

MiMedia Inc.

(also referred to as “MiMedia”, the “Corporation”, or the “Company”)

Management’s Discussion & Analysis

The following management discussion and analysis should be read in conjunction with the audited financial statements for the year ended December 31, 2021 and 2020 prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

All dollar figures included therein and in the following discussion analysis are quoted in U.S. dollars unless otherwise noted.

Date

This management’s discussion and analysis (“MD&A”) is dated April 27, 2022 and is in respect of the year ended December 31, 2021. The discussion in this management's discussion and analysis focuses on this period. Estimates and forward-looking information are based on assumptions of future events and actual results may vary from these estimates. This MD&A is prepared in conformity with National Instrument 51-102F1 and has been approved by the Board of Directors.

Disclaimer for Forward-Looking Statements

This MD&A contains forward-looking statements relating to future events. In some cases, forward-looking statements can be identified by such words as “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “believe” or similar expressions. These statements represent management’s best projections, but undue reliance should not be placed upon them as they are derived from numerous assumptions. These assumptions are subject to known and unknown risks and uncertainties, including the business risks discussed in the MD&A which may cause actual performance and financial results to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted.

Description of the Business

MiMedia Inc. (the “Company”) was incorporated under the provisions of the General Corporation Law of the State of Delaware on August 20, 2010. The Company’s head and registered records office is located at 1209 Orange Street, Wilmington, New Castle, U.S.A. The principal business of the Company is the development of a cloud-based online backup service for mobile devices.

Based in New York City, the Company has built a next generation consumer cloud platform that enables consumers to access all their personal content (photos, videos, music, documents, SMS and contacts), on any device or operating system, whenever they want.

The Company’s proprietary platform and technology is an answer to today’s consumer clouds, which are mainly enterprise-focused, work-file sharing solutions offering utility-like experiences. The Company differentiates with its highly visual interface, rich media experiences, robust content curation tools, private sharing platform for families and deeper promotion of content (re)discovery.

The Company solves important problems for consumers - providing security, organization, ease of use, ubiquitous access and true private sharing of their cherished personal content. The platform enables consumers to access their content on any device by seamlessly integrating seven apps into one, simple-to-use platform – desktop apps for PC & Mac, smartphone apps for iOS & Android, tablet apps for iOS & Android and a web app that works on all browsers.

Seven apps, seamlessly integrated on one platform:



Content consumers care most about:



Device agnostic = any device, anytime:



The Company also solves problems for its distribution partners that serve consumers, namely device manufacturers or OEMs, Telcos or Carriers and Electronic Retailers. Leaders in these large market segments struggle with customer retention, low margins, limited digital revenue strategies and heavy market competition from the likes of Google and Apple as well as local, in-market players.

On a turn-key basis, the Company’s platform enables these large industry leaders to:

- Highly differentiate vs the market with the Company’s consumer cloud solution
- Increase customer retention via the inherently sticky solution of cloud storage
- Immediately deploy and benefit from high-margin, recurring revenue streams, including storage subscriptions, mobile advertising and value-added services, such as photo printing and editing

The Company integrates into these providers in a highly disruptive way, replacing the native or default Android smartphone gallery with its consumer cloud platform such that, every picture and video taken on a MiMedia partner smartphone lives both locally on MiMedia as well as in the MiMedia cloud.

The Company targets geographies including LATAM, SE Asia, Africa, India and the Middle East.



Selected Annual and Quarterly Financial Information

The following table sets out selected annual financial information for the Company, which has been prepared in accordance with IFRS:

Year ended December 31,	2021	2020
Total revenue	\$19,647	\$29,615
Total operating expenses	\$2,041,374	\$1,182,088
Net loss and comprehensive loss for the period	(\$2,021,727)	(\$1,152,473)
Basic and diluted loss per share for the period	(\$0.06)	(\$0.18)
Weighted average number outstanding	33,351,214	6,510,936

As at	December 31, 2021	December 31, 2020
Cash	\$143,854	-
Current assets	\$3,491,989	\$16,246
Total assets	\$3,501,692	\$27,363
Total liabilities	\$5,149,962	\$2,860,568
Shareholders' equity (deficiency)	(\$1,648,270)	(\$2,833,205)

Results of Operations – Year Ended December 31, 2021

The Company incurred a comprehensive loss of \$2,021,727 (2020 – \$1,152,473). The loss incurred in 2021 relative to the 2020 comparative period was due to a decrease in partner income, as well as an increase in research and development and general and administrative expenses.

