NEXOPTIC TECHNOLOGY CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2022

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Set out below is a review of the activities, results of operations and financial condition of NexOptic Technology Corp. ("NXO", "NexOptic", or the "Company") and its subsidiaries for the year ended December 31, 2022. The discussion below should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2022 and 2021. Those consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar figures included in the following Management Discussion and Analysis ("MD&A") are quoted in Canadian dollars unless otherwise indicated. This MD&A has been prepared as at April 28, 2023.

The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol "NXO" and OTCQB under the symbol "NXOPF" in addition to trading in multiple listings in Germany under the symbol "E3O1".

Additional information related to the Company is available on SEDAR at www.sedar.com and the Company's website at www.nexoptic.com.

BACKGROUND AND CORE BUSINESS

NexOptic Technology Corp. and its subsidiaries (collectively, the "Company" or "NexOptic") is a technology company developing award-winning artificial intelligence ("AI") and award-winning imaging products which enhance how images are either captured, processed, experienced, transferred and/or stored. NexOptic was incorporated under the Company Act (British Columbia) on October 11, 2007. The Company maintains its registered and place of business office at 1500 – 409 Granville Street, Vancouver, British Columbia, Canada V6C 1T2.

NexOptic's primary focus is its patented and patent pending artificial intelligence solutions collectively called "Aliis™", which is an acronym for, "All Light Intelligent Imaging Solutions. ALIIS™ can significantly reduce storage and streaming requirements needed for videos and images while also improving image quality in all types of environmental conditions. Several of the world's largest and more influential semiconductor companies have invited NexOptic into their esteemed partnership programs and continue to strongly support Aliis™ and NexOptic. These include the Arm AI Partner Program, the NVIDIA Jetson Ecosystem and Qualcomm's Advantage Network.

Aliis™ delivers by learning a camera profile and optimally enhancing, pixel by pixel its quality and its resolution in a fraction of a second, using edge processing. The result is superior resolution and sharpness, dramatic reductions to image noise and motion-blur, noticeable enhancements to long-range image stabilization by enabling faster shutter speeds, and significantly reduced file and bandwidth requirements for storage or streaming applications in many circumstances. Aliis™ can also improve downstream applications such as computational imaging, facial recognition, and object detection, and as a result has potentially broad market applicability for AI-leveraged security, autonomous vehicles, and other AI applications.

Customers of NVIDIA, Qualcomm and Arm retain control over the choice to license Aliis™ directly from NexOptic with optimized versions of Aliis™ independent of the semiconductor suppliers while still significantly reducing their integration costs and time frame to incorporate Aliis™

Risks associated with the investment and development of the AI imaging technologies can be found in the Risk Factors section of this document.

Artificial Intelligence & All Light Intelligent Imaging Solutions: Aliis™

Artificial intelligence (AI) allows machines to learn from experience, intercept new inputs, and perform human-like tasks. Technologies such as machine learning and natural language processing (NLP) are used to train computers to perform specific tasks by processing large amounts of data. AI is gaining momentum as it can add intelligence to existing products. AI systems offer faster response, tailored approach, accurate information, and fewer redundancies—all of which are key factors to achieve higher efficiency in an organization. Computer vision is concerned with the automatic extraction, analysis, and understanding of useful information from a single image or a sequence of images. It involves the development of a theoretical and algorithmic basis to achieve automatic visual understanding. Humans use their eyes and brains to see and visually sense the world around them. Computer vision aims to give a similar capability to a machine or computer.

On January 30, 2023, following receipt of TSX-V approval, NexOptic repriced of a total of 16,830,000 incentive stock options of the Company from their original exercise prices ranging from $0.36 per share to $1.00 per share to $0.10 per common share (collectively, the "Options"). All other terms of the Options remain the same, including original expiry dates.

As 9,375,000 of the 16,830,000 Options were held by insiders of the Company, shareholder approval for the re-pricing of those Options was sought and obtained from disinterested shareholders at the Company's annual general meeting ("AGM") held on January 10, 2023.

NexOptic Signs MOU with IntroMedic

On March 14, 2023 jointly announced with IntroMedic of Seoul, Korea, that the companies had entered into a non-binding Memorandum of Understanding ("MOU") whereby NexOptic could provide solutions to increase IntoMedic's capsule camera performance. IntroMedic is a leading innovator in global capsule endoscopy technology and medical imaging analysis whose objective is to always improve the quality of its patented imaging and analysis medical offerings. NexOptic and IntroMedic initially initiated dialogue late in 2021 and have undergone several stages of evaluation and development since and continue to move closer to full implementation.

NexOptic Launches NexCompress™ Announces Live Event

At 1:15 PM, PST on April 25th, 2023 NexOptic hosted live event broadcast to demonstrate the cost and energy saving advantages that NexCompress could offer streaming companies like Netflix and security imaging companies plus other industry verticals that create and/or store video content. In April of 2022 NexOptic revealed its patent pending NexCompress™, a video compression enhancement solution, offering significant bandwidth, and energy savings for video storage and streaming applications. NexCompress falls under the ALIIS umbrella of NexOptic's AI offerings. In May 2022, the Company published results of in-house benchmark testing. Part of NexOptic's in-house analysis was applying NexCompress™ directly to dozens of 10-minute-long video sequences shot in a variety of lighting environments, including low-light. A 20% reduction in bandwidth was achieved for video sequences shot in "normal" video use-cases. Additionally, in "extreme" use-cases where videos contain a lot of image noise, up to a 60% reduction in bandwidth was achieved. In all cases, image quality was either preserved, or improved upon. NexOptic plans to make NexCompress and significant part of its future growth and commercialization focus in addition to its other AI solutions under its ALIIS™ brand.

Non-brokered private placement in November 2022

On November 7, 2022, the Company completed a non-brokered private placement of 39,564,053 units ("Units") for gross proceeds of $2,225,478. Each Unit comprised one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.12 per share for a period of 24 months, subject to acceleration provisions.

