TrustBIX Inc.

Management's Discussion and Analysis

Second Quarter Ended March 31, 2023

The following Management's Discussion and Analysis ("MD&A") relates to the financial position, results of operations and cash flows of TrustBIX Inc. ("TrustBIX", "we", "us", "our" or the "Company" or "Corporation") for the three months ("Second Quarter") and six months ended March 31, 2023 and should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements and related notes for the three and six months ended March 31, 2023 (the "Financial Statements"), the MD&A for the year ended September 30, 2022, and the audited consolidated financial statements and related notes for the years ended September 30, 2022 and 2021. The information in this MD&A is current to May 24, 2023, unless otherwise noted.

Unless otherwise stated, financial information in this MD&A is expressed in Canadian dollars and the Financial Statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board (the "IASB"). This MD&A provides information on the activities of the Company.

The Financial Statements include the accounts of the Company and its wholly owned subsidiaries ViewTrak Technologies Inc. ("ViewTrak") and Insight Global Technology Inc ("Insight") (note 1 of the Financial Statements). All inter-company accounts and transactions have been eliminated.

Management is responsible for the information contained in the MD&A and its consistency with information presented, and the MD&A was reviewed and approved by the Board of Directors ("Board") as of May 24, 2023. The Financial Statements and additional information pertaining to the Company can be found on the System for Electronic Document Analysis and Retrieval ("SEDAR") web site at www.sedar.com.

FORWARD-LOOKING STATEMENTS

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

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

SIGNIFICANT DEVELOPMENTS AFFECTING OPERATIONS

Going concern

Liquidity and capital resources

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

As at March 31, 2023, the Company had a net working capital deficit of $1,103,534 (September 30, 2022 - $1,068,208). For the three and six-month periods ended March 31, 2023, the Company incurred a net loss of $664,298 and $1,317,058, respectively (2022 – $1,039,547 and $1,648,673, respectively), and net cash used in operating activities of $595,617 and $667,281, respectively (2022 – $539,272 and $1,276,453, respectively). As at March 31, 2023, the Company had an accumulated deficit of $17,595,374 (September 30, 2022– $16,278,316). In addition, the Company also has lease commitments in the amount of $40,257 as disclosed in note 7 of the Financial Statements.

For the three and six months ended March 31, 2023, the Company recognized, in research and development expenses, government assistance of $49,157 and $51,664, respectively (2022 – $44,431 and $83,399, respectively), from Protein Industries Canada ("PIC") and $34,529 and $88,895, respectively (2022 – $33,261 and $60,031, respectively), from Industrial Research Assistance Program ("IRAP") (note 17 of the Financial Statements).

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

Current operations have been financed primarily from revenues from the sale, installation and support of software and hardware of the ViewTrak segment, and from the issue of promissory notes totaling $250,000 (note 9 of the Financial Statements), the convertible debenture (note 10 of the Financial Statements) and non-brokered private placements (note 12(a) of the Financial Statements).

On July 27, 2020, the Company entered into a contribution agreement with Western Economic Diversification Canada (WD) for a repayable financial contribution under the Regional Relief and Recovery Fund. Under the contribution agreement, WD supported the Company with an investment of $1,000,000 for general working capital requirements (the "Contribution"). On December 29, 2022, the repayment terms were revised, changing the amount of the monthly installment payments and extending the final installment payment to December 31, 2027 (note 11 of the Financial Statements). The Contribution is unsecured and non-interest bearing, unless repayment is not made as scheduled. This loan could adversely affect the Company's ability to raise additional capital to fund operations, limit ability to react to changes in the economy or its industry, and prevent it from meeting its obligations.

Based on current operating plans, management believes that cash will need to be raised from equity or debt instruments, such as private placements or other securities, to provide sufficient liquidity to fund operations and growth for the next 12 months.

The outcome of such efforts is dependent on a number of factors outside of the Issuer's control. The nature of the technology sector, availability of government grants and current financial equity market conditions, and macroeconomic conditions, make the success of any future financing ventures and the other management strategies uncertain. There can be no assurance that management's efforts will be successful. This uncertainty casts significant doubt upon the Issuer's ability to continue as a going concern and, accordingly, the appropriateness of the use of accounting principles applicable to going concern.

