



TrustBIX Inc.

Management's Discussion and Analysis

First Quarter Ended December 31, 2022

Management's Discussion and Analysis

For the first quarters ended December 31, 2022 and 2021

The following Management's Discussion and Analysis ("MD&A") relates to the financial position, results of operations and cash flows of TrustBIX Inc. ("TrustBIX", "we", "us", "our" or the "Company" or "Corporation") for the three months ("first quarter") ended December 31, 2022 and should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements and related notes for the first quarter ended December 31, 2022 (the "financial statements"), and the MD&A and TrustBIX Inc. audited consolidated financial statements and related notes for the years ended September 30, 2022 and 2021. The information in this MD&A is current to February 27, 2023, unless otherwise noted.

Unless otherwise stated, financial information in this MD&A is expressed in Canadian dollars and the interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board and included in the CPA Canada Handbook – Accounting, Part I. This MD&A provides information on the activities of the Company.

The interim condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries ViewTrak Technologies Inc. ("ViewTrak") and Insight Global Technology Inc ("Insight") (note 4 of the unaudited interim condensed consolidated financial statements). All inter-company accounts and transactions have been eliminated.

Management is responsible for the information contained in the MD&A and its consistency with information presented, and the MD&A was reviewed and approved by the Board of Directors ("Board") as of February 27, 2023. The interim condensed consolidated financial statements and additional information pertaining to the Company can be found on the System for Electronic Document Analysis and Retrieval ("SEDAR") web site at www.sedar.com.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking information and reflects the Company's present assumptions regarding future events. These statements involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, levels of activity, performance, and/or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward-looking statements.

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "should", "will", "intend", "plan", "propose", "anticipate", "believe", "forecast", "estimate", "expect" and similar expressions used by any of the Company's management, are intended to identify forward-looking statements. Such statements reflect the Company's internal projections, expectations, future growth, performance and business prospects and opportunities and are based on information currently available to the Company. Since they relate to the Company's current views with respect to future events, they are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments except as required by applicable securities legislation, regulations or policies.

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SIGNIFICANT DEVELOPMENTS AFFECTING OPERATIONS

Going concern

Liquidity and capital resources

The Company's principal sources of liquidity are cash from operations, cash on hand, loan payable with Western Economic Diversification Canada and promissory notes. Funding operating capital needs, as circumstances warrant, may also come from sales of equity.

As at December 31, 2022, the Company had a net working capital deficiency of \$1,544,956 compared to \$1,068,208 as at September 30, 2022. For the three-month period ended December 31, 2022, the Company incurred a net loss of \$652,760 (2021 – \$609,126) and net cash outflow from operating activities of \$71,664 (2021 – \$737,181). As at December 31, 2022, the Company had an accumulated deficit of \$16,931,076 (September 30, 2022 – \$16,278,316). In addition, the Company also has lease commitments in the amount of \$29,446 as disclosed in note 7 of the unaudited interim condensed consolidated financial statements.

Key areas of future investment include improving the presentation and the functionality of the BIX platform; improving customer data integration and customer relations management capabilities of ViewTrak products; focusing on enhancing and optimizing the BIX platform for existing customers; creating more opportunities for the BIX platform in other industries and sectors such as ESG.

On March 7, 2022 the Company completed the acquisition of Insight, an early stage company providing solutions to track, protect and identify the movement of high-value moveable equipment used in agriculture and other industries. The Company does not anticipate additional significant personnel or significant capital costs while executing sales of this new tracking solution.

For the three months ended December 31, 2022, the Company recognized in research and development expenses, government assistance of \$2,507 (2021 – \$38,968) from Protein Industries Canada ("PIC") and \$54,366 (2021 – \$26,770) from Industrial Research Assistance Program ("IRAP") (note 17 of the unaudited interim condensed consolidated financial statements).

The Company may fund operating and growth capital needs, as circumstances warrant, from sales of equity securities. The timing and amount of any equity sales would depend on, among other factors, available cash and liquidity and operating performance, commitments and obligations, alternative sources and costs of capital available, market perceptions, current trading price of common equity, and overall market conditions.

Current operations have been financed primarily from revenues from the sale, installation and support of software and hardware of the ViewTrak segment, and from the issue of promissory notes totaling \$250,000 (note 9 of the unaudited interim condensed consolidated financial statements).

On July 27, 2020, the Company entered into a contribution agreement with Western Economic Diversification Canada (WD) for a repayable financial contribution under the Regional Relief and Recovery Fund. Under the contribution agreement, WD supported the Company with an investment of \$1,000,000 for general working capital requirements (the "Contribution"). On December 29, 2022, the repayment terms were revised, changing the amount of the monthly installment payments and extending the final installment payment to December 31, 2027 (note 10 of the unaudited interim condensed consolidated financial statements). The Contribution is unsecured and non-interest bearing, unless repayment is not made as scheduled. This loan could adversely affect the Company's ability to raise additional capital to fund

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operations, limit ability to react to changes in the economy or its industry, and prevent it from meeting its obligations.

Based on current operating plans, management believes that cash will need to be raised from equity instruments, such as private placements, to provide sufficient liquidity to fund operations and growth for the next 12 months. Subsequent to December 31, 2022, the Company announced non-brokered private placements to be used as working capital and to grow its business (note 19 of the unaudited interim condensed consolidated financial statements).

The outcome of such efforts is dependent on a number of factors outside of the Issuer's control. The nature of the technology sector, availability of government grants and current financial equity market conditions, including the impact of a novel strain of the coronavirus (COVID-19) and macroeconomic conditions (note 3 in the unaudited interim condensed consolidated financial statements), make the success of any future financing ventures and the other management strategies uncertain. There can be no assurance that management's efforts will be successful. This uncertainty casts significant doubt upon the Issuer's ability to continue as a going concern and, accordingly, the appropriateness of the use of accounting principles applicable to going concern.

COVID-19 and macro economic conditions

The COVID-19 pandemic has had, and continues to have, a significant impact around the world, prompting governments and businesses to implement restrictions on travel and business operations and quarantine. The COVID-19 pandemic has at times significantly curtailed economic activity and caused significant volatility and disruption in financial markets. The COVID-19 pandemic and the measures taken by many countries in response have affected and could in the future materially impact the Company's business, results of operations and financial condition.

