



3tl Technologies Corp.
(Formerly KCO Capital Inc.)

Management's Discussion & Analysis
For the Three Months Ended March 31, 2017
Dated May 26, 2017

MANAGEMENT DISCUSSION AND ANALYSIS

The following management's discussion and analysis of the financial position and results of operations for 3tl Technologies Corp. ("3tl", "3tl Technologies" or the "Company") should be read in conjunction with the condensed interim consolidated financial statements and the notes thereto for the three months ended March 31, 2017, and should also be read in conjunction with the audited consolidated financial statements and notes as at and for the year ended December 31, 2016, which are prepared in accordance with International Financial Reporting Standards ("IFRS") and are reported in Canadian dollars.

This MD&A contains forward-looking statements. Forward-looking statements are based on current expectations that involve a number of risks and uncertainties, which could cause actual events or results to differ materially from those reflected in the MD&A. Forward-looking statements are based on the estimates and opinions of 3tl Technologies Corp.'s management at the time the statements were made.

The following information is prepared as at May 26, 2017.

CORPORATE STRUCTURE

3tl Technologies was incorporated under the Business Corporations Act of British Columbia on July 29, 2011 under the name of KCO Capital Inc. On August 1, 2012, the Company completed its initial public offering and became a Capital Pool Company in order to negotiate an acquisition or participation in a business (the "Qualifying Transaction"). On October 30, 2014, 3tl Technologies completed its Qualifying Transaction by acquiring 3tl Technologies through an acquisition of 100% of the shares of 3tl Technologies.

NATURE OF BUSINESS AND OVERALL PERFORMANCE

Overview of Our Business

3tl is a technology company operating in the consumer Internet advertising sector and is a provider of digital and social media consumer engagement, data mining and loyalty solutions.

3tl's core product is PLATFORM³, a Software as a Service ("SaaS") consumer marketing platform which enables consumer packaged goods companies and consumer brands to build and launch promotions and special offers on the mobile phone. These promotions are presented to consumers before they get into a store or when they are in the store aisle where most purchase decisions are made ("the moment of truth"). Promotions launched on PLATFORM³ are designed to engage consumers and influence purchasing decisions through their mobile devices and online. PLATFORM³ encompasses proprietary consumer engagement strategies and technology modules including Contest and Promotions, Purchase Receipt Scanning, Social Portal (consumer-to-consumer content sharing), Rewards and Gamification, Data and Analytics, and Customer Relationship Management ("CRM").

Robert Craig and Carlos Yong founded 3tl in 2008. Mr. Craig is the Chief Executive Officer of 3tl and a Director. Mr. Yong is the Chief Technology Officer. They founded 3tl with the aim of providing clients (or "brands") dramatic and meaningful improvements in consumer engagement and communication via digital and social media technologies in the face of declining effectiveness of traditional forms of advertising. Increasingly, consumers have been using their social networks to share their opinions and experiences with leading brands through "shares", "posts", "likes", "follows", "check-ins" and other similar activity. Tapping into consumer's higher level of trust in "friend-to-friend" recommendations and the growth of social media, 3tl aimed to provide disruptive solutions to existing methods of digital marketing.

From 2008 to 2012, 3tl's business was exclusively managed services and the development of custom digital marketing applications for brands. These applications enabled brands to engage consumers through promotions via digital and social channels. 3tl's applications also enabled brands to capture consumer data.

During this time period from 2011 to 2014, 3tl generated cumulative revenues in excess of \$3,010,000 by developing over 200 custom digital marketing applications.

In its first four years, 3tl was able to identify valuable consumer trends as well as first-hand experience with the challenges brands faced when attempting to engage and activate consumers in a fragmented consumer marketplace. Traditional engagement strategies through radio, print and TV were not as effective as they used to be.

To achieve this reach, brands were having to source technology and solutions from multiple vendors. 3tl believed that there was not an integrated solution on the market which enabled brands to engage consumers in promotions via the web, both desktop and mobile, and through social media. Engaging consumers through multiple channels required brands to work with numerous vendors, implement several technology platforms and store data in disparate databases. The end result was a fragmented solution offered to a fragmented consumer market, and a frustrating experience for brands and a low return on investment for their digital marketing efforts.

In 2012, 3tl began development of PLATFORM³, a proprietary digital marketing, data mining and rewards product. After one year of development, 3tl began pre-selling the product resulting in \$500,000 of orders. The Company's intention was to move from providing managed services to being a product company.

In 2013, 3tl started the transition to a new business model, focusing on the development of PLATFORM³, which resulted in decreased revenues compared to 2012. The previous business model was custom development of digital advertising solutions with no recurring revenues – a managed services revenue model. The new business model, centered on the proprietary PLATFORM³ product, is an integrated digital marketing suite of applications sold in a SaaS model with recurring revenues – a product sales with recurring revenue model.

In 2014, after two years of development, 3tl launched PLATFORM³ as a commercial product. PLATFORM³ is a proprietary suite of digital applications that provides brands with an integrated digital marketing, data mining and rewards platform to engage consumers on the web, desktop and mobile phone, through digital and social channels. PLATFORM³'s features enable brands to engage consumers, facilitate friend-to-friend sharing, and collect and analyze data. PLATFORM³ allows brands to determine which consumers are most valuable based on their level of engagement with the brand on social media, and also incentivize and reward their most valuable consumers. Customers access PLATFORM³ through a cloud-based SaaS subscription model.

In July 2014, 3tl launched PLATFORM³ version 2.0. This version includes a redesign of the interface and architecture. New features included enhancement to data mining, tracking, reporting and engagement capabilities.

In 2015, 3tl launched Purchase Receipt Scanning as an additional module to PLATFORM³.

Growth Strategy

In the first half of 2015, 3tl closed a number of reference accounts in three key verticals in the United States, namely e-commerce, promotions and loyalty, and in-store shopper marketing. The launch of Purchase Receipt Scanning as a module of PLATFORM³ enabled 3tl to provide an integrated mobile point-of-sale purchase influence, tracking and rewards solution, to consumer packaged goods (“CPG”) brands seeking to engage consumers and influence their purchase decisions in the store aisle on mobile devices. This mobile solution for in-store shopper marketing promotions provides a compelling value proposition for CPG’s. Based on management’s discussions with customers and potential customers, management believes that consumer packaged goods companies have large annual budgets for in-store shopper promotions and are looking for ways to improve returns on those budgets and attract consumers who are increasingly moving to mobile.

In the Fall of 2015, 3tl launched significant enhancements to several modules of PLATFORM³. These upgrades included:

- Launch of version 2.0 of Purchase Receipt Scanning the mobile shopper marketing module of PLATFORM³ in September 2015. Purchase Receipt Scanning version 2.0 which encompass enhancements in accuracy and usability in each module of Purchase Receipt Scanning’s core modules including Optical Character Recognition (“OCR”), Image Processing, Security and Fraud Detection, Rules Engine and Management Dashboard.
- Launch of version 2.0 of Social Portal in November 2015, the consumer-to-consumer content sharing module of PLATFORM³. Changes which encompass increased use of video and the ability for brands to upload this content for consumers to share via social media.

