YANGAROO INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

QUARTER ENDED JUNE 30, 2021

(EXPRESSED IN CANADIAN DOLLARS)

Introduction

Unless the context suggests otherwise, references to "the Company", "Yangaroo", 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, 2021 and 2020 and the audited financial statements and related notes for the years ended December 31, 2020 and 2019 (the "Financial Statements"), which are prepared in accordance with International Financial Reporting Standards ("IFRS"). The information below is prepared in accordance with IFRS and is presented in Canadian dollars, unless otherwise noted.

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, outlook, revenue guidance, EBITDA guidance, 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 at August 30, 2021. 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.

COVID-19 Matters

The ongoing COVID-19 pandemic crisis continues to evolve rapidly and could have a material adverse impact on our business, affairs, operations, results of operations, financial condition, liquidity, availability of credit and foreign exchange exposure. COVID-19 is altering business and consumer activity in affected areas and beyond. The global response to the COVID-19 outbreak has resulted in, among other things, border closures, severe travel restrictions, the temporary shut-down of non-essential services and extreme fluctuations in financial and commodity markets. Additional measures may be implemented by one or more governments in jurisdictions where we operate. Labour shortages due to illness, isolation programs imposed by us or the government, or restrictions on the movement of personnel could result in a reduction or cessation of all or a portion of our operations. The extent to which the COVID-19 pandemic may impact our business and activities will depend on future developments which remain highly uncertain and cannot be predicted with confidence, such as the spread of the disease, the duration of the outbreak, severity of the coronavirus and actions taken by the Canadian and US authorities, the postponement, suspension, cancellation, rescheduling and resumption of sporting events, the impact of the pandemic on consumer and advertiser spending, and the ability or willingness of suppliers and vendors to provide products and services. If the coronavirus continues to spread at the current pace, disruption to consumer spending and trade could trigger a global recession. The actual and threatened spread of COVID-19 globally could also have a material adverse effect on the regional economies in which we operate, could continue to negatively impact stock markets, including the trading price of our common shares, could cause continued interest rate volatility and movements and could adversely impact our ability to raise capital. Any of these developments, and others, could have a material adverse effect on our business, affairs, operations, results of operations, financial condition, liquidity, availability of credit and foreign exchange exposure. In addition, because of the severity and global nature of the COVID-19 pandemic, it is possible that estimates in our financial statements could change in the near-term and the effect of any such changes could be material, which could result in, among other things, an impairment of non-current assets and a change in the expected credit losses on accounts receivable. We will monitor the situation and any impacts or potential impacts on our business on an ongoing basis.

Description of Business

Yangaroo is a software company that is the provider of work-flow management solutions for the media industry. The Company's Digital Media Distribution System (DMDS) platform is an end-to-end technology solution that provides a fully integrated work-flow based digital distribution and data management solution. DMDS provides audio and video content for music audio and video and advertising to television, radio, media, retailers, award shows and other authorized recipients via the cloud in desktop and mobile platforms, as well as related work flow services such as data analytics and program clearance data management.

YANGAROO Inc. is a publicly listed company incorporated on July 28, 1999 under the laws of Ontario as Musicrypt.com Inc. and changed to its present name on July 17, 2007. YANGAROO trades on the TSX Venture Exchange (TSX-V) under the symbol YOO and in the U.S. under OTCBB: YOOIF.

The address of the Company's corporate office and principal place of business is 67 Mowat Avenue, Suite 535, Toronto, Ontario, M6K 3E3.

Outlook and Second Quarter Update

On May 21, 2021, Yangaroo closed a milestone acquisition of Digital Media Services Inc. ("DMS"). DMS is an advertising and content management delivery business based in New York City. Total consideration for the DMS business was USD $5.5 million, inclusive of USD $2.5 million paid on closing in addition to customary closing adjustments and expenses, and USD $3.0M to be paid over three years contingent on the DMS business hitting certain revenue targets based on DMS' fiscal 2019 actual revenue.

