YANGAROO Inc.
December 31, 2012
Management's Discussion and Analysis

Introduction

Unless the context suggests otherwise, references to "Yangaroo", "the Company" or similar terms refer to YANGAROO Inc.

This Management's Discussion and Analysis ("MD&A") is a discussion and review of operations, current financial position and outlook for YANGAROO and should be read in conjunction with the financial statements and related notes for the year ended December 31, 2012.

Use of Non-IFRS Financial Measure

The following non-IFRS definition is used in this MD&A because management believes that it provides useful information regarding the Company's ongoing operations. Readers are cautioned that the definition is not a recognized measure under IFRS, does not have a standardized meaning prescribed by IFRS, and should not be construed to be alternatives to revenues and net earnings determined in accordance with IFRS or as an indicator of performance, liquidity or cash flows. The Company's method of calculating this measure may differ from the method used by other entities and accordingly the measure may not be comparable to a similarly titled measure used by other entities or in other jurisdictions.

Adjusted EBITDA as defined by the Company means Earnings Before Interest and financing costs (net of interest income), Income Taxes, Depreciation and Amortization, and other nonrecurring items. Adjusted EBITDA is derived from the statements of comprehensive loss, and can be computed as revenues less human resources expenses and property, marketing and administration expenses. The Company believes adjusted EBITDA is a useful measure because it provides information to both management and investors with respect to the operating and financial performance of the Company.

Review and Approval by the Board of Directors

The Board of Directors, on recommendation of the Audit Committee, approved the content of this MD&A on April 30, 2013. Disclosure contained in this document is current to this date, unless otherwise stated.

Forward Looking Information

The Company's reporting structure reflects how it manages its business and how it classifies its operations for planning and for measuring its performance. This MD&A contains assertions about the objective, strategies, financial conditions, and results of operations. These statements are considered "forward-looking" because they are based on current expectations of the Company's business, on the markets it operates in, and on various estimates and assumptions.

These forward-looking statements describe the Company's expectations at April 30, 2013. The Company's actual results could be materially different from its expectations if known or unknown risks affect the business, nor if the Company's estimates or assumptions turn out to be inaccurate. As a result, the Company cannot guarantee that any forward-looking statements will materialize. Forward-looking statements do not take into account the effects that transactions or non-recurring items, announced or occurring after the statements are made, may have on the business. The Company disclaims any intention or obligation to update any forward-looking statements, except as required by law, even if new information becomes available through future events of for any other reason. Risks that could cause the Company's actual results to differ materially from its current expectations are stated in the Risk Management section.

Description of Business

YANGAROO's patented Digital Media Distribution System (DMDS) is a leading secure B2B digital delivery management solution for the entertainment and advertising industries. DMDS is a Web-based delivery system that pioneers secure digital file distribution by incorporating biometrics, high-value encryption and watermarking. DMDS replaces the physical distribution of audio and video content for music, music videos, and advertising to television, radio, media, retailers, award shows and other authorized recipients with more accountable, effective, and far less costly digital delivery of broadcast quality media via the Internet. YANGAROO also offers comprehensive asset management and post production services to clients in the music and advertising industries.

Corporate Activities

On April 17, 2012, the Company announced a Private Placement of a minimum of $1,250,000 and up to a maximum of $2,000,000 in units. Each unit consists of one common share in the capital stock of the Company and one warrant, entitling the subscriber to purchase an additional share at $0.10 per share within 36 months of closing. The Company would issue the units at $0.05 per unit, resulting in the issue of a minimum of 25,000,000 shares and up to a maximum of 40,000,000 shares upon closing, non-diluted.

The Company closed the first phase of the above mentioned Private Placement on September 7, 2012 and the second and final phase on October 3, 2012, raising aggregate gross proceeds of $1,268,783 with 25,375,652 units between Phase 1 and Phase 2, with $375,000 invested by the Company's insiders. Fraser Mackenzie Limited acted as the agent for the Private Placement and received in consideration for its services a cash commission and advisory fees equal to $91,900 and 738,000 warrants entitling them to purchase 738,000 common shares at an exercise price of $0.10 per share, for a period of two years from the closing date of Phase 2. As a result of closing the Private Placement on October 3, 2012 and achieving the minimum threshold of $1,250,000, the existing debenture holders of the Company have consented to the amending of their existing debenture agreements. The key amendments include lowering the interest rate from 18% to 14% and extending the repayment date of the existing debentures for an additional three years, all as of the closing date of the Private Placement. The interest will accrue throughout the amended term and is payable with the redemption of the principal portion of the debenture.