In the second half of 2015 3tl focused its sales and marketing resources on selling its SaaS shopper marketing solution to leading CPG brands in the U.S. The sales strategy combines direct sales and sales through advertising agencies that manage and develop shopper marketing programs for CPG brands. 3tl’s PLATFORM³ was used to facilitate a number of short-term shopper marketing promotions in which leading CPG brands connected directly with consumers through mobile devices in retail stores. The Purchase Receipt Scanning module was used in these promotions enabling consumers to engage with CPG brands while they are in the store aisle, provide proof of purchase with their mobile devices and receive valuable rewards from the brand. The CPG brands also used PLATFORM³ to influence consumer’s purchase decision and collect data about consumers who purchased their products. This data is used to deliver targeted rewards and coupons as an incentive for further purchases and to incent consumers for sharing brand friendly content through their social media networks. These promotions established a track record for 3tl of delivering results for leading CPG brands.

In 2016, 3tl is focusing its resources on the in-store shopper marketing vertical where it believes that it can grow revenues through direct sales and by working with advertising agencies aligned to provide Purchase Receipt Scanning to major CPG companies 3tl’s sales team has been growing revenues and building a sales pipeline using the 2015 promotions as reference accounts at trade shows and in partnership with a growing number of advertising agencies. The success of the promotions to date has led to repeat business, and to larger and longer term license agreements.

3tl has made progress towards its goal of being a SaaS platform for advertising agencies and CPG brands looking for a way to connect consumers directly through mobile devices to influence purchasing decisions at the point-of-sale, reward consumers for sharing brand friendly content with their social media networks and collect big consumer data for ongoing targeted marketing.

The investment we have made in building a software platform that delivers a compelling value proposition to major consumer packaged goods brands has positioned 3tl to grow high margin recurring revenues and drive profitable growth as a leading SaaS digital marketing company.

Product Overview

Brands use PLATFORM³'s various modules to launch promotions in an effort to engage and activate consumers through the most popular digital platforms and channels. Consumers are able to participate in a brand promotion launched on PLATFORM³ by connecting through most devices that are connected to the Internet including mobile, desktop and tablets.

When consumers participate in a special offer, promotion or contest launched on PLATFORM³, detailed data can be captured including consumer demographics and purchasing behaviour.

PLATFORM³'s Purchase Receipt Scanning module is able to scan purchase receipts and connect consumers to a purchase when they participate in a promotion. Promotions that use Purchase Receipt Scanning enable consumers to take a picture of their purchase receipt to validate the purchase of a specific brand product. Purchase Receipt Scanning scans data from a typical receipt provided to consumers when they make purchases. Purchase data includes standard specific products, date, retailer, location and other relevant data found on a purchase receipt. Brands use Purchase Receipt Scanning in conjunction with other PLATFORM³ modules to engage consumers through contests and promotions.

3tl collects and mines consumer data within the permitted parameters of the privacy policies of the social media channels in which its platform operates, as well as 3tl's own privacy policy and other (including legal) obligations it may have with respect to privacy and data protection. 3tl protects data through multiple layers of security. All access to production systems requires two-factor authentication. Further, to prevent application-level fraudulent access, all passwords are encrypted using the latest version of encryption. 3tl has developed processes to ensure access is only available with either 2-factor passwords or encryption keys.

All 3tl staff sign employee agreements which contain assignment of intellectual property, non-compete and confidentiality clauses. Additionally, 3tl has in place an employee off-boarding process to prevent access to further accounts after their employment ends.

Using PLATFORM³, brands are able to aggregate and segment consumers in an effort to identify those who have purchased their brand, are most engaged and are more likely to share about the brand with their friend networks. Brands are able to communicate directly with consumers based on this information by introducing targeted special offers, incentives and rewards. PLATFORM³'s Rewards and Gamification module enables brands to incent the most influential and valued consumers.

PLATFORM³ is a cloud-based, SaaS subscription platform that is available as a license on a promotion by promotion basis or for one year subscriptions. Organizations access PLATFORM³ by simply logging in via standard desktop computer with a web connection. Consumer data is stored online in a secure, cloud environment. Data can be accessed via PLATFORM³ using built in analytics, segmentation, search and sort tools. Brands are able to search, sort and download databases of consumers to deploy special offers, new products and rewards.

PLATFORM³ subscriptions are offered as "Self-Serve" or "Managed Services". Brands using the Self-Serve option build their own promotions, create and administer their rewards and manage their data. Managed Services subscribers receive a turnkey service for which 3tl builds engagement promotions and

manages rewards and data. Thus, 3tl generates both a product revenue stream and a professional services revenue stream.

The principal markets for PLATFORM³ are Canada and the United States.

In practical terms, 3tl CPG brands use PLATFORM³ to influence, track and reward purchases through the mobile device. These capabilities increase revenues and customer loyalty by:

1. Connecting with consumers in the store aisle on mobile devices
2. Influencing purchase behaviour in the store aisle when most purchase decisions are being made at “the moment of truth”.
3. Activating and engaging consumers – Brands use marketing and promotion tools to create consumer engagement and interaction from mobile, web and social channels.
4. Track and validate purchases of the brand product – Brands use PLATFORM³’s receipt scanning capabilities to connect with consumers whom have purchased their products.
5. Capturing and mining data – Brands capture consumer engagement data to analyze and determine consumer behaviour and preferences.
6. Consumer segmentation – Consumers are segmented based on their interactions with the brand and demographics.
7. Rewarding consumers for interacting, purchasing and sharing with friends – The most desired consumer behaviors, based on the number of interactions a social media user has with a brand, can be rewarded to accelerate consumer engagement, sharing and loyalty.
8. Driving direct revenue opportunities – The most valuable consumers – those that purchase and interact with the brand - are provided with purchase incentives and invitations to participate in exclusive promotions and events.

The net effect is that 3tl’s customers can engage consumers on mobile phones in the store aisle at “the moment of truth, influence their purchase decisions, identify their best customers, incentivise them to buy and share, and reward them for doing so. This is the core value proposition of the company to its customers.

Principal Products and Services

Clients of the Company can choose from several versions of PLATFORM³ according to their needs:

- “Self-Serve” or “Managed Services” platform – Brands that subscribe to the self-serve platform can build their own engagement promotions, create and administer rewards programs and manage the consumer data collected. Subscribers to the managed services platform receive a turnkey service in which the Company builds engagement promotions and manages rewards and data on their behalf.
- Application Protocol Interface access to PLATFORM³ – (Launched in September 2015) Application Protocol Interface (“**API**”) access is licensed by brands that wish to use internal resources or partners to build consumer interface applications on top of PLATFORM³’s core technology. Consumer interfaces generally encompass mobile and web-based microsites. Brands will be able to integrate

PLATFORM³'s API with existing technology applications and infrastructure including mobile apps and CRM systems.