The second quarter of 2021 observed 59% year-over-year revenue growth in the Advertising division. The increase is largely attributed to the inclusion of the DMS business into our Advertising division. We continue to observe actual sales, on a year-over-year basis, in line with the negative impact COVID-19 has on the advertising industry and are treating this impact as transitory in nature with an expected rebound to pre-pandemic volumes and revenue trends in the near-term. As part of the next phase of growth we are now working on several industry specific integration and technology innovations to enhance our current service offering which we expect to fuel volumes and revenue with our expanded list of advertising clients and new prospects.

Yangaroo's Award division showed strong revenue growth of 19%, quarter over quarter, primarily attributed to seasonality as we head into awards season and begin to recognize sales on contractual agreements with our customers. Overall, our Awards division customers continue to renew their multi-year agreements with modest increases to their annual recurring fees complemented by additional development requests to enhance the customers platforms. In the second quarter of 2021 this included releasing an awards platform for a global streaming company and the development of a mobile and streaming application for an internationally recognized organization.

Yangaroo's Music division observed flat revenues on a quarter over quarter and year over year basis primarily attributed to lower usage from the music labels. However, this was offset by higher platform usage by independent music artists. Independent artist subscriptions continue to show strong revenue growth on a year-over-year basis. Our new partnership with market monitorLATINO and radioNOTAS commenced in the third quarter of 2021 and is expected to further drive revenue growth with the independent music artists across the Latin American and the US Hispanic markets.

Q2'2021 Financial Highlights

- Revenue in Q2 2021 was $2,152,833 compared to $1,586,695 and $1,560,547 in the second quarter of 2020 and the first quarter of 2021, respectively. The increase in revenue in Q2'2021 is primarily attributed to the acquisition of DMS in May 2021, which had a direct positive contribution to our advertising business, as well as our awards management business which ramped up customer sales in anticipation of award season in the second half of the year.

- Normalized EBITDA in Q2 2021 was $645,514, inclusive of government assistance, during the quarter ended June 30, 2021, in comparison to normalized EBITDA of $453,129 in the first quarter of 2021 ended March 31, 2021 and normalized EBITDA of $118,701 in the prior year quarter ended

June 30, 2020. The increase in normalized EBITDA is primarily attributed to higher advertising sales, primarily due to the acquisition of DMS' customers, and an increase in volumes in existing Yangaroo advertising customers, partially offset against the increase in higher salaries and general and administrative expenses, both of which were attributed to the acquisition of DMS' employees and operations.

- Balance Sheet Strength; cash and cash equivalents of $1,284,491, working capital of $2,474,561 and liquidity of $3,034,491 as of June 30, 2021.

Q2'2021 Commentary

Grant Schuetrumpf, CEO of Yangaroo, stated, "The second quarter acquisition of DMS was a significant milestone for Yangaroo. The acquisition was transformative as it provided significant new customers and their related volumes and revenue to our Advertising division, with an immediate positive impact to our revenue and normalized EBITDA, and which further demonstrated Yangaroo's ability to finance and execute on a complex transaction. The integration of the DMS business into our Advertising division is progressing very well and I am extremely pleased with our team's ability to execute in such a short time-frame."

"As we continue to integrate and execute on the DMS acquisition we continue to look at opportunities in the advertising, music, and technology spaces that would fit within our criteria as being accretive and with favourable valuation metrics."

Mr. Schuetrumpf further stated, "Although the Advertising division volumes from existing customers have not fully recovered in the second quarter of 2021, we continue to forecast existing customer volumes will recover to pre-pandemic levels as the advertising industry and general North American economy recovers. The second quarter did see incremental improvements in existing customer volumes and related volumes, on a quarter-over-quarter and year-over-year basis, and we expect that to continue going forward. Furthermore, one of the strengths of Yangaroo's business model is a diversified revenue stream, which continues to be displayed with revenue growth and strong EBITDA contribution from the Music and Awards divisions. Music and Awards have consistently shown strength during the COVID-19 pandemic and the second quarter of 2021 was no exception."