The Company paid finders' fees of $32,032 and issued 569,462 finders' warrants on the same terms as the Unit warrant. Insider participation in the private placement included $28,125 (500,000 Units) from Director, Stephen Petranek, $56,250 (1 million Units) from Director, Arch Meredith and $112,500 (2 million Units) from CEO, Paul McKenzie.

Additionally, the Company announced its intention to settle approximately $330,000 in advances made to the Company by the CEO and $125,000 in amounts due to various parties through the issuance of approximately 7,000,000 common shares at a price of $0.065 per share, subject to the approval of the TSX-V, which was received subsequent to the year end. On January 25, 2023 the Company issued an aggregate of 6,722,472 shares at a price of $0.065 per share to settle $437,220 in debt.

NexOptic Launches Neural Embedding AI for Imaging ("Neural Embedding")

On September 2, 2021, NexOptic announced the launch of its Neural Embedding AI for Imaging for processing on-device(s) in real-time and transforming images and videos into compact machine representations ready for use by downstream storage and processing. Immediate use-cases include applications where centrally storing, transmitting, or processing large amounts of image and video data is unfeasible but strongly desired. For example, Neural Embedding can assist in video analytics where cameras produce enormous amounts of video data. NexOptic's Neural Embedding can distill the incoming video data prior to storage and processing, thereby reducing the total amount of computation required to accomplish the task and saving time, energy, and infrastructure costs. Using this highly advanced AI architecture, Aliis™ can address two significant barriers to intelligent imaging adoption, computation, and training.

NexOptic's Rare Earth Asset to Option Agreement With Selten Metal Corp. Updated.

On November 26, 2021, NexOptic entered a Letter of Intent ("LOI") with Selten Metal Corp. ("Selten") which was superseded by a mineral property option agreement on December 15, 2021, as amended (the "Option Agreement"). Pursuant to the Option Agreement, Selten can earn up to a 100% interest in NexOptic's wholly-owned THOR Heavy & Light Rare Earth Element Project (the "THOR Project") by making cash and share payments as set forth below. The THOR Rare Earth Project is located in Southern Nevada.

Pursuant to the Option Agreement, as amended, in order to earn an initial 75% interest in and to the THOR Project, Selten must (a) make a cash payment of $1,100,000 to NexOptic on or before June 30, 2023 (the "Cash Payment"), provided that if Selten completes a concurrent financing generate net proceeds exceeding $1,500,000, such payment will be made within two business days, (b) upon the date of any listing of Selten, or its successor, on a recognized stock exchange in Canada (the "Listing Date"), issue to NexOptic such number of common shares in its capital as will represent 9.5% of the issued and outstanding Selten shares post issuance, (c) issue to NexOptic an additional 500,000 shares on the date which is 12 months following the Listing Date, and (d) issue to NexOptic a further additional 500,000 shares on the date which is 24 months following the Listing Date. If a Listing Date does not occur within 24 months of the Cash Payment, the Option will terminate with Selten having earned no interest in the THOR Project. As of the date of this MD&A, no payments have been made under the Option Agreement.

Upon the exercise of the Initial Option, Selten will be granted the further option to acquire the remaining 25% interest in the THOR Project (the "Second Option"), by issuing to NexOptic an additional number of Selten shares in its capital equal to 9.5% of the issued and outstanding Selten shares post-issuance, which issuance will be made within 48 months following the Listing Date, at the discretion of Selten (the "Second Option Share Payment"). In the event Selten fails to exercise the Second Option as provided above, Selten and NexOptic will form a joint venture on the THOR Project with the initial participating interests being 75% and 25% respectively and Selten acting as the initial operator.

During the option period NexOptic retains the right to nominate one (1) director to the board of Selten. The THOR Project is subject to a 2% net smelter returns royalty held by a private entity, of which each 1% may be purchased by NexOptic at any time for $500,000, such that the entire royalty may be acquired for $1,000,000.

NexOptic agreed to certain conditional amendments to the Second Option Share Payment should Selten complete a proposed reverse takeover transaction with Railtown Capital Corp., a capital pool company listed on the TSX-V or similar alternative transactions.

Subsequent to the year ended December 31, 2022, on March 21, 2023, a proclamation was issued by U.S. President Joe Biden (the "Proclamation"), as authorized by the Antiquities Act of 1906, to establish the Avi Kwa Ame National Monument (the "Monument"). The Monument protects approximately 506,000 acres of the Mojave desert in southern Nevada and includes the entirety of the THOR project area. While the Proclamation indicates the designation is subject to valid existing rights, which would include the THOR project, the Company has determined that obtaining necessary drilling permitting is not possible at this time. The Company and Selten are continuing to investigate the impacts of the Proclamation on the THOR project. It is not currently possible to predict the longer term impacts of the Proclamation on the THOR project.

There can be no assurances that the transaction with Selten will complete on terms set forth in the Option Agreement or at all or that Selten will complete its proposed transaction with Railtown Capital Corp. on the terms announces by them or at all.

Relationship with Qualcomm Expanded

On September 14, 2021, NexOptic announced it had entered an expanded collaboration with Qualcomm that opened NexOptic up to deeper integration into Qualcomm's newest Snapdragon chipsets. This opens unique opportunities for NexOptic's image signal processing topologies to leverage a combination of hardware and software. Previously NexOptic had integrated Aliis™ onto Qualcomm's 2019 Snapdragon chipsets and delivered real time video enhancement at 720p 30FPS. Because of new advancements to NexOptic's Aliis™ algorithms as well as performance gains in Qualcomm's AI accelerator chips, faster processing abilities at higher resolutions for real time video enhancement are being achieved. This project is allowing OEMs and ODMs to see first-hand the power of Aliis™ and provide them access to a high-quality reference implementation that can be adapted into multiple standard and unique applications and use cases. It's important to note that NexOptic and each OEM retain control over the choice to license NexOptic's technologies directly with NexOptic and independent of and unrelated to Qualcomm. However the Qualcomm collaboration process is intended in part, to significantly reduces the integration time for device makers creating a near immediate implementation of NexOptic's state-of-the-art solutions for commercial devices that may elect to incorporate ALIIS™

NexOptic Partners with NTek Device of South Korea

On October 13, 2021, NexOptic outlined a commercial partnership with NTek Device ("NTek") of South Korea. NTek Device is an indispensable partner to a vast array of clients in mobile cameras, surveillance cameras, and automotive cameras. NTek's sales force is now representing NexOptics AI solutions to its broad customer base on a success based commission relationship and are otherwise not compensated by, yet are fully supported by NexOptic's Korean and Canadian team members.