Brands can license single or multiple modules of PLATFORM³. These modules include:

- Purchase Receipt Scanning a mobile shopper marketing technology module that encompasses proprietary technology and modules including OCR, Image Processing, Security and Fraud Detection, Rules Engine and Management Dashboard. Brands use Purchase Receipt Scanning to run shopper marketing promotions designed to engage consumers, influence their purchasing decisions and track their purchasing behaviours. A critical component of Purchase Receipt Scanning is its ability to scan purchase receipts to connect a consumer to a purchase as well as scan purchase data found on standard receipts. Purchase data scanned by Purchase Receipt Scanning on receipts include specific products, date, retailer and all other relevant data on a purchase receipt.
- Social Portal is a consumer-to-consumer sharing module that enables brands to publish content for consumers to share via social media. The brand provides the content, and their customers can be incented to spread the message.
- The Rewards and Gamification module enables brands to attach rewards and points with or without monetary value. The Rewards and Gamification module encompasses Inventory Management, Redemption, Leader Board and Currency modules. Rewards and Gamification encourage consumers to engage, and allows brands to reward consumers for taking specific action in context to the brand. This includes the ability to set reward levels, upload rewards including merchandise and virtual prizeing (extra entries, badges, etc.) and confirm redemption of rewards.
- The Data and Analytics module provides brands with detailed reporting including purchasing behaviour and demographics to analyze and determine consumer preferences. The Data and Analytics module allows for segmentation of data - consumers can be segmented based on their interaction with the brand and their purchasing behaviour. This gives the brand deep insights into the behaviour of their consumers.
- The Customer Relationship Management module hosts all consumer data which can be downloaded or transferred via API connection to a brand's CRM system. This allows for efficient management of their consumer data.

3tl's modular tool set provides four key value drivers for 3tl's customers:

1. Customer acquisition – The 3tl tools reduce the cost of customer acquisition for the brand, using the power of the Internet and mobile technology.
2. Customer data – The 3tl tools enable brands to capture purchase data and demographic data that can be used to track and drive revenue.
3. Customer retention – The 3tl tools help the brand keep their best customers, increasing their lifetime value to the brand.
4. Customer understanding – The 3tl tools provide valuable data analytics on the brand's customers, increasing the brand's ability to market efficiently and successfully.

Research and Development

3tl launched two new modules to PLATFORM³ in the third quarter of 2016, and is developing additional modules. These modules are based on specific needs and requests (product opportunities) the Company has aggregated from consumers and marketing executives of the leading CPG companies in the U.S. These modules are being designed based on 3tl's experience launching consumer promotions which hundreds of thousands of consumers have interacted with. From this base of experience, 3tl has been

exposed to compelling product opportunities - consumer and brands trends – that the Company plans to productize

These two new modules launched in the third quarter of 2016 were Targeted Couponing and Shopper Messaging:

Targeted Couponing

PLATFORM³'s Targeted Couponing module enables brands to send valuable coupons to shoppers based on purchase behavior. Purchased behavior is gleaned from a receipt that consumers upload when participating in a promotion launched on PLATFORM³. This is a game-changer for CPG brands that wish to target and reward their highest-value shoppers. In the past, CPG companies had only been able to send generic coupons to consumers, because they did not have access to purchase data. Using Purchase Receipt Scanning Module in conjunction with PLATFORM³'s Targeted Couponing module, CPG companies are able to send valuable coupons only to consumers that have purchased specific quantities at specific times from specific retailers.

PLATFORM³ integrates seamlessly with couponing systems that are being used by CPG companies to send out generic coupons. These systems are important to brands because they provide the required security to prevent coupon fraud. These systems include Coupons.com, Revtrax and Inmar. Integrating with these systems enables CPG companies to leverage and accelerate coupon distribution in a highly targeted manner.

This encompasses sending high value coupons based on purchase behavior:

- Specific product purchases
- Time-based
- Specific retailer
- Multiple products
- An aggregate dollar amount

PLATFORM³'s Targeted Couponing module enables brands to leverage relationships with highly engaged shoppers who participate in a promotion. Targeted coupons can be embedded into the interface and messaging workflow of promotions including:

- Contest and promotion microsites
- Promotion email and text messaging workflows

Participants in promotions launched on PLATFORM³ are highly responsive to messages related to the promotion. Sending coupons based on purchase behavior to highly engaged consumers is a massive new opportunity for CPG brands.

Shopper Messaging and Retargeting

PLATFORM³'s Shopper Messaging and Retargeting module is designed to establish ongoing dialogue and facilitate purchases with shoppers during and after a promotion to facilitate repeat purchases, purchases of other products, brand education and engagement. The module enables brands to send targeted messages to promotion participants.

Messaging starts when shoppers engage with a promotion launched on PLATFORM³ such as entering a contest or sweepstakes or scanning a purchase receipt for a reward.

Our experience shows that participants are highly responsive to promotion-based messages sent by email or SMS. Typical messaging to consumers who participate in a promotion might encompass:

- “Thanks for registering! Confirm your email here.”
- “We received your receipt. Give us 48 hours to validate.”
- “Congratulations! Your receipt has been validated!”

These shoppers are highly engaged and in many cases have already purchased the product, registered and uploaded a receipt. Messages can feature content and offers based on shopper behavior such as purchase amounts, content sharing and other engagement activities. Content can include targeted coupons, product offers, product recommendations, calls to action or reminders to repurchase.

Messaging options include:

- Embed product visuals into promotion response emails
- Activate automated reminder messaging based on product purchased and date. For example, if a shopper purchases a product that is generally consumed within three months, the module can send an automated message with a coupon or call to action to purchase again close to the end of the three-month period.
- Activate product pairing and recommendations based on purchases scanned from uploaded receipts
- Recommend products other customers have bought related to the purchase on the receipt
- Integrate Targeted Coupons based on shopper engagement and purchase behavior.

API Connection to Third Party Digital Rewards Platforms

In Quarter 4 2016 3tl began building direct connections between PLATFORM³ and third party rewards platforms. By connecting directly to numerous digital reward platforms, 3tl will be able to offer a variety of consumer rewards as part of its promotions solutions. These rewards include gift cards from various retailers, movie tickets and virtual visa cards. With the addition of turnkey digital rewards and fulfillment capabilities, PLATFORM³ makes it easy for brands to implement and manage short and long term consumer promotions and loyalty programs.

Overall Performance

The Company’s overall performance for the three months ended March 31, 2017:

- 3tl has signed 19 license agreements to provide PLATFORM³ with leading CPG brands in 2017.
- Revenue increased by 36% to \$202,737 compared to the three months ended March 31, 2016.
- Gross margin as a percentage of revenue was 73% compared to 80% for the three months ended March 31, 2016. The decrease in gross margin as a percentage of revenue was due to lower margin third party services
- Increased the average value of license agreements including, the multi-year agreement with NBC Universal owned Fandango Rewards.
- Launched two new modules to PLATFORM³ based on market experience and feedback, Targeted Couponing and Shopper Messaging and Retargeting.