Macro economic conditions

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

PRINCIPAL BUSINESS

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

While management's efforts and the Company's focus is primarily on the development of BIX products and markets, current revenue is generated largely from ViewTrak's products (information regarding operating segments is disclosed in note 18 of the Financial Statements). ViewTrak, a wholly owned subsidiary of TrustBIX, has developed solutions for many agricultural technology challenges, with an emphasis on feedlots, auctions and processors, and its proprietary technology includes:

> **Auction Master Pro ("AMP") and Market Master ("MM") -** livestock auction market software solutions to help build and operate auction activities,
>
> **Feedlot Solutions ("FLS") -** livestock feedlot management software, and
>
> **Electronic Pork Grader -** pork probe technology to help producers price pork carcasses by evaluating carcasses for fat thickness, lean meat thickness, meat percentage and carcass class.

ViewTrak's pork probe technology is used by the largest pork processor in China (1) and by major pork processors in Canada and Mexico to grade and price pork carcasses.

On March 7, 2022 the Company completed the acquisition of Insight (note 4 of the Financial Statements), an early stage company providing solutions to track, protect and identify the movement of high-value moveable equipment used in agriculture and other industries. Starting 2023, Insight has been rebranded as BIX Location Services (2).

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[1] http://www.wh-group.com/html/index.php

[2] https://www.trustbix.com/bix-location-services

OUTLOOK

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

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

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

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

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

On May 11, 2023, JBS Food Canada extended the master services agreement. JBS continues to view TrustBIX as a trusted partner. As stated by David Colwell, President of JBS Canada, in a press release [(3)], "Food integrity is the core of the JBS Canada Advantage, and together with TrustBIX, we can provide our partners credible data and tracking for consumers who want more information about their food choices. We have the ability to deliver sustainable beef and look to the consumer market in need of this 100% Canadian offering."

Internationally, JBS is one of the world's largest food companies with customers in approximately 100 countries on six continents.

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

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

Commercialization has started with announcements of several resellers of the BIX platform in non-beef sectors:

a. On March 24, 2023, the Company announced its first reseller, PLNT Industries, to use BIX to support making verifiable product claims for bio-industrial products [(4)];
b. On April 18, 2023, TrustBIX announced the signing of a master value-added reseller agreement with Viresco Solutions Inc. The partnership will also expand the capabilities of the BIX program to include carbon offset and inset programs and provide greater transparency for brands to improve their sustainable development goals and ESG claims [(5)];
c. On April 24, 2023, the Company announced the signing of a reseller agreement with Green Analytics Inc. They will offer BIX Origin and BIX Impact as new services to their clients in

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[3] https://www.newsfilecorp.com/release/166211/TrustBIX-Inc.-Announces-Extension-of-Agreement-with-JBS-Food-Canada-ULC

[4] https://www.newsfilecorp.com/release/159692/TrustBIX-Inc.-Announces-Reseller-Program-and-First-Reseller-PLNT-Industries-Inc.

[5] https://www.newsfilecorp.com/release/162762/TrustBIX-Inc.-Announces-Partnership-with-Viresco-Solutions-Inc.

governments, corporations and not for profit organizations as a solution for reporting their sustainability performance [6];

d. On May 3, 2023, TrustBIX announced the signing of a 2-year agreement with the Old Strathcona Farmers' Market to use the BIX platform to provide greater assurance and transparency of its vendors [7]. Working with farmers' markets will give consumers more visibility into the benefits of the Company's BIX platform.

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

Target Markets Pipeline

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

Calendar Quarters   TS: Target Start   TC: Target Completion

3. Commercialization of BIX Location Services

On March 7, 2022, TrustBIX announced the final acceptance by the TSX Venture Exchange for the completion of the acquisition of Insight [8]. It has taken longer than anticipated to commercialize the Insight solution, which may impact the ability for the Insight shareholders to earn the additional consideration shares (note 4 of the Financial Statements).

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

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6 https://www.newsfilecorp.com/release/163423/TrustBIX-Inc.-Announces-Reseller-Agreement-of-BIX-Platform-with-Green-Analytics-Inc.