Aspects of the Company's business continue to be affected by the COVID-19 pandemic, with a number of the Company's employees working remotely and the reactivation of certain travel and business development activities.

Macroeconomic conditions, including inflation, rising interest rates and currency fluctuations, have direct and indirect impacts on the Company's business. The Company believes these factors have impacted, and could in the future materially impact, the Company's results of operations and financial condition.

PRINCIPAL BUSINESS

As an innovative leader, TrustBIX provides agri-food traceability and chain of custody value solutions. The Company's goal is to create a world where we trust more, waste less and reward sustainable behaviour by addressing consumer and agri-food business demands. The proprietary platform, BIX (Business InfoXchange System), is designed to create trust without compromising privacy through innovative, blockchain-derived use of technology and data. By leveraging BIX and its unique use of incentive solutions, TrustBIX delivers independent validation of food provenance and sustainable production practices within the supply chain - Gate to Plate®.

While management's efforts and the Company's focus is primarily on the development of BIX products and markets, current revenue is generated largely from ViewTrak's products (information regarding operating segments is disclosed in note 18 of the unaudited interim condensed consolidated financial statements).

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ViewTrak, a wholly owned subsidiary of TrustBIX, has developed solutions for many agricultural technology challenges, with an emphasis on feedlots, auctions and processors, and its proprietary technology includes:

Auction Master Pro (“AMP”) and Market Master (“MM”) - livestock auction market software solutions to help build and operate auction activities,

Feedlot Solutions (“FLS”) - livestock feedlot management software, and

Electronic Pork Grader - pork probe technology to help producers price pork carcasses by evaluating carcasses for fat thickness, lean meat thickness, meat percentage and carcass class.

ViewTrak's pork probe technology is used by the largest pork processor in China¹ and by major pork processors in Canada and Mexico to grade and price pork carcasses.

On March 7, 2022 the Company completed the acquisition of Insight (note 4 of the unaudited interim condensed consolidated financial statements), an early stage company providing solutions to track, protect and identify the movement of high-value moveable equipment used in agriculture and other industries.

¹ <https://www.scmp.com/business/companies/article/3022643/worlds-largest-pork-producer-wh-group-between-us-and-china-finds>

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OUTLOOK

The TrustBIX vision is to create a world where we trust more, waste less, and reward sustainable behaviour.

The TrustBIX team continues to focus on bringing this vision to reality – pursuing new opportunities while delivering on existing arrangements and agreements. Expenses are closely monitored and controlled, but research and development efforts continue.

The Company's main objective for the 2023 fiscal year is to create revenue growth. To achieve this, TrustBIX is focused on four core areas:

1. Commercialization of the BIX platform within the Canadian Beef sector;
2. Continue progress through commercialization of the BIX platform for non-beef sectors;
3. Commercialization of BIX Location Services;
4. Continue expansion and development of features within the ViewTrak suite of products.

1. Commercialization of the BIX platform within the Canadian Beef sector

TrustBIX continues working with JBS Food Canada based on the master services agreement signed on May 3rd, 2022.² Internationally, JBS is one of the world's largest food companies with customers in approximately 100 countries on six continents.

The Company completed the Innovation Agreement with Cargill Limited announced on February 28th, 2022.³ Cargill Limited is one of Canada's largest food merchandisers and processors. Globally, Cargill has customers in 70 countries/regions.

2. Continue progress through commercialization of the BIX platform for non-beef sectors

The Company's focus on revenue growth and technology enhancements creates the opportunity to expand into different market sectors. The BIX platform continues to demonstrate its strength and applicability. R&D projects have converted to pilot projects with customers, and some are starting to commercialize. In the commercialization phase, the TrustBIX team helps customers to increase sales volume and margins by leveraging the BIX platform.

With R&D projects, revenues are based on cost recovery, while with pilot projects, revenues are based on professional services and licensing fees. In the commercialization phase, fees are based on a percentage of the sales volume and margins of customer products traced in the BIX platform. Moving from R&D towards commercialization, revenue may drop for a period of time as the fee for service income converts to volume-based income. Revenue from the BIX platform is expected to scale as the Company penetrates more market sectors with more commercialization customers.

As the TrustBIX team continues working with our customers and partners, we have updated our pipeline schedule and progress in other market sectors:

² <https://www.newsfilecorp.com/release/122479/TrustBIX-Inc.-Announces-Agreement-with-JBS-Food-Canada-ULC>

³ <https://www.newsfilecorp.com/release/114950/TrustBIX-Inc.-Announces-Innovation-Contract-with-Cargill>

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TARGET MARKETS PIPELINE

BIX Market	R & D	Pilot Projects	Commercialization
	Cost Recovery	Professional Services Fee & License Fees	SaaS/Volume Fee & Professional Services
Beef	Completed	Completed	In progress
Biomass/Bio Industrial	Completed	TC: Q1 2023	TS: Q2 2023
Plant Protein	Completed	TC: Q2 2023	TS: Q4 2023
Poultry	Completed	TC: Q4 2023	TS: Q1 2024
Dairy	TC: Q3 2023	TS: Q4 2023	
Cereal Crop	TS: Q3 2023		
Carbon	TS: Q3 2023		

TS: Target Start TC: Target Completion

3. Commercialization of BIX Location Services

On March 7th, 2022, TrustBIX announced the final acceptance by the TSX Venture Exchange for the completion of the acquisition of Insight.⁴ It has taken longer than anticipated to commercialize the Insight solution, which may impact the ability for the Insight shareholders to earn the additional consideration shares (note 4 of the unaudited interim condensed consolidated financial statements).

For 2023, Insight will be rebranded as BIX Location Services. Since the acquisition, the TrustBIX team has been working diligently to customize the product based on market research through customer pilots and demos. This product will not only drive potential profitable revenue for the Company, but will also create producer engagement - such as assisting with asset management, including reduction of theft and recovery of stolen equipment.

4. Continue expansion and development of features within the ViewTrak suite of products

The ViewTrak team continues to develop new functions and features for Auction Master Pro and Feedlot Solutions. These will be announced as the new features are completed.