SELECTED ANNUAL INFORMATION

Management considers that the main indicators of the Company’s performance are the following:

revenue, gross profit, net and comprehensive loss, total assets, total long-term liabilities and shareholders' equity. Amounts are expressed in Canadian dollars, except for number of shares.

	December 31, 2016	December 31, 2015	December 31, 2014
Revenue	665,728	319,163	310,250
Gross profit	452,715	69,229	106,739
Net and comprehensive loss	(1,767,075)	(2,853,152)	(5,189,700)
EBITDA *	(1,762,117)	(2,847,902)	(5,097,428)
Adjusted EBITDA *	(1,519,383)	(2,695,637)	(1,772,781)
Loss per share - basic and diluted	(0.02)	(0.04)	(0.43)
Average number of ordinary shares - basic and diluted	90,625,458	72,634,823	12,077,348
Total assets	769,892	726,707	2,049,059
Total long-term liabilities	-	68,871	70,794
Cash dividend declared per share	-	-	-

* EBITDA and Adjusted EBITDA are provided as a supplementary earnings measure to assist readers in determining the ability of the Company to generate cash from operations and to cover financial charges. They are also widely used for business valuation purposes. These measures do not have a standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. EBITDA is defined as earnings before interest, income taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA to which the Company adds share-based compensation and other infrequent items that do not result in any use of operating cash flows by the Company.

Reconciliation of EBITDA and Adjusted EBITDA

	December 31, 2016	December 31, 2015	December 31, 2014
	\$	\$	\$
Net and comprehensive loss	(1,767,075)	(2,853,152)	(5,189,700)
Interest, net	-	(1,189)	84,723
Depreciation	4,958	6,439	7,549
EBITDA	(1,762,117)	(2,847,902)	(5,097,428)
Share-based compensation	242,734	152,265	747,570
Accretion on convertible debt	-	-	32,319
Loss on convertible debt conversion	-	-	1,503,845
Stock exchange listing expense	-	-	1,040,913
Adjusted EBITDA	(1,519,383)	(2,695,637)	(1,772,781)

RESULTS OF OPERATIONS

Revenues

Revenue for the three months ended March 31, 2017 increased by 36% to \$202,737, compared to \$148,838 for the three months ended March 31, 2016. The Company shifted its business model with the launch of PLATFORM³ and during the fiscal year 2014 and Purchase Receipt Scanning in 2015, changing from custom development of digital advertising solutions with no recurring revenue to a

software as a Service (SaaS) model. The PLATFORM³ product is an integrated suite of digital marketing applications sold as SaaS for short-term promotions or on an annual subscriptions basis with recurring revenues. Revenue in the year reflected recognition of revenue from previous year contracts and new sales of the PLATFORM³ product offering.

In 2016, 3tl launched PLATFORM³ targeting Consumer Packaged Goods (CPG) companies in the U.S. The Company validated its value proposition with 38 digital shopper marketing promotions generating total revenues of \$665,728 in 2016. Most of the 2016 promotions were short-term trials.

In 2017 year-to-date, 3tl has 19 agreements that will generate approximately \$850,000 in total revenues with approximately 85% of those revenues being recognized in 2017:

- the agreements show a trend towards longer-term and larger agreements;
- many of the agreements signed in 2017 represent repeat business from leading U.S. based brands; and,
- 3tl has a number of annual agreements where PLATFORM³ hosts an ongoing digital loyalty and rewards program. 3tl is generally paid an annual license fee plus transactions fees based on the number of times consumers validate purchases using PLATFORM³.

Gross profit and cost of sales

Gross profit for the three months ended March 31, 2017 increased to \$148,581, compared to \$118,406 for the three months ended March 31, 2016. The Company's cost of sales for the three months ended March 31, 2017 increased by 77% to \$53,886, compared to \$30,432 for the three months ended March 31, 2016 driven by growth in sales. Gross margin as a percentage of revenue for the three months ended March 31, 2017 was 73% and 80% for the three months ended March 31, 2016. Gross margins decreased slightly for the three months ended March 31, 2017 compared to the three months ended March 31, 2017 due to lower margin third party services. Cost of sales includes the cost of servers to host PLATFORM³, and project management and customer support staff.

In 2017, 3tl launched an API connection to third party digital rewards platforms. This service enables 3tl clients to offer digital rewards such as gift cards, movie tickets and virtual visas to incentivize purchase and purchase frequency. 3tl will purchase these rewards on behalf of the Company's clients and charge a 15% transaction fee for the total amount of rewards purchased.

General and administrative

General and administrative expenses for the three months ended March 31, 2017 increased slightly to \$289,297, compared to \$236,063 for the three months ended March 31, 2016. The increase was mainly due to increased investor relations expenses.

General and administrative expenses include salaries and benefits, accounting, legal, investor relations, travel, rent, office, other administrative costs. For the three months ended March 31, 2017, general and administrative expenses consisted primarily of \$206,407 in office and insurance expenses that include investor relations, corporate advisory fees, and regulatory filing fees, \$63,780 in wages and salaries, \$15,000 in consulting fees, and \$2,183 in professional fees.

For the three months ended March 31, 2016, general and administrative expenses consisted primarily of \$166,096 in office and insurance expenses that include investor relations, corporate advisory fees, and

regulatory filing fees, \$52,486 in wages and salaries, \$15,000 in consulting fees, and \$2,481 in professional fees.

Sales and marketing

Sales and marketing expenses include wages and salaries, consulting fees, travel expenses, and advertising and licenses. Sales and marketing expenses for the three months ended March 31, 2017 increased to \$197,168, compared to \$186,881 for the three months ended March 31, 2016. The increase was mainly due to increased salaries and wages, and consulting fees paid in connection with sales and marketing activities.

Research and development

Research and development expenditure for the three months ended March 31, 2017 decreased to \$66,013, compared to \$68,924 for the three months ended March 31, 2016.

Research and development expenses remained relatively the same for the three months ended March 31, 2017 compared to the three months ended March 31, 2016 as much of the development of PLATFORM³ was completed in 2015. The costs recorded in 2016 and 2017 relate to improvements to PLATFORM³. Research and development expenses may increase in the future as the Company seeks to evolve and improve PLATFORM³, as well as to invest in creating new technology and products that will enhance the Company's value proposition to customers and provide additional revenues. Research and development expenses include wages and salaries and consulting fees.

Share-based compensation

Share-based compensation for the three months ended March 31, 2017 was \$13,240 compared to \$13,881 for the three months ended March 31, 2016. The share-based compensation expense is a result of stock options that vested during the period for stock options granted to employees, directors and consultants in the current and prior periods.

Net and comprehensive loss

Net and comprehensive loss for the three months ended March 31, 2017 was \$421,032 compared to \$387,142 for the three months ended March 31, 2016. This increase was mainly due to the increase of operating expenses.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of results for the eight most recent quarterly periods (in millions of Canadian dollars, except for per share amounts).