On December 6, 2012, the Company granted stock options in accordance with its Stock Option Plan to certain of its directors and officers for their outstanding services to the Company. An aggregate of 3,577,742 Options were granted, whereby each Option entitles the holder to purchase one common share of the Company at $0.10, and the Options shall expire 60 months from the date of issuance. Directors were granted 600,000 Options for services rendered to the Company since July 2011, an annual equity compensation it hopes to award on a going forward basis each fiscal year. Officers were granted the remaining 2,977,742 Options as incentive for their continued service and commitment to the Company's growth. Also, the Company announced that it had received additional commitments to the Private Placement announced on April 17, 2012 and would issue units with the same terms. On December 13, 2012, the Company closed the additional Private Placement, raising $315,000 with 6,300,000 units, of which $140,000 was invested by the Company's insiders. Fraser Mackenzie Limited acted as the agent and received in consideration for its services a cash commission of $9,200 and 184,000 warrants entitling them to purchase 184,000 common shares at an exercise price of $0.10 per share, for a period of two years from the closing date of this additional Private Placement.

On December 11, 2012, the Company announced the launch of the industry's first fully automated Traffic Management System called "Reporter" within its digital media distribution system. The new service now merges personalized traffic instructions with a signed and date stamped confirmation that traffic instructions have been received, increasing the likelihood that spots will air correctly. The first of its kind, The Traffic Management System "Reporter", streamlines communication between major agencies and buying services to broadcasters. The fully automated solution eliminates time-consuming manual processes of call outs to broadcasters and alleviates concerns of lost instructions or non-compliance.

On January 16, 2013, the Company and The Latin Recording Academy® entered into a multi-year agreement to digitize the process of Latin GRAMMY Awards submissions and provide its international membership the ability to listen to music considered for the world's premier Latin music award. A web-based digital solution, YANGAROO Awards, which is powered by YANGAROO's Digital Media Distribution System (DMDS) platform, is an end-to-end solution that instantly and securely connects artists, judges, event organizers, and auditors. It streamlines every element of award show management, including nominations, committee review, voting, results tabulation, and auditing.

On February 5, 2013, the Company announced a multi-year, multiplatform deal to provide The National Academy of Television Arts & Sciences (NATAS) with a digital method for determining Emmy® winners beginning with News & Documentary Awards on October 1st of this year followed by others in 2014. Through the Company's YANGAROO Awards digital platform, entries will be submitted, content under consideration will be reviewed, and ultimately, judges will electronically cast their ballots. Marking YANGAROO's most comprehensive partnership to date, the relationship with NATAS will collectively involve over 3,500 submissions in 149 various categories with over 6000 hours of video all reviewed and voted on by 1,750 judges.

On March 15, 2013, the Company's Board of Directors adopted a renewed Shareholder Rights Plan following its expiration. The Rights Plan has received conditional approval from the TSX Venture Exchange. The Rights Plan is substantially similar to the Company's previous Shareholder Rights Plan, ratified by the shareholders in June 2009. The Company has not received a take-over bid, and a copy of the Rights Plan is available on SEDAR. Although effective immediately, the Rights Plan will be presented to the shareholders for ratification at the Company's Annual General and Special Meeting to be held in June 2013.

On April 11, 2013, the Company announced a multi-year, comprehensive partnership with New York based USA Studios, a leading provider of postproduction and distribution services for brands and agencies. As a result of the partnership, YANGAROO and USA will jointly sell and market their services, using YANGAROO's leading digital distribution technology and USA's full spectrum of capabilities to drive growth and revenue. At the same time, YANGAROO and USA will benefit by being integrated into each other's workflows and that of their customers as well as from opportunities for collaborative, customer-centric product development.

On April 29, 2013, the Company announced the resignation of Karen Dealy, President, Advertising Operations. Effective May 17, 2013, Dealy will continue to serve as a consultant to the Company as YANGAROO further grows its advertising business. The Company has not announced plans for a replacement.

