YANGAROO Inc.

Management's Discussion and Analysis

Quarter Ended June 30, 2019

67 Mowat Avenue, Suite 535
Toronto, Ontario, Canada, M6K 3E3
416-534-0607
www.yangaroo.com

Introduction

Unless the context suggests otherwise, references to “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 unaudited condensed interim financial statements for the three and six months ended June 30, 2019 and the audited financial statements and related notes for the years ended December 31, 2018 and 2017 which are prepared in accordance with International Financial Reporting Standards (“IFRS”). The information below is prepared in accordance with IFRS.

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, in those markets in which it operates, and on various estimates and assumptions.

These forward-looking statements describe the Company’s expectations as at August 13, 2019. The Company’s actual results could be materially different from its expectations if known or unknown risks affect the business, or 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 or 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 media management solution for the entertainment and advertising industries. DMDS is an end to end technology solution that provides a fully integrated work flow based digital distribution and data management solution. DMDS replaces the physical and less effective proprietary hardware/software distribution solutions. DMDS provides 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 distribution 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.

Outlook

"Consolidated revenue for the second quarter of 2019 was up 22% on a quarter-over-quarter basis and 11% over the same quarter in 2018. This reflects in a rebound in advertising and awards show revenues," said Gary Moss, President and CEO of Yangaroo. "Advertising revenue for the quarter increased by 23% over the prior quarter and 16% over 2018 as advertising sales from existing customers increased. Awards show revenues increased as expected offsetting the timing of revenue recognition seen in the first quarter. Our existing sales push to expand our customer base is working and will be reflected in our sales in the second half of 2019. Based on our new client signings, we believe a 15% exit annual run rate growth for 2019 advertising revenue is achievable."

Gary Moss further added, "We were very pleased to announce the closing of a new loan facility and the early repayment of debentures during the second quarter, which have contributed to a strong cash and working capital position. We expect to deploy our balance sheet strength to help us deliver organic growth as the Company pursues advertising market share in the US, Latin America, and Canada. Finally, we expect to recommence our share buy-back program in mid-August 2019 and to continue through to the end of the year subject to normal trading blackout restrictions. To date our share buy-back program has resulted in a total of 304,500 shares acquired and cancelled by the Company at a weighted average price of $0.13 / share. We intend to continue to buy-back shares opportunistically given the low share price range".

As at August 13, 2019, the Company had a cash balance of approximately $2.0 million.

Working capital of $1.6M, as at June 30, 2019, was negatively impacted by the adoption of IFRS 16 in 2019, which resulted in an additional $0.2 million in current liabilities related to leased office space when compared to the previous year comparison periods.

The Company will continue to invest funds in building its business to achieve key market and growth targets. The Company has identified a goal of 10% market share of the North American and Latin American advertising distribution market. Currently, the Company's operations are generating positive cash flow and the Company does not anticipate having to raise additional equity capital at this time.

Results of Operations

Summary of Quarterly Results

	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Working capital [(a)]	$ 1,596,188	$ 1,636,766	$ 2,724,443	$ 2,317,519
Revenues	$ 1,987,636	$ 1,633,154	$ 2,005,479	$ 1,735,291
Expenses	$ 2,079,615	$ 2,010,265	$ 1,643,413	$ 1,650,445
Income (loss) for the period	$ (91,979)	$ (377,110)	$ 362,066	$ 84,846
Reconciling items:				
Interest income	$ (5,552)	$ (7,433)	$ (4,901)	$ (4,525)
Interest expense	$ 33,769	$ 25,964	$ 17,661	$ 17,775
Depreciation of property and equipment	$ 87,224	$ 80,903	$ 24,390	$ 27,883
Income tax expense	$ -	$ 324	$ 6,193	$ -
EBITDA (loss)	$ 23,462	$ (277,352)	$ 405,409	$ 125,979
Income (loss) per share - basic	$ (0.00)	$ (0.01)	$ 0.01	$ 0.00
Income (loss) per share - diluted	$ (0.00)	$ (0.01)	$ 0.01	$ 0.00

(a) The Company adopted IFRS 16 – Leases beginning January 1, 2019 using the modified retrospective approach without restating historic financial statements. As at June 30, 2019, the Company has an additional $242,293 in current liabilities related to the current portion of finance lease obligations resulting from the adoption of IFRS 16.

