units at a price of $0.25 per unit, for gross proceeds of $2,615,000. Each unit consists of one common share and one share purchase warrant of the Company. Each warrant will entitle the holder thereof to purchase one additional common share a price of $0.75 per common share for a period of two years. In connection with the private placement, the Company paid finder's fees consisting of $116,100 cash commission, 332,400 warrants (the "Brokers Warrants") and 190,400 shares to arm's-length finders. Each Brokers Warrant is exercisable into one common share at a price of $0.75 per common share for a period of two years.

On February 26, 2021, the Company completed a non-brokered private placement of 2,600,337 common shares at a price of $0.15 per share, for gross proceeds of $390,05. No finder's fees were paid in connection with the Private Placement.

On July 5, 2021, the Company issued 700,000 restricted shares units of the Company ("RSUs") under the Company's restricted share unit plan (the "RSU Plan") to the President of the Company, as compensation and an incentive for the President to drive the growth of the Company. The RSUs and the RSU Plan remain subject to shareholder approval and ratification at the next annual general and special meeting of shareholders, scheduled for August 30, 2021.

An initial 70,000 RSUs will vest on the date of shareholder approval, and the remaining six tranches of 105,000 RSUs per tranche will vest every six months over a period of 36 months from June 15, 2021. Once vested, each RSU shall entitle the holder to acquire one common share of the Company underlying each such RSU by delivering a notice of acquisition to the Company in accordance with the RSU Plan for a period of 5 years.

RESULTS OF OPERATIONS

Three-months ended June 30, 2021 and 2020

During the three months ended June 30, 2021, the Company had no revenue (2020 - $Nil), reported a net loss of $2,035,399 (2020 - $29,505). The Company incurred consulting fees of $526,466 (2020 - $8,551), filing fees of $41,550 (2020 - $368), marketing fees of $22,734 (2020 - $12,500), office expenses of $18,971 (2020 - $86), and professional fees of $200,460 (2020 - $8,000), share-based compensation of $1,113,005 (2020 - $Nil). The Company also recognized an unrealized loss on investments of $82,126 during 2021 (2020 - $Nil). The increase in expenses was due to increased activity, mainly as a result of the acquisition of Captios during the period ended June 30, 2021.

Some of the significant charges to operations are as follows:

- Consulting fees of $526,466 (2020 - $8,551) were charged as the Company engaged consultants to assist in the execution of the Company's business plan. This increased during 2021 as a result of the acquisition of Captios and the increased operations associated with the new business.
- Filing fees of $41,550 (2020 - $368) were charged as the Company is keeping its filings up to date and increased the filings were undertaken in 2021.
- Marketing fees of $22,734 (2020 - $12,500) were paid to marketing companies which increased in 2021 as the company increased operations as the result of the Captios acquisition.
- Office expenses of $18,971 (2020 - $86) was paid mainly for administration costs, travel, internet and technology costs, and bank charges. This increased in 2021 as the Company increased operations as the result of the Captios acquisition.
- Professional fees of $200,460 (2020 - $8,000) increased as legal and accounting fees increased as a result of the additional accounting and legal costs associated with the acquisition of Captios and the increased operations associated with it.
- Share-based compensation of $1,113,005 (2020 - $Nil) increased as a result of the grant of stock options on June 14, 2021, to consultants to purchase an aggregate of 6,000,000 common shares at an exercise price of $0.25 per common share for up to five years. The options vested upon grant.
- The Company incurred an unrealized loss on investments of $82,126 during 2021 (2020 - $Nil). This was the result of the Company having investments during 2021 and not having any investments in the 2020 period.

RESULTS OF OPERATIONS (Continued)

Six-months ended June 30, 2021 and 2020

During the six months ended June 30, 2021, the Company had no revenue (2020 - $Nil), reported a net loss of $2,056,449 (2020 - $57,585). The Company incurred consulting fees of $536,231 (2020 - $17,401), filing fees of $41,550 (2020 - $4,857), marketing fees of $22,734 (2020 - $12,500), office expenses of $19,072 (2020 - $163), and professional fees of $210,910 (2020 - $22,664), share-based compensation of $1,113,005 (2020 - $Nil). The Company also recognized an unrealized loss on investments of $82,126 during 2021 (2020 - $Nil). The increase in expenses was due to the increased activity, mainly as a result of the acquisition of Captios during the period ended June 30, 2021.

Some of the significant charges to operations are as follows:

- Consulting fees of $536,231 (2020 - $17,401) Corporate fees were charged as the Company engaged consultants to assist in the execution of the Company's business plan. This increased during 2021 as a result of the acquisition of Captios and the increased operations associated with the new business.
- Filing fees of $41,550 (2020 - $4,857) were incurred as the Company is keeping its filings up to date and increased the filings undertaken in 2021.
- Marketing fees of $22,734 (2020 - $12,500) were incurred and increased in 2021 as the Company increased operations as the result of the Captios acquisition.
- Office expenses of $19,072 (2020 – $163) was paid mainly for administration costs, travel, internet and technology costs, and bank charges. This increased in 2021 as the Company increased operations as the result of the Captios acquisition.
- Professional fees of $210,910 (2020 - $22,664) increased as legal and accounting fees increased as a result of the additional accounting and legal costs associated with the acquisition of Captios and the increased operations associated with it.
- Share-based compensation of $1,113,005 (2020 - $Nil) increased as a result of the grant of stock options on June 14, 2021, to consultants to purchase an aggregate of 6,000,000 common shares at an exercise price of $0.25 per common share for up to five years. The options vested upon grant.
- The Company incurred an unrealized loss on investments of $82,126 during 2021 (2020 - $Nil). This was the result of the Company having investments during 2021 and not having any investments in the 2020 period.