7 https://www.newsfilecorp.com/release/164603/TrustBIX-Inc.-Announces-Agreement-with-Old-Strathcona-Farmers-Market

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

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

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

RESULTS OF OPERATIONS

Selected information for the three and six months ended March 31, 2023 and 2022:

		Three months ended				Six months ended		
		March 31, 2023		March 31, 2022		March 31, 2023		March 31, 2022
Statement of loss and comprehensive loss data:								
Revenue								
License	$	54,614	$	12,657	$	128,012	$	56,721
Hardware and installation		288,950		114,711		368,583		188,267
Professional and development services		94,718		77,203		159,641		167,173
Maintenance		240,277		207,155		441,147		421,826
		678,559		411,726		1,097,383		833,987
Expenses								
Wages and benefits		369,254		572,613		902,593		984,903
Professional fees		184,996		382,755		324,835		523,644
Consulting fees		341,327		191,105		529,223		416,392
Amortization and depreciation	-	153,122		38,861		309,494		53,076
Office		87,556		82,423		169,294		171,088
Research and development		(64,947)		46,277		(37,019)		113,342
Hardware costs and supplies		189,149		68,456		239,794		109,662
Travel, trade shows and conferences		48,450		18,059		67,260		23,583
Advertising and promotion		5,136		7,657		40,485		14,383
Foreign exchange loss		3,386		8,616		6,376		5,849
		1,317,429		1,416,822		2,552,335		2,415,922
Loss before other income (expenses) and income taxes		(638,870)		(1,005,096)		(1,454,952)		(1,581,935)
Other income (expense)		(25,428)		(34,451)		137,894		(66,738)
Income taxes		-		-		-		-
Net loss and comprehensive loss for the period	$	(664,298)	$	(1,039,547)	$	(1,317,058)	$	(1,648,673)
Per common share:								
Basic and diluted loss per share	$	(0.01)	$	(0.02)	$	(0.02)	$	(0.04)
Number of common shares outstanding - end of period		102,869,330		74,400,942		102,869,330		74,400,942
Weighted average number of common shares outstanding - basic and diluted		67,351,358		45,799,747		63,458,279		44,279,430
Statement of financial position data:								
Working capital (deficiency) - current assets less current liabilities	$	(1,103,534)	$	186,952	$	(1,103,534)	$	186,952
Total assets	$	1,706,726	$	3,497,178	$	1,706,726	$	3,497,178
Total non-current financial liabilities	$	577,057	$	616,981	$	577,057	$	616,981

Three months ended March 31, 2023 compared to three months ended March 31, 2022

Revenue

Total revenue for the three months ended March 31, 2023 increased to $678,559 from $411,726 in the same period in 2022, an increase of $266,833 or approximately 65% due to the following:

- Licence revenue increased to $54,614 for the three months ended March 31, 2023 from $12,657 in the same period in 2022, an increase of $41,957 mainly due to the Company's BIX Origin module to support provenance, chain of custody, and ESG reporting, and increases in MM and AMP sales.

- Hardware and installation revenue increased to $288,950 for the three months ended March 31, 2023 from $114,711 in the same period in 2022, an increase of $174,239 mainly due to increases in AMP and probe sales, partially offset by a decrease in MM sales.

- Professional and development services revenue increased to $94,718 for the three months ended March 31, 2023 from $77,203 in the same period in 2022, an increase of $17,515. The increase is due mainly to services provided under the innovation contract with Cargill and AMP software sales together with the addition of sales from JBS' sustainable beef program.

- Maintenance revenue increased to $240,277 for the three months ended March 31, 2023 from $207,155 in the same period in 2022, an increase of $33,122, mainly due to a probe maintenance project which completed during the quarter.

Expenses

Wages and benefits

Wages and benefits decreased to $369,254 for the three months ended March 31, 2023 from $572,613 in the same period in 2022, a decrease of $203,359. The decrease is primarily due to the termination of certain employees and employees moving to contract arrangements.

Professional fees

Professional fees decreased to $184,996 for the three months ended March 31, 2023 from $382,755 in the same period in 2022, a decrease of $197,759, mainly due to reduced legal and accounting fees, partially offset by expenses incurred for a strategic advisor.

Consulting fees

Consulting fees increased to $341,327 for the three months ended March 31, 2023 from $191,105 in the same period in 2022, an increase of $150,222 mainly due to certain employees moving to contract arrangements, partially offset by the termination of certain consulting contracts related to cost saving measures.

Amortization and depreciation

Amortization and depreciation increased to $153,122 for the three months ended March 31, 2023 from $38,861 in the same period in 2022, an increase of $114,261 mainly due to amortization of Insight software.

Office

Office expenses of $87,556 were relatively consistent during the three months ended March 31, 2023 as compared to $82,423 in the same period in 2022, a change of $5,133.