⁴ <https://www.newsfilecorp.com/release/115830/TrustBIX-Inc.-Receives-Final-Exchange-Acceptance-and-Completes-the-Acquisition-of-Insight-Global-Technology-Inc.>

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RESULTS OF OPERATIONS**Selected information for the three months ended December 31, 2022 and 2021:**

	Three months	
	2022	2021
	\$	\$
Revenue		
License	73,398	44,064
Hardware and installation	79,633	73,556
Professional and development services	64,923	89,970
Maintenance	200,870	214,671
	418,824	422,261
Expenses:		
Wages and management fees	533,339	412,290
Professional fees	139,839	140,889
Consulting Fees	187,896	225,287
Amortization and depreciation	156,372	14,215
Office	81,738	88,665
Research and development	27,928	67,065
Hardware costs and supplies	50,645	41,206
Travel, trade shows and conferences	18,810	5,524
Advertising and promotion	35,349	6,726
Foreign exchange loss (gain)	2,990	(2,767)
	1,234,906	999,100
Loss before other income (expenses) and income taxes	(816,082)	(576,839)
Other income (expense)	163,322	(32,287)
Income taxes	-	-
Net loss and comprehensive loss for the period	(652,760)	(609,126)
Per common share:		
Basic and diluted loss per share	(0.01)	(0.02)
Number of common shares outstanding - end of period	79,649,831	42,792,163
Weighted average number of common shares outstanding - basic and diluted	59,528,092	38,385,913
Statement of financial position data:		
Working capital (deficiency) - current assets less current liabilities	(1,544,956)	95,758
Total assets	2,015,482	1,394,096

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Three months ended December 31, 2022 compared to three months ended December 31, 2021

Revenue

Total revenue for the three months ended December 31, 2022 decreased to \$418,824 from \$422,261 in 2021, a decrease of \$3,437 or 0.8% due to the following:

- Licence revenue increased to \$73,398 in 2022 from \$44,064 in 2021, an increase of \$29,334 mainly due to the Company's BIX Origin module to support provenance, chain of custody, and ESG reporting, and increase in MM and AMP sales.
- Hardware and installation revenue increased to \$79,633 in 2022 from \$73,556 in 2021, an increase of \$6,077 mainly due to AMP sales, partially offset by a decrease in MM and probe sales.
- Professional and development services revenue decreased to \$64,923 in 2022 from \$89,970 in 2021, a decrease of \$25,047. The decrease is due mainly to Cargill sustainable beef program fees, and the completion of development services in 2021 to All West Demolition Ltd., in a commercial pilot program, to track biomass and waste streams to divert material from landfills and create new products for agricultural and industrial markets. Partially offsetting the decrease, are revenues from the release of the Company's BIX Origin module to support provenance, chain of custody, and ESG reporting.
- Maintenance revenue decreased to \$200,870 in 2022 from \$214,671 in 2021, a decrease of \$13,801, mainly due to a decrease of probe, MMM and FLS revenues, partially offset by revenues from the Company's Insight solution to track, protect and identify the movement of high-value moveable equipment used in agriculture and other industries, and maintenance revenues from AMP.

Expenses

Wages and benefits

Wages and benefits increased to \$533,339 in 2022 from \$412,290 in 2021, an increase of \$121,049. The increase is primarily due to an increase of \$119,047 in stock-based compensation.

In addition, the Company received a Canada Emergency Wage Subsidy of \$nil (2021 – \$8,214), which was netted against wages and benefits (note 17 of the unaudited interim condensed consolidated financial statements).

Professional fees

Professional fees decreased to \$139,839 in 2022 from \$140,889 in 2021, a decrease of \$1,050, mainly due to a decrease in legal fees, partially offset by increases due to engagement with P&C Ventures as a strategic advisor, as well as services and stock-based compensation to non-employee consultants for investor relations services and capital markets.

Consulting fees

Consulting fees decreased to \$187,896 in 2022 from \$225,287 in 2021, a decrease of \$37,391 mainly due to cost reduction measures, departure of consultants, expenses related to Green Metrics for the ESG

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initiative with Sunterra incurred in 2021, partially offset by stock-based compensation to non-employee consultants in 2022.

Amortization and depreciation

Amortization and depreciation increased to \$156,372 in 2022 from \$14,215 in 2021, an increase of \$142,157 mainly due to amortization of Insight software.

Office

Office decreased to \$81,738 in 2022 from \$88,665 in 2021, a decrease of \$6,927. The decrease is due to cost reduction measures, partially offset by higher corporate insurance premiums.

Research and development

Research and development decreased to \$27,928 in 2022 from \$67,065 in 2021, a decrease of \$39,137, mainly due to release of the BIX Origin and Impact platforms during the year-ended September 30, 2022.

The Company recognized PIC and IRAP funding of \$2,507 and \$54,366, respectively, (2021 – \$38,968 and \$26,770, respectively) (note 17 of the unaudited interim condensed consolidated financial statements).

Hardware costs and supplies

Hardware costs and supplies increased to \$50,645 in 2022 from \$41,206 in 2021, an increase of \$9,439, mainly due to primarily due to costs related to the delivery of AMP equipment and Insight, partially offset by a decrease in costs related to analysis and confirmation of beef export opportunities and MM upgrades.

Travel, trade shows and conferences

Travel, trade shows and conferences increased to \$18,810 in 2022 from \$5,524 in 2021, an increase of \$13,286 related to beef industry and ViewTrak.

Advertising and promotion

Advertising and promotion increased to \$35,349 in 2022 from \$6,726 in 2021, an increase of \$28,623 due to beef industry and ViewTrak promotions.

Foreign exchange (gain) loss

Foreign exchange increased to a loss of \$2,990 in 2022 from a gain of \$2,767 in 2021, a change of \$5,757 due to mainly to US foreign exchange rates.

Other income (expenses)

Other income (expenses) increased to an income of \$163,322 in 2022 from an expense of \$32,287 in 2021, a change of \$195,609. The change is due mainly to a gain on refinancing of the WD loan payable, as a result of revised repayment terms (note 10 of the unaudited interim condensed consolidated financial statements).