Revenue

During the year ended December 31, 2021, the Company generated revenue of \$19,647 (2020 - \$29,615). The decrease in revenue from the 2020 comparative period was due to a decrease in partner income.

Operating Expenses

During the year ended December 31, 2021, the Company incurred operating expenses of \$2,041,374 (2020 - \$1,182,088). This increase was largely due to greater research and development, selling, and general and administrative expenses.

Research and development expenses increased to \$595,302 (2020 - \$375,001) during the year ended December 31, 2021. This increase was due to higher research and development consulting fees incurred with two subcontractors in comparison to the 2020 comparative period.

Selling expenses increased to \$125,219 (2020 - \$63,254) during the year ended December 31, 2021. This increase was due to new marketing consulting services not occurring in the 2020 comparative period.

General and administrative expenses increased to \$1,302,363 (2020 - \$721,676) during the year ended December 31, 2021. The increase from 2020 to 2021 is primarily due to a rise in legal and other professional fees related to preparing the Company for its planned qualifying transaction.

Results of Operations - Three Months Ended December 31, 2021

The Company incurred a comprehensive loss of \$682,450 (2020 - \$327,807). The loss incurred in 2021 relative to the 2020 comparative period was due to a decrease in partner income, as well as an increase in research and development and general and administrative expenses.

Revenue

During the three months ended December 31, 2021, the Company generated revenue of \$5,084 (2020 - \$17,335). The decrease in revenue from the 2020 comparative period was due to a decrease in partner income.

Operating Expenses

During the three months ended December 31, 2021, the Company incurred operating expenses of \$687,534 (2020 - \$345,142). The increase from 2020 to 2021 was largely due to greater research and development, selling, and general and administrative expenses.

Research and development expenses grew to \$159,627 (2020 - \$88,622) during the three months ended December 31, 2021. This increase was due to greater research and development consulting fees incurred with two subcontractors in comparison to the 2020 comparative period.

Selling expenses increased to \$25,817 (2020 - \$13,500) during the three months ended December 31, 2021. This increase was due to new marketing consulting services not incurred in the 2020 comparative period.

General and administrative expenses increased to \$501,363 (2020 - \$231,948) during the three months ended December 31, 2021. The increase from 2020 to 2021 is primarily due to a rise in legal and other professional fees related to preparing the Company for its planned qualifying transaction during 2021.

Summary of Quarterly Results

The following table provides selected quarterly financial data for the eight most recently completed quarters:

	Three months ended							
	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Revenue	\$5,084	7,455	4,394	2,714	17,335	1,577	1,648	9,055
Net income (loss) for the period	(682,450)	(367,792)	(430,613)	(540,872)	(327,807)	(236,289)	(246,905)	(341,472)
Basic and diluted loss per share	(0.02)	(0.01)	(0.01)	(0.02)	(0.05)	(0.03)	(0.04)	(0.05)

The Company incurred a net loss of \$682,450 during the three months ended December 31, 2021 compared to a \$327,807 loss during the three months ended December 31, 2020. The loss incurred in 2021 relative to the 2020 comparative period was due to a decrease in partner income, as well as an increase in research and development and general and administrative expenses. These higher expenses were mainly due to a rise in legal and other professional fees related to preparing the Company for its planned qualifying transaction.

The Company incurred a net loss of \$367,792 during the three months ended September 30, 2021 compared to a \$236,289 loss during the three months ended September 30, 2020. The increase from 2020 to 2021 was due to a rise in monthly subcontractor research and development consulting fees along with a rise in legal and other professional fees related to preparing the Company for its planned qualifying transaction.

