



nDatalyze Corp.
Management Discussion and
Analysis
For the year ended February 29, 2024

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This management's discussion and analysis ("**MD&A**") of **nDatalyze Corp.** (the "Company" or the "Corporation" or "nDatalyze") contains an analysis of the Company's operational and financial results for the year ended February 29, 2024. This MD&A has been prepared by management as of June 26, 2024 and has been approved by the Company's Board of Directors. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and related notes for the years ended February 29, 2024 and which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). Additional information about nDatalyze is available on the Company's website (www.ndatalyze.com)

The Company's first public trading date was October 24, 2019, listed on the Canadian Securities Exchange (CSE:NDAT) (OTC:NDATF). The consolidated financial statements include the accounts of nDatalyze Corp. and its wholly-owned subsidiary, 2273670 Alberta Ltd.

All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise. The Company's most recent filings are available under the Company's profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and can be accessed through the internet at www.sedarplus.ca.

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains "forward-looking information" within the meaning of Canadian securities legislation concerning the business, operations and financial performance and condition of the Company. Statements containing forward-looking information include, but are not limited to, statements with respect to anticipated developments in the Company's operations in future periods; planned activities; the adequacy of the Company's financial resources and other events or conditions that may occur in the future; the ability of the Company to create value for its shareholders; the ability of the Company to meet expected financing requirements. Generally, statements containing forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved". Statements containing forward-looking information are based on the opinions and estimates of management as of the date such statements are made, and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such statements, including but not limited to risks related to: current global financial conditions; the need for additional financing and its availability on acceptable terms; the speculative nature of the cannabis industry; the ability to satisfy the financial needs required to maintain the Company's status as a going concern; the early stage of the Company's operations; the Company's need to rely on technical experts, which may not be available; future dilution to existing shareholders; certain uninsured or uninsurable risks; adverse effects on share prices from factors beyond the Company's control; as well as other factors discussed herein. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those expected in statements containing forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended.

There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information that is included herein, except in accordance with applicable securities laws.

The Business

nDatalyze Corp. generates technology-based, health-related solutions. Its machine-learning-based mental health application known as "YMI" is based on the Corporation's proprietary purpose-built Reference Database consisting of >1400 highly-consistent biometric records.

YMI Division - <https://ymihealth.ca/>

The YMI Division's mission is to help the public gain a better understanding of their mental health, and in the process, help alleviate the massive strain currently placed on mental health system resources. Created by doctors, psychotherapists, data scientists and other experts, YMI was designed to address one of the biggest problems currently facing the mental health system: Access to clinical resources.

The biometric survey generates a population normal baseline and uses supervised machine-learning to generate insights on the degree of how individuals' genetic expressions, childhood and life experiences affect their mental wellbeing. YMI is designed to provide an advanced digital, objective, quantifiable tool for predictive mental health screening. YMI uses a holistic, evidence-based, objective data from whole life experiences to predict why you are who you are, and applies this knowledge towards a fuller understanding of your mental wellbeing. Two clinical studies are being conducted, one with York University with the objective of integrating DNA data into the Reference Database, and the other under the auspices of the Canadian Mental Health Association.

The YMI digital tool utilizes a whole-life approach to establish mental health normative data. These norms allow fast, bias-mitigated and consistent prediction of the underlying factors of mental conditions, their severity and how the severity might change with age.

CO2 and Alcohol Extractors (MedXtractor division)

With installations worldwide, the MedXtractor division manufactured small-scale bio extractors that are used to extract compounds from a variety of botanical biomasses. The Company's technology allows for the extraction of essential oils and other compounds from a variety of botanical feedstock using carbon dioxide ("CO2") or alcohol as the extraction solvent. The Company's technologies are 100% owned by the Company and there are no royalties or payments of any kind payable to any party anywhere in the world. The Company has paused the extractor operations, which action is believed necessary for efficient cash management until such time as the United States federally re-schedules cannabis, at which time the extractor operations may be restarted. No time frame is known for these events.