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Summary of quarterly results

The following table shows a summary of the Company's unaudited quarterly financial information for each of the eight most recent quarters:

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	418,824	450,622	390,496	411,726	422,261	491,213	504,128	753,255
Expenses	1,234,906	1,571,013	1,654,448	1,416,822	999,100	1,024,717	1,030,990	1,213,961
Loss before other income (expenses) and income taxes	(816,082)	(1,120,391)	(1,263,952)	(1,005,096)	(576,839)	(533,504)	(526,862)	(460,706)
Other income (expenses)	163,322	(12,390)	(21,737)	(34,451)	(32,287)	(18,037)	(31,958)	(49,907)
Income taxes	-	-	-	-	-	-	-	-
Net loss and comprehensive loss	(652,760)	(1,132,781)	(1,285,689)	(1,039,547)	(609,126)	(551,541)	(558,820)	(510,613)
Per common share:								
Basic and diluted loss per share	(0.01)	(0.02)	(0.02)	(0.02)	(0.02)	(0.01)	(0.01)	(0.01)
Number of common shares outstanding - end of period	79,649,831	79,649,831	79,449,831	74,400,942	42,792,163	38,385,913	38,385,913	38,360,913
Weighted average number of common shares outstanding - basic and diluted	59,528,092	59,528,092	59,091,101	45,799,747	38,385,913	38,385,913	38,371,169	35,363,510

The Company has incurred losses over the past several quarters to develop software platforms and grow the business, and will continue to invest further resources to expand revenue streams.

The results of operations for these periods are not necessarily indicative of the results to be expected in any given comparable period, especially as the Company grows and develops product and market opportunities.

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LIQUIDITY AND CAPITAL RESOURCES**Summary of consolidated cash flows**

	Three months ended December 31	
	2022	2021
	\$	\$
Cash used in operating activities	(71,664)	(737,181)
Cash used in investing activities	-	(1,900)
Cash provided by financing activities	143,981	662,315
Increase (decrease) in cash	72,317	(76,766)
Cash - beginning of period	126,881	450,167
Cash - end of period	199,198	373,401

Cash consists of cash on hand and deposits held with banks.

Cash used in operating activities

Cash used in operating activities for the three months ended December 31, 2022 decreased to \$71,664 from \$737,181 in 2021, a decrease of \$665,517, primarily due to changes in working capital, specifically timing of payment or collection of accounts payable and accrued liabilities, accounts receivable, deposits and prepaid expenses, and unearned revenue, and purchase of inventory.

Cash used in investing activities

Cash used in investing activities for the three months ended December 31, 2022 decreased to \$nil from (\$1,900).

Cash provided by financing activities

Cash provided by financing activities for the three months ended December 31, 2022 decreased to \$143,981 from \$662,315 in 2021, a decrease of \$518,334, primarily due to a non-brokered private placement for common shares completed in 2021 for net proceeds of \$675,591, partially offset by \$150,000 of cash received during the three months ended December 31, 2022, committed for a non-brokered private placement in the form of convertible debentures and completed subsequent to December 31, 2022 (note 19 of the unaudited interim condensed consolidated financial statements).

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CONTRACTUAL OBLIGATIONS

The Company has the following cash flow obligations, as at December 31, 2022:

	Payments due by period				
	\$				
	Total	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years
Lease payments	42,617	9,629	20,004	12,984	-
Promissory notes	255,750	255,750	-	-	-
Loan payable	1,000,000	12,000	369,336	618,664	-

OUTSTANDING SHARE DATA

As at February 27, 2022, there were 91,406,970 common shares, 15,206,848 share options and 6,324,334 warrants outstanding (note 11 and 19 of the unaudited interim condensed consolidated financial statements).

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not have any off-balance sheet arrangements at December 31, 2022 and 2021 and does not currently, as of the date of this MD&A, have any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions, including key management compensation, are provided in note 14 of the unaudited interim condensed consolidated financial statements. No ongoing contractual or other commitments resulted from the transactions, other than the key management compensation.

During the periods ended December 31, 2022 and 2021, the Company incurred the following amounts in the normal course of business and they have been valued at amounts that are considered established and agreed to by the related parties:

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	2022	2021
	\$	\$
Sublease rental income from a company controlled by a director and from a company controlled by family members of a director	984	2,868
Consulting fees to a company controlled by family members of a director	3,728	5,103
Office and administrative services to family members of a director	17,524	9,633
Project management services to a company controlled by a member of key management	52,500	103,950

The compensation to key management during the periods ended December 31, 2022 and 2021 are as follows:

	2022	2021
	\$	\$
Salaries, management fees and short-term employee benefits	142,307	111,279
Stock-based compensation	81,384	-
Consulting fees to a company controlled by a member of key management ⁽¹⁾	8,768	26,303
	<u>232,459</u>	<u>137,582</u>

- 1) The Company outsourced part of its project management and research and development activities to a company controlled by a member of key management who is responsible for overseeing all aspects of the technology and digital solutions deployed across the Company.

During the three months ended December 31, 2022, the Company granted 1,380,000 stock options with a fair value of \$36,869 to directors and members of key management, exercisable at \$0.05 per option (note 11(c)).

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities as at December 31, 2022 and September 30, 2022 include the following amounts due to:

	December 31,	September 30
	2022	2022
	\$	\$
Salaries and management fees	55,795	-
Company controlled by a member of key management for project management services	45,638	78,750
Member of key management for consulting fees	8,768	17,535
Family members of a director for other services	3,316	3,986
	<u>113,517</u>	<u>100,271</u>

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CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts that are reported in the consolidated financial statements and accompanying note disclosures. Although these estimates and assumptions are based on management's best estimate of current events, actual results may be different from the estimates.

A discussion of significant accounting policies, and critical accounting estimates and judgments can be found in note 4 and 5 of the audited consolidated financial statements for the year ended September 30, 2022 and note 2 of the unaudited interim condensed consolidated financial statements for the first quarter ended December 31, 2022.

FINANCIAL INSTRUMENTS

For accounting recognition and measurement purposes, cash, accounts receivable, accounts payable and accrued liabilities, promissory notes and regional relief and recovery fund loan payable are classified as amortized cost. The carrying value of cash, accounts receivable and accounts payable and accrued liabilities and promissory notes approximates their fair value due to the immediate or short-term maturity of these financial instruments. The loan payable was measured using the estimated incremental borrowing rate and approximates fair value.

The Company's investment in Provision Analytics through a convertible debenture (note 8 of the unaudited interim condensed consolidated financial statements) matured during the three months ended December 31, 2021 and was required to be converted into preferred shares on maturity. These non-marketable equity securities are an investment in a privately held company without readily determinable market values and is classified as Level 3. The Company classifies the non-marketable equity securities in Provision Analytics at fair value through profit or loss.