For the quarter ended:	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
Revenue	202,737	55,325	267,968	193,597
Gross profit	148,851	27,306	146,222	160,781
Net and comprehensive loss	(421,032)	(504,062)	(395,264)	(480,607)
Loss per share -basic and diluted	(0.00)	(0.01)	(0.00)	(0.01)
Weighted average number of shares - basic and diluted	112,231,350	90,625,458	90,942,292	88,953,281

For the quarter ended:	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
Revenue	148,838	48,228	34,991	151,233
Gross profit	118,406	17,974	(13,930)	24,981
Net and comprehensive loss	(387,142)	(639,469)	(633,495)	(615,266)
Loss per share -basic and diluted	(0.00)	(0.01)	(0.01)	(0.01)
Weighted average number of shares - basic and diluted	83,478,191	72,634,823	73,136,090	71,222,919

Revenue for the three months ended March 31, 2017 increased as services for contracts signed in late 2016 were rendered. The Company has signed 19 agreements for services to be recognized throughout 2017 and as more contracts are signed sales will continue to increase for the remainder of 2017.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity is the risk of the Company not being able to meet its financial obligations as they become due. The Company manages its liquidity risk through budgeting, ongoing management and forecasting of operating cash flows, reviews of trade receivables, management of cash, and use of equity financings when appropriate.

The Company's objective is to maintain a strong capital base so to maintain customer, supplier, investor, creditor, and market confidence and to sustain future development of the business and increase shareholder value through organic growth and strategic acquisitions. As at March 31, 2017, the Company had cash of \$268,400 and accounts receivable of \$109,889 as compared to cash balance of \$579,116 and accounts receivable of \$88,747 at December 31, 2016. As at March 31, 2017, the Company's capital was \$68,110 (December 31, 2016 - \$402,663) and is defined by the Company as shareholders' equity. The Company's management believes it could issue new shares or raise new debt, increase sales, and to improve existing products and develop new products to maintain or strengthen its capital structure. There were no changes in the Company's approach to capital management during the current period.

OFF BALANCE SHEET ARRANGEMENTS

As at March 31, 2017 and the date of the MD&A, The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS AND BALANCES

During the three months ended March 31, 2017 and 2016, compensation of key management personnel and related parties were as follows:

	Three Months Ended Mar. 31, 2017	2016
	\$	\$
Remuneration, fees and short-term benefits	151,000	130,750
Share-based compensation	-	1,074
Total	151,000	131,824

The remuneration, fees and short-term benefits were allocated to cost of sales, general and administrative, sales and marketing, and research and development expenses.

The remuneration, fees and short-term benefits include salaries accrued to the Chief Executive Officer and Chief Technology Officer of the Company and consulting fees accrued to the Chief Financial Officer of the Company. The employment agreements and consulting agreement with the Chief Executive Officer, Chief Technology Officer, and Chief Financial Officer were ratified by the Board of Directors and are reviewed periodically.

The Company also entered into consulting agreements with two directors who provide corporate advisory services to the Company. Directors' fees are accrued under these consulting agreements. These two directors do not receive any additional cash compensation as directors of the Company.

As at March 31, 2017, \$25,664 (December 31, 2016 - \$43,582) was due to related parties, of which \$6,868 (December 31, 2016 - \$18,707) is for a loan, \$8,796 (December 31, 2016 - \$7,875) has been recorded in trade payables for unpaid consulting services, and \$10,000 (December 31, 2016 - \$17,000) has been recorded in accrued liabilities for unpaid compensation. On August 29, 2014, the Company entered into debt settlement agreements with the related parties, whereby the Company will pay \$70,794 of the amount due to related parties within a 24-month period. The amounts are non-interest bearing and unsecured. The related parties agreed to extend the repayment of remaining debt to December 31, 2017, subject to available funds generated from operations or equity financing.

SUBSEQUENT EVENT

Subsequent to March 31, 2017, the Company entered into an agreement to issue 1,200,000 common shares at \$0.05 per share to settle trade payables totaling \$60,000.

On May 3, 2017, the Company approved to proceed with a share consolidation of the common shares of the Company on the basis of ten pre-consolidation common shares without par value for one post-consolidated common share without par value (the "Consolidation"). The Consolidation received regulatory approval as of May 23, 2017.

Further to the Consolidation, on May 5, 2017 the Company entered into a non-brokered private placement of up to 8,333,333 units at \$0.30 per unit for gross proceeds of approximately \$2.5 million. Each unit will consist of one common Share of the Company and one Share purchase warrant ("Warrant"). Each Warrant will entitle the holder to purchase one additional post-consolidated common share in the capital of the company (a "Warrant Share") at a price of \$0.60 per Warrant share for a period of five years from the closing of the private placement. The private placement is expected to close within 45 days and is subject to regulatory approval.

OUTSTANDING SHARE DATA

The following table summarizes the maximum number of ordinary shares outstanding as of the date of this MD&A and as at March 31, 2017 and December 31, 2016 if all outstanding options and warrants were converted to shares:

	May 26, 2017	March 31, 2017	December 31, 2016
Ordinary shares	11,361,038	112,410,379	110,945,596
Stock options	758,696	7,586,960	7,716,960
Warrants	1,753,681	17,536,816	21,281,820

Restricted share units	20,000	200,000	-
Fully diluted shares*	13,893,415	137,734,155	139,944,376

*Refer to Subsequent Event in the above section.

CRITICAL ACCOUNTING ESTIMATES

This MD&A should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2016 and the notes thereto to gain a better understanding of the Company's accounting estimates. Accounting estimates are critical if they require the Company to make assumptions about matters that are highly uncertain at the time the accounting estimate is made and that different estimates that could have been used in the current period, or changes in the accounting estimate that are reasonably likely to occur from period to period, would have a material impact on the Company's financial condition, changes in financial condition or financial performance. The accounting estimates that are determined to be critical are described below.

- (i) Going concern - The evaluation of the Company's ability to continue as a going concern, to raise additional financing in order to cover its operating expenses and its obligations for the incoming year requires significant judgment based on past experience and other assumptions including the probability that future events are considered reasonable according to the circumstances.
- (ii) Revenue recognition - The Company derives revenues from several sources. Significant management judgements must be made in connection with and determination of the revenue to be recognized.
- (iii) Share-based payments - The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, number of awards that will eventually vest, volatility, dividend yield and forfeiture rate and making assumptions about them. Expected volatility is estimated by considering historic average share price volatility of the Company and comparable companies for periods that exceeds the Company's trading.

CHANGES IN ACCOUNTING POLICIES

Adoption of new accounting standards

All significant accounting policies have been applied on a basis consistent with those applied in the most recent audited annual consolidated financial statements. The policies applied in these condensed interim consolidated financial statements are based on IFRS issued and outstanding as at the date the Board of Directors approved and authorized to issue these condensed interim consolidated financial statements.