Corporate Developments, Business Initiative

Reference Database – During the year ended February 29, 2024, nDatalyze completed data collection of a number of DNA-enhanced biometric records that were subsequently added to the Company's Reference Database that now includes over 1400 records.

nDatalyze has successfully tested a proof-of-concept for its base algorithms related to mental condition prediction. These complex algorithms used Machine-Learning ("ML") to correlate clinician-guided scoring, doctor-diagnosed mental conditions, and biometric/EEG data to predict the probability of seven mental Conditions.

The Company initiated two clinical studies, one with York University, and one with the Canadian Mental Health Association (CMHA). The CMHA study was subsequently cancelled (see "Subsequent Events") due to multiple unexplained delays that, in the Company's opinion, rendered that study's timeline uneconomic.

YMI Mental Health Assessment Tool

The YMI tool consists of the purpose-built Reference Database, proprietary scoring algorithms, the back-end, cloud-based, SQL and machine-learning ("ML") platform, the front-end graphical user interface, and graphic reports. Extensive testing has been performed and the system is now being upgraded to include DNA data, which data is expected to increase the overall accuracy of the system.

YMI is currently capable of predicting current and "time forward" probabilities of seven mental conditions. The Conditions include Anxiety, Depression, OCD, PTSD, BiPolar, Alcoholism and Personality disorders. YMI is modeled as a machine-human hybrid "mind" designed to assist and accelerate mental condition assessment using a foundation of objective, evidence-based data rather than traditional subjective "self-reported" data. YMI's overall objectives are to lower mis/overdiagnosis rates, lower diagnosis costs and lessen the load on the overall mental health system.

During the past year the following has been achieved:

- entered into two clinical study arrangements with one study involving DNA integration and YMI calibration and validation (the other study was cancelled – see "Subsequent Events");
- entered into an agreement with a DNA company whereby the Reference Database was expanded to include >100 depression-diagnosed records that will be used in the DNA-related clinical study referred to above; and
- maintained a tight cash management approach conserve capital while moving the YMI project forward.

CO2 and Alcohol Extractors (MedXtractor division)

The cannabis oil market is in a state of severe over-supply and this has resulted in a significant decline in the wholesale cost of oil that, in turn, has reduced the demand for oil extraction devices of all types. We have experienced severely reduced customer inquiries and demand which has negatively impacted the Company's business. In light of this we have paused extractor operations until such time as market conditions improve, whereupon we may re-start said operations.

US Federal Legalization or Re-classification - with greater than 50% of extractor sales being to the U.S., the lack of US Federal legalization for cannabis-related operations causes significant obstacles for our Company. These obstacles include border delays, lack of credit/debit card acceptance, and lack of ability to use any cannabis-related keywords on the major online marketing platforms. The combined result is a pause in sales activities and we do not expect a re-start until these obstacles are removed by US Federal legalization.

Operating Performance

Selected Annual Information

For the year ended February 29, 2024, the Company had a net loss of \$155,601 (year ended February 28, 2023 net loss \$1,232,103) and cash flows used by operating activities of \$217,464 (year ended February 28, 2023 cash flows used in operating activities - \$1,023,796).

nDatalyze Corp.
Management Discussion and
Analysis
For the year ended February 29, 2024

Results of Operations

The following table sets forth detailed financial information of the Company.

	February 29, 2024	February 28, 2023	February 28, 2022
Revenue			
Sales	\$ 96,342	\$ 171,215	\$ 424,928
Cost of sales	28,953	126,371	194,951
Gross margin	\$ 67,389	\$ 44,844	\$ 229,977
Expenses			
Depreciation and amortization	\$ 2,189	\$ 2,207	\$ 1,885
Advertising and promotion	(162,443)	522,864	46,418
Warranty	83	1,062	2,655
Interest and bank charges	1,651	1,871	4,806
Contractors	28,767	58,395	64,750
Legal, audit, and professional	84,532	96,659	104,649
Travel, meals and entertainment	10,562	13,721	7,277
Research and development	146,224	254,589	831,761
Research & development tax credit	(138,737)	-	-
Insurance	-	7,745	7,725
Investor relations	106,517	306,193	248,736
Office expenses	2,361	8,549	3,728
Accounting	10,000	11,000	6,600
Rent	5,030	8,400	8,390
Payroll taxes	-	-	21,412
Utilities	702	1,173	832
Obsolete inventory	-	-	27
Share based compensation	149,509	-	48,507
Total expenses	\$ 246,947	\$ 1,294,428	\$ 1,410,158
Other Income			
Foreign exchange gain (loss)	\$ (637)	\$ 102	\$ 122
Interest	24,594	17,379	6,578
Net loss	\$ (155,601)	\$ (1,232,103)	\$ (1,173,481)