Financial instruments recognized on the unaudited interim condensed consolidated statements of financial position at fair value are classified in a hierarchy based on the significance of the estimates used in their measurement, as follows:

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

During the three months ended December 31, 2022 and 2021, there have been no transfers between levels of the fair value hierarchy.

Financial risk management

The Company's activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial and economic markets and seeks to minimize potential adverse effects on the Company's financial performance. Risk management is carried out by financial management in conjunction with overall corporate governance.

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Market risk

- Currency risk

Some of the Company's transactions, assets and liabilities are denominated in US dollars and China RMB and thus the Company is exposed to risk arising from changes in exchange rates.

The following table presents the Company's exposure in Canadian dollars to the US dollar and China RMB as of December 31, 2022 and September 30, 2022:

	December 31, 2022 CAD\$	September 30, 2022 CAD\$
Cash – USD	31,687	9,048
Accounts receivable – USD	1,494	28,266
Accounts payable and accrued liabilities – USD	(75,874)	(35,909)
	<u>(42,693)</u>	<u>1,405</u>

	December 31, 2022 CAD\$	September 30, 2022 CAD\$
Accounts receivable – RMB	<u>12,493</u>	<u>19,715</u>

	December 31, 2022 \$	September 30, 2022 \$
CAD\$ - USD	0.7383	0.7296
CAD\$ - RMB	0.2466	0.1923

Based on the Company's foreign currency exposure noted above, varying the foreign exchange rates to reflect a 10% strengthening of the US dollar and China RMB would have increased (decreased) net loss by approximately \$4,000 and (\$1,000), respectively, as at December 31, 2022 (September 30, 2022 – \$nil and (\$2,000)), assuming all other variables remained constant.

The Company holds US\$131,498 non-marketable equity securities in Provision Analytics (note 8 of the unaudited interim condensed consolidated financial statements). A 10% strengthening of the US dollar would have decreased net loss by approximately \$18,000 as at December 31, 2022 and September 30, 2022.

An assumed 10% weakening of the US dollar and China RMB would have had an equal but opposite effect to the amounts shown above, assuming all other variables remain constant.

- Interest rate risk

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The Company is not exposed to significant interest rate risk as at December 31, 2022.

Credit risk

The Company, in the normal course of business, is exposed to credit risk from its customers. The allowance for doubtful accounts and past due receivables is reviewed by management at each consolidated statement of financial position reporting date. Accounts are considered past due when customers have failed to make the contractually required payment when due, which is generally within 60 days of the billing date.

The Company applied the simplified approach to provide for ECL prescribed by IFRS 9, which permits the use of the lifetime ECL provision for trade receivables and contract assets without a significant financing component.

Management believes the risks associated with concentrations of credit risk with respect to accounts receivable are limited due to the nature of the customers and the generally short-term payment cycle. The Company has a portion of its unsecured accounts receivable balance due from customers in China and its ability to mitigate such risks may be limited.

Liquidity risk

The Company's liabilities have the following amounts that mature within one year:

	\$
Accounts payable and accrued liabilities	1,088,132
Promissory notes	255,750
Loan payable	87,260
Lease liability	4,700

The Company's long-term liabilities include a loan payable for \$476,390 (note 10 of the unaudited interim condensed consolidated financial statements) and a lease liability for \$24,746 (note 7 of the unaudited interim condensed consolidated financial statements).

Anticipated cash outflows on the loan payable and lease liability as at December 31, 2022 are disclosed in the Contractual Obligations section of this MD&A, above.

Liquidity risk is the risk the Company will encounter difficulty in meeting financial obligations as they come due. The Company manages its liquidity risk through the management of its capital structure and financial leverage, as discussed in the going concern section of this MD&A and note 1 of the unaudited interim condensed consolidated financial statements. It also monitors its cash position and timing of payments to suppliers, and determines if sufficient funds are available when payments come due. The Board of Directors reviews and approves any material transactions out of the ordinary course of business.

RISK FACTORS

The following risks could materially and adversely affect the Company's business, financial condition, cash flows, and results of operations, and the trading price of its common stock could decline. These risk factors do not identify all risks that the Company faces; its operations could also be affected by factors that are not presently known or that currently are considered to be immaterial to operations. Due to risks and uncertainties, known and unknown, past financial results may not be a reliable indicator of future

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performance, and historical trends should not be used to anticipate results or trends in future periods. Refer also to the other information set forth in this MD&A and the unaudited interim condensed consolidated financial statements and audited consolidated financial statements and related notes for the years ended September 30, 2022 and 2021.

Risks Related to the Business

The Company's operations and performance depend significantly on global and regional economic conditions and adverse economic conditions can materially adversely affect the Company's business, results of operations and financial condition.

The Company has international operations with sales outside Canada. Adverse macroeconomic conditions, including inflation, slower growth or recession, new or increased tariffs and other barriers to trade, changes to fiscal and monetary policy, tighter credit, higher interest rates, high unemployment and currency fluctuations can adversely impact consumer confidence and spending and materially adversely affect demand for the Company's products and services. In addition, consumer confidence and spending can be materially adversely affected in response to financial market volatility, negative financial news, conditions in the real estate and mortgage markets, declines in income or asset values, energy shortages and cost increases, labor and healthcare costs and other economic factors.

In addition to an adverse impact on demand for the Company's products and services, uncertainty about, or a decline in, global or regional economic conditions can have a significant impact on the Company's suppliers, vendors and other partners. Potential effects include financial instability and insolvency.

A downturn in the economic environment can also lead to increased credit and collectability risk on the Company's trade receivables. These and other economic factors can materially adversely affect the Company's business, results of operations, financial condition and stock price.

The Company's business results of operations, financial condition and stock price have been adversely affected and could in the future be materially adversely affected by the COVID-19 pandemic

COVID-19 has had, and continues to have, a significant impact around the world, prompting governments and businesses to take unprecedented measures in response. Such measures have included restrictions on travel and business operations, temporary closures of businesses, and quarantine and shelter-in-place orders. The COVID-19 pandemic has at times significantly curtailed global economic activity and caused significant volatility and disruption in global financial markets.

The COVID-19 pandemic and the measures taken by many countries in response have adversely affected and could in the future materially adversely impact the Company's business, results of operations, financial condition and stock price. During the course of the pandemic, certain of the Company's customers, suppliers, vendors, and other partners have experienced disruptions, and similar disruptions could occur in the future. Public safety measures can also adversely impact consumer demand for the Company's products and services.