Research and development

During the three months ended March 31, 2023, research and development cost recovery was $64,947 as compared to research and development expense of $46,277 in the same period in 2022. The difference of $111,244 was mainly due to the timing of receipt of government grants together with the termination of a consultant.

During the three months ended March 31, 2023, the Company recognized PIC and IRAP funding of $49,157 and $34,529, respectively, (2022 – $44,431 and $33,261, respectively) (note 17 of the Financial Statements).

Hardware costs and supplies

Hardware costs and supplies expense increased to $189,149 for the three months ended March 31, 2023 from $68,456 in the same period in 2022, an increase of $120,693, mainly due to costs related to the delivery of AMP equipment.

Travel, trade shows and conferences

Travel, trade shows and conferences expense increased to $48,450 for the three months ended March 31, 2023 from $18,059 in the same period in 2022, an increase of $30,391, primarily due to travel related to fundraising activities.

Advertising and promotion

Advertising and promotion expense of $5,136 were relatively consistent during the three months ended March 31, 2023 as compared to $7,657 in the same period in 2022, a change of $2,521.

Foreign exchange loss

Foreign exchange loss was $3,386 for the three months ended March 31, 2023 as compared to $8,616 in the same period in 2022, a change of $5,230, due to normal fluctuations in the Canadian dollar to US dollar foreign exchange rate.

Other expense

Total net other expense during the three months ended March 31, 2023 was $25,428 as compared to $34,451 in the same period in 2022, a decrease of $9,023. The decrease is due mainly to reduced accretion expense from the WD loan payable, as a result of revised repayment terms (note 11 of the Financial Statements).

Six months ended March 31, 2023 compared to six months ended March 31, 2022

Revenue

Total revenue for the six months ended March 31, 2023 increased to $1,097,383 from $833,987 in the same period in 2022, an increase of $263,396 or approximately 32% due to the following:

- Licence revenue increased to $128,012 for the six months ended March 31, 2023 from $56,721 in the same period in 2022, an increase of $71,291 mainly due to the Company's BIX Origin module to support provenance, chain of custody, and ESG reporting, and increases in MM and AMP sales.

- Hardware and installation revenue increased to $368,583 for the six months ended March 31, 2023 from $188,267 in the same period in 2022, an increase of $180,316 mainly due to increases in AMP and probe sales, partially offset by a decrease in MM sales.

- Professional and development services revenue decreased to $159,641 for the six months ended March 31, 2023 from $167,173 in the same period in 2022, a decrease of $7,532. The decrease is due mainly to Cargill sustainable beef program fees earned in the six months ended March 31, 2022, which did not recur in the six months ended March 31, 2023 and the completion of development services, in the six months ended March 31, 2022, to All West Demolition Ltd., in a commercial pilot program, to track biomass and waste streams to divert material from landfills and create new products for agriculture and industrial markets. This was partially offset by increases in services provided under the innovation contract with Cargill, increases in AMP software sales and the addition of sales from JBS' sustainable beef program.

- Maintenance revenue increased to $441,147 for the six months ended March 31, 2023 from $421,826 in the same period in 2022, an increase of $19,321, mainly due to a probe maintenance project that completed during the period.

Expenses

Wages and benefits

Wages and benefits decreased to $902,593 for the six months ended March 31, 2023 from $984,903 in the same period in 2022, a decrease of $82,310. The decrease is primarily due to the termination of certain employees together with other employees moving to contract arrangements.

Professional fees

Professional fees decreased to $324,835 for the six months ended March 31, 2023 from $523,644 in the same period in 2022, a decrease of $198,809, mainly due to reduced legal and accounting fees, partially offset by expenses incurred for a strategic advisor.

Consulting fees

Consulting fees increased to $529,223 for the six months ended March 31, 2023 from $416,392 in the same period in 2022, an increase of $112,831 mainly due to certain employees moving to contract arrangements, partially offset by the termination of certain consulting contracts related to cost saving measures.

Amortization and depreciation

Amortization and depreciation increased to $309,494 for the six months ended March 31, 2023 from $53,076 in the same period in 2022, an increase of $256,418 mainly due to amortization of Insight software.

Office

Office expenses of $169,294 were relatively consistent during the six months ended March 31, 2023 as compared to $171,088 in the same period in 2022, a change of $1,794.

Research and development

During the six months ended March 31, 2023, research and development cost recovery was $37,019 as compared to research and development expense of $113,342 in the same period in 2022. The difference of $150,361 is mainly due to the timing of receipt of government grants together with the termination of a consultant.