The Company incurred a net loss of \$430,613 during the three months ended June 30, 2021 compared to a \$246,905 loss during the three months ended June 30, 2020. The increase from 2020 to 2021 was due to a rise in subcontractor research and development consulting fees along with legal and other professional fees relating to the Company's planned qualifying transaction.

The Company incurred a net loss of \$540,872 during the three months ended March 31, 2021 compared to a \$341,472 net loss during the three months ended March 31, 2020. This change was due to a rise in monthly subcontractor research and development consulting fees. Compensation for services relating to the planned qualifying transaction was accrued during the three months ended March 31, 2021 as well. The Company's net loss also increased due to penalty and interest charges from unpaid tax remittance obligations.

Disclosure of Outstanding Share Data

Authorized share capital of the Company consists of 80,000,000 shares of common stock with a par value of \$0.001 per share.

As of December 31, 2021, the Company had 36,680,613 common shares, 214,919 warrants and 24,372 stock options outstanding.

Immediately preceding the closing of the Company's reverse takeover transaction on March 15, 2022, the Company split its common shares on a 1:2.60 basis. The effect of the split has been presented on a retrospective basis in the Company's financial statements.

The following share capital transactions were completed during the year ended December 31, 2021:

- Throughout 2021, the Company issued 26,952,856 shares of common stock for total proceeds of \$2,757,612. The Company also received \$149,050 in proceeds as consideration for 759,863 shares that were not issued as of December 31, 2021.
- During July 2021, the Company agreed to issue 3,234,730 shares of common stock to settle amounts owing totaling \$300,000. These shares are to be issued subsequent to December 31, 2021, and have been presented as shares to be issued within share capital at December 31, 2021.

The following share capital transactions were completed during the year ended December 31, 2020:

- Throughout 2020, the Company issued 425,859 shares of common stock in consideration for \$701,846 in cash.
- In July 2020, the Company issued 249,896 shares of common stock in settlement of amount owing totaling \$400,000.

Liquidity and Capital Resources

Historically and prospectively, the Company's primary source of liquidity and capital resources has been and will continue to be proceeds from the issuance of common shares. Based on our current level of operations and our expected results of operations over the next 12 months, we believe that cash generated from operations and cash on hand and anticipated future capital raises, will be adequate to meet our anticipated liquidity requirements, capital expenditures and working capital needs for the next 12 months. However, we cannot be certain that our business will be able to raise capital through the issuance of equity to continue operations.

As at December 31, 2021, the Company had a working capital deficit of \$1,657,973 (2020: \$2,844,322). Working capital improved as of December 31, 2021 due to the Company holding cash of \$143,854 and accounts payable and accrued liabilities falling by \$980,591. As at December 31, 2021, the Company had cash on hand of \$143,854 (2020: \$Nil) to meet accounts payable and accrued liabilities of \$1,324,009 (2020: \$2,304,600).

Net cash used in operating activities for the year ended December 31, 2021 was \$2,762,808 largely due to repayment of short-term payables, compared to \$714,557 in the 2020 comparative period. The Company continues to generate net losses and negative cash flows from operating activities due to revenues still being insufficient in size to cover its operating expenses. The Company expects to have sufficient working capital to meet any operating cash outflow or working capital requirements for the immediate future upon completion of its qualifying transaction with Efficacious Elk Capital Corp.

Net cash from financing activities was \$2,906,662 compared to \$701,846 in the 2020 comparative period. This cash inflow was due to net proceeds of \$2,757,612 received from the issuance of shares, as well as proceeds of \$149,050 from shares not yet issued.

The Company does not have any commitments to make capital expenditures in future fiscal periods. The Company is party to certain management contracts. These contracts contain minimum termination commitments of \$175,000.

Other Factors Affecting Liquidity

The Company may also raise additional equity or debt capital or enter into arrangements to secure necessary financing to fund the completion of projects, to meet obligations or for the general corporate purposes of the Company. Such arrangements may take the form of loans, strategic agreements, or other agreements. The sale of additional equity could result in additional dilution to the Company's existing shareholders, and financing arrangements may not be available to the Company, or may not be available in sufficient amounts or on acceptable terms.