Cash flow analysis
Operating Activities

During the six-month period ended June 30, 2021 and 2020, cash used in operating activities was $1,328,480 and (2020 – $29,928) respectively for activities as described above. The increase in cash used in operating activities was the result of an increase in net loss as well as an increase in cash payments for accounts payables and prepaid expenses during the six months ended June 30, 2021.

Investing activities

During the six-month period ended June 30, 2021, the Company acquired cash of $111,202 from the business combination with Captios. During the six-month period ended June 30, 2020, the Company did not use or generate any cash from investing activities.

Financing activities

During the six-month period ended June 30, 2021 and 2020, the Company received $2,849,300 (2020 - $89,153) from financing activities. The amount received from financing activities comprised of $Nil of subscriptions received in advance (2020 - $21,805), $2,849,300 net received from private placements (2020 - $49,545), $nil received from loans (2020 – $17,803).

SUMMARY OF QUARTERLY RESULTS

	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
	$	$	$	$
Revenue	Nil	Nil	Nil	Nil
Net loss	(2,035,399)	(21,050)	(568,625)	(43,343)
Basic and diluted loss per share	(0.06)	(0.00)	0.03	(0.00)

	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019
	$	$	$	$
Revenue	Nil	Nil	Nil	Nil
Net loss	(29,505)	(28,080)	(30,760)	(25,916)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.05)

During the three months period ended June 30, 2021 the Company recorded a loss of $2,035,399. The increase during this quarter was the result of increased operations as a result of the acquisition of Captios and share-based compensation of $1,113,005 as a result of the grant of 6,000,000 stock options to consultants. During the three months period ended March 31, 2021 the Company recorded a loss of $21,050 compared to $28,080 for the same quarter during the prior your due to conservative spending. As at December 31, 2020, the Company recorded a net loss of $568,625 compared to a net loss of $30,760 in the same quarter the prior year, mainly because of the issuance of non-cash stock-based compensation of $515,940 (2019 - $Nil) during the fourth quarter of 2020.

The Company has current liabilities of $838,718 (2020 - $485,381) and will be required to obtain continued deferral of payments to related parties or raise additional financing to satisfy its liabilities and to identify an interest in a business or assets.

EQUITY

At June 30, 2021 there were 53,713,600 (December 31, 2020 – 20,362,864) issued and fully paid common shares outstanding.

On April 20, 2021, the Company completed a non-brokered private placement of 10,460,000 units at a price of $0.25 per unit, for gross proceeds of $2,615,000. Each unit consists of one common share and one share purchase warrant of the Company. Each warrant will entitle the holder thereof to purchase one additional common share a price of $0.75 per common share for a period of two years.

On February 26, 2021, the Company completed a non-brokered private placement of 2,600,337 common shares at a price of $0.15 per share, for gross proceeds of $390,050. No finder's fees were paid in connection with the private placement.

On September 3, 2020, the Company completed a non-brokered private placement consisting of 4,090,506 common shares at $0.15 per share, for gross proceeds of $613,576. In connection with the private placement, the Company issued 286,335 finder's fee common shares, to arm's-length finders, with a fair value of $42,950.

On May 8, 2020, the Company completed a non-brokered private placement consisting of 2,040,000 common shares at $0.025 per share, for gross proceeds of $51,000. In connection with the private placement, the Company paid a cash finder's fee of $1,455 to PI Financial Corp.

On November 21, 2019, pursuant to debt settlement agreements, the Company issued 13,440,000 common shares with a fair value of $336,000 to certain creditors of the Company, including a company controlled by a director of the Company, to settle accounts payable of $336,000. No gains or losses have been recorded on the settlement of debt. Of the $336,000 accounts payable settled, $301,500 was owed to companies controlled by the former CEO, CFO and Director of the Company. Prior to entering into debt settlement agreements, the accounts payable of $301,500 was assigned to various arms-length creditors. After the debt was assigned, the Company issued common shares to settle the debt to these arms-length creditors.

Share Purchase Options

The Company has 10,000,000 stock options outstanding at June 30, 2021 (December 31, 2020 – 4,000,000).

Warrants

The Company has 10,792,400 share purchase warrants outstanding at June 30, 2021 (December 31, 2020 - Nil).

LIQUIDITY AND CAPITAL RESOURCES

The interim condensed consolidated financial statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to acquire resource property or business interests and develop profitable operations or a combination thereof, which is not assured, given today's volatile and uncertain financial markets. The Company may revise programs depending on its working capital position.