Results of Operations

Summary of Quarterly Results

The following table sets out selected financial information, presented in Canadian dollars. The information is prepared in accordance with IFRS:

	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Working capital	$ 579,767	$ (5,741,021)	$ (5,331,876)	$ (4,996,607)
Sales	$ 761,280	$ 752,760	$ 629,352	$ 546,822
Expenses	$ 1,161,859	$ 1,206,733	$ 1,339,243	$ 1,217,431
Loss for the period	$ 400,579	$ 453,973	$ 709,891	$ 670,609
Reconciling items:				
Interest income	$ 1,155	$ -	$ 67	$ 544
Interest expense	$ (204,903)	$ (240,454)	$ (479,320)	$ (343,426)
Depreciation and amortization of intangibles	$ (17,776)	$ (16,577)	$ (16,932)	$ (18,180)
Loss of extinguishment	$ -	$ -	$ -	$ -
Legal fees re: refinancing	$ -	$ (21,421)	$ -	$ -
Adjusted EBITDA	$ (179,055)	$ (175,521)	$ (213,706)	$ (309,547)
Loss per share (basic & diluted)	$ 0.003	$ 0.003	$ 0.005	$ 0.005

	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Working capital	$ (4,369,579)	$(4,033,380)	$ (3,375,283)	$ (1,238,374)
Sales	$ 455,756	$ 410,360	$ 307,976	$ 275,799
Expenses	$ 754,068	$ 1,128,839	$ 2,547,909	$ 1,632,370
Loss for the period	$ 298,312	$ 718,479	$ 2,239,933	$ 1,356,571
Reconciling items:				
Interest income	$ 1,613	$ 1,705	$ 509	$ 374
Interest expense	$ (618,209)	$ (201,956)	$ (114,409)	$ (83,315)
Depreciation and amortization of intangibles	$ (20,074)	$ (18,090)	$ (18,457)	$ (25,592)
Loss of extinguishment	$ 793,744	$ -	$ (1,589,968)	$ -
Legal fees re: refinancing	$ -	$ -	$ -	$ -
Adjusted EBITDA	$ (455,386)	$ (500,138)	$ (517,608)	$ (1,248,038)
Loss per share (basic & diluted)	$ 0.002	$ 0.005	$ 0.019	$ 0.011

Adjusted EBITDA

In the quarter ended December 31, 2012, the Company's adjusted EBITDA loss decreased by $276,331 (61%) year over year and increased by $3,534 (2%) compared to the quarter ended September 30, 2012. The decrease from prior year is due to the following: the Company continues to increase its revenue in both the Entertainment and Advertising Divisions, and second, the Company remains focused on diligently managing costs. The increase from prior quarter is mainly due to the increase in salary and consulting expenses.

Revenue

The Company saw significant year on year growth in the three month period ended December 31, 2012 from both divisions. Total revenue of $761,280 was the result of growth in both the Advertising and Entertainment Divisions resulting in a 67% ($305,524) increase in revenue over the same period in 2011 and an increase of 1% ($8,520) from the previous quarter (September 30, 2012 - $752,760).

	2012 Q4	2011 Q4	$ Change	% Change
Advertising Division	$145,626	$98,344	$47,282	48%
Entertainment Division				
Music audio	189,678	160,268	29,410	18%
Music video	136,120	55,684	80,436	144%
Awards management	233,438	99,293	134,145	135%
Subscriptions fees	56,418	42,167	14,251	34%
Total Entertainment Division	$615,654	$357,412	$258,242	72%
Total revenue	$761,280	$455,756	$305,524	67%

(i) Advertising

YANGAROO earned revenue of $145,626 (December 31, 2011 - $98,344) in the quarter, which marked a 48% ($47,282) increase over the same period in 2011 and a 38% ($89,546) decrease in revenue from the previous quarter (September 30, 2012 - $235,172). Results for the quarter were adversely affected by Hurricane Sandy, when distribution of content out of New York was minimal for 2 weeks.

During the year, the advertising division continued to grow with increased usage by existing YANGAROO users: broadcasters, agencies and production houses.