From time to time, the Company may pursue various strategic business opportunities. These opportunities may include proposed development and/or management of investment in or ownership of additional businesses through direct investments, acquisitions, joint venture arrangements and other transactions. The Company closed a reverse takeover transaction with Efficacious Elk Capital Corp. ("Elk") on March 15, 2022. Pursuant to this transaction, Elk will acquire all of the issued and outstanding shares of capital stock of the Company by a "reverse triangular" merger (the "Merger") of a newly-formed subsidiary of Elk with and into the Company. The Company will be the surviving corporation following the Merger and, as a result, will become a wholly-owned operating subsidiary of the Resulting Issuer. Prior to completion of this transaction, the Company's shares will be split on a 1:2.60 basis.

2,025,316 shares of the Company are to be issued as a finder's fee in connection with the identification and completion of the Merger. The Company's management has also entered into discussions to issue 150,000 shares to directors as a form of advisors fee.

In order to facilitate the completion of the Merger, the Company completed a private placement of 16,586,000 subscription units for total proceeds of \$4,146,500 CAD at a price per subscription unit of \$0.25 CAD. Each subscription unit is comprised of a common share of the Company and one-half of a common share purchase warrant. Each share purchase warrant entitles its holder to acquire one share of the Company at \$0.32 CAD for a period of 24 months following the date that the escrow release conditions are satisfied. Pursuant to the private placement, 497,580 subscription units were issued to agents as a corporate finance fee. 1,091,020 broker warrants were also issued as compensation for completion of the private placement. The broker warrants are exercisable at a price of \$0.25 CAD for a period of 24 months following the date the escrow release conditions are satisfied. As at December 31, 2021, there was a total of \$3,163,056 (\$4,010,122 CAD) (2020 – \$Nil) in restricted cash relating to the subscription receipt proceeds received and held in escrow for a subscription receipt financing pursuant to the reverse takeover transaction.

The Company entered into note conversion agreements with holders of certain promissory notes originally issued on October 13, 2010 in the aggregate amount of US\$930,000. Pursuant to the agreements, immediately prior to, but contingent upon, the closing of the Merger, (i) 50% of the outstanding principal amount under each promissory note shall be converted into shares at a price per share equal to \$0.1967 USD, and (ii) any remaining outstanding balance under the promissory notes shall be cancelled. As of the date hereof, there is US\$554,177.00 outstanding under the promissory notes.

Prior to completion of the Merger, the Company entered into an accounts payable settlement agreement with a third-party vendor. Pursuant to the agreement, 405,125 shares of the Company will be issued to the vendor to settle accounts payable of approximately \$79,000.

During February 2022, and prior to completion of the Merger, the Company also completed a non-brokered, direct private placement of 2,646,137 units for gross proceeds of \$519,050. Each unit is comprised of one share of common stock of the Company and one-half of one common stock purchase warrant. Each warrant is exercisable to acquire one share at a price \$0.25 per share for a period of twenty-four months from the date of issuance.

The Company can provide no assurance that it will successfully identify additional opportunities or that, if it identifies and pursue existing opportunities, any of them will be consummated.

Off-Balance Sheet Arrangements

No off-balance sheet arrangements.

Transactions with Related Parties

Related parties and related party transactions impacting the financial statements not disclosed elsewhere in these financial statements are summarized below and include transactions with key management personnel of the Company.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. Key management personnel comprise officers and directors of the Company.

Related parties consist of the following individuals:

- Chris Giordano, CEO and director
- Philip Ellard, CFO
- Nick Lewin, Director
- Steven Nelson, Director

Remuneration attributed to key management personnel is summarized as follows:

	2021		2020	
Salaries and employer contributions				
Chris Giordano	\$	570,930	\$	510,000
Management fees				
Philip Ellard	\$	592	\$	-

Other related party transactions

\$32,421 in accounts payable and accrued liabilities were owing to officers and directors at December 31, 2021 (December 31, 2020: \$673,506).