FINANCIAL INSTRUMENTS

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company manages its liquidity risk through budgeting, ongoing management and forecasting of operating cash flows, reviews of trade receivables, management of cash,

and use of equity financings when appropriate. The Company believes that it will generate sufficient funds from operations and financing activities to cover the expected short and long term cash requirements

Currency risk

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's functional and reporting currency is the Canadian dollar. The Company's exposure to foreign currency risk is primarily related to fluctuations in the value of the Canadian dollar relative to the United States dollar ("USD") as some of the Company's revenues and expenses are in USD. To limit the impact of fluctuations of the Canadian dollar over the foreign currencies, the Company matches, in general and when possible, the cash receipts in a foreign currency with the cash disbursements in the same foreign currency. The Company does not use derivative financial instruments to cover the variability of cash flows in foreign currencies.

Credit risk

Credit risk is the risk of a loss if counterparty to a financial instrument fails to meet its contractual obligations. Trade receivables are the most significant financial instrument that is exposed to credit risk. The Company provides credit to its customers in the normal course of operations. To minimize this risk, the Company grants credit to creditworthy customers and requires a portion of payment in advance. The Company believes that its exposure to credit risk is low, at present, due to a small number of customers. The maximum exposure to loss arising from trade receivables is equal to their total carrying amounts.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. Management does not believe that the Company is exposed to any material market risk.

RISK FACTORS

The following are certain factors relating to the business of 3tl, which investors should carefully consider when making an investment decision concerning the Company's Common Shares. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not presently known to 3tl, or that 3tl currently deem immaterial, may also impair the operations of the Company. If any such risks actually occur, the financial condition, liquidity and results of operations of the Company could be materially adversely affected and the ability of 3tl to implement its growth plans could be adversely affected.

An investment in the Company is speculative. An investment in 3tl will be subject to certain material risks and investors should not invest in securities of the Company unless they can afford to lose their entire investment. The following is a description of certain risks and uncertainties that may affect the business of 3tl.

Limited Operating History

3tl is a relatively new company with limited operating history. The Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. 3tl's main commercial product, PLATFORM³, was only introduced in

early 2014 and the near-term focus of 3tl has been developing its customer base and building sales and marketing teams. The Company's future operations are dependent upon many factors, including the ability of 3tl to generate sufficient profit and cash flows from operations and obtain additional funding.

Competition for Consumer Internet Advertising Spending

Competition for consumer Internet advertising spending by brands is intense. If 3tl is unable to compete effectively, customers, its business, and operating results could be harmed.

3tl competes against many companies to attract and engage customers, including companies, which have greater financial resources and substantially larger customer bases. As a result, its competitors may acquire and engage potential customers at the expense of the growth or engagement of 3tl's user base, which would negatively affect its business. The Company believes that its ability to compete effectively for customers depends upon many factors both within and beyond its control, including:

- the popularity, usefulness, ease of use, performance and reliability of its products and services compared to those of its competitors;
- the timing and market acceptance of its products and services;
- the pricing for its advertising products relative to the advertising products and services of its competitors;
- the return that 3tl's advertisers and users receive from its products and services, and those of its competitors;
- 3tl's reputation and the brand strength relative to its competitors;
- the adoption of 3tl's products and services internationally;
- 3tl's ability, and the ability of its competitors, to develop new products and services and enhancements to existing products and services;
- 3tl's ability to establish and maintain relationships with platform partners that integrate with PLATFORM³;
- 3tl's ability to attract, retain and motivate talented employees, particularly engineers, designers and product managers; and
- acquisitions or consolidation within 3tl's industry, which may result in more formidable competitors.

Operating Losses and Inability to Achieve or Maintain Profitability

Since the Company's inception, it has not been profitable. The Company believes that its future revenue growth will depend on, among other factors, its ability to attract new customers, increase its brand awareness, compete effectively, maximize its sales efforts, demonstrate a positive return on investment for customers, successfully improve its product, and expand internationally. Accordingly, one should not rely on the financials of any prior period as an indication of the Company's future performance. The Company also expects its costs to increase in future periods as it continues to expend substantial financial resources on:

- technology infrastructure;
- research and development for its products and services;
- sales and marketing;
- North American expansion efforts;
- attracting and retaining talented employees;
- strategic opportunities, including commercial relationships and acquisitions;
- general administration, including personnel costs and legal and accounting expenses; and
- 3tl's reputation and the strength of its brand relative to its competitors.

These investments may not result in increased revenue or growth in the Company's business.

New and Unproven Market - Corporate Adoption

The Company has developed a global platform, PLATFORM³ that provides brands with single digital marketing, data mining and rewards platform to engage customers on the web or mobile phone through digital and social channels. The market for its products and services is relatively new and may not develop as expected, if at all, which makes it difficult to evaluate its future prospects and may increase the risk that it will not be successful. Convincing potential new users of the value of 3tl's products and services is critical to increasing its user base and to the success of its business. One should consider 3tl's business and prospects in light of the risks and challenges it encounters or may encounter in this developing and rapidly evolving market. These risks and challenges include its ability to, among other things:

- increase its number of customers;
- successfully expand its business in North America;
- develop a reliable, scalable, secure, high-performance technology infrastructure that can efficiently handle increased usage globally;
- convince the marketing or advertising departments of companies and brands of the benefits of 3tl's product compared to alternative forms of advertising and marketing;
- complete the sales cycle - from initial contact to signed contract - in a viable time-frame;
- develop and deploy new and improved features for PLATFORM³;
- successfully compete with other companies, some of which have substantially greater resources and market power than 3tl;
- attract, retain and motivate talented employees, particularly engineers, designers and product managers; and
- process, store, protect and use personal data in compliance with governmental regulations, contractual obligations and other obligations related to privacy and security.

If the Company fails to educate potential customers about the value of its products and services, if the market for its platform does not develop as the Company expects, or if it fails to address the needs of this market, its business will be harmed. The Company may not be able to successfully address these risks and challenges or others. Failure to adequately address these risks and challenges could harm its business and cause its operating results to suffer.

New and Unproven Market - Consumer Adoption

Brands will use PLATFORM³ to engage consumers, however, there is always a risk that consumers reject the offering to interact with the brand, scan their purchase receipts and share content and offers via Twitter, Facebook and Instagram using web and mobile devices. While this is a common practice of consumers (to interact and share about brands via devices and social networks), and PLATFORM³ aggregates interactive brand content and offers and the ability to share via multiple social channels into one single platform and dashboard, there is a risk that consumers' social media behaviour will reduce or change their activities or will use alternative social media outlets not supported by PLATFORM³.