As at June 30, 2021 the Company had working capital of $1,757,523 (December 31, 2020 – $485,381) which primarily consisted of cash of $1,950,129 (2020 - $352,167). Current liabilities, being accounts payable and accrued liabilities and loan of $838,718 (December 31, 2020 – $122,342).

Cash used in operating activities were $1,328,480 compared to cash used of $29,928 for the same period in the prior year.

During the six-month period ended June 30, 2021, the Company acquired cash of $111,202 from the business combination with Captios. During the six-month period ended June 30, 2020, the Company did not use or generate any cash from investing activities.

Cash provided by financing activities were $2,849,300 (2020 - $89,153) mainly from a private placement for the six month periods ended June 30, 2021 and 2020.

Other than the above-mentioned current liabilities, the Company has no short-term capital spending requirements and future plans and expectations are based on the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. There can be no assurance that the Company will be able to obtain adequate financing in the future or if available that such financing will be on acceptable terms. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Company may seek such additional financing through debt or equity offerings. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

The Company has no assets and has no pledges as security for loans, or otherwise and is not subject to any debt covenants.

Historically, the Company's sole source of funding has been loans from related parties and private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as low.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

DIRECTORS AND OFFICERS

The Directors and Executive Officers of the Company are as follows:

Eugene Beukman	- Director and Chief Executive Officer, member of the audit committee.
Joel Dumaresq	- Director, member of the audit committee.
Alexander Somjen	- Director, member of the audit committee.
Peter Nguyen	- Director
Gene McConnell	- Chief Financial Officer, Corporate Secretary
James Greenwell	- President

TRANSACTIONS WITH RELATED PARTIES

During the six months period ended June 30, 2021, an amount of $46,978 (2020 – $16,350) corporate services and $19,900 (2020 - $15,000) accounting fees was charged by a company controlled by a director of the Company.

During the six months period ending June 30, 2021, the Company owed a principal loan of $15,000 (December 31, 2020 - $15,000) obtained from a company controlled by a director of the Company to cover ongoing operational expenses. The loan is unsecured, bearing interest at 8% per annum and is due on demand. During the six months period ended June 30, 2021, the Company accrued interest of $595 (year ending December 31, 2020 - $1,138).

As at June 30, 2021, there was $6,962 (December 31, 2020 - $13,288) included in accounts payable and accrued liabilities owing to a former officer and director and companies controlled by the former director. The balances are unsecured, payable on demand and non-interest bearing.

As at June 30, 2021, there was $207,450 (December 31, 2020 - $81,018) included in accounts payable and accrued liabilities owing to directors and a company controlled by a director of the Company. The balances are unsecured, payable on demand and non-interest bearing.

PROPOSED TRANSACTIONS

The Company has no proposed transactions

CRITICAL ACCOUNTING ESTIMATES

The preparation of condensed interim consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's condensed interim consolidated financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the determination if acquisitions represent business combinations;
- the determination of the fair value of assets and liabilities acquired in a business combination;
- the determination of functional currencies;
- the recoverability of long-lived assets;
- the estimated useful life of long-lived assets; and
- the fair value of stock-based compensation.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

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

FINANCIAL INSTRUMENTS AND RISKS

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash. The Company limits exposure to credit risk through maintaining its cash with high-credit quality Canadian financial institutions. The Company is not exposed to significant credit risk. The carrying amount of financial assets represents the maximum credit exposure.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company has funds of $1,950,129 (December 31, 2020 – $352,167) to satisfy its financial obligations of $838,718 (December 31, 2020 - $122,342). The Company will be required to raise additional financing to be able and to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses.

Historically, the Company's sole source of funding has been loans from related parties and private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as low.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company has assessed its foreign exchange risk as low as at June 30, 2021.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's sensitivity to interest rates is minimal.

Management of capital

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

OUTSTANDING SHARE DATA

As at the date of this MD&A the Company had 53,713,600 common shares issued and outstanding. The Company has 10,000,000 Options outstanding, 10,792,400 warrants outstanding and 700,000 restricted share units outstanding.

CONTINGENCIES

The Company is not aware of any contingencies or pending legal proceedings as of June 30, 2021 and as of the date of this report.

CAUTIONARY STATEMENT ON FORWARD LOOKING INFORMATION

Certain statements contained in this document constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements.

ADDITIONAL DISCLOSURE FOR VENTURE COMPANIES WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's general and administrative expenses is provided in the Company's statement of loss and comprehensive loss and note disclosures contained in its condensed interim consolidated financial statements for the six month period ended June 30, 2021 and annual financial statements for the year ended December 31, 2020. These statements are available on SEDAR - Site accessed through www.sedar.com.

DISCLAIMER

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

CHANGES IN ACCOUNTING POLICIES

See Note 2 "Basis of Presentation and Significant Accounting Policies" of the condensed interim consolidated financial statements for the period ended June 30, 2021 and the financial statements for the year ended December 30, 2020.

CRITICAL ACCOUNTING POLICIES

New accounting standards issued but not yet effective

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