	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Working capital	$ 2,169,189	$ 2,118,059	$ 1,960,841	$ 1,889,281
Revenues	$ 1,797,924	$ 1,949,090	$ 1,909,974	$ 1,978,395
Expenses	$ 1,816,752	$ 1,864,119	$ 1,821,481	$ 2,194,106
Income (loss) for the period	$ (18,828)	$ 84,971	$ 88,493	$ (215,711)
Reconciling items:				
Interest income	$ (5,391)	$ (2,983)	$ (386)	$ (277)
Interest expense	$ 18,204	$ 18,600	$ 19,116	$ 19,205
Depreciation of property and equipment	$ 30,659	$ 30,478	$ 30,285	$ 29,134
Income tax expense	$ 389	$ -	$ -	$ 3,572
EBITDA (loss)	$ 25,033	$ 131,066	$ 137,508	$ (164,077)
Income (loss) per share - basic	$ 0.00	$ 0.00	$ 0.00	$ (0.00)
Income (loss) per share - diluted	$ 0.00	$ 0.00	$ 0.00	$ (0.00)

EBITDA

For the quarter ended June 30, 2019, the Company's EBITDA was $23,462, which was a decrease of $1,571 or 6% year over year and increased by $300,815 or 108% compared to the quarter ended March 31, 2019. EBITDA compared to prior-year was flat and primarily attributed to an increase in advertising revenues and an increase in labour costs over the comparison periods. The increase in EBITDA from the prior quarter was primarily attributed to a rebound in advertising revenues, and an increase in awards show revenues as the Company adopted IFRS 15 and began to recognize award sales based on milestones, net of slightly higher salary and consulting expenditures in the current period.

Normalized EBITDA

Normalized EBITDA excludes the impact of any nonrecurring and non-cash operating expenses, therefore representing normalized cash flows from operations.

	Q2 2019	**Q1 2019**	**Q4 2018**	**Q3 2018**
EBITDA (loss)	$ 23,462	$ (277,352)	$ 405,409	$ 125,979
Reconciling items:				
Stock option expenses	$ 86,555	$ 96,930	$ 33,567	$ 41,330
Foreign exchange loss (gain)	$ 61,500	$ 40,058	$ (99,714)	$ 36,992
Normalized EBITDA (loss)	$ 171,517	$ (140,364)	$ 339,262	$ 204,301

	Q2 2018	**Q1 2018**	**Q4 2017**	**Q3 2017**
EBITDA (loss)	$ 25,033	$ 131,066	$ 137,508	$ (164,077)
Reconciling items:				
Stock option expenses	$ 66,021	$ 101,095	$ 17,440	$ 28,621
Foreign exchange loss (gain)	$ (42,689)	$ (52,595)	$ (4,069)	$ 85,877
Restructuring costs	-	-	-	$ 428,506
Normalized EBITDA (loss)	$ 48,365	$ 179,566	$ 150,879	$ 378,927

For the quarter ended June 30, 2019, the Company's normalized EBITDA was $171,517, an increase of $123,152 or 255% year over year and an increase of $311,881 or 222% compared to the quarter ended March 31, 2019. The increase in normalized EBITDA versus prior year period and prior period are consistent with those of the EBITDA discussed above, excluding the impact of the foreign exchange gains and stock option expenses.

Revenue

For the quarter ended June 30, 2019, revenue was $1,987,636, an increase of $189,712 or 11% over the same period in 2018 (June 30, 2018 - $1,797,924) and increased by $354,481 or 22% from the previous quarter (March 31, 2019 - $1,633,154).