\$65,643 in other receivables were receivable from an officer of the Company at December 31, 2021 (December 31, 2020: \$Nil).

The Company is obligated to issue 3,234,730 shares in settlement of \$300,000 owing to an officer of the Company pursuant to a settlement agreement dated July 2021.

During the year ended December 31, 2020, the Company issued 249,896 shares to settle \$400,000 owing to certain shareholders of the Company. All amounts owing were unsecured, did not bear interest, and had no fixed terms of repayment.

Proposed Transactions

On March 15, 2022, the Company closed a reverse takeover transaction with Efficacious Elk Capital Corp. (“Elk”). Pursuant to this transaction, Elk will acquire all of the issued and outstanding shares of capital stock of the Company by a “reverse triangular” merger (the “Merger”) of a newly-formed subsidiary of Elk with and into the Company. The Company will be the surviving corporation following the Merger and, as a result, will become a wholly-owned operating subsidiary of the Resulting Issuer. Prior to completion of this transaction, the Company’s shares will be split on a 1:2.60 basis.

2,025,316 shares of the Company are to be issued as a finder's fee in connection with the identification and completion of the Merger. The Company's management has also entered into discussions to issue 150,000 shares to directors as a form of advisors fee.

In order to facilitate the completion of the Merger, the Company completed a private placement of 16,586,000 subscription units for total proceeds of \$4,146,500 CAD at a price per subscription unit of \$0.25 CAD. Each subscription unit is comprised of a common share of the Company and one-half of a common share purchase warrant. Each share purchase warrant entitles its holder to acquire one share of the Company at \$0.32 CAD for a period of 24 months following the date that the escrow release conditions are satisfied. Pursuant to the private placement, 497,580 subscription units were issued to agents as a corporate finance fee. 1,091,020 broker warrants were also issued as compensation for completion of the private placement. The broker warrants are exercisable at a price of \$0.25 CAD for a period of 24 months following the date the escrow release conditions are satisfied. As at December 31, 2021, there was a total of \$3,163,056 (\$4,010,122 CAD) (2020 – \$Nil) in restricted cash relating to the subscription receipt proceeds received and held in escrow for a subscription receipt financing pursuant to the reverse takeover transaction.

During February 2022, and prior to completion of the Merger, the Company also completed a non-brokered, direct private placement of 2,646,137 units for gross proceeds of \$519,050. Each unit is comprised of one share of common stock of the Company and one-half of one common stock purchase warrant. Each warrant is exercisable to acquire one share at a price \$0.25 per share for a period of twenty-four months from the date of issuance.

Financial Risks

The Company's financial instruments include cash and cash equivalents, restricted cash, interest and other receivables, trade and other payables, loans, and warrants. IFRS 7 Financial Instruments: Disclosures ("IFRS 7") establishes a fair value hierarchy for financial instruments measured at fair value. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy are as follows:

- Level 1 - applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 - applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- Level 3 - applies to assets or liabilities for which there are unobservable market data.

The recorded amounts of cash, restricted cash, accounts and other receivables, and trade and other payables approximate their respective fair values due to their short-term nature. The fair value of the loans approximate their face value.

The Company currently has no financial assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy.

Risk Management

The Company considers managing risk as being an integral part of its development and diversification strategies. The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. The Company focuses on actively securing short to medium term cash flows by minimizing the exposures to financial markets. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and accounts receivables. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure. As at December 31, 2021 and 2020, the Company is not exposed to credit risk in regard of any particular customer.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company is exposed to this risk primarily through its unsecured loan and accounts payable and accrued liabilities. The Company's approach to managing liquidity is to maintain sufficient cash to meet obligations when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

Contractual undiscounted cash flow requirements for financial liabilities as at December 31, 2021 are as follows:

	Less than 1 year	1 – 5 years	After 5 years	TOTAL
	\$	\$	\$	\$
Accounts payable and accruals	1,324,009	-	-	1,324,009
Subscription liability	3,270,626	-	-	3,270,626
Loans	554,177	-	-	554,177
	5,148,812	-	-	5,148,812

The Company endeavors to ensure that it has sufficient cash on demand to meet its obligations as they become due by preparing expenditure budgets, which are regularly monitored and updated as considered necessary. The Company also manages its liquidity risk through the financial support of its shareholders and key management personnel.