The Company continues to monitor the situation and take appropriate actions in accordance with the recommendations and requirements of relevant authorities. The extent to which the COVID-19 pandemic may impact the Company's operational and financial performance remains uncertain and will depend on many factors outside the Company's control, including the timing, extent, trajectory and duration of the pandemic, the emergence of new variants, the development, availability, distribution and effectiveness of vaccines and treatments, the imposition of protective public safety measures, and the impact of the

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pandemic on the economy and demand for products and services. Additional future impacts on the Company may include material adverse effects on demand for the Company's products and services, the Company's ability to execute its strategic plans, and the Company's profitability.

To the extent the COVID-19 pandemic adversely affects the Company's business, results of operations, financial condition and stock price, it may also have the effect of heightening many of the other risks discussed in this Risk Factors section.

Results could be adversely affected by changing economic conditions in the regions in which the Company operates

The market turmoil from potential global and provincial trade disputes and cuts in government spending has negatively impacted business activity generally, and in Alberta and Saskatchewan in particular where most of the cattle population is located in Canada. To the extent that the Company experiences further economic deterioration in these markets, the resulting economic pressure on its customers may cause them to end their relationship with the Company, reduce or postpone current or expected purchase orders for products, or suffer from business failure, resulting in a decline in revenues and profitability that could be material. Continued difficult or uncertain economic conditions could adversely affect the Company's revenue and profitability.

The Company's business is dependent on material customers

The Company sells service to a variety of organizations, but certain customers may, at times, contribute to a large part of revenue. Accordingly, business and future success of the Company depends on its ability to maintain and build on existing relationships, and to develop new relationships and new customers. If certain significant customers, for any reason, discontinue their relationship with the Company, or reduce or postpone current or expected contracts, or suffer from business loss, revenues and profitability could decline.

Business could be harmed if the Company fails to manage growth effectively

Growth will place a significant strain on the Company's managerial, administrative, operational, financial and other resources. Management intends to further expand the overall business, including headcount, with no assurance that revenues will continue to grow. As the Company grows, management will be required to continue to improve operational and financial controls and reporting procedures and they may not be able to do so effectively. As such, the Company may be unable to manage expenses effectively in the future, which may negatively impact gross profit or operating expenses. The Company is also subject to the risks of over-hiring and/or overcompensating employees and over-expanding its operating infrastructure.

The Company may not be able to successfully market products and services

There is no guarantee that the Company's products and services will remain competitive. There is no guarantee the Company will be able to respond to market demands. If the Company is unable to effectively develop and expand the market for its products and services, growth may be adversely affected. In addition, there is no guarantee that all or any of its growth objectives or milestones will be achieved.

Better-capitalized companies could negatively impact the Company's financial results of operations

Other corporations with considerable financial resources may have the ability to encroach on the Company's competitive position within its chosen marketplace or compete successfully with its products

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and services by providing better marketing, services or support for clients. They may introduce products and services that compete with its products and services that may allow them to reduce prices to levels that are uneconomic to the Company. Any significant adverse effect on the Company's revenue or cost structure may materially affect its financial position.

Current and future competitors could have a significant impact on the Company's ability to generate future revenue and profits

The markets for the Company's products are intensely competitive and are subject to rapid technological change and other pressures created by changes within its industry. Management expects competition to increase and intensify in the future as additional companies enter its markets, including competitors who may offer similar products and services. The Company may not be able to compete effectively with current competitors and potential entrants into the marketplace. The Company could experience diminished market share if current or prospective competitors introduce new competitive products; add new functionality to existing products, acquire competitive products, reduce prices, or form strategic alliances with other companies. If competitors were to engage in aggressive pricing policies with respect to their products, or if the dynamics in the marketplace resulted in increasing bargaining power by the consumers of the Company's products and services, it might need to lower the prices charged for the products offered. This could result in lower revenues or reduced margins, either of which may materially and adversely affect the Company's business and operating results.

Technology Risks

The industry in which the Company operates, and will operate, is very competitive, and numerous factors could affect its competitive position

Other companies may decide to enter the space and could have substantially greater financial, marketing and other resources. Several of these companies may have greater name recognition and well-established relationships with some of the Company's target customers. Furthermore, these potential competitors may be able to adopt more aggressive pricing policies and offer more attractive terms to customers than the Company is able to offer. The Company may face increasing price pressure from competitors and customers. In addition, current and potential competitors have established or may establish cooperative relationships amongst themselves or with third parties to compete more effectively. Existing and potential competitors may also develop enhancements to, or future generations of, competitive products and services that will have better performance features than the Company's products and services.

Given the early stage of the industry in which the Company operates, additional competition from new entrants is expected. To remain competitive, the Company will require a continued high level of investment in research and development, marketing, sales and client support. The Company may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect its business, financial condition and results of operations.

The Company operates in a highly competitive environment and its products and services may not keep up with rapid technological change and evolving industry standards

The Company's future success will depend on its ability to design and produce new products and services, deliver enhancements to its existing products and services, accurately predict and anticipate evolving technology, and respond to technological advances in its industry and customers' increasingly sophisticated needs. The Company's products are expected to embody complex technology that may not meet those standards, changes and preferences. The ability to design, develop and commercially launch new products

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depends on a number of factors, including, but not limited to, the Company's ability to design and implement solutions and services at an acceptable cost and quality, ability to attract and retain skilled technical employees, the availability of critical components from third parties and the ability to successfully complete the development of products in a timely manner. If management are unable to respond to technological changes or fails or delays to develop products in a timely and cost-effective manner, products and services may become obsolete, and the Company may be unable to recover research and development expenses which could negatively impact sales, profitability and the continued viability of the business.

Investment in research and development efforts may not provide a sufficient, timely return

The development of new software products and strategies is a costly, complex and time-consuming process, and the investment in software product development often involves a prolonged time until a return is achieved on such an investment. The Company has made, and will continue to make, significant investments in software development and related product opportunities. Investments in new products are inherently speculative and risky. Commercial success depends on many factors including the degree of innovation of the products developed, sufficient support from strategic partners, and effective distribution and marketing. Accelerated product introductions and short product life cycles require high levels of expenditures for new development. These expenditures may adversely affect operating results if they do not generate revenue increases. Management believes that the Company must continue to dedicate significant resources to development efforts in order to maintain its competitive position; however, significant revenue from new product and service investments may not be achieved for a prolonged period, if at all.