	Q2 2019	Q2 2018	$ Change	% Change
Advertising Division	$ 1,184,343	$ 1,025,092	$ 159,251	16%
Entertainment Division	$ 803,293	$ 772,832	$ 30,461	4%
Total Revenue	$ 1,987,636	$ 1,797,924	$ 189,712	11%

(i) Advertising

YANGAROO earned advertising revenue of $1,184,343 in the current quarter, which was an increase of $159,251 or 16% over the same period in 2018 (June 30, 2018 - $1,025,092) and an increase of $217,869 or 23% versus the previous quarter (March 31, 2019 - $966,475). The increase from the previous year and quarter was primarily attributed to a ramp up by existing and new advertising clients and also attribute to seasonality of advertising spending.

(ii) Entertainment

YANGAROO earned entertainment revenue of $803,293 in the current quarter, representing an increase of $30,461 or 4% over the same period in 2018 (June 30, 2018 - $772,832) and an increase of $136,613 or 20% versus the previous quarter (March 31, 2019 - $666,680). The increase from the prior year is primarily attributed to the adoption of IFRS 15 and a change to recognition of awards revenue on a straight-line basis versus based on milestones. The change caused a negative impact of approximately $100,445 which is expected to reverse over the course of 2019. The increase from the prior quarter is primarily attributed to seasonality and the adoption of IFRS 15 as well as slightly higher music delivery volumes and mark-ups in awards revenue prices.

Operating Expenses

	Q2 2019	Q2 2018	$ Change	% Change
Total commission and production costs	$ 85,745	$ 98,842	$ (13,097)	-13%
Total fixed costs:				
Salaries and consulting	$ 1,532,506	$ 1,388,661	$ 143,845	10%
Marketing and promotion	$ 71,554	$ 90,231	$ (18,677)	-21%
General and administrative	$ 161,370	$ 196,816	$ (35,446)	-18%
Technology development	$ 51,500	$ 41,030	$ 10,470	26%
Depreciation of property and equipment	$ 87,224	$ 30,659	$ 56,565	184%
Total fixed costs	$ 1,904,154	$ 1,747,397	$ 156,757	9%
Total operating expenses	$ 1,989,899	$ 1,846,239	$ 143,660	8%

Commission and Production Costs

Total commission and production costs for the quarter ended June 30, 2019 was $85,745 and represents a decrease of $13,097 or 13% from the prior year (June 30, 2018 - $98,842) and a decrease of $24,773 or 22% from the previous quarter (March 31, 2019 - $110,517). Commission and production costs are highly correlated to advertising and entertainment revenue, respectively, and as such trend carefully with these two line items.

Fixed Costs

Total fixed costs for the quarter ended June 30, 2019 was $1,904,154, an increase of $156,757 or 9% over the prior year period (June 30, 2018 - $1,747,397) and an increase of $63,319 or 3% from the previous quarter (March 31, 2019 - $1,840,834).

(i) Salaries and Consulting

Salaries and consulting expenses for the quarter ended June 30, 2019 were $1,532,506 representing an increase of $143,845 or 10% over the same period in the prior year (June 30, 2018 - $1,388,661) and an increase of $80,917 or 6% from the previous quarter (March 31, 2019 - $1,451,590). The increase from the prior year and prior quarter is primarily attributed to an increase in head count related to additional technology and sales staff as the Company ramps up its research and development and sales growth initiatives primarily in the US advertising sector.

(ii) Marketing and Promotion

Marketing and promotion expenses for the quarter ended June 30, 2019 were $71,554 representing a decrease of $18,677 or 21% versus the prior year period (June 30, 2018 - 90,231) and a decrease of $43,412 or 38% versus the prior quarter (March 31, 2019 - $114,965). The decrease from prior year is primarily attributed to lower travel expenditures due to timing of related work partially offset by higher merchandising and promotional expenses. The decrease from prior period is primarily attributed to lower sponsorship fees, lower conference attendance and related fees, and lower overall travel.