Through this arrangement, NexOptic has joined the likes of some of the most respected and influential imaging solution companies as chosen by NTek for their quality and reliability in the image enhancement sector for CMOS image sensor

("CIS") based solutions. Ntek is partnered with virtually all Korean camera image development firms and module manufacturers. It is a leading semiconductor supplier to the mobile, video security, and automotive industries as well as a provider of embedded solutions for internet and data communication equipment throughout the Asia Pacific region and beyond. Ntek has significant product distribution centres in Korea and Hong Kong and partnership distribution networks in Shenzhen, China and Taipei, Taiwan. Its voluminous list of customers includes Partron and Powerlogics, as well as Korean leaders in video security with global reach. It delivers CIS hardware and software to its vast customer network which includes Hanhwa Techwin, IDIS, CPRO, and Truen in addition to key automobile imaging companies like Thinkware, Finedigital, and NC&. Ntek customer firms in the CIS sector include Sony, Samsung, Omnivision, Onsemi, Hynix, Galaxycore, Lexar, Harvetek and others. Ntek provides customized solutions to client firms by cross-checking available CIS products; this is part of what makes Ntek so successful and why they've been able to sustain a robust 20% growth rate year over year.

FlexWATCH of South Korea Begins Incorporating Aliis™ Via NVIDIA Jetson

On October 29, 2021, NexOptic reported that FlexWATCH of South Korea began an integration of ALIIS™ into its product line-up and that NexOptic and FlexWATCH engineers had already completed integrating ALIIS™ into FlexWATCH's AI Bridge product which incorporates NVIDIA's Jetson Platform. NexOptic being an NVIDIA Preferred Partner made this a very seamless process. Founded in 1997 with an intention to "link the world as one," FlexWATCH has an impressive pool of engineers dedicated to creating the absolute best in security surveillance for its customer base stretching into 40 countries. FlexWATCH is delivering its 3rd generation of security products and solutions based on their and their networks technologies. They are the only Korean company to focus solely on TCP/IP based security products and they continue to align themselves with the most sophisticated imaging solution providers in the world.

At its discretion, and upon future finalization of commercial terms between FlexWATCH and NexOptic per use case, FlexWATCH can incorporate ALIIS into their camera offerings at either the time of sale or after the fact.

100X Better Object Detection Achieved

On September 22, 2021, NexOptic announced that by incorporating Aliis™ into certain applications designed for object detection, results could be improved by a factor of 100 as was verified by testing using a third-party algorithm. During the benchmarking, Aliis™ increased the number of license plates detected in low light environments more than tenfold and increased the number of correctly recognized license plate numbers by a factor of 100.

Further Commercial Viability Potential of Aliis™

NexOptic's AI presents an opportunity to be successfully applied to imaging verticals and industries. Imaging and AI both remain rapidly growing industries. With integration into several high volume, globally recognized chipsets now complete, and with anticipated continued joint marketing initiatives by NexOptic's chipset partners, the opportunity for additional commercial transactions including with leading global OEM customers continues to increase. NexOptic is discussing opportunities with third parties. Advanced dialogues with these third parties, including with other leading semiconductor companies and a variety of OEM's, continue.

Patent Focus

NexOptic is taking constructive steps to continuously build a patent estate around Aliis™ and remains patent pending on multiple fronts with ongoing processes for even more patent applications surrounding Aliis™ ongoing.

On October 1, 2021, NexOptic reported that the United State Patent and Trademark Office (USPTO) had issued Patent No. 11,132,771 titled "Bright Spot Removal Using a Neural Network" to NexOptic. This patent is the second patent expanding family of IP covering the Company's AI technologies. These patents provide key intellectual property protection for NexOptic's disruptive AI for all levels of imaging including but not limited to, video and data compression.

In the 3rd quarter 2020, NexOptic became patent pending on a new AI that transforms Image Signal Processors ("ISP") technology. Engineered into Aliis™, the neural ISP technology is now available to OEM customers through NexOptic's aforementioned strategic partnerships. Image signal processors are a traditional technology that manipulate images from raw data into the precise and coherent imagery viewers are accustomed to seeing. They are increasingly also being used for new application paths in robotics, smart cities, industrial automation, automotive, healthcare and beyond.

NexOptic continues to be aggressive in its approach to patent protections and anticipates announcing new patent filings in the near term.

OUTLOOK

The Company is continuing its efforts to be successful in, what is remains an uncertain recovering COVID-19 pandemic economy with lingering uncertainties of global growth forecasts. The commercialization of NexOptic's AI technologies, including downstream applications for Aliis™ remain a top priority for the Company and NexOptic remains of the opinion thatits AI and other offerings hold potential to positively impact specific segments of current and future global economies.