Revenue declines was experienced as the result of reduced advertising and no US Federal cannabis legalization which is expected to continue to dampen revenues going forward.

Advertising and promotion – includes costs for website development, development of YMI consumer advertising programs, digital and print advertising and promotion. The Company has terminated its service agreement with a significant vendor and disputed \$217,739 in unpaid invoices which was included in accounts payables and accruals as at February 28, 2023. The final outcome of this dispute has not yet been determined. As at November 30, 2023 the Company estimates amounts payable as nil and has recorded a \$217,739 recovery of advertising and promotion expenses in the nine months ended November 30, 2023.

Research and development - 2022 research and development costs were considerably higher, largely costs associated with development of the Reference Database. The Company reported >1,250 reference records. The Company's mental health guidance grid known as a Contextualizer is designed to be used in combination with associated EEG data to predict probabilities for seven underlying mental health conditions.

nDatalyze Corp.
Management Discussion and
Analysis
For the year ended February 29, 2024

Scientific Research and Experimental Development Tax Credit (SR&ED) - The Company received \$138,737 for Scientific Research and Experimental Development (SR&ED) tax credits from the Province of Alberta for the tax years ended December 31, 2021 and 2022.

Share based compensation - On September 25, 2023, 3,150,000 common share purchase options were granted to directors, officers and consultants of the Corporation exercisable at a price of \$0.08 per share, with a expiration date of September 25, 2025 and vested immediately. The fair value of \$149,509 for the 3,150,000 stock options granted of \$0.05 per option was calculated at the grant date using the Black-Scholes option pricing model. The assumptions for this calculation were a risk free interest rate of 4.9%, expected life of 2 years and historical volatility was used for calculation of expected volatility of 112%.

Investor relations – During 2022 the Company increased efforts to increase potential investor awareness and the Company achieved a US OTCQB quotation in order to facilitate trading in our shares by US investors. Due to lack of US trading volume and cash management policies, the Company relinquished its OTCQB quotation and its US quotation is now on the OTC Pink market.

Summary of Quarterly Results

	Feb. 29, 2024	Nov. 30, 2023	Aug 31, 2023	May 31, 2023	Feb. 28, 2023	Nov. 30, 2022	Aug 31, 2022	May 31, 2022
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	7,485	38,034	37,283	13,540	36,686	37,510	34,294	62,725
Cost of Sales	1,972	836	19,595	6,549	14,329	57,825	21,480	32,737
Gross Profit	5,513	37,198	17,688	6,991	22,357	(20,315)	12,814	29,988
Expenses (cash)	111,702	207,500	(133,421)	58,978	523,192	211,186	261,088	296,755
Expenses (non-cash)	590	631	492	475	475	598	671	463
Other income	5,725	7,340	5,529	6,000	5,496	6,022	4,246	1,717
Loss	(101,691)	(163,593)	156,146	(46,462)	(495,814)	(226,077)	(244,699)	(265,966)
Net loss per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.01)	(0.01)
Total assets	877,906	968,743	699,933	778,403	862,007	1,081,010	1,304,303	1,571,525
Total long term liabilities	-	-	-	-	-	-	-	-
Cash dividend per share	-	-	-	-	-	-	-	-
Shares outstanding	41,027,425	41,027,425	38,712,425	38,712,425	38,712,425	38,712,425	38,712,425	38,712,425

Fall harvest typically would drive peak seasonal revenues in the quarter ended November 30. The global outbreak of COVID-19 (coronavirus) has caused a reduction in potential sales inquiries and sales.

Liquidity and Capital Resources

At February 29, 2024, the company had working capital of \$815,643 (February 28, 2023 - \$550,723) including cash of \$794,101 (February 28, 2023 - \$742,739).