The Company faces risks related to cybersecurity threats and incidents

The Company regularly faces attempts by others to gain unauthorized access through the Internet, or to introduce malicious software, to its IT systems. The Company is a target of malicious attackers who attempt to gain access to its network or data centers or those of suppliers, customers, or end users; steal proprietary information related to its business, products, employees, suppliers, and customers; interrupt its systems and services or those of suppliers, customers, or others; or demand ransom to return control of such systems and services. Such attempts are increasing in number and in technical sophistication, and if successful, expose the Company and the affected parties to risk of loss or misuse of proprietary or confidential information or disruptions of its business operations. IT infrastructure also includes products and services provided by third parties, and these providers can experience breaches of their systems and products that impact the security of the Company's systems and proprietary or confidential information.

From time to time, the Company encounters intrusions or unauthorized access to its network, products, services, or infrastructure, as well as those of third parties who provide products and services to TrustBIX. To date, cybersecurity incidents have not resulted in a material adverse impact to the Company's business or operations, but there can be no guarantee it will not experience such an impact. Such incidents, whether or not successful, could result in incurring significant costs related to, for example, rebuilding internal systems, implementing additional threat protection measures, providing modifications to products and services, defending against litigation, responding to regulatory inquiries or actions, paying damages, providing customers with incentives to maintain the business relationship, or taking other remedial steps with respect to third parties, as well as reputational harm. In addition, these threats are constantly evolving, thereby increasing the difficulty of successfully defending against them or implementing adequate preventative measures. As a result of the COVID-19 pandemic, remote work and remote access to systems have increased significantly, which also increases the Company's cybersecurity attack surface. The Company seeks to detect and investigate unauthorized attempts and attacks against its network, products, and services, and to prevent their recurrence where practicable through changes to internal processes and

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tools and changes or updates to products and services; however, the Company remains potentially vulnerable to additional known or unknown threats. In some instances, the Company, its suppliers, customers, and the users of its products and services can be unaware of an incident or its magnitude and effects.

Theft, loss, or misuse of personal data about employees, customers, or other third parties could increase expenses, damage reputation, or result in legal or regulatory proceedings

The theft, loss, or misuse of personal data collected, used, stored, or transferred by the Company to run its business could result in significantly increased business and security costs or costs related to defending legal claims. The Company anticipates that collection of such personal data will increase as it expands the use cases for the BIX platform, and it may increase as it enters into other new or adjacent businesses. Global privacy legislation, enforcement, and policy activity in this area are rapidly expanding and creating a complex regulatory compliance environment. Costs to comply with and implement these privacy-related and data protection measures could be significant, and noncompliance could expose the Company to significant monetary penalties, damage to its reputation, suspension of online services or sites in certain countries, and even criminal sanctions. Failure to comply with federal, provincial, state, or international privacy-related or data-protection laws and regulations, even if inadvertent, could result in audits, regulatory inquiries, or proceedings against the Company by governmental entities or other third parties.

The Company faces risks related to security vulnerabilities in its products

Security vulnerabilities with respect to the resale of hardware products, such as computer systems, as well as the operating systems that run on them, are regularly identified. Components and IP the Company purchases or licenses from third parties for use in its products, as well as industry-standard specifications implemented in products, are also regularly subject to security vulnerabilities. As the Company has become a more data-centric company, processors and other products are being used in additional and new critical application areas that create new or increased cybersecurity and privacy risks, including applications that gather and process large amounts of data, such as the cloud or Internet of Things. Vulnerabilities are not always mitigated before they become known. The Company, its customers, and the users of its products do not always promptly learn of or have the ability to fully assess the magnitude or effects of a vulnerability, including the extent, if any, to which a vulnerability has been exploited. Subsequent events or new information can develop that changes the Company's assessment of the impact of a security vulnerability, including additional information learned as it develops and deploys mitigations or updates, becomes aware of additional variants, evaluates the competitiveness of existing and new products, and addresses future warranty or other claims or customer satisfaction considerations, as well as developments in the course of any litigation or regulatory inquiries or actions over these matters.

Mitigation techniques designed to address security vulnerabilities, including third party data and systems integration monitoring, software and firmware updates or other preventative measures, are not always available on a timely basis—or at all—and at times do not operate as intended or effectively resolve vulnerabilities for all applications. In addition, the Company is often required to rely on third parties, including hardware, software, and services vendors, as well as customers and end users, to develop and/or deploy mitigation techniques, and the availability, effectiveness, and performance impact of mitigation techniques can depend solely or in part on the actions of these third parties in determining whether and how to develop and deploy mitigations. The Company and such third parties may make prioritization decisions about which vulnerabilities to address, which can delay, limit, or prevent development or deployment of a mitigation and harm its reputation. Security vulnerabilities and/or mitigation techniques can result in adverse performance or power effects, reboots, system instability or unavailability, loss of functionality, data loss or corruption, unpredictable system behavior, decisions by customers and end users to limit or change the applications

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in which they use the Company's products or product features, and/or the misappropriation of data by third parties.

Security vulnerabilities and any limitations of, or adverse effects resulting from, mitigation techniques can adversely affect the Company's results of operations, financial condition, customer relationships, prospects, and reputation in a number of ways, any of which may be material. For example, whether or not vulnerabilities involve attempted or successful exploits, they may result in incurring significant costs related to developing and deploying updates and mitigations, defending against product claims and litigation, responding to regulatory inquiries or actions, paying damages, addressing customer satisfaction considerations, providing product replacements or modifications, or taking other remedial steps with respect to third parties. Adverse publicity about security vulnerabilities or mitigations could damage the Company's reputation with customers or users and reduce demand for its products and services. These effects may be greater to the extent that competing products are not susceptible to the same vulnerabilities or if vulnerabilities can be more effectively mitigated in competing products. Moreover, third parties can release information regarding potential vulnerabilities of the Company's products before mitigations are available, which, in turn, could lead to attempted or successful exploits, adversely affect its ability to introduce mitigations, or otherwise harm its business and reputation.