Dom Kizek, CFO of Yangaroo, added, "The ability to quickly and successfully integrate the DMS business and its respective customers has been a tremendous success for Yangaroo. We've seen significant cash generation subsequent to the closing of the acquisition and we expect to finish the year with a strong cash, working capital, and liquidity position, driven by strong revenue and EBITDA growth due to the DMS acquisition."

"Finally, the second quarter saw continued investment into our platform with capital being spent on development in our technology and service integrations, advertising and music analytics, TV clearance features, and improvements in the platforms user interface and platform functionality to improve the customers experience. We continue to focus on technology investment to drive higher recurring volumes and recurring revenue over the medium to long-term," Mr. Kizek added.

The Company's share buy-back program continues to be suspended and will continue to be evaluated on an on-going basis.

Results of Operations

Summary of Quarterly Results

	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Cash and cash equivalents	$ 1,284,491	$ 2,339,122	$ 1,861,253	$ 2,284,109
Working capital	$ 2,474,561	$ 3,300,913	$ 3,104,469	$ 3,122,343
Liquidity	$ 3,034,491	$ 3,339,122	$ 2,861,253	$ 3,284,109
Revenue	$ 2,152,833	$ 1,560,547	$ 2,067,026	$ 1,921,312
Operating expenses	$ 2,049,286	$ 1,181,309	$ 1,945,118	$ 1,514,515
Other expenses (income)	$ 131,938	$ 41,456	$ 155,315	$ 22,167
Income (loss) for the period	$ (28,391)	$ 337,782	$ (33,407)	$ 384,630
Reconciling items:				
Interest income	$ (43)	$ (711)	$ (773)	$ (1,166)
Interest expense	$ 31,627	$ 2,732	$ 3,261	$ 3,749
Depreciation of property and equipment	$ 154,309	$ 65,308	$ 67,389	$ 65,454
Income tax expense	$ -	$ -	$ -	$ -
EBITDA	$ 157,502	$ 405,111	$ 36,470	$ 452,666
EBITDA Margin %	7.32%	25.96%	1.76%	23.56%
Income (loss) per share - basic	$ (0.00)	$ 0.01	$ (0.00)	$ 0.01
Income (loss) per share - diluted	$ (0.00)	$ 0.01	$ (0.00)	$ 0.01

	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Cash and cash equivalents	$ 1,823,200	$ 1,973,686	$ 1,570,483	$ 1,705,416
Working capital	$ 2,722,393	$ 2,723,000	$ 2,086,700	$ 1,907,840
Liquidity	$ 2,823,200	$ 2,973,686	$ 2,570,483	$ 2,705,416
Revenue	$ 1,586,695	$ 2,372,767	$ 1,851,590	$ 1,959,865
Operating expenses	$ 1,585,604	$ 1,942,380	$ 1,654,175	$ 1,852,452
Other expenses (income)	$ 70,958	$ (198,222)	$ 39,931	$ (50,220)
Income (loss) for the period	$ (69,867)	$ 628,609	$ 157,485	$ 157,633
Reconciling items:				
Interest income	$ (1,717)	$ (3,695)	$ (4,233)	$ (4,549)
Interest expense	$ 7,665	$ 8,313	$ 5,423	$ 6,144
Depreciation of property and equipment	$ 68,043	$ 71,311	$ 67,798	$ 66,438
Income tax expense	$ -	$ -	$ (72)	$ 4,069
EBITDA	$ 4,124	$ 704,538	$ 226,401	$ 229,735
EBITDA Margin %	0.26%	29.69%	12.23%	11.72%
Income (loss) per share - basic	$ (0.00)	$ 0.01	$ 0.00	$ 0.00
Income (loss) per share - diluted	$ (0.00)	$ 0.01	$ 0.00	$ 0.00

EBITDA

For the quarter ended June 30, 2021, the Company's EBITDA was $157,502, an increase of $153,378 or 3719% year over year and a decrease of $247,609 or 61% compared to the quarter ended March 31, 2021. The increase in EBTIDA from the prior-year quarter is primarily attributed to higher Advertising division revenue from the improvement of the overall advertising industry as well as the acquisition of DMS off-set by higher operating expenses primarily from salaries and consulting, as well as general and administrative expenses.