(iii) General and Administrative

General and administrative expenses for the quarter ended June 30, 2019 were $161,370 representing a decrease of $35,446 or 18% over the same period in the prior year (June 30, 2018 - $196,816) and an increase of $9,813 or 6% from the previous quarter (March 31, 2019 - $151,557). The decrease from the prior year is primarily attributed to the adoption of *IFRS 16 – Leases* which resulted in a lower rent expense on the Company's main office, located in Toronto, as a result of the lease liability now presented as a finance lease obligation on the balance sheet. The decrease from the prior quarter is primarily attributed to lower professional advisor fees as they related to legal and accounting activities.

(iv) Technology Development

Technology development expenses for the quarter ended June 30, 2019, were $51,500 representing an increase of $10,470 or 26% over the same period in the prior year (June 30, 2018 - $41,030) and an increase of $9,681 or 23% from the previous quarter (March 31, 2019 - $41,819). The increase from the prior year and quarter is related to higher technology development related expenses as the Company ramps up its product development efforts.

Revenue, Net of Commission and Production Costs

	Q2 2019	**Q2 2018**	**$ Change**	**% Change**
Total revenues	$ 1,987,636	$ 1,797,924	$ 189,712	11%
Total commission and production costs	$ 85,745	$ 98,842	$ (13,097)	-13%
Revenue, net of commission and production costs	$ 1,901,891	$ 1,699,082	$ 202,809	12%

Revenue, net of commission and production costs was $1,901,891 for the quarter ended June 30, 2019, an increase of $202,809 or 12% over the same period in 2018 (June 30, 2018 - $1,699,082) and an increase of $379,254 or 25% from the previous quarter (March 31, 2019 - $1,522,637). See above variance analysis on revenues and variable costs.

Net Loss and Comprehensive Loss

The Company incurred a net loss and comprehensive loss of $91,979 in the current period, an increase of $73,151 or 38% from the same period in the prior year (June 30, 2018 – $18,828) and a decrease of $285,132 or 76% versus the prior period (March 31, 2019 – $377,111). The reasons for the changes from prior year and prior period are consistent with those of the EBITDA and normalized EBITDA discussions above. Additionally, see above variance analysis on revenues and operating expenditures.

Corporate Activities

On January 10, 2019, the Company announced a grant of stock options in accordance with the terms and conditions of the Company's Stock Option Plan to certain officers, directors, employees and consultants of the Company, to purchase an aggregate of 2,155,000 common shares in the capital stock of the Company, following the expiration of 1,535,000 stock options in the final quarter of 2018. The stock options are exercisable for a period of five years from the date of grant at a price of $0.155 per share. Following 10% of the Options vesting on the date of grant, the remaining 90% will vest as to a third on each 6-month anniversary following the date of grant.

On February 20, 2019, the Company announced that it has appointed Dom Kizek as Chief Financial Officer of the Company. The Company granted Mr. Kizek 100,000 stock options, which are exercisable for a period of five years from the date of grant at a price of $0.15 per share. Following 10% of the stock options vesting on the date of grant, the remaining 90% will vest as to a third on each 6-month anniversary following the date of grant. Mr. Kizek succeeds Michael Galloro, who has resigned from his role as Chief Financial Officer. The Company thanks Michael Galloro and the ALOE Finance team for their services.

On May 22, 2019, the Company announced it closed a $750,000 revolving demand loan facility and a $150,000 lease facility (together, the "Loan Facility"). The revolving demand loan facility has a maximum draw capacity of $750,000 bearing interest at prime plus 0.5 percent per annum. Borrowings under the revolving demand loan facility are due on demand and are secured by a general security agreement. The lease facility has a maximum draw capacity of $150,000 bearing interest at 5.0 percent, with payment terms over 2-4 years.