Capital Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue its operations and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk level.

The Company's primary source of capital is through the issuance of common shares and subordinated debt. The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek additional funding. The Company may require additional capital resources to meet its operating expenses and technology investments.

The Company believes it will be able to raise capital as required but recognizes there will be risks involved that may be beyond its control. There are no external restrictions on the management of capital. There have been no changes in the way in which the Company manages capital during the year ended December 31, 2021.

The Company is not subject to any external capital requirements as at December 31, 2021 and 2020. Subsequent to December 31, 2021, the Company became listed on the TSX Venture Exchange ("TSXV") and became subject to various TSXV listing requirements.

Critical Accounting Estimates and Judgments

This MD&A is based on the financial statements which have been prepared in accordance with IFRS. The preparation of financial statements in compliance with IFRS requires management to exercise judgment in applying the Company's accounting policies and make certain critical accounting estimates. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Judgements

Judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements are outlined below:

i) Going Concern

Management's assessment that the Company's will be able to execute its strategy and fund future working capital requirements to continue as a going concern requires significant judgment.

ii) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law in the relevant jurisdiction. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision.

Management believes they have adequately provided for the probable outcome of these matters; however, the outcome may result in a materially different outcome than the amount included in the tax liabilities. In addition, the Company recognizes deferred tax assets relating to tax losses carried forward only to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

iii) Revenue Recognition

The process of revenue recognition, including the valuation of barter transactions, involves significant management judgment. The Company performed focused procedures to test the valuation of revenue recorded in consideration of non-barter contracts. In its determination of the amount and timing of revenue to be recognized, management relies on assumptions and estimates supporting its revenue recognition policy. Estimates of the percentage of completion for applicable customer projects are based upon current actual and forecasted information and contractual terms.

iv) Assessment of indicators of impairment

Non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or when required by IFRS upon transition from exploration and evaluation assets to property, plant, and equipment. In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

v) COVID-19

In March 2020, the World Health Organization declared a global pandemic related to COVID-19. The pandemic significantly impacted the global markets and is expected to continue its impact in the foreseeable future. The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries.

In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations. To date, the Company has experienced limited impact from the global pandemic.

Estimates

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods are outlined below.

i) Recoverability of accounts receivable

The Company monitors its exposure for credit losses on its customer receivable balances and the creditworthiness of those customers and related parties on an ongoing basis and records related allowances for doubtful accounts. Allowances are estimated based upon specific customer and related party balances, where a risk of default has been identified and also include a provision for noncustomer specific defaults based upon historical experience and aging of accounts. If circumstances related to specific customers and related parties change, estimates of the recoverability of receivables could also change.

ii) Share-based payments

In estimating fair value of options using the Black-Scholes option pricing model, management is required to make certain assumptions and estimates such as the expected life of options, volatility of the Company's future share price, risk-free rate, future dividend yields and estimated forfeitures at the initial grant date. Changes in assumptions used to estimate fair value could result in materially different results.

iii) Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events. See Note 15 in the audited financial statements.

Significant Accounting Policies

The accounting policies followed by the Company are set out in Note 4 to the audited financial statements for the years ended December 31, 2021 and 2020.

Adoption of New Standards and Interpretations, and Recent Accounting Pronouncements

New IFRS pronouncements that have been issued but are not yet effective at the date of this MD&A are listed in Note 3 to the audited financial statements for the years ended December 31, 2021 and 2020.