During the six months ended March 31, 2023, the Company recognized PIC and IRAP funding of $51,664 and $88,895, respectively, (2022 – $83,399 and $60,031, respectively) (note 17 of the Financial Statements).

Hardware costs and supplies

Hardware costs and supplies expense increased to $239,794 for the six months ended March 31, 2023 from $109,662 in the same period in 2022, an increase of $130,132, mainly due to costs related to the delivery of AMP equipment and probe sales, partially offset by a decrease in costs related to analysis and confirmation of beef export opportunities and MM upgrades.

Travel, trade shows and conferences

Travel, trade shows and conferences expense increased to $67,260 for the six months ended March 31, 2023 from $23,583 in the same period in 2022, an increase of $43,677 primarily due to travel related to fundraising activities and industry trade shows.

Advertising and promotion

Advertising and promotion expense increased to $40,485 for the six months ended March 31, 2023 from $14,383 in the same period in 2022, an increase of $26,102 due to beef industry and ViewTrak promotions during the three months ended December 31, 2022.

Foreign exchange loss

Foreign exchange loss was $6,376 for the six months ended March 31, 2023 as compared to $5,849 in the same period in 2022, a change of $527, due to normal fluctuations in the Canadian dollar to US dollar foreign exchange rate.

Other expense

Total net other income during the six months ended March 31, 2023 was $137,894 as compared to total net other expense of $66,738 in the same period in 2022. The difference of a $204,632 increase in income is due mainly to a gain on refinancing of the WD loan payable, as a result of revised repayment terms (note 11 of the Financial Statements).

Summary of quarterly results

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

	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
	$	$	$	$	$	$	$	$
Revenue	678,559	418,824	450,622	390,496	411,726	422,261	491,213	504,128
Expenses	1,317,429	1,234,906	1,571,013	1,654,448	1,416,822	999,100	1,024,717	1,030,990
Loss before other income (expenses) and income taxes	(638,870)	(816,082)	(1,120,391)	(1,263,952)	(1,005,096)	(576,839)	(533,504)	(526,862)
Other income (expenses)	(25,428)	163,322	(12,390)	(21,737)	(34,451)	(32,287)	(18,037)	(31,958)
Income taxes	-	-	-	-	-	-	-	-
Net loss and comprehensive loss	**(664,298)**	**(652,760)**	**(1,132,781)**	**(1,285,689)**	**(1,039,547)**	**(609,126)**	**(551,541)**	**(558,820)**
Per common share:								
Basic and diluted loss per share	(0.01)	(0.01)	(0.02)	(0.02)	(0.02)	(0.02)	(0.01)	(0.01)
Number of common shares outstanding - end of period	102,869,330	79,649,831	79,649,831	79,449,831	74,400,942	42,792,163	38,385,913	38,385,913
Weighted average number of common shares outstanding - basic and diluted	67,351,358	59,528,092	59,528,092	59,091,101	45,799,747	38,385,913	38,385,913	38,371,169

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

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

LIQUIDITY AND CAPITAL RESOURCES

Summary of consolidated cash flows

	Three months ended		Six months ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	$	$	$	$
Cash used in operating activities	(595,617)	(539,272)	(667,281)	(1,276,453)
Cash used in investing activities	(1,110)	-	(1,110)	(1,900)
Cash provided by financing activities	419,108	948,218	563,089	1,610,533
Increase (decrease) in cash	**(177,619)**	**408,946**	**(105,302)**	**332,180**
Cash - beginning of period	199,198	373,401	126,881	450,167
Cash - end of period	**21,579**	**782,347**	**21,579**	**782,347**

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

Cash used in operating activities

Cash used in operating activities for the three months ended March 31, 2023 increased to $595,617 as compared to $539,272 in the same period in 2022 and cash used in operating activities for the six months ended March 31, 2023 decreased to $667,281 as compared to $1,276,453 in the same period in 2022, primarily due to an overall increase in revenues together with changes in working capital, specifically timing of payment or collection of accounts payable and accrued liabilities, accounts receivable, deposits and prepaid expenses, and unearned revenue, and purchase of inventory.

Cash used in investing activities

Cash used in investing activities for the three and six months ended March 31, 2023 was $1,110 as compared to $nil and $1,900 during the same periods in 2022.