On June 18, 2019, the Company announced a grant of stock options in accordance with the terms and conditions of the Company's Stock Option Plan to certain officers and directors of the Company, to purchase an aggregate of 775,000 common shares in the capital stock of the Company. The stock options are exercisable for a period of five years from the date of grant at a price of $0.12 per share. Following 10% of the Options vesting on the date of grant, the remaining 90% will vest as to a third on each 6-month anniversary following the date of grant.

On June 3, 2019, the Company completed the early repayment of debentures in conjunction with the closing of the Loan Facility. Repayment amount of $613,472 included $113,472 in accrued interest.

Use of Non-IFRS Financial Measures

The following non-IFRS definitions are used in this MD&A because management believes that they provide useful information regarding the Company's ongoing operations. Readers are cautioned that the definitions are not recognized measures under IFRS, do not have standardized meanings 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 these measures may differ from the methods used by other entities and accordingly, these measures may not be comparable to similarly titled measures used by other entities or in other jurisdictions.

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. EBITDA is derived from the statements of comprehensive income (loss) and can be computed as revenues less salaries and consulting expenses and property, technology, marketing and administration expenses.

Revenue, net of commission and production costs as defined by the Company means total revenues less total commission and production costs, excluding fixed costs. Revenue, net of commission and production costs is derived from the statements of comprehensive income (loss), and can be computed as total revenues, including advertising, music audio & video, awards management and licensing revenue streams, less total commission and production costs, including commission costs related to sales personnel, and post-production costs related to its advertising production activities. The Company does not incur fixed costs as it sells technology services, not tangible goods, thus the calculation of revenue, net of commission and production costs excludes fixed costs.

Working capital as defined by the Company means current assets less current liabilities.

The Company believes EBITDA revenue, net of commission and production costs, and working capital, are useful measures because they provide information to both management and investors with respect to the operating and financial performance of the Company.

Share Capital

The following securities were outstanding as at August 13, 2019:

Common shares	61,034,640
Warrants	500,000
Stock Options	7,095,000

Liquidity Risk and Capital Resources

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections.

The Company manages its liquidity risk by forecasting cash flows from operations and anticipating investing and financing activities. Senior management is also actively involved in the review and approval of planned expenditures.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses. To achieve this objective, the Company prepares annual capital expenditure budgets, which are regularly monitored and updated as considered necessary.

As at June 30, 2019, the Company had a cash balance of $1,687,844 and working capital of $1,596,188.

The Company also has available a revolving loan facility of $750,000 with undrawn capacity at June 30 2019 of $52,000. Borrowings are due on demand and bear interest at prime plus 0.5% per annum and are secured by a general security agreement.

As at June 30, 2019 the Company had no capital commitments, other than as disclosed in the financial statements.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements, other than as disclosed in the financial statements.

Related Party Transactions

Key management personnel are comprised of the Company's directors and executive officers. In addition to their salaries, key management personnel also participate in the Company's share option program. Details are disclosed in the financial statements.

In addition, during the year ended December 31, 2017, the Company issued debentures with a principal amount of $100,000 and issued 100,000 bonus warrants to a director of the Company pursuant to an offering of secured, non-convertible debentures for aggregate gross proceeds of $500,000, completed on February 24, 2017. The debentures were repaid in full on June 3, 2019 (see above for further detail).

New Standards and Accounting Policies

The Company adopted the following standards during the period ended June 30, 2019:

In January 2016, the IASB issued IFRS 16 "Leases" ("IFRS 16"), which replaces IAS 17 "Leases", and is effective for annual periods beginning on or after January 1, 2019. IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for most leases on its balance sheet, as well as corresponding depreciation and interest expense. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

The Company typically leases office space for fixed periods of 1-5 years but may have extension options. The lease terms are negotiated on an individual basis and contains a wide range of different terms and conditions. The lease agreements do not impose any covenants, but the leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of lease.