Normalized EBITDA

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

	Q2 2021	Q1 2021	Q4 2020	Q3 2020
EBITDA (loss)	$ 157,502	$ 405,111	$ 36,470	$ 452,666
Reconciling items:				
Stock option expenses	$ 5,346	$ 8,584	$ 16,413	$ 30,049
Acquisition fees	$ 382,312	$ -	$ -	$ -
Restructuring expenses	$ -	$ -	$ 612,112	$ -
Foreign exchange loss (gain)	$ 100,354	$ 39,435	$ 152,827	$ 19,584
Normalized EBITDA (loss)	$ 645,514	$ 453,129	$ 817,821	$ 502,299
Normalized EBITDA Margin %	29.98%	29.04%	39.57%	26.14%

	Q2 2020	Q1 2020	Q4 2019	Q3 2019
EBITDA (loss)	$ 4,124	$ 704,538	$ 226,401	$ 229,735
Reconciling items:				
Stock option expenses	$ 49,567	$ 58,345	$ 46,404	$ 81,534
Acquisition fees	$ -	$ -	$ -	$ -
Restructuring expenses	$ -	$ -	$ -	$ -
Foreign exchange loss (gain)	$ 65,010	$ (202,841)	$ 38,812	$ (55,834)
Normalized EBITDA (loss)	$ 118,701	$ 560,042	$ 311,617	$ 255,384
Normalized EBITDA (loss) Margin %	7.48%	23.60%	16.83%	13.03%

For the quarter ended June 30, 2021, the Company's normalized EBITDA was $645,514, an increase of $526,813 or 444% year over year and an increase of $192,385 or 42% compared to the quarter ended March 31, 2021. The increase in normalized EBITDA versus the prior year quarter and prior quarter are primarily attributed to higher Advertising revenue, driven by improved customer volumes and the acquisition of DMS customers, and higher Awards revenue attributed to seasonality.

Intangible Assets – Development Costs

During the three and six months ended June 30, 2021, we capitalized product development costs of $220,947 and $411,906 (2020 - $nil). The significant new projects for the six month period ended June 30, 2021 consisted of new features in the Advertising platform, improvements in the user interface in the Music and Awards platforms, and significant new enhancements to the platform core technology infrastructure. In assessing whether costs can be capitalized for improvements, we exercise significant judgement when considering the extent of the improvement and whether it is substantial, whether it is sufficiently separable and whether expected future economic benefits are derived from the improvement itself. Factors considered in assessing the extent of the improvement include, but are not limited to, the degree of change in functionality and the impact of the project on the ability that we will be able to attract customers to our products and increase customer engagement with our products. Costs that do not meet these criteria, such as enhancements and routine maintenance, are expensed when incurred. Future economic benefits from these capitalized projects include net cash flows from future advertising and music revenue, which are dependent upon our ability to attract customers to our products and increase customer engagement with our products, and may also include anticipated cost savings, depending upon the nature of the development project.

Revenue

For the quarter ended June 30, 2021 revenue was $2,152,833, an increase of $566,137 or 24% over the same period in 2020 and an increase of $592,286 or 38% from the previous quarter (March 31, 2021 - $1,560,547).