OUTSTANDING SHARE DATA

At the date of this report, the Company has

- 188,495,203 issued and outstanding common shares;
- 16,830,000 outstanding stock options with a weighted average exercise price of $0.43; and 40,133,515 outstanding and exercisable warrants with a weighted average exercise price of $0.12

SELECTED FINANCIAL INFORMATION

Selected Annual Information

	2022	2021	2020
Total assets	$ 1,009,294	$ 417,840	$ 2,447,748
Non-current liabilities	16,494	53,572	59,423
Other income (including interest)	-	-	91
Net loss for the year	(3,881,562)	(3,316,633)	(5,805,824)
Comprehensive loss for the year	(3,880,660)	(3,319,487)	(5,806,210)
Basic and diluted loss per share	(0.03)	(0.02)	(0.04)

The increase in loss for the year ended December 31, 2022 relates to the increase in non-cash share-based payments expense of $3,881,562 for stock options granted and vesting compared to the prior year. The decrease in loss for the year ended December 31, 2021 relates to the decrease in non-cash share-based payments expense of $3,063,914 for stock options granted and vesting compared to the prior year. The loss for the year ended December 31, 2020 is mainly due to the $4,153,919 related to non-cash share-based payments for stock options granted and vested.

Summary of Quarterly results

	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
Interest income	$ -	$ -	$ -	$ -
Net loss for the period	(743,320)	(1,160,747)	(896,004)	(1,081,491)
Comprehensive loss for the period	(747,544)	(1,158,299)	(893,808)	(1,081,009)
Basic and diluted loss per share	(0.00)	(0.01)	(0.01)	(0.01)

	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Interest income	$ -	$ -	$ -	$ -
Net loss for the period	(1,322,266)	(825,284)	(543,049)	(602,927)
Comprehensive loss for the period	(1,312,631)	(834,999)	(545,426)	(602,766)
Basic and diluted loss per share	(0.01)	(0.01)	(0.00)	(0.00)

The decrease in loss for the quarter ended December 31, 2022 substantially relates to the decrease in marketing activities and related expenses in the quarter ended September 30, 2022. Marketing activities were heightened for the quarter ended September 30, 2022 to promote the scheduled private placement, which completed on November 7, 2022.

The Company's primary focus over the quarters presented is the development of is Aliis™ property portfolio. Of the loss of $3,881,562 in the year ended December 31, 2022, $1,385,397 was related to non-cash share-based payments expense. The increase in net loss for the period December 31, 2021 relates to the Red Hill property costs of $180,947 and non-cash expenses for share-based payments expense of $602,816.

Results of Operations for the three-month period ended December 31, 2022 compared to 2021

The comprehensive loss for the three-month period ended December 31, 2022 was $747,544 (2021 – $1,312,631). Significant changes to the results of operations are explained as follows:

Research and development costs

	For the three months ended December 31,		For the year ended December 31,	
Research and Development	**2022**	**2021**	**2022**	**2021**
Consulting fees	$ -	$ -	$ -	$ 18,657
Engineering and design	169	89,697	247,418	89,782
Professional fees	67,645	24,019	100,439	189,050
Tax credits and recoveries	(20,350)	(111,528)	(78,243)	(141,974)
Salaries	92,479	102,100	322,881	333,753
Share-based payments	48,047	215,717	402,158	402,095
Supplies and resources	589	5,762	15,192	39,716
Travel	-	3,698	4,440	5,660
	$ (188,579)	$ (329,465)	$ (1,014,285)	$ (936,739)

Research and development expenses of $188,579 (2021 – $329,465) relates to the development of its AI as the Company invests in its core technologies.

- Engineering and design of $169 (2021 - $89,697) includes costs to the Company under the Qualcomm agreement in the current period.
- Professional fees include amounts paid for legal work on the Company's patent portfolio. The Company has worked in the current period to expand its patent portfolio with respect to its AI technology.
- Share-based payments expense of $48,047 (2021 - $215,717) is recorded relative to the vesting of stock options valued using the Black-Scholes methodology and vesting of restricted share units.
- Supplies and resources of $589 (2021 - $5,762) are purchases of technological resources for the AI development team.
- Tax credits and recoveries in the period relate to amounts received under a technology licensing agreement.

General and administrative costs

	For the three months ended December 31,		For the year ended December 31,	
General and Administrative	**2022**	**2021**	**2022**	**2021**
Consulting fees	$ 153,713	$ 117,054	$ 498,837	$ 503,794
Directors' fees	20,000	20,000	20,000	20,000
Insurance	6,750	18,000	55,500	50,815
Investor relations	97,375	66,336	196,995	242,022
Office and administration	32,303	31,161	127,282	113,573
Professional fees	49,354	(6,183)	102,355	80,372
Property costs	3,139	180,947	57,063	190,250
Salaries	54,552	52,685	215,011	208,652
Share-based payments	11,613	297,855	838,335	597,682
Shareholder communications and filings	23,866	24,295	71,866	80,933
Sales and marketing	40,779	31,539	179,684	118,960
Travel	1,587	9,816	10,423	15,618
	$ (495,031)	$ (843,505)	$ (2,373,351)	$ (2,222,671)

- Consulting fees includes compensation to the former CFO and accounting staff as well as fees paid to a director and consultants to make strategic introductions with potential partners in the development and commercialization of the Company's technologies.

- Investor relations expenses of $97,375 (2021 - $66,336) includes expenditures for its market maker, news releases, public relations and investor outreach services. Additionally, the Company incurred $40,799 (2021 - $31,539) for sales and marketing costs, which includes brand awareness expenditures for the Company's technologies to potential partner and/or end user companies and consumers. The Company has spent more on its corporate marketing in the current period due to financing.

- Property costs of $3,139 (2021 - $180,947) relate to expenditures on the Thor property in order to advance the technical information with respect to the property.

- Share-based payments expense of $11,613 (2021 - $297,855) is recorded relative to the vesting of stock options valued using the Black-Scholes methodology and restricted share units.

Business development costs

Business development costs for the three months ended December 31, 2022 of $80,579 (2021 - $173,008) relate to the Company's satellite operations in South Korea. The team in South Korea has been established for the purpose of developing commercial sales opportunities for the Company. Expenditures include costs of sales staff and related overhead.

Results of Operations for the year ended December 31, 2022 compared to 2021

Research and development costs

Research and development expenses of $1,014,285 (2021 – $936,739) relates to the development of its AI as the Company invests in its core technologies.