With the newly implemented process for automated customization features, the Company saw a significant increase in demand for delivery for direct response advertising. Clients are taking advantage of the ability to streamline their workflow and eliminate high production costs, resulting in significant savings on distribution.

Other enhanced capabilities that commenced during the year include:

- **Automated Traffic Confirmations** – The first of its kind, this capability allows agencies instant access to online confirmations of traffic and media notifications, eliminating the need for manual call-outs to station personnel.
- **Centre Cut Safe Viewer** – YANGAROO's advertisers can now see a center-cut safe overlay when viewing a copy of their high definition (HD) commercial. This new feature enables clients to verify that ads are title safe before distribution.

(ii) Entertainment

Entertainment Division revenues continued to grow with a 72% ($258,242) increase in the quarter over the same period in 2011 (December 31, 2011 -$357,412), and a 19% ($98,066) increase over those in the previous quarter (September 30, 2012 - $517,588). The Company benefited from the greater adoption of YANGAROO's Digital Media Distribution System (DMDS) for audio and video delivery by major label and independent customers, primarily in the U.S. market. Revenue growth in the music video delivery sector was driven by MTV Networks' move to High Definition (HD) and their announcement to the industry that they were requesting that all HD music videos be delivered via DMDS. The YANGAROO Awards platform expanded its horizons significantly with the addition of the Latin Grammys and the Emmys. YANGAROO Awards has become the standard for award shows in North America, with The Grammys, The Emmys, The JUNOS, The Academy of Country Music Awards, and The MTV Movie Awards, among others.

Operating Expenses

Total operating expenses for the three months ended December 31, 2012 was $958,111 which increased by 3% ($26,895) over the same period in fiscal 2011 (December 31, 2011 - $931,216). This slight increase can be attributed to a jump in advertising production and offline delivery costs directly related to the increase in sales. Total operating expenses decreased by 1% ($8,168) from the previous quarter (September 30, 2012 - $966,279). The slight decrease from prior quarter can be directly tied to the decrease in production and offline delivery expenses related to advertising deliveries in the quarter.

(i) Salaries and Consulting

Salaries and consulting expense for the three months ended December 31, 2012 was $673,508. This balance marked a 3% ($24,308) decrease over the same period in the prior year (December 31, 2011 - $697,816) and an 8% ($49,018) increase from the previous quarter (September 30, 2012 – $624,490). The overall decrease from prior year is attributed to the completion of severance payments to the former President and CFO. The increase from the previous quarter is attributed to a bonus payment made and the issuance of stock options in the quarter.

(ii) General and Administrative

General and administrative expense for the three months ended December 31, 2012 was $230,404, which decreased by 8% ($19,662) over the same period in the prior year (December 31, 2011 - $250,066) and decreased by 12% ($30,290) from the previous quarter (September 30, 2012 – $260,694). The decrease from prior year was due to the absence of recruitment expenditures and shareholder related costs in the current year. The decrease from prior quarter can be directly tied to the slight decrease in production and offline delivery expenses related to advertising deliveries.

(iii) Marketing and Promotion

Marketing and promotion expense for the three months ended December 31, 2012 increased by 104% from $33,265 for the quarter ended December 31, 2011 to $67,881 for the period ended December 31, 2012. This increase of $34,616 was caused by royalties owing on the higher revenue base. This expense increased by 22% ($12,338) from the previous quarter (September 30, 2012 -

$55,543). This increase is due to the costs of hiring a public relations firm in the last quarter.

(iv) Technology Development

Technology development expense for the three months ended December 31, 2012 increased by 55% ($38,547) over the same period in the prior year (December 31, 2011 - $70,005), and decreased by 451% ($40,433) from the previous quarter (September 30, 2012 - $8,975). The increase from prior year is due to smaller adjustments on the investment tax credits. The decrease from prior quarter is due to greater than anticipated investment tax credits.

Net Loss

The Company saw an increase in net loss for the current period to $400,579 representing a 34% ($102,267) increase from the same period in the prior year (December 31, 2011 - $298,312). The prior year net loss included a one-time reversal of the debt extinguishment cost which mitigated the loss in the period. Excluding this nonrecurring item would result in a decrease in net loss for the current period compared to prior year. The current period net loss represents a 12% ($53,394) decrease from the previous quarter (September 30, 2012 – $453,973). This reduction coincides with the substantial rise in revenue, completion of severance payments, and the Company’s adherence to cost cutting measures.

