



**SPARTA CAPITAL LTD.
(o/a SPARTA GROUP)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
("MD&A")**

**FOR THE THREE- AND SIX-MONTH PERIODS ENDED
MARCH 31, 2024 AND 2023**

Dated May 30, 2024

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Sparta Capital Ltd.

Management's Discussion And Analysis For the three months ended December 31, 2023 & 2022

The following management's discussion and analysis ("MD&A") explains the variations in the consolidated operating results, financial position and cash flows of Sparta Capital Ltd. ("Sparta", "Sparta Group", the "Company", the "Corporation", "We", "Us" or "Our") for the three months ended June 30, 2023. This MD&A should be read in conjunction with the Company's audited consolidated financial statements for the years ended September 30, 2022 and 2021, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The Company's accounting policies under IFRS are set out in Note 4 of the audited consolidated financial statements for the years ended September 30, 2023 and 2022.

All amounts are in Canadian dollars.

The discussion in this management's discussion and analysis focuses on this year.

Forward Looking Statements and Risks

Certain statements included in this discussion may constitute forward-looking statements that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Corporation, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include changes in government regulations, general economic conditions and business conditions, ability to raise debt or equity financing as required to fund operations, ability to convert long term investments into cash through the sale of all or part of investments, foreign currency exposure, supplier constraints, transportation constraints, emissions standards, fuel prices, product quality and safety, alternative and competing products, protection of intellectual property, the findings resultant to due diligence programs, the results of product certification testing, the ability to attract and retain employees, sales agents and service personnel in Canada and in international markets, the actions of current and future competitors, future claims or litigation, the speculative nature of product research and development, and other factors that may affect demand for the Corporation's products and services and the ability of the Corporation to implement its business strategy and/or generate profit.

The words "may", "would", "could", "will", "likely", "estimate", "believe", "expect", "plan", "forecast", "is to be", "intend", "anticipate" and similar expressions are intended to identify forward-looking statements. Although Sparta has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Sparta does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

Overview

During Q2, we committed our resources to the development, planning, and operational setup of two additional branches of the organization which will add two new streams of revenue to Sparta Capital. We focused on developing Sparta Health's autonomous health product set to come to market in partnership with a European-based technology company, and we draw ever closer to the launch of TruckSuite Canada. Our Environment division saw a slight revenue decrease, however, reduced expenses significantly which, resulted in better profitability year to date.

In Q2 we continued the review and revamp of our TruckSuite™ operations, alongside our U.S. dream team to help assist us with the Canadian launch. This included finessing the comprehensive, one-of-a-kind mobile app that helps truckers deal with all the challenges they face out on the road, and securing the network of partnerships that will drive the app in Canada.

Subsequent to the period end, we received approval from the Alberta Securities Commission to release a proposed non-brokered private placement of up to 50,000,000 units of the Company at a price of \$0.02 per Unit for gross proceeds of up to \$1,000,000. The proceeds raised will be primarily earmarked to fund the licensing and specialty insurance registration, sales and marketing materials, brokerage costs, communications planning, as well as initial setup of administration and operational functions of TruckSuite™ Canada.

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Sparta operates with a decentralized business model, with each active business functioning as a separate subsidiary. This structure provides brand recognition, insight, high-level strategic guidance, and financial monitoring. Sparta Group is divided into three operational business segments, each accountable for its day-to-day operations and performance. Those segments are, Environment, Energy, and Innovation.

- **Sparta Environmental** is led by the established and robust Re-ECO Tech Electronics Ltd., o/a ERS-International ("ERS", ERS-International), collects e-waste materials with a focus on upcycling such waste streams into new environmentally valuable materials that are not only beneficial to our planet but are economically feasible as well. Our services provide viable options for helping manufacturers reduce waste, save resources, save money and lower their carbon footprint.
- **Sparta Energy** division upcycles "lost" or "wasted" energy. The flagship Illumineris entity provides a complimentary suite of technologies to analyze and assist its commercial and industrial clients in receiving value from wasted sources of energy within their existing power systems; with zero cost outlay. This includes; peak power mitigation systems through energy storage technology - eliminating black-out and brown-out conditions while significantly reducing global adjustment charges; power-factor and harmonic mitigation that brings plant voltages and currents back in sync while cleaning the electronic power systems - reducing costs through efficiencies and maintenance; LED lighting retrofits - cutting consumption by 60% - 80%; photoluminescent safety products that provide required safety lighting systems with zero energy costs; and IoT (Internet of Things) monitoring systems that can measure, monitor and optimize various energy systems in commercial and manufacturing facilities; all intended to