	Q2 2021	Q2 2020	$ Change	% Change
Advertising Division	$ 1,366,432	$ 860,814	$ 505,618	59%
Entertainment Division	$ 786,401	$ 725,881	$ 60,520	8%
Total Revenue	$ 2,152,833	$ 1,586,695	$ 566,138	36%

(i) Advertising

The Company earned advertising revenue of $1,366,432 in the current quarter, an increase of $505,618 or 59% over the same period in 2020 and an increase of $551,575 or 68% versus the previous quarter (March 31, 2021 - $814,857). The increase from the previous year is primarily attributed to a recovery from an industry wide advertising slump attributed to weak economic fundamentals resulting from the COVID-19 pandemic in Q2'2020. Additionally, the Company acquired DMS in May 2021 which contributed one full month of Advertising revenue. The increase from the previous quarter is attributed to improved economic activity resulting from a post-COVID recovery which had delayed Advertising spend in Q1'20.

(ii) Entertainment

The Company earned entertainment revenue of $786,401 in the current quarter, representing an increase of $60,520 or 8% over the same period in 2020 and an increase of $37,406 or 5% versus the previous quarter (March 31, 2021 - $748,995). The increase from the prior year and prior quarter is primarily attributed to continued growth in the Company's Music division attributed to a music industry wide growth driven by independent artists. The ability of independent artists to monetize on their music, from streaming and online sales, has resulted in higher recurring usage of our platform. As well, award show revenue continued to show growth quarter over quarter as the awards management business ramped up customer sales in anticipation of award season in the second half of the year.

Operating Expenses

	Q2 2021	Q2 2020	$ Change	% Change
Salaries and consulting	$ 1,206,903	$ 1,268,516	$ (61,613)	-5%
Marketing and promotion	$ 30,494	$ 14,040	$ 16,454	117%
General and administrative	$ 177,210	$ 184,769	$ (7,559)	-4%
Technology development	$ 98,058	$ 50,236	$ 47,822	95%
Depreciation of property and equipment	$ 154,309	$ 68,043	$ 86,266	127%
Acquisition Fees	$ 382,312	$ -	$ 382,312	100%
Total operating expenses	$ 2,049,286	$ 1,585,604	$ 463,682	29%

Total operating expenses for the quarter ended June 30, 2021 were $2,049,286, an increase of $463,682 or 29% over the prior year period and an increase of $867,977 or 73% from the previous quarter (March 31, 2021 - $1,181,309).

(i) Salaries and Consulting

Salaries and consulting expense for the quarter ended June 30, 2021 was $1,206,903 representing a decrease of $61,613 or 5% over the same period in the prior year and an increase of $233,977 or 24% from the previous quarter (March 31, 2021 - $972,926). Salaries and consulting expense were lower compared to the prior year period were primarily attributed to government assistance funds and capitalized technology and product development costs. The Company recognized government assistance in the current period of $385,456 (June 30, 2020 - $372,000) from the Canadian Federal Government's Canada Emergency Wage Subsidy and the U.S. Small Business Administration's Payment Protection Program. Salaries and consulting expense were higher compared to the previous quarter and was primarily attributed to the DMS acquisition increasing payroll headcount and consultants.

(ii) Marketing and Promotion

Marketing and promotion expense for the quarter ended June 30, 2021 was $30,494 representing an increase of $16,494 or 117% versus the prior year period and an increase of $22,620 or 287% versus the prior quarter (March 31, 2021 - $7,874). The increase from the prior year and previous quarter were primarily attributed to a one-time bill payment to a marketing vendor.

(iii) General and Administrative

General and administrative expense for the quarter ended June 30, 2021 were $177,210 representing a decrease of $7,559 or 4% over the same period in the prior year and an increase of $116,514 or 192% from the previous quarter (March 31, 2021 - $60,696). The increase from the previous year quarter and previous quarter is primarily attributed to higher telephone, internet and insurance charges related to the acquisition of DMS.