Outlook

Continuing with the trend that began at the beginning of the year, revenue for the quarter grew by 1% ($8,520) over the prior quarter (September 30, 2012 - $752,760), and increased by 67% (305,524) over the prior year (December 31, 2011 – $455,756) with all areas of the business contributing. Adjusted EBITDA (loss) for the current period declined by 61% ($276,311) compared to the same period in the prior year (December 31, 2011 – $455,386) as a result of the increased revenue. The adjusted EBITDA (loss) increased from the prior quarter, due to reduced advertising revenue in the quarter as a result of Hurricane Sandy. The Company however did benefit in the quarter from diverse streams, with a significant increase in Awards revenue offsetting the decline in advertising revenue.

The Company continues to manage costs diligently, while investing in measurable revenue drivers only, primarily in the sales and marketing areas.

YANGAROO Advertising Division:

While Q4 was adversely affected by Hurricane Sandy, the Company continues to see increased activity from both existing and potential new customers. The result of these sales and marketing efforts bodes well for the future.

YANGAROO continues to invest to ensure that its customers have access to industry leading technology.

YANGAROO Entertainment Division:

The Entertainment Division revenues grew again this quarter, led by the Awards division. The addition of the Emmy’s is the first significant non-music related awards show and demonstrates the potential of this platform for future growth outside this division’s core business. Revenue from audio and video deliveries also continues to increase, with increases in overall volume and conversion to HD content leading growth.

Liquidity, Capital Resources and Financing

As at April 12, 2013, the Company had cash and cash equivalents balance of $418,654 and a working capital of $355,538. The current working capital is positive compared to prior year due to the reclassification of the debentures from current to long term liabilities during the year. To date the Company has been successful raising capital. On August 31, 2012, Phase 1 of YANGAROO's Private Placement closed, raising aggregate gross proceeds just under $344,000, in respect of which 6,875,652 units were subscribed for at a price of $0.05 per unit. The Private Placement was closed on October 3, 2012 raising aggregate gross proceeds of $1,268,783. On December 13, 2012, the Company closed an additional Private Placement raising aggregate gross proceeds of $315,000, in respect of which the 6,300,000 units were subscribed for at a price of $0.05 per unit.

The Company will continue to invest funds in building its business to achieve key market and growth targets. Currently, the Company's operations are not yet generating positive cash flow. The Company will have to raise additional capital to fund operations until such point that revenues from their technology are able to fund operations. See Going Concern.

Share Capital

The following securities were outstanding as at April 15, 2013:

Common shares	163,244,771
Warrants	39,013,652
Stock options - Non vested	4,494,409
Stock options – Vested	4,958,591

Off Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Future Accounting Standards

The IFRS Board periodically issues new standards and amendments or interpretations to existing standards. The following accounting standards, amendments and interpretations have been issued but are not yet effective for the Company. Management is currently assessing the impact of the new standards on the Company's accounting policies and financial statement presentation.

(i) IFRS 7 *Financial Instruments: Disclosure* was amended by the IASB in December 2011 to provide additional information about offsetting of financial assets and financial liabilities. Additional disclosures will be required to enable users of financial statements to evaluate the effect or potential effect of netting arrangements on the entity's financial position. The amendments are effective for annual periods beginning on or after January 1, 2013.

(ii) IFRS 9 *Financial Instruments* was issued by the IASB in October 2010 and will replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2013.

(iii) IFRS 10 *Consolidated Financial Statements* was issued by the IASB in May 2011. IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 replaces the consolidation requirements in SIC-12 *Consolidation—Special Purpose Entities* and IAS 27 *Consolidated and Separate Financial Statements* and is effective for annual periods beginning on or after January 1, 2013.

(iv) IFRS 11 *Joint Arrangements* was issued by the IASB in May 2011. IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities - Non-Monetary Contributions by Venturers*, and is effective for annual periods beginning on or after January 1, 2013.

(v) IFRS 12 *Disclosure of Interests in Other Entities* was issued by the IASB in May 2011. IFRS 12 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after January 1, 2013.