The Company's objective when managing capital is to maintain the confidence of shareholders and investors in the implementation of its business plans by maintaining sufficient levels of liquidity to fund and support its development as well as other corporate activities. The Company's capital historically has been derived from the issuance of equity. Management monitors its financial position on an ongoing basis.

nDatalyze Corp.
Management Discussion and
Analysis
For the year ended February 29, 2024

Financial statements have been prepared on a going concern basis which assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company is authorized to issue an unlimited number of common shares without par value.

Off Balance Sheet Arrangements

The Company is not a party to any off balance sheet arrangements or transactions.

Changes in Accounting Policies

None

Financial Instruments

The Company, as part of its operations, carries financial instruments consisting of cash, accounts receivable, and accounts payable and accruals. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments.

Other MD&A Requirements

Outstanding Share Data

The Company's authorized share capital consists of an unlimited number of common shares without par value.

Equity instruments issued and outstanding:

	June 26, 2024	February 29, 2024	February 28, 2023
Common shares	42,327,423	41,027,423	38,712,425
Warrants and Finders Warrants	1,197,500	1,197,500	571,380
Stock Options	3,650,000	3,650,000	3,150,000
Fully Diluted	47,174,923	45,874,923	42,433,805

Related Party transactions

The Company has determined that the key management personnel of the Company consists of its officers and directors. The following table provides information on compensation expense related to officers and directors.

	February 29, 2024		February 28, 2023
Legal, audit and professional	43,727	\$	57,185
Share based compensation expense	116,285		-
Total	160,012	\$	57,185

Proposed Transactions

None

Subsequent Events

Acquisition of Mindbalanced Inc. (“MB”)

On April 16, 2024 the Company acquired MB of Florida, USA. MB, operating in multiple US States, is revolutionizing mental healthcare through its integrative and individualized approach. Utilizing advanced AI and biometric data analysis, MB delivers highly-informed insights into mental health conditions, facilitating personalized treatment plans designed to enhance patient outcomes.

The nominal maximum purchase price is CAD\$3,750,000 payable through Conditional Share Issuances (“CSI”) based on performance-based milestones as set out below. At acquisition MB has no material assets and no debt. Finders fee of 400,000 shares paid on Closing and the contingent 300,000 shares to be issued upon MB’s achieving CAD\$1,000,000 of gross revenue from MB operations within one year after the Closing

Salient Performance Milestones include:

a) upon achieving CAD\$1,000,000 of gross revenue from MB operations and within one year after the Closing, MB nominees will receive either 4,000,000 shares or 6,000,000 shares if met within the first six months;

b) upon achieving CAD\$2,500,000 of gross revenues from MB operations within two years after Closing, MB nominees will receive either 6,000,000 shares or 9,000,000 shares if met within the first twelve months.

As the transaction is performance-driven, the number of shares issued pursuant to the CSIs will be between zero and 15,000,000 depending on MB performance.

Private Placement

On April 18, 2024 the Company closed an arm’s-length private placement of 1,000,000 common shares at US\$0.15 per Share (US\$150,000), CAD\$206,250 CAD\$0.21 per Share. A 6% finders fee of US\$9,000 was paid. Shares are subject to a minimum four month hold period.

Clinical Studies

The Company initiated two clinical studies, one with York University, and one with the Canadian Mental Health Association (CMHA). The CMHA study was subsequently cancelled due to multiple unexplained delays that, in the Company’s opinion, rendered that study’s timeline uneconomic.

Risk Factors

Industry Risks

The development of the YMI mental health diagnostic tool and Company’s Reference Database is relatively recent corporate initiative and while in its early development stage has yet to achieve revenues and commercial application. The Reference Database represents for the Company new biomedical research, data collection and analysis. Commercialization of such biomedical research has its inherent risk factors. There can be no assurance that YMI will generate future revenues and Company profits.

Our success may be dependent on foreign markets

Foreign and ancillary markets are expected to generate the majority of our revenues Neither foreign nor ancillary markets provide a guarantee of revenue.