Cash provided by financing activities

Cash provided by financing activities for the three months ended March 31, 2023 decreased to $419,108 as compared to $948,218 during the same period in 2022. This was primarily due to non-brokered private placements for common shares completed in the three months ended March 31, 2022 for net proceeds of $986,580 and was partially offset by repayments of $75,000 and $250,000 during the three months ended March 31, 2023 on the convertible debenture and promissory notes, respectively.

Cash provided by financing activities for the six months ended March 31, 2023 decreased to $563,089, as compared to $1,610,533 during the same period in 2022. This was primarily due to non-brokered private placements for common shares completed in the six months ended March 31, 2022 for net proceeds of $1,682,580 and was partially offset by $150,000 of cash received during the six months ended March 31, 2023 for the issuance of a convertible debenture and repayments of $75,000 and $250,000 on the convertible debenture and promissory notes, respectively.

CONTRACTUAL OBLIGATIONS

The Company has the following cash flow obligations, as at March 31, 2023:

	Payments due by period $				
	Total	**Less than 1 year**	**1 - 3 years**	**3 - 5 years**	**After 5 years**
Accounts payable and accrued liabilities	974,163	974,163	-	-	-
Lease payments	40,257	9,692	20,128	10,437	-
Convertible debenture	75,000	75,000	-	-	-
Loan payable	997,000	24,000	431,670	541,330	-

OUTSTANDING SHARE DATA

As at May 24, 2023, there were 102,869,330 common shares, 11,206,848 share options, 6,324,334 warrants outstanding and 700,000 common shares are contingently issuable from the outstanding convertible debenture. On a fully diluted basis, 121,100,512 common shares would be outstanding, of which 20,000,000 Consideration Shares are held in escrow and have not been released and can be cancelled without recourse.

See also notes 10 and 12 to the Financial Statements for additional information regarding the Company's common shares, share options, warrants and the convertible debenture.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not have any off-balance sheet arrangements at March 31, 2023 and 2022 and does not currently, as of the date of this MD&A, have any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions, including key management compensation, are provided in note 15 of the Financial Statements. No ongoing contractual or other commitments resulted from the transactions, other than the key management compensation.

The Company's related parties are its Board of Directors (Hubert Lau, Edward Power, Lap Shing (Andrew) Kao, Ling Cun (Frank) Yang, and Nathaniel Mison) and key management personnel: including the Chief Executive Officer (Hubert Lau), Chief Financial Officer (William Harper, formerly Gordon Mah), former Chief Innovation Officer (Thomas Ogaranko, who resigned effective April 30, 2023), former Chief Industry Engagement Officer (Deborah Wilson, whose role has changed to the new position of Senior Vice

President, Channel Sales and Industry Relations effective May 3, 2023), and former VP Technology (Mike Kennedy), as well as companies controlled by key management personnel or directors. Transactions conducted with related parties took place in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

During the three and six-month periods ended March 31, 2023 and 2022, the Company incurred the following amounts with the related parties:

	Three months ended		Six months ended	
	March 31, 2023 $	March 31, 2022 $	March 31, 2023 $	March 31, 2022 $
Sublease rental income from Trace Applications Inc., a company controlled by Ted Power, a director	-	2,868	984	5,736
Exercise of options by a Hubert Lau, a director and member of key management	-	10,000	-	10,000
Exercise of options by Ted Power, a director	-	10.000	-	10,000
Office and administrative services to 1972888 Alberta Ltd., a company controlled by a close family member of Hubert Lau, a member of key management	1,238	1,119	2,666	2,361
Office and administrative services to Zen Cyber Ltd., a company formerly controlled by a close family member of Hubert Lau, a member of key management	-	5,103	-	10,206
Project management services to Green Analytics Corp., a company controlled by Mike Kennedy, a former member of key management,	-	94,500	52,500	198,450

The compensation to key management, and their close family members, during the three and six-month periods ended March 31, 2023 and 2022 are as follows:

	Three months ended		Six months ended	
	March 31, 2023 $	March 31, 2022 $	March 31, 2023 $	March 31, 2022 $
Salaries and other short-term employee benefits	129,342	164,181	238,548	283,851
Stock-based compensation	52,971	84,371	134,355	84,371
Consulting fees	50,000	26,303	108,768	52,606
	232,313	274,855	481,671	420,828

During the six months ended March 31, 2023, the Company granted 1,320,000 stock options with a fair value of $35,266 to directors and members of key management, exercisable at $0.05 per option.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities as at March 31, 2023 and September 30, 2022 include the following amounts due to:

	March 31, 2023 $	September 30 2022 $
Salaries and management fees due to members of key management	75,023	-
Green Analytics Corp., a company controlled by Mike Kennedy, a former member of key management, for project management services	-	78,750
Green Analytics Corp., a company controlled by Mike Kennedy, a former member of key management, for consulting fees	5,701	17,535
1972888 Alberta Ltd., a company controlled by a close family member of Hubert Lau, a member of key management, for other services	2,937	815
Zen Cyber Ltd., a company formerly controlled by a close family member of Hubert Lau, a member of key management, for other services	-	1,701
	83,661	98,801

CHANGES IN ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

The significant accounting policies applied by the Company in the Financial Statements are consistent with those applied by the Company in its annual consolidated financial statements for the years ended September 30, 2022 and 2021 with the addition of the below:

Compound Financial Instruments

Compound financial instruments issued by the Company comprise convertible debentures that can be converted to common shares of the Company at the option of the holder, when the number of common shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest rate method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in the condensed interim consolidated statements of loss and comprehensive loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

New accounting pronouncements not yet adopted

The following IFRS standards have been recently issued by the IASB. Pronouncements that are irrelevant or not expected to have a significant impact have been excluded.

i) Amendments to IAS 1: Classification of Liabilities as Current or Non-current

The amendment clarifies the requirements relating to determining if a liability should be presented as current or non-current in the statement of financial position. Under the new requirement, the assessment of whether a liability is presented as current or non-current is based on the contractual arrangements in place as at the reporting date and does not impact the amount or timing of recognition. The amendment applies retrospectively for annual reporting periods beginning on or after January 1, 2024. The Company is currently evaluating the potential impact of these amendments on the Company's consolidated financial statements.

A discussion of significant accounting policies, and critical accounting estimates and judgments can be found in notes 4 and 5 of the audited consolidated financial statements for the year ended September 30, 2022 and notes 2 and 3 of the Financial Statements.

FINANCIAL INSTRUMENTS

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

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

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

The non-marketable equity securities in Provision Analytics (note 8 of the Financial Statements) are an investment in a privately held company without readily determinable market values and is classified as Level 3.

During the six months ended March 31, 2023 and 2022, there have been no transfers between levels of the fair value hierarchy.

Financial risk management

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

a) Market risk

i) Currency risk

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

The following table presents the Company's exposure in Canadian dollars to the US dollar and Chinese RMB as at March 31, 2023 and September 30, 2022:

	March 31, 2023 $	**September 30, 2022 $**
Cash – USD	18,689	9,048
Accounts receivable – USD	105,124	28,266
Accounts payable and accrued liabilities – USD	(66,757)	(35,909)
	57,056	1,405
Cash - RMB	4,865	-
Accounts receivable – RMB	-	19,715
	4,865	19,715

	March 31, 2023 $	**September 30, 2022 $**
CAD to USD	0.7389	0. 7296
CAD to RMB	0.1970	0. 1923

Based on the Company's foreign currency exposure noted above, varying the foreign exchange rates to reflect a 10% strengthening of the US dollar and Chinese RMB would have decreased net loss by approximately $6,000 and $nil, respectively, as at March 31, 2023 (September 30, 2022 – $nil and $2,000), assuming all other variables remained constant.

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

ii) Market price risk

The Company is exposed to market price risk on its equity investment in Provision Analytics Inc. (note 8 of the Financial Statements). Market price risk is the risk of loss arising from changes in the fair value of a financial instrument as a result of changes in market prices.

The sensitivity of the fair value of the investment to changes in market prices is monitored by the Company and it estimates that a 20% increase or decrease in the market price would result in an approximately $36,000 increase or decrease, respectively, in the fair value of the investment.

iii) Interest rate risk

The Company does not have any variable rate financial liabilities and is therefore management does not believe it is exposed to significant interest rate risk as at March 31, 2023 and September 30, 2022.

b) Credit risk

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

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

The following table presents a summary of the activity related to the allowance for doubtful accounts:

	March 31, 2023 $	**September 30, 2022 $**
Balance – Beginning of period	4,537	4,537
ECL provision	-	124
Accounts written off, net of recoveries	(321)	(124)
Balance – End of period	4,216	4,537

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

The aging of the Company's trade accounts receivable is as follows:

	March 31, 2023		September 30, 2022	
	$	%	$	%
Current	63,383	47	48,523	88
31 – 60 days	41,706	31	3,485	6
61 – 90 days	29,734	22	531	1
Greater than 90 days	101	-	2,598	5
	134,924	100	55,137	100

c) Liquidity risk

As at March 31, 2023, the Company's liabilities have the following amounts that mature within one year:

	March 31, 2023 $	September 30, 2022 $
Accounts payable and accrued liabilities	974,163	655,325
Promissory notes	-	251,250
Loans payable	24,000	121,568
Convertible debenture	73,116	-
Lease liability	4,978	8,039

As at March 31, 2023, the Company's long-term liabilities include a loan payable for $553,640 (September 20, 2022 - $613,045) (note 11 of the Financial Statements) and a lease liability for $23,417 (September 30, 2022 - $26,017) (note 7 of the Financial Statements).

Liquidity risk is the risk the Company will encounter difficultly in meeting financial obligations as they come due. The Company manages its liquidity risk through the management of its capital structure and financial leverage. It also monitors its cash position to its actual cash position and timing of payments to suppliers, ensuring that sufficient funds are available when payments come due. The Board of Directors reviews and approves any material transactions out of the ordinary course of business.

RISK FACTORS

The following risks could materially and adversely affect the Company's business, financial condition, cash flows, and results of operations, and the trading price of its common stock could decline. These risk factors do not identify all risks that the Company faces; its operations could also be affected by factors that are not presently known or that currently are considered to be immaterial to operations. Due to risks and uncertainties, known and unknown, past financial results may not be a reliable indicator of future performance, and historical trends should not be used to anticipate results or trends in future periods. Refer also to the other information set forth in this MD&A and the Financial Statements and audited consolidated financial statements and related notes for the years ended September 30, 2022 and 2021.

Risks Related to the Business

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

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

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

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

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

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

Future pandemics and the measures expected to be taken by countries in response, may have adverse affects and could, in the future, materially adversely impact the Company's business, results of operations, financial condition and stock price. During the course of a future pandemic, certain of the Company's customers, suppliers, vendors, and other partners may experience disruptions. Public safety measures can also adversely impact consumer demand for the Company's products and services.

The extent to which future pandemics may impact the Company's operational and financial performance remains uncertain and will depend on many factors outside the Company's control, including the timing, extent, trajectory and duration of the pandemic, the emergence of new variants, the development, availability, distribution and effectiveness of vaccines and treatments, the imposition of protective public safety measures, and the impact of the pandemic on the economy and demand for products and services. Additional future impacts on the Company may include material adverse effects on demand for the Company's products and services, the Company's ability to execute its strategic plans, and the Company's profitability.

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

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

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

The Company's business may be dependent on material customers

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

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

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

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

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

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

Other corporations with considerable financial resources may have the ability to encroach on the Company's competitive position within its chosen marketplace or compete successfully with its products and services by providing better marketing, services or support for clients. They may introduce products and services that compete with its products and services that may allow them to reduce prices to levels that are uneconomic to the Company. Any significant adverse effect on the Company's revenue or cost structure may materially affect its financial position.

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

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

Technology Risks

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

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

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

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

The Company's future success will depend on its ability to design and produce new products and services, deliver enhancements to its existing products and services, accurately predict and anticipate evolving technology, and respond to technological advances in its industry and customers' increasingly sophisticated needs. The Company's products are expected to embody complex technology that may not meet those standards, changes and preferences. The ability to design, develop and commercially launch new products depends on a number of factors, including, but not limited to, the Company's ability to design and implement solutions and services at an acceptable cost and quality, ability to attract and retain skilled technical employees, the availability of critical components from third parties and the ability to successfully complete the development of products in a timely manner. If management are unable to respond to technological changes or fails or delays to develop products in a timely and cost-effective manner, products and services may become obsolete, and the Company may be unable to recover research and development expenses which could negatively impact sales, profitability and the continued viability of the business.

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

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

The Company faces risks related to cybersecurity threats and incidents

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

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

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

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

The Company faces risks related to security vulnerabilities in its products

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

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

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

Other Risks

The Company must attract, retain, and motivate key employees

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

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

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

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

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

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

Risks regarding Intellectual Property Rights

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

Risks of Legal or Other Claims and Proceedings

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

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

Additional Financing Risks

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

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

Foreign Exchange Risk

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

Government Regulation Risk

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

Reputational Risk

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

Internal Control Risk

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

Earnings and Dividend Record

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