Subsequent Events

Reverse takeover by MiMedia Inc. of Efficacious Elk Capital Corp. (“EECC”)

On March 15, 2022, the Company closed a reverse takeover transaction with Efficacious Elk Capital Corp. (“Elk”). Pursuant to this transaction, Elk will acquire all of the issued and outstanding shares of capital stock of the Company by a “reverse triangular” merger (the “Merger”) of a newly-formed subsidiary of Elk with and into the Company. The Company will be the surviving corporation following the Merger and, as a result, will become a wholly-owned operating subsidiary of the Resulting Issuer. Prior to completion of this transaction, the Company's shares will be split on a 1:2.60 basis.

2,025,316 shares of the Company are to be issued as a finder's fee in connection with the identification and completion of the Merger. Pursuant to the Merger, the Company's management has also entered into discussions to issue 150,000 shares to directors as a form of advisors fee.

On November 16, 2021, in preparation for the completion of the Merger, the Company completed a private placement of 16,586,000 subscription units for total proceeds of \$4,146,500 CAD at a price per subscription unit of \$0.25 CAD. Each subscription unit is comprised of a common share of the Company and one-half of a common share purchase warrant. Each share purchase warrant entitles its holder to acquire one share of the Company at \$0.32 CAD for a period of 24 months following the date that the escrow release conditions are satisfied. Pursuant to the private placement, 497,580 subscription units were also issued to agents as a corporate finance fee. 1,091,020 broker warrants were also issued as compensation for completion of the private placement. The broker warrants are exercisable at a price of \$0.25 CAD for a period of 24 months following the date the escrow release conditions are satisfied. If the Merger is not completed, proceeds received will be returned to subscribers.

The Company's management has entered into settlement discussions with the holders of the loans described in Note 7. Pursuant to the settlement agreements, immediately prior to, but contingent upon, the closing of the Merger, (i) 50% of the outstanding principal amount under each promissory note shall be converted into shares at a price per share equal to \$0.1967 USD, and (ii) any remaining outstanding balance under the promissory notes shall be cancelled. As of the date hereof, there is US\$554,177 outstanding under the promissory notes.

Issuance of shares to settle accounts payable

Subsequent to December 31, 2021, 3,234,730 common shares of the Company were issued in settlement of \$300,000 owing to a director and officer of the Company pursuant to a settlement agreement dated July 2021.

Subsequent to December 31, 2021, the Company's management also entered into discussions with a vendor to issue 405,125 shares to settle approximately \$79,000 in outstanding accounts payable balances.

Cancellation of options

Subsequent to December 31, 2021, the Company and the holders of the options (Note 9) agreed to cancel all outstanding options.

Proceeds received from equity issuance

During February 2022, and prior to completion of the Merger, the Company also completed a non-brokered, direct private placement of 2,646,137 units for gross proceeds of \$519,050. Each unit is comprised of one share of common stock of the Company and one-half of one common stock purchase warrant. Each warrant is exercisable to acquire one share at a price \$0.25 per share for a period of twenty-four months from the date of issuance.

Additional Disclosure for Venture Issuers Without Significant Revenue

During the year ended December 31, 2021, the Company incurred the following research and development expenses pursuant to the development of its technology platform:

		2021		2020
Salaries and employer contributions	\$	55,337	\$	190,092
Subcontracts		414,875		69,178
Services		125,090		115,731
Total research and development	\$	595,302	\$	375,001

The Company plans to finance its research and development activities through raising additional equity or debt capital financing. Through continued improvements to its cloud platform, the Company expects to increase revenues. These revenues will be used to eventually fund anticipated operating expenses.

The Company expects to incur approximately \$510,000 in research and development costs over the next 12 months in conjunction with developing and improving its cloud platform. These costs relate to salary, employer contributions and contracted services.

Management's Responsibility for Financial Statements

Management of the Company, under the supervision of the Chief Executive Officer and the Chief Financial Officer, is responsible for the design and operations of internal controls over financial reporting. There have been no changes in the Company's disclosure controls and procedures during the year ended December 31, 2021.

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

There have been no changes in the Company's internal control over financial reporting during the year ended December 31, 2021, that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.