Intellectual Property and Proprietary Rights

The Company relies on, and 3tl expects to continue to rely on, trade secrets, copyright laws, physical possession of source codes, confidentiality agreements with all employees, and segmentation of development among different employees, and the use of a third party host of technology infrastructure, code and database to protect its intellectual property. However, there can be no guarantee that 3tl will

obtain or maintain effective intellectual property protection, or effective intellectual property protection may not be available in every country in which its products and services are or may become available. Also, the efforts 3tl has taken to protect its intellectual property rights may not be sufficient or effective, and any of its intellectual property rights may be challenged, which could result in them being narrowed in scope or declared invalid or unenforceable. There can be no assurance that the Company's intellectual property rights will be sufficient to protect against others offering products or services that are substantially similar to 3tl's and compete with its business.

The Company relies on non-patented proprietary information and technology, such as trade secrets, confidential information, know-how and technical information. All 3tl staff sign employee agreements, which contain protection of corporate interests, non-compete and confidentiality clauses. Additionally, 3tl has in place an employee off-boarding process to prevent access to further accounts after their employment ends. The Company currently outsources certain development work to contractors in Nepal and India and it is anticipated that 3tl will continue to do so. The Company intends to protect its intellectual property in this outsourced development by restricting the development to non-core intellectual property and by entering into confidentiality agreements with developers.

While these agreements and similar agreements with third parties place restrictions on the use and disclosure of this intellectual property, these agreements may be breached, or this intellectual property may otherwise be disclosed or become known to 3tl's competitors, which could cause it to lose any competitive advantage resulting from this intellectual property.

The Company may be unable to obtain patent or trademark protection for its technologies and brands. Any patents or trademarks that may be issued in the future, may not provide it with competitive advantages or distinguish its products and services from those of its competitors. In addition, any patents and trademarks may be contested, circumvented or found unenforceable or invalid, and 3tl may not be able to prevent third parties from infringing, diluting or otherwise violating them. As of the date of this MD&A, the Company had no issued patents or filed patent applications.

Claims Against Intellectual Property Rights

Companies in the Internet, technology and media industries own large numbers of patents, copyrights, trademarks and trade secrets, and frequently enter into litigation based on allegations of infringement, misappropriation or other violations of intellectual property or other rights. Many companies in these industries, including many of the Company's competitors, have substantially larger intellectual property portfolios and resources than 3tl, may seek to apply for and obtain patents that will prevent, limit or interfere with 3tl's ability to sell the Company's products and services. The Company's current intellectual property may be exposed to patent infringement or other intellectual property claims.

In addition, various "non-practicing entities" that own patents and other intellectual property rights often attempt to aggressively assert claims in order to extract value from technology companies. Further, from time to time 3tl may introduce new products and services, including in areas where it currently does not have an offering, which could increase its exposure to patent and other intellectual property claims from competitors and non-practicing entities.

Privacy Violations

Concerns about, governmental or regulatory actions involving 3tl's practices with regard to the collection, use, disclosure or security of personal information or other privacy-related matters, even if unfounded, could damage 3tl's reputation, cause it to lose existing or potential customers and adversely affect its operating results. While 3tl strives to collect and mine consumer data under the parameters of the privacy

policies of the social media channels in which its platform operates, as well as 3tl's own privacy policy and other obligations it may have with respect to privacy and data protection, the failure or perceived failure to comply may result in inquiries and other proceedings or actions against it by governments, regulators or others, as well as negative publicity and damage to its reputation and brand, each of which could cause it to lose customers, which could have an adverse effect on its business.

New Laws and Government Restrictions

Consumer and advertiser activity on the Internet has been and may be in the future subject to new laws and regulations. Governments may seek to regulate or restrict Internet activity in a way that may affect the Company's business, including particularly by censoring content, restricting advertising, restricting electronic communications, enacting new or more comprehensive privacy laws, controlling pricing, altering intellectual property rights, or mandating information security protocols. Adoption of any such laws or restrictions might impact the ability of 3tl to improve its platform or the ability of users of the platform to engage with their consumers or collect or handle consumer data. In addition, governments in other countries may seek to restrict access to 3tl's products or services if they consider the Company to be in violation of their laws. In the event that access to 3tl's products and services is restricted, in whole or in part, in one or more countries or its competitors are able to successfully penetrate geographic markets that 3tl cannot access, its ability to retain or increase its customer base may be adversely affected, and its operating results may be harmed.

Reliance on Third Party Technology

PLATFORM³ leverages, connects to and relies upon multiple third party platforms including Facebook, Twitter, and Instagram. There is a risk that one or more of these platforms could change its business strategy or policies thus, impeding PLATFORM³ ability to connect with consumers using these platforms.

Potential Fluctuation in Operating Results

The Company's revenues and operating results may fluctuate from quarter to quarter and from year to year due to a combination of factors, including, but not limited to: access to funds for working capital, the number of securities sold pursuant to any financings and market acceptance of its services.

Revenues and operating results may also fluctuate based upon the number and extent of potential financing activities in the future. Thus, there can be no assurance that the Company will be able to reach profitability on a quarterly or annual basis. In addition, 3tl has had a focus on long-term goals over short-term results.

Each of the risk factors described in this "Risk Factors" section may affect 3tl's operating results.

Reliance on Management and Dependence on Skilled Personnel

The success of 3tl will be largely dependent upon the performance of its directors and officers and the ability to attract and retain key personnel, including engineers, designers, and sales personnel. The loss of the services of these persons may have a material adverse effect on 3tl's business and prospects. The Company's performance to date has been and will continue to be largely dependent on the talents, efforts and performance of its senior management and key technical personnel, who generally have significant experience with the Company and substantial relationships and reputations within the marketing and social media industries. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that 3tl can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to

do so could have a material adverse effect on 3tl and its prospects. Competition for highly skilled personnel is intense, particularly in the technology sector. If 3tl has difficulty identifying, attracting, hiring, training and retaining qualified personnel, or must incur significant costs in order to do so, its business and financial results could be negatively impacted.

Cloud Storage Security Breaches

The business of the Company faces security risks. The Company's products and services involve storage using cloud-based hosting service. Although data is stored in specialized firewall security groups and are externally encrypted using TLS 1.2 protocols, storage hardware and networking infrastructure is provided by a third party, and security breaches expose it to a risk of loss of this information, litigation and potential liability. If an actual or perceived breach of security occurs, the market perception of the effectiveness of 3tl's security measures could be harmed, 3tl could lose users and it may incur significant legal and financial exposure, including legal claims and regulatory fines and penalties. Computer viruses, break-ins, or other security problems could lead to misappropriation of proprietary information and interruptions, delays, or cessation in service to clients. Any failure to adequately address these risks could have an adverse effect on the business and reputation of 3tl.

Interruption or Delays in Cloud Hosting Services

The Company's products and services involve storage using a third-party cloud-based hosting service. Any damage to, or failure of, the hosting service's systems generally could result in interruptions in the use of 3tl's products or services. Such interruptions may reduce 3tl's revenue, cause customers to terminate their subscriptions and adversely our ability to attract new customers. 3tl's business will also be harmed if its customers and potential customers believe its products or services are unreliable.