(iv) Technology Development

Technology development expense for the quarter ended June 30, 2021, was $98,058 representing an increase of $47,822 or 95% over the same period in the prior year and an increase of $23,554 or 32% from the previous quarter (March 31, 2021 - $74,505). The increase from the prior-year and previous quarter is primarily attributed to higher expenses resulting from the DMS acquisition and relating to production and offline delivery as well as network management fees.

Net Income and Comprehensive Income

The Company generated net loss and comprehensive loss of $28,391 in the current quarter, an increase of $41,476 or 59% from the same period in the prior year and a decrease of $366,174 or 108% versus the previous quarter (March 31, 2021 – net income of $337,782). The reasons for the changes from the prior year and previous quarter are consistent with those of Revenue, Operating Expenses, EBITDA and Normalized EBITDA discussions above.

Corporate Activities

On May 21, 2021, the Company closed the acquisition of the business of Digital Media Solutions Inc. ("DMS") and its subsidiaries. Total purchase price was USD $5.5 million ("Total Consideration") in addition to customary closing fees and purchase price adjustments. On closing, the Company paid USD $2.5 million ("Base Consideration") with an additional USD $3.0 million ("Earn-Out Consideration") payable in annual installments over three years ("Earn-Out Period"). The Earn-Out Consideration is contingent on the DMS business hitting certain revenue targets over the Earn-Out Period that are linked to the DMS' fiscal-year 2019 revenue metrics.

In connection with the acquisition, on May 21, 2021, the Company closed a $5.0 million credit facility with the National Bank of Canada. Included in the credit facility is a $3.25 million term acquisition facility and a $1.75 million revolving credit facility.

Subsequent Events

Subsequent to period-end, the Company announce a grant of 1,115,000 restricted share units ("RSUs") in accordance with the terms and conditions of the Company's Omnibus Incentive Plan to certain directors, officers, and employees of the Company. This is the first grant under the Plan, which was approved at the Company's Annual General and Special Meeting of the shareholders held on June 29, 2021. The Plan allows for the grant of up to 6,651,935 stock options and 1,814,154 non-stock option awards (including the RSUs). Each RSU represents a right to receive, once vested, one common share in the capital stock of the Company, subject to the terms and conditions of the Plan. The RSUs vest 100% on January 31, 2022.

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.

EBITDA Margin as defined by the Company means EBITDA as a percentage of revenue.

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

Liquidity as defined by the Company means cash and cash equivalents plus available capacity in the Company's revolving credit facility.

The Company believes EBITDA, EBITDA margin, revenue, operating expenses, 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 30, 2021:

Common Shares	60,507,640
Warrants	-
Stock Options	6,579,500
Restricted Share Units	1,115,000

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, and 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 expenditure budgets, which are regularly monitored and updated as considered necessary.

As at June 30, 2021, the Company had a cash balance of $1,284,491 and working capital of $2,474,561.

The Company also has a revolving demand loan facility in the amount of $1,750,000 with $nil drawn as at June 30, 2021. Borrowings are due on demand bears interest at the bank's prime rate plus 1.95% per annum.

As at June 30, 2021 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 notes to the condensed interim financial statements for the three and six months ended June 30, 2021 and 2020.

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 six months ended June 30, 2021 and 2020 for further information.

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 Interim 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, on recommendation of the Audit Committee, approved the content of this MD&A on August 26, 2021. 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

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Board of Directors

Anthony Miller	*Chair of the Board of Directors, Member of Audit Committee & Compensation Committee*
H. Shepard Boone	*Chair of Compensation Committee & Member of Audit Committee*
Phil Benson	*Chair of Audit Committee & Member of Compensation Committee*
Grant Schuetrumpf	*Chief Executive Officer*

Officers

Grant Schuetrumpf	*Chief Executive Officer, President*
Dom Kizek	*Chief Financial Officer, Corporate Secretary*
Richard Klosa	*Chief Technology Officer*
Adam Hunt	*Senior Vice President, Entertainment*

Stock Exchange Listing

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

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