- Engineering and design of $247,418 (2021 - $89,782) includes costs to the Company under the Qualcomm agreement in the current period.

- Professional fees include amounts paid for legal work on the Company's patent portfolio. The Company has worked in the current period to expand its patent portfolio with respect to its AI technology.

- Salaries of $322,881 (2021 - $333,753) remains constant to comparative period.

- Share-based payments expense of $402,158 (2021 - $402,095) is recorded relative to the vesting of stock options valued using the Black-Scholes methodology and restricted share units.

- Supplies and resources of $15,192 (2021 - $39,716) are purchases of technological resources for the AI development team.

- Tax credits and recoveries in the period relate to amounts received under a technology licensing agreement.

General and administrative costs

- Consulting fees includes compensation to the CFO and accounting staff as well as fees paid to a director and consultants to make strategic introductions with potential partners in the development and commercialization of the Company's technologies.

- Investor relations expenses of $196,995 (2021 - $242,022) includes expenditures for its market maker, news releases, public relations and investor outreach services. Additionally, the Company incurred $179,684 (2021 - $118,960) for sales and marketing costs, which includes brand awareness expenditures for the Company's technologies to potential partner and/or end user companies and consumers. The Company has spent more on its corporate marketing in the current period due to financing.

- Salaries for general and administrative personnel has increased to $215,011 (2021 - $208,652). The compensation paid to the CEO and support staff.

- Share-based payments expense of $838,335 (2021 - $597,682) is recorded relative to the vesting of stock options valued using the Black-Scholes methodology and restricted share units.

Business development costs

Business development costs for the year ended December 31, 2022 of $405,102 (2021 - $373,862) relate to the Company's satellite operations in South Korea. The team in South Korea has been established for the purpose of developing commercial sales opportunities for the Company. Expenditures include costs of sales staff and related overhead.

LIQUIDITY AND CAPITAL RESOURCES

Cash has increased, on a net basis, by $425,309 to $762,336 at December 31, 2022 from a balance of $337,027 as at December 31, 2021. The Company had a working capital deficit of $971,189 as at December 31, 2022.

Overall cash utilization for operating activities decreased from 2021 to 2022. In the year ended December 31, 2022, the Company expended $1,728,628 in operating activities as compared to $2,064,322 in 2021. The overall decrease in expenditures is result of lower financial capacity in the current period.

Financing activities provided funds of $2,154,084 from private placement of $2,225,478 (2021 - $nil), offset by share issuance cost of $71,394 (2021 - $nil). In the prior year, the company received $66,100 for options exercised.

The Company has completed the settlement of an aggregate of $436,960.70 in debt owed to various parties, including $333,620 in advances made to the Company by its CEO (the "Debt Settlement"). An aggregate of 6,722,472 common shares were issued at a price of $0.065 (the "Settlement Shares"), of which 5,132,626 Settlement Shares were issued to Mr. Paul McKenzie.

The Company has incurred losses since inception and the ability of the Company to continue as a going concern depends upon its ability to develop profitable operations and to continue to raise adequate financing.

Management is actively targeting sources of additional financing through financial transactions that would assure continuation of the Company's operations. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate expenditures and/or investments and may be unable to continue in operation. The Company may seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

Management will apply funds from the private placements for investment in its strategic priorities, being substantially Aliis™, and for working capital. The contractual commitments of the Company are not significant, and the Company may sustain operations by reducing overhead and delaying investment.

OFF STATEMENT OF FINANCIAL POSITION ARRANGEMENTS

At December 31, 2022, the Company had no material off statement of financial position arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market, or credit risk to the Company.

PROPOSED TRANSACTIONS

The Company does not have any proposed transactions in process other than as discussed elsewhere in this document.

RELATED PARTY TRANSACTIONS

Key management personnel comprise the Chief Executive Officer, Chief Financial Officer, former Chairman, former Chief Executive Officer and directors of the Company. The remuneration of the key management personnel is as follows:

For the year ended December 31		2022		2021
Payments to key management personnel:				
Consulting fees (G&A) – paid to a company in which the former CFO has a significant investment	$	42,150	$	56,425
Consulting fees (G&A) – paid to a company in which the CFO is an employee		13,800		-
Consulting fees (G&A) – paid to a company controlled by a director		181,243		288,989
Directors' fees – general and administrative		20,000		20,000
Salaries and short-term benefits (G&A) – Paul McKenzie		180,000		180,000
Share-based payments to officers – general and administrative		343,329		177,676
Share-based payments to directors – general and administrative		401,231		197,474

During the year ended December 31, 2022, the Company was charged legal fees, included in professional fees, of $84,903 (2021 - $35,060) by S. Paul Simpson Law Corp., a law firm of which an officer of the Company is an employee.

As at December 31, 2022, the Company had balances outstanding with related parties of $688,029 (2021 - $204,867) included in accounts payable. These balances are unsecured, non-interest-bearing, have no fixed repayment terms and are due on demand.

During the year ended December 31, 2022, the company appointed a new CFO.

Control Group Settlement Agreements

Effective May 15, 2020, the Company entered into indemnity and settlement agreements ("Settlement Agreements") which provide for the severance liability to be settled over a 36-month period and to be offset, on a monthly basis, by proceeds from sales of the Company's securities as held by 3DB. 3DB is restricted under the Support Agreement to dispose of the lesser of 25,000 shares or 10% of the aggregate trading valued on the TSX-V on the prior trading day, subject to certain conditions. The severance liability is non-interest bearing and is secured by promissory notes. In the year ended December 31, 2021, the severance liability was discharged by the former employees and the underlying promissory notes released.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial instruments

Cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities are carried at amortized cost. The Company considers that the carrying amount of these financial assets and liabilities measured at amortized cost to approximate their fair value due to the short-term nature of the financial instruments. The loan payable is carried at amortized cost and carried at the settlement value.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial risk factors

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash and cash equivalents and receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and cash equivalents with high-credit quality financial institutions. The Company considers the risk of financial loss on cash and cash equivalents to be remote. The Company's receivables consist materially of GST input tax credits recoverable from the government of Canada and some third-party receivables which are anticipated to be recoverable. The Company considers credit risk with respect to these amounts to be low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2022, the Company had a working capital of deficiency of $971,189 (2021 – deficiency of

$586,286). The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company's loans payable have an initial term date of December 31, 2022 with the possibility of extending to December 31, 2025.