Other Risks

The Company must attract, retain, and motivate key employees

Hiring and retaining qualified executives, scientists, engineers, technical staff, and sales representatives are critical to the Company's business. The competition for highly skilled employees in the industry is increasingly intense. Competitors for technical talent increasingly seek to hire the Company's employees. In addition, changes in immigration policies may further limit the pool of available talent and impair the ability to recruit and hire technical and professional talent. Changes in the interpretation and application of employment-related laws to workforce practices may also result in increased operating costs and less flexibility in how the Company meets changing workforce needs. To help attract, retain, and motivate qualified employees, the Company uses share-based awards and performance-based cash incentive awards. Employee hiring and retention also depend on management's ability to build and maintain a diverse and inclusive workplace culture and be viewed as an employer of choice. If the Company's share-based or other compensation programs and workplace culture cease to be viewed as competitive, its ability to attract, retain, and motivate employees would be weakened, which could harm its results of operations. Moreover, sustained declines in the stock price of the Company can reduce the retention value of the Company's share-based awards. Changes in the Company's management team can also disrupt business. The failure to successfully transition and assimilate key employees, could adversely affect Company results of operations. To the extent the Company does not effectively hire, onboard, retain, and motivate key employees, its business can be harmed.

The Company invests in private companies and may not realize a return on investments

The Company makes investments in private companies to further its strategic and financial objectives and to support certain key business initiatives. Provision Analytics is an early-stage company TrustBIX invested in, which was non-marketable and illiquid at the time of the initial investment. The Company's ability to realize a return on investment in a private company, if any, is typically dependent on the company participating in a liquidity event, such as a public offering or acquisition. To the extent any of the companies in which TrustBIX invests are not successful, which can include failures to achieve business objectives as well as bankruptcy, the Company could recognize an impairment and/or lose all or part of the investment.

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Investments in new businesses, products, and technologies are inherently risky and do not always succeed

The Company is expanding the business use cases of the BIX platform with customers in the Environmental, Social, and Corporate Governance areas from beef to plant protein and biomass markets, as well as providing tracking solutions of high-value moveable equipment through Insight and the plan to export beef to Asia. These efforts may not always be successful.

These new and developing areas and products represent a significant portion of the Company's expanded total addressable market, and they also introduce new sources of competition, including, in some of these market segments, incumbent competitors with established technologies, ecosystems, and customer bases. These developing products and areas could require significant investment, do not always grow as projected or at all, or sometimes utilize technologies that are different from the ones that TrustBIX develops, and the Company may not realize an adequate return on investments. To be successful, TrustBIX needs to cultivate new industry relationships with customers and partners. In addition, the Company must continually improve the cost, performance, integration, time-to-market, as well as expand product capabilities to service customers. Some of these new businesses face challenging market conditions. For example, market pricing and costs to export beef or other products to Asia or other international markets may be volatile. Despite ongoing efforts, there is no guarantee that the Company will achieve or maintain market demand or acceptance for products and services or realize an adequate return on investments, which could lead to impairment of assets, as well as opportunity costs.

Risks regarding Intellectual Property Rights

The Company's success and ability to compete may be enhanced by effective copyright, trade secret, and trademark law to protect its technology and the technology licensed to it by third parties; however, the Company may or may not be successful in being granted a patent or patents should it apply for them and effective trademark protection may not be available for the Company's intellectual property, trademarks or the trademarks licensed by it. The lack of a patent may make the Company's products vulnerable to being copied or infringed upon by a competitor and may negatively impact the ability of the Company to compete effectively in its addressable markets. If the Company is successfully awarded a patent or patents, it will be necessary to reveal certain details regarding the Company's technology and intellectual property secrets, which could introduce additional risks associated with competitors who may not respect patent protection rights or may otherwise not be bound by patent protection rights because of the geographic location they operate from. Any or all these factors could materially alter the Company's current estimate of its market and its generation of revenue therefrom and there can be no assurance that misappropriation of its technology, trademarks or agreements entered into for that purpose will be enforceable.

Risks of Legal or Other Claims and Proceedings

The Company may become involved in legal matters that may materially adversely affect the business

From time to time in the ordinary course of business, the Company may become involved in various legal proceedings, including commercial, product liability, employment, class action and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, and can be very expensive, the results of any such actions may have a material adverse effect on business, operations or financial

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condition. While the Company maintains insurance coverage for certain types of claims, such insurance coverage may be insufficient to cover all losses or all types of claims that may arise.

Additional Financing Risks

In order to execute its anticipated growth strategy, the Company may require additional equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake business combination transactions or other initiatives. There can be no assurance that additional financing will be available when needed or on terms which are acceptable. The Company's inability to raise additional financing could limit growth and may have a material adverse effect upon the business, operations, results, financial condition or prospects.

If additional funds are raised through further issuances of equity or securities convertible into equity, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to current shareholders. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult to obtain additional capital and to pursue business opportunities.

Foreign Exchange Risk

As it is anticipated that the Company's operations will expand into increased global markets, it is expected that sales and other transactions may be conducted in foreign currencies other than Canadian dollars, thus exposing the Company to foreign currency risk. A portion of revenues are expected to be transacted in US dollars and Chinese Renminbi and the fluctuation of value of these currencies could impact cash flow and our US/China and foreign business.

Government Regulation Risk

Although TrustBIX believes that the Company has obtained the necessary approvals for the products and services that currently are sold, the Company may not be able to obtain approvals for future products and services on a timely basis, or at all. In addition, regulatory requirements may change or the Company may not be able to obtain regulatory approvals from countries in which it may desire to sell products in the future. TrustBIX may be required to incur additional costs in order to comply with foreign and state government regulations as they might pertain to certain issues concerning compliance with local regulations governing its devices, content, privacy, taxation and other considerations.

Reputational Risk

Reputational damage can result from the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views, whether true or not. Reputation loss may result in decreased customer confidence and an impediment to the Company's overall ability to advance its products and services with customers, thereby having a material adverse impact on its financial performance, financial condition, cash flows and growth prospects.

Internal Control Risk

Internal controls are designed to safeguard assets, promote efficient and effective operations, and provide reasonable assurance regarding the reliability and integrity of financial reporting and the preparation of

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financial statements in accordance with IFRS. However, internal controls alone cannot be guaranteed to detect fraud, safeguard assets, promote efficient and effective operations, or provide absolute assurance with regard to the reliability of financial reporting and financial statements.

Earnings and Dividend Record

TrustBIX does not have any dividend record. The Company has not paid any dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future.