The Company's Risks

We have a limited history of operations and unless we are able to successfully execute our business plan, our business and operating results will suffer resulting in the complete failure of our business

Our operations are subject to all of the risks inherent in the establishment of a new business. The likelihood of our success must be considered in light of the risks, problems, expenses and delays frequently encountered in connection with the formation of a new business in general, as well as the highly competitive environment in which the business is operating. To address these risks, we must, among other things, continue to respond to competitive developments, product failure causing personal injury and property damage, attract, retain and motivate qualified personnel, commercialize products, and implement and successfully execute our marketing strategy and advertising sales strategy. There can be no assurance that we will be successful in addressing such risks.

We will incur increased costs and demands upon management as a result of complying with the laws and regulations affecting public companies, which could harm our operating results

As a public company, we incur significant additional legal, accounting and other expenses that we did not incur as a private company, including costs associated with public company reporting requirements. We expect these rules and regulations to substantially increase our legal and financial compliance costs and to make some activities more time-consuming and costly.

We are currently dependent on our officers and directors for our success and our future operations may require that we can attract and retain qualified employees, which we may not be able to do

Our current operations are managed by our officers and directors, should our officers and directors resign, we would have no personnel to undertake the operations of the Company and therefore the Company would be adversely affected. We have no key-person insurance policy for our President or any other Officers and/or Directors and at this time we have no intention of acquiring same. Our future operations may depend, in part, on our ability to attract, employ and retain additional qualified employees. No assurance can be given that we will be able to attract or retain such personnel, if required.

We will rely on consultants and employees and if we are unable to retain these or other similarly qualified individuals, we may not be able to carry out our business operations

We expect to be dependent upon contract service providers and loss of their services could adversely affect our business and our ability to maintain our operations or develop new products. We have not entered into any employment or non-competition agreements with any individuals and do not plan to in the future. Our success will depend on our ability to attract and retain qualified personnel. If we cannot attract and retain the necessary individuals our operating results will suffer.

Insufficient Capital

The Company currently has revenue producing operations but may, from time to time, report a working capital deficit. To maintain its activities, the Company may require additional funds which may be obtained either by the sale of equity capital or by entering into an option or joint venture agreement with a third party providing such funding. There is no assurance that the Company will be successful in obtaining such additional financing; failure to do so could result in failure of the Company and total loss of your investment.

Financing Risks

The Company has no history of significant earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable. The Company has paid no dividends on its shares since in

Company and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is through the sale of its equity shares and there is no assurance that any such funds will be available on terms acceptable to the Company, or at all. At present it is impossible to determine what amounts of additional funds, if any, may be required.

Foreign Currency Risk

Foreign currency fluctuations may affect the cash flow which the Company may realize from its operations, since most of its product sales are expected to occur in US dollars whereas the Company's costs are incurred primarily in Canadian dollars.

Conflicts of Interest

Certain of the directors and officers of the Company are 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 of the Company may become subject to conflicts of interest. The ABCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, 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 unless otherwise provided under the ABCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the ABCA. To the Company's knowledge, as at the date hereof there are no existing or potential material conflicts of interest between the Company and a director or officer of the Company except as otherwise disclosed herein.

Insurance

Directors and Officers (D&O) liability insurance policy expired in April 2022 and the Company currently has no D&O insurance.

Additional Information

Additional information regarding the Company and its business and operations is available on the Company's profile at www.sedar.com and on the Company's website at www.ndatalyze.com.

Corporate Information

BOARD OF DIRECTORS:

James Durward
G. Steven Price ⁽¹⁾
Dusan Kuzma ⁽¹⁾
Gordon Crawford ⁽¹⁾

1) Member of Audit Committee

OFFICERS:

James Durward	-	President, Chief Executive Officer, Corporate Secretary
Dwayne A. Vinck	-	Chief Financial Officer

STOCK EXCHANGE LISTING:

CSE:NDAT
OTCQB:NDATF

AUDITORS:

KMSS LLP
Calgary, Alberta

LEGAL COUNSEL:

Heighington Law
Calgary, Alberta

REGISTRAR AND TRANSFER AGENT:

TSX Trust Company,
Calgary, Alberta