Market risk

Market risk is the risk of loss that may arise from changes in market factors, such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

a) Interest rate risk

The Company's financial asset exposed to interest rate risk consists of cash. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management believes the interest rate risk is low given the current low global interest rate environment.

b) Foreign currency risk

The Company's has engaged a number of vendors in the pursuit of research and development activities in the US. As such, the Company is exposed to some foreign currency risk. Fluctuations in the exchange rate between the Canadian dollar and US dollar may have an adverse effect on the Company's business and costs to proceed with preferred vendors. The Company may mitigate its foreign currency risk by substituting Canadian vendors for certain services. Foreign currency risk is considered low relative to the overall financial operating plan.

RISK FACTORS

The principal activity of the Company for the immediate future is the continued investment in and development of its core technologies (the "Technology"), which relates to AI for image correction, image enhancement and file size compression. This can be applied to both still and video images through the removal of image noise.

COVID-19

Since January 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include in some instances the closing non-essential businesses, travel bans, self-imposed quarantine periods and physical distancing, continue to cause significant material disruptions to businesses globally resulting in an economic slowdown. Global equity markets remain volatility and unpredictable. The duration and overall lasting impact of the COVID-19 outbreak is currently unknown, as is the efficacy of government and central bank interventions. It is not possible to reliably estimate the length and severity what these developments will have on the financial results and condition of NexOptic in future periods. Nonetheless, there has been no notable impact of the COVID-19 on the Company operations since the outbreak.

Competition

The AI imaging industry is highly competitive with several well-established market participants. Competition in this industry occurs on many fronts, including developing and bringing new technologies to market before others, developing new technologies to improve existing offerings, developing new means in which to provide the same benefits as existing products at less cost, developing new products to provide benefits superior to those of existing offerings, and acquiring or licensing complementary or novel technologies from other companies or individuals. NexOptic may be unable to contend successfully with current or future competitors which include major technology companies, many of which are large, well-established companies with access to financial, technical, and marketing resources significantly greater than the Company and substantially greater experience in developing, licensing, and manufacturing products, conducting research and development activities, and obtaining regulatory approvals. The Company's competitors may develop or acquire new or improved technologies that are similar to those offered by the Company, while not necessarily being direct competitors currently.

Development Risk

Substantial corporate resources are being expended on the development of the Company's technologies. The capabilities of Aliis™ is continuously being upgraded and is not currently commercialized. There can be no guarantee that the Technology will achieve the objectives which the Company believes are necessary for it to result in successful offerings to the marketplace. There are significant risks, expenses, delays, and difficulties frequently encountered in establishing new technologies to industry, which is characterized by an increasing number of market entrants, intense competition, and high failure rate. Further, there is always the risk in product development that the software will fail to function as intended or that the market for such products will not develop as anticipated or when anticipated. There is often a lengthy time between the time of technology conceptualization to technology commercialization, and there can be no assurances that development of new technologies will be commercialized at all, on time or within budget. Failure to successfully commercialize the Technology may materially and adversely affect the Company's financial condition and results of operations.

Limited Protection of Patents and Proprietary Rights

The Company's success will depend in part on its ability to protect its proprietary rights and technologies, including, but not limited to its AI. The Company will rely on a combination of contractual arrangements, licenses, patents, trade secrets, and know-how to protect its proprietary technology and rights and the Company's failure to protect its intellectual property rights may result in the loss of valuable technologies and undermine its competitive position. However, not all these measures may apply or may afford only limited protection. In addition, the laws of some foreign countries do not protect proprietary technology rights to the same extent as do the laws of Canada and the United States. A failure of the Company to adequately protect its proprietary rights may adversely affect the business of the Company.

Filing, prosecuting and defending patents on the Company's intellectual property throughout the world could be prohibitively expensive. The laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States or federal and provincial laws in Canada. Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. Proceedings to enforce the Company's patent rights in foreign jurisdictions could result in substantial cost and divert its efforts and attention from other aspects of its business. The Company may have limited remedies if patents are infringed in certain jurisdictions or if it is compelled to grant a license to a third-party, which could materially diminish the value of those patents. This potentially could limit the Company's total revenue opportunities.

Unpatented trade secrets, improvements, confidential know-how and continuing technological innovation may be important to the Company's scientific and commercial success. Although the Company will attempt to, and will continue to attempt to, protect proprietary information through reliance on trade secret laws and the use of confidentiality agreements with collaborators, contract manufacturers, licensees, clinical investigators, employees and consultants and other appropriate means, these measures may not effectively prevent disclosure of or access to proprietary information, and, in any event, others may develop independently, or obtain access to, the same or similar information.

Despite the Company's efforts to protect its proprietary rights, there can be no assurance that the Technology will not be infringed upon, that the Company would have adequate remedies for any such infringement or adequate funds to act against those infringing the Technology, or that its trade secrets will not otherwise become known or independently developed by its competitors. There can also be no assurance that any patents now or hereafter issued to, licensed by, or applied for by the Company will be upheld, if challenged, or that the protections afforded thereby will not be circumvented by others. There can be no assurance that the Company's competitors will not independently develop technologies that are substantially equivalent or superior to the Technology.