Effective January 1, 2019, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. The lease liability is measured at amortized cost using the effective interest method. The finance cost is charged to profit and loss and right-of-use asset depreciated over the shorter of the life of the asset and the lease term on a straight-line basis.

The Company adopted IFRS 16 for the annual period beginning January 1, 2019 using the modified retrospective approach without restating the financial statements on a retrospective basis. The Company assessed the impact of the new standard on its systems and processes and evaluated the practical expedients and policy choices that are available under the standard. As such, the Company has elected not to recognize assets and lease liabilities for short-term leases, that have a lease term of 12 months or less, and leases of low-value assets. Lease payments associated with these leases will be recognized as a straight-line expense over the lease term.

Adoption of IFRS 16 resulted in the recognition of additional lease liabilities and right-of-use assets on the balance sheet, a corresponding increase in depreciation and interest expense representing the accretion of the discount on the lease liability, and a decrease in lease and rental expenses. Cash flow from operating activities is increased under IFRS 16 as lease payments for additional right-of-use asset leases are be recorded as financing outflows in the statement of cash flows. The liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as of January 1, 2019. The weighted average incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 4.5%, consistent with the Company's incremental cost of capital and other finance leases in place.

For leases previously classified as finance leases the Company recognized the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right-of-use asset and the lease liability at the date of initial application. The measurement principles are only applied after that date and did not result in any measurement adjustments as all leases identified do not have material residual value guarantees, variable lease rates or expected term renewals at transition.

The Company's only additional right-of-use leased assets recognized at transition were property leases. The associated right-of-use assets for property leases were measured on a modified retrospective basis as if the new rules had always been applied. There are no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

	January 1, 2019
Operating lease commitments disclosed as at December 31, 2018	$ 839,027
Operating leases discounted using incremental borrowing rate at initial application	$ 804,134
Add: finance lease liabilities recognized at December 31, 2018	$ 88,628
Total	$ 892,762

	January 1, 2019
Current lease liabilities	$ 263,702
Non-current lease liabilities	$ 629,060
Total	$ 892,762

Critical Accounting Policies and Estimates

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements include the following: share-based payments, revenue recognition, investment tax credits, functional currency, and collectability of accounts receivable. Please refer to the condensed interim financial statements for the three and six months ended June 30, 2019 and 2018.

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.

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
- Customer concentration risk

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

Approval by the Board of Directors

The Board of Directors approved the contents of this MD&A on August 13, 2019. Disclosure contained in this document is current to this date, unless otherwise stated.

Other Information

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

CORPORATE INFORMATION

Address

YANGAROO Inc.
67 Mowat Avenue, Suite 535
Toronto, Ontario, Canada, M6K 3E3
Phone: 416-534-0607
Website: www.yangaroo.com

Board of Directors

Anthony Miller	*Chair, Member of Audit Committee & Compensation Committee (Chairman)*
Gary Moss	*Chief Executive Officer, President & Secretary*
Gerry Hurlow	*Member of Audit Committee (Chairman) & Compensation Committee*
Phil Benson	*Member of Audit Committee & Compensation Committee*

Officers

Gary Moss	*Chief Executive Officer, President & Secretary*
Dom Kizek	*Chief Financial Officer*
Richard Klosa	*Chief Technology Officer*
Grant Schuetrumpf	*President, Advertising*
Adam Hunt	*Senior Vice President - Entertainment*

Stock Exchange Listing

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

Registrar and Transfer Agent

Computershare
100 University Ave., 8th Floor
Toronto, Ontario, Canada M5J 2Y1
Phone: 1-800-564-6253 Fax: 1-888-453-0330

Auditors

RSM Canada LLP
11 King Street West, Suite 700
Toronto, Ontario, Canada M5H 4C7
Phone: 416-480-0160 Fax: 416-480-2646

Legal Counsel

ECS Law Professional Corporation
2425 Matheson Boulevard E., 8th Floor
Mississauga, Ontario, Canada L4W 5K4
Phone: 416-966-2188 Fax: 1-866-295-9834