(vi) IFRS 13 *Fair Value Measurement* was issued by the IASB in May 2011. IFRS 13 establishes new guidance on fair value measurement and disclosure requirements for IFRSs and US generally accepted accounting principles (GAAP). The guidance, set out in IFRS 13 and an update to Topic 820 in the FASB's Accounting Standards Codification (formerly referred to as SFAS 157), completes a major project of the boards' joint work to improve IFRSs and US GAAP and to bring about their convergence. The standard is effective for annual periods beginning on or after January 1, 2013.

(vii) IAS 1 *Presentation of Financial Statements* was amended by the IASB in June 2011 in order to align the presentation of items in other comprehensive income with US GAAP standards. Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012.

Critical Accounting Policies and Estimates

The preparation of the Company's audited financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the financial results of the Company. Such estimates and assumptions affect the carrying value of assets and impact decisions as to when and development costs should be capitalized or expensed.

Other significant estimates made by the Company include factors affecting valuations of share-based compensation. The Company regularly reviews its estimates and assumptions, however, actual results could differ from these estimates and these differences could be material.

Going Concern

The Company will have to raise additional capital to fund operations until such point that revenues from their technology are able to fund operations. If the Company is not able to raise sufficient capital then there is the risk that the Company will not be able to realize the value of its assets and discharge its liabilities. At December 31, 2012, the Company had working capital of $579,767 and deficit of $32,380,234. To date the Company has been successful raising capital. Refer to Corporate Activities.

Internal Controls

Disclosure controls and procedures within the Company have been designed to provide reasonable assurance that all relevant information is identified to its management, including the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), as appropriate, to allow required disclosures to be made in a timely fashion.

Internal controls over financial reporting have been designed by management, under the supervision of and with the participation of the Company's CEO and CFO, to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

In the Company's year-end filings, the Company's CEO and CFO certify, as required by National Instrument 52-109, the appropriateness of the financial disclosure, the design of the Company's disclosure controls and procedures, and the design of internal controls over financial reporting.

The CEO and CFO of the Company have also evaluated whether there were changes to the Company's internal control over financial reporting during the year ended December 31, 2012 that have materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting. There were no changes identified during their evaluation.

Risk Management

The Company is exposed to a variety of risks, including, but not limited to the risks set out below. The Company considers these risks the most significant to potential investors, but not all of the risks associated with an investment in securities of YANGAROO Inc.

1. Financial Risk Management

- Market risk
- Currency risk
- Interest rate risk
- Credit risk
- Liquidity risk
- Fair value

2. Operational risks

- Seasonality of advertising revenue
- Dependent on the internet as a medium for business and communication
- The lack of a defined market for the Company's product
- Online commerce security
- The ability to generate revenue and control operating costs
- Lack of profitability
- Contingencies
- Impact of human error

3. Non-Financial Risks

- Heavily relying on upper management
- Management of growth
- Competition risks
- Availability and dependence on management and outside advisors
- Price and volatility of public stock
- Global financial conditions

Other Information

Additional information relating to the Company is available under the Company's profile on SEDAR at www.sedar.com.

On behalf of the Board of Directors

Gary Moss
Director, President and Chief Executive Officer

CORPORATE INFORMATION

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Board of Directors

Anthony Miller	*Chair, Member of Audit Committee & Compensation Committee (Chairman)*
Clifford G. Hunt	*Vice-Chairman, Chief Operating Officer & Secretary*
Gary Moss	*Chief Executive Officer & President*
Howard Atkinson	*Member of Audit Committee (Chairman) and Compensation Committee*
Gerald C. Quinn	*Member of Audit Committee and Compensation Committee*
Sander Shalinsky	*Member of Compensation Committee*

Officers

Gary Moss	*Chief Executive Officer & President*
Clifford G. Hunt	*Vice-Chairman, Chief Operating Officer & Secretary*
Michael Galloro	*Chief Financial Officer*
Richard Klosa	*Chief Technology Officer*
Karen R. Dealy	*President, Advertising Operations*

Stock Exchange Listing

TSX Venture Exchange	*Stock Symbol – YOO*
OTCBB	*Stock Symbol – YOOIF*

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