Infringement of Intellectual Property Rights

While the Company believes that its intellectual property does not infringe upon the proprietary rights of third parties, its commercial success depends, in part, upon the Company not infringing intellectual property rights of others. Several of the Company's competitors and other third parties have been issued or may have filed patent applications or may obtain additional patents and proprietary rights for technologies similar to those utilized by the Company. Some of these patents may grant very broad protection to the owners of the patents.

The Company may become subject to claims by third parties that its technology infringes their intellectual property rights due to the growth of products in its target markets, the overlap in functionality of those products and the prevalence of products.

Litigation may be necessary to determine the scope, enforceability, and validity of third-party proprietary rights or to establish the Company's proprietary rights. Some of its competitors have, or are affiliated with companies having, substantially greater resources than the Company and these competitors may be able to sustain the costs of complex intellectual property litigation to a greater degree and for a longer period than the Company.

Regardless of their merit, any such claims could be time consuming to evaluate and defend, result in costly litigation, divert management's attention and focus away from the business, subject the Company to significant liabilities and equitable remedies, including injunctions, require the Company to enter into costly royalty or licensing agreements and require the Issuer to modify or stop using infringing technology.

No Assurance of Commercial Production

Though its AI offerings are advanced and patent pending, the Company simultaneously remains a research and development company with no history of production or sale. There is no assurance that the Company will meet proposed commercial delivery timelines or will be able to achieve commercial success.

The Company has not previously delivered a consumer product on a commercial scale and has no manufacturing facility. The Company may find itself dependent on affiliations with one or more semiconductor companies who may in turn alter their platforms in such a manner that Aliis™ is no longer relevant to their offerings. Individual semiconductor companies may also unexpectedly lose market share and/or industry relevance. In the case of DoubleTake™, the Company could in the future become dependent on third party manufacturers for its manufacture, or product components, as well as on third parties for a supply chain. The Company currently has no plans to build internal commercial scale manufacturing capabilities or to manufacture its own semiconductors. Contract manufacturing organizations for DoubleTake™ may need to increase the scale of production and may or may not be able to scale production. It could be expensive and take a significant amount of time to arrange for alternative suppliers. The Company may be unable to enter into agreements for commercial supply with third-party manufacturers or may be unable to do so on unacceptable terms. Any significant disruption in the Company's supplier relationships could harm the Company's business.

Slow Acceptance of the Company's Technology

The marketplace might be slow to accept or understand the significance of the Company's Technology due to its unique nature and the competitive landscape. Market confusion may slow sales and acceptance of the Company's potential products and AI. If the Company were unable to promote, market and monetize the Technology and secure relationships with OEM partners or product manufacturers, the Company's business and financial condition would be adversely affected.

Sales and Distribution

The Company does not currently have any proven market for sales or completed distribution agreements. The successful commercialization of its technologies will be reliant on the Company's ability to identify, execute and maintain a successful mechanism to market.

Experimental Field

The Company is engaged in the research and development of the Technology with the goal of commercializing viable software offerings and consumer products. The need to keep its Technology offerings relevant will require extensive experimental effort and can require significant investment. Customers may be hesitant to implement any new technologies developed without extensive and time-consuming testing.

Technological Advancements

The markets for the Company's Technology are characterized by rapidly changing technology and evolving industry standards, which could result in software of product obsolescence or short product life cycles. Accordingly, the Company's success will be dependent upon its ability to anticipate technological changes in the industries it serves and to successfully identify, obtain, develop, and market new offerings that satisfy evolving industry requirements.

The lens and AI for imaging industries are subject to significant technological advancements, changing industry standards, market trends, customer preferences and competitive pressures, which can, among other things, necessitate revisions in pricing strategies, price reductions, and reduced profit margins.

The success of the Company will depend on its ability to secure technological superiority in its services and maintain such superiority in the face of new technologies. No assurance can be given that further modification of product offerings of the Company will not be required to meet demands or to remain competitive. The future success of the Company will be influenced by its ability to continue to adapt its products. Although the Company has committed resources to improve its products, there can be no assurance that these efforts will increase profits.

Risk of Obsolescence

New developments in technology may negatively affect the development or sale of some or all of the Company's products or make its products obsolete. The inability of the Company to enhance existing products in a timely manner or to develop and introduce new products that incorporate new technologies, conform to increasingly regulatory requirements, and achieve market acceptance in a timely manner could negatively impact the Company's competitive position. New developments or modifications can be costly, involve significant research, development, time, and expense, and may not necessarily result in the successful commercialization of any new commercial offerings.

Additional Funding Requirements

The Company will require additional financing to implement its business plan. The Company may raise additional funds through gap financing, debt financing, and/or subsequent equity financing. The Company may also borrow funds from a financial institution(s) using the assets of the Company as security for said loan(s). The Company may also obtain additional financing through certain government subsidies or tax incentives available in certain geographic areas, if available, at the Company's discretion. Failure to obtain such additional capital on terms acceptable to the Company could restrict its ability to implement its growth plans. Further, a shortage of funds may prevent or delay the Company from getting its products to the marketplace, achieving profitability, or enabling the Company to pay distributions to its shareholders. There is no assurance that the Company will have adequate capital to conduct its business or satisfy its financial obligations.

The ability of the Company to arrange financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company or at all. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change, and shareholders may suffer additional dilution. There can be no assurance that the Company will generate cash flow from operations necessary to support the continuing operations of the Company.

Limited Operating History

The Company has incurred losses since inception and is expected to continue to incur losses. As such, the Company will be subject to all the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of revenues. The Company's ability to reach and then sustain profitability depends on several factors, including the growth rate of the developmental optics industry, the continued market acceptance of the Technology and the competitiveness of the Company. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of its success must be considered in light of its early stage of operations.

Lack of Operating Cash Flow

The Company currently has no source of operating cash flow, which is expected to continue for the near future. The Company's failure to achieve profitability and positive operating cash flows could have a material adverse effect on its financial condition and results of operations.