Market Price of Common Shares and Volatility

There can be no assurance that an active market for 3tl Common Shares will be sustained. Securities of small-cap and mid-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of 3tl's Common Shares is also likely to be significantly affected by the Company's financial condition or results of operations as reflected in its interim and annual financial statements. Other factors unrelated to the performance of the Company that may have an effect on the price of 3tl Common Shares include the following: the extent of analytical coverage available to investors concerning the business of 3tl may be limited if investment banks with research capabilities do not follow 3tl's securities; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of 3tl's Common Shares; the size of 3tl's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of 3tl's Common Shares that persists for a significant period of time could cause 3tl's securities, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. If an active market for 3tl Common Shares does not continue, the liquidity of an investor's investment may be limited and the price of 3tl Common Shares may decline. If such a market does not develop, investors may lose their entire investment in 3tl Common Shares.

As a result of any of these factors, the market price of 3tl Common Shares at any given point in time may not accurately reflect the long-term value of the Company. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Conflicts of Interest

Certain of the directors and officers of 3tl will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers may become subject to conflicts of interest. The BCBCA provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to an issuer, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Access to or Restriction of the Internet

The Company depends on the ability of its customers and their consumers to access the Internet. Currently, this access is provided by companies that have significant market power in the broadband and Internet access marketplace, including incumbent telephone companies, cable companies, mobile communications companies, government owned service providers, device manufacturers and operating system providers, any of whom could take actions that degrade, disrupt or increase the cost of user access to its products or services, which would, in turn, negatively impact 3tl's business. In Canada, the competition in the markets for Internet service and mobile phone services is limited. The adoption of any laws or regulations that adversely affect the growth, popularity or use of the Internet, including laws or practices limiting Internet neutrality, could decrease the demand for, or the usage of, 3tl's products and services, increase its cost of doing business and adversely affect its operating results. 3tl and its customers also rely on other companies to maintain reliable network systems that provide adequate speed, data capacity and security to the Company and its customers. As the Internet continues to experience growth in the number of users, frequency of use and amount of data transmitted, the Internet infrastructure that 3tl and its customers rely on may be unable to support the demands placed upon it. The failure of the Internet infrastructure that 3tl and its customers rely on, even for a short period of time, could undermine its operations and harm its operating results.

Foreign Financial, Political, or Economic Conditions

The Company may be subject to additional risks associated with doing business in foreign countries.

3tl currently operates from Vancouver, Canada and within the United States, and also outsources programming work to contractors in Nepal and India. The Company may face significant additional risks associated with doing business in a developing country. In addition to the language barriers, different presentations of financial information, different business practices, different employment and labour practices, and other cultural differences and barriers, ongoing business risks may result from the international political situation, uncertain legal systems and applications of law, prejudice against foreigners, corrupt practices, uncertain economic policies and potential political and economic instability. In doing business in foreign countries the Company may also be subject to such risks including, but not limited to, currency fluctuations, regulatory problems, punitive tariffs, unstable local tax policies, trade embargoes, expropriation, corporate and personal liability for violations of local laws, possible difficulties in collecting accounts receivable, increased costs of doing business in countries with limited infrastructure, and cultural and language differences.

Foreign economies may differ favourably or unfavourably from the United States economy or Canadian economy in growth of gross national product, rate of inflation, market development, rate of savings, and capital investment, resource self-sufficiency and balance of payments positions, and in other respects. Legal systems in many foreign countries are new, unclear, and continually evolving. There can be no

certainty as to the application of laws and regulations in particular instances. Many foreign countries do not have a comprehensive system of laws, and the existing regional and local laws are often in conflict and subject to inconsistent interpretation, implementation and enforcement. New laws and changes to existing laws may occur quickly and sometimes unpredictably. These factors may limit our ability to enforce agreements with our current and future clients and vendors. Furthermore, it may expose us to lawsuits by our clients and vendors in which we may not be adequately able to protect ourselves.

When doing business in foreign countries, the Company may be unable to fully comply with local and regional laws, which may expose it to financial risk.

When doing business in foreign countries, 3tl may be required to comply with informal laws and trade practices imposed by local and regional government administrators. Local taxes and other charges may be levied depending on the local needs to tax revenues, and may not be predictable or evenly applied. These local and regional taxes/charges and governmentally imposed business practices may affect the cost of doing business and may require 3tl to constantly modify its business methods to both comply with these local rules and to lessen the financial impact and operational interference of such policies. In addition, it is often extremely burdensome for businesses operating in foreign countries to comply with some of the local and regional laws and regulations. Any failure on the part of the Company to maintain compliance with the local laws may result in fines and fees, which may substantially impact its cash flow, cause a substantial decrease in revenues, and may affect its ability to continue operation.

Foreign Currency Exchange

Currency exchange rate fluctuations may adversely affect the Company's financial position and results. 3tl does not currently have in place a formal policy for managing or controlling foreign currency risks.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains statements and information that, to the extent that they are not historical fact, may constitute "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information may include financial and other projections, as well as statements regarding future plans, objectives or economic performance, or the assumption underlying any of the foregoing. In particular, forward-looking statements in this MD&A include, but are not limited to, statements relating to information concerning 3tl and projected revenues and other statements that are not historical facts. These statements are based upon certain material factors, assumptions and analyses that were applied in drawing a conclusion or making a forecast or projection, including 3tl's experience and perceptions of historical trends, current conditions and expected future developments, as well as other factors that are believed to be reasonable in the circumstances.

Forward-looking statements are provided for the purpose of presenting information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. These statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, milestones, strategies and outlook of 3tl.

Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "pro forma", "expects", "anticipates", "plans", "believes", "estimates", "intends", "targets", "projects", "forecasts", "seeks", "likely", "goals", "milestones" or negative versions thereof, as applicable, and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could".

By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A variety of material factors, many of which are beyond control of 3tl, affect operations, business, financial condition, performance and results of 3tl that may be expressed or implied by such forward-looking statements and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. The risks, uncertainties and other factors, many of which are beyond the control of the Company, that could influence actual results include, but are not limited to: limited operating history; competition; operating risks; risks related to a new and unproven market; reliance on management and dependence on skilled personnel; security breach risks; intellectual property risks; risks related to the market price of common shares and volatility; conflicts of interest of management; new laws and government restrictions; access to or restriction of the Internet; foreign financial, political, or economic risks; risks related to the conditions precedent to the closing of the Transaction; and other factors beyond the control of the Company.

The reader is cautioned that the foregoing list of factors is not exhaustive of the factors that may affect forward-looking statements. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Company, or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. Although the forward-looking statements contained in this MD&A are based upon what management of 3tl, as applicable, currently believes to be reasonable assumptions; actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits will be derived therefrom. These forward-looking statements are made as of the date of this MD&A and, other than as specifically required by law, 3tl does not assume any obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

For a more detailed discussion of certain of these risk factors, see “Risk Factors”.

ADDITIONAL INFORMATION

Additional information about the Company can be found on SEDAR at www.sedar.com.