Exposure to Foreign Currency Exchange Rates

The Company's consumer product division leverages suppliers and partners in foreign jurisdictions and its potential future OEM partnerships for its software are not geographically centralized. The Company's business may expand internationally and as a result, a significant portion of its revenues, expenses, current assets and current liabilities may be preliminary denominated in foreign currencies, while its financial statements are expressed in Canadian dollars. A decrease in the value of such foreign currencies relative to the U.S. dollar could result in losses in revenues from currency exchange rate fluctuations. To date, the Company has not hedged against risks associated with foreign exchange rate exposure. The Company cannot be sure that any hedging techniques it may implement in the future will be successful or that its business, financial condition, and results of operations will not be materially adversely affected by exchange rate fluctuations.

Market for Securities and Volatility of Share Price

There can be no assurance that an active trading market in the Company's securities will be established or sustained. The market price for the Company's securities could be subject to wide fluctuations. Factors such as announcements of quarterly variations in operating results, as well as market conditions in the industry, may have a significant adverse impact on the market price of the securities of the Company. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of companies.

Dependence on Management and Key Personnel

The Company's management will make all decisions with respect to the Company's assets, including investment decisions and the day-to-day operations of the Company. As a result, the success of the Company for the foreseeable future will depend largely upon the ability of its management team, employees and consultants. The loss of any key individual could have a material adverse effect on the Company. If the Company lost the services of one or more of its executive officers or key employees and consultants, it would need to devote substantial resources to finding replacements, and until replacements were found, the Company would be operating without the skills or leadership of such personnel, any of which could have a significant adverse effect on the Company's business. The Company currently does not carry "key-man" life insurance policies covering any of these officers or consultants.

The future success of the Company depends in significant part on the contributions of its executive officers and scientific and technical personnel. The loss of the services of one or more key individuals may significantly delay or prevent achievement of scientific or business objectives. Competition for qualified and experienced personnel in the technology field is generally intense, and the Company will rely heavily on its ability to attract and retain qualified personnel in order to successfully implement its scientific and business objectives. The failure to attract or retain key executives and personnel could impact the Company's operations, including failure to achieve targets and advancement of the Technology.

Expansion and Growth

As the Company's development and commercialization plans and strategies develop, the Company expects that it will need to expand the size of its employee base for managerial, operational, sales, marketing, financial and other resources. Future growth would impose significant added responsibilities on members of management, including the need to identify, recruit, maintain, motivate and integrate additional employees. In addition, the Company's management may have to divert a disproportionate amount of its attention away from the Company's day-to-day activities and devote a substantial amount of time to managing these growth activities. The Company's future financial performance and its ability to commercialize its Technology and its ability to compete effectively will depend, in part, on the Company's ability to effectively manage any future growth.

Adverse General Economic Conditions

The unprecedented events in global financial markets in the past two years have had a profound impact on the global economy. Some of the key impacts of the financial market turmoil included contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and consumer demand and unpredictable market liquidity. Similar disturbances in the financial markets or other economic conditions, including but not limited to, inflation, deflation, decreased consumer demand, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Company's operations. Specifically, a global credit/liquidity crisis could impact the cost and availability of financing and overall liquidity. Volatile commodity and consumables prices and currency exchange rates could impact costs and the devaluation and volatility of global stock markets could impact the valuation of the Company's equity and other securities. These and other factors could have a combined material adverse effect on the Company's financial condition and results of its operations.

Conflicts of Interest

Some of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including technology companies) and, because of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The BCBCA provides that if a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA. To the proposed management of the Company's knowledge, as at the date hereof there are no existing or potential material conflicts of interest between the Company and a proposed director or officer of the Company except as otherwise disclosed herein.

Partnerships and Collaborations

The Company may seek third-party collaborators for development and commercialization of potential future products and projects. The Company is not currently party to any such arrangement. The Company's ability to generate revenues from these arrangements will depend on its collaborators' abilities to successfully perform the functions assigned to them in these arrangements.

Collaboration agreements may not lead to development or commercialization of the Technology in the most efficient manner or at all.

Dividends

To date, the Issuer has not paid any dividends on their outstanding shares. Any decision to pay dividends on the shares of the Company will be made by its board of directors based on the Company's earnings, financial requirements, and other conditions.

Uninsured Risks

The Company may become subject to liability for hazards that cannot be insured against or against which it may elect not to be so insured because of high premium costs. Furthermore, the Company may incur a liability to third parties (in excess of any insurance coverage) arising from any damage or injury caused by the Company's operations.

INFORMATION REGARDING FORWARD LOOKING STATEMENTS

Certain statements contained in this Management Discussion and Analysis constitute "forward-looking statements." These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified using words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. Information concerning the interpretation of drill results, mineral resource and reserve estimates and capital cost estimates may also be deemed as forward-looking statements as such information constitutes a prediction of what mineralization might be found to be present and how much capital will be required if a project is developed. These statements involve known and unknown risks, uncertainties, and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward looking statements included in this Management Discussion and Analysis should not be relied upon. These statements speak only as of the date of this Management Discussion and Analysis. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by forward-looking statements contained in this Management Discussion and Analysis. Such statements are based on several assumptions that may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- the potential applications of the Company's technologies;
- the timing and expenditures required to develop such technologies, including development of any future prototype vertical;
- the ability of the Company to procure patent or other intellectual property protection for its technologies and to license or enforce such patents, if any;
- the ability to attract and retain skilled staff;
- foreign currency and exchange rates;
- market competition; and
- tax benefits and tax rates.

These forward-looking statements involve risks and uncertainties relating to, among other things, risks related to international operations, actual results of current exploration activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, as well as those factors discussed in the section "Risk Factors". Factors that could cause actual results to differ materially include, but are not limited to, the risk factors discussed in the section. The Company cautions that the foregoing list of important factors is not exhaustive. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, 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 statements. The Company does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

ADDITIONAL INFORMATION

Additional information regarding the Company can be found at www.sedar.com and the Company's website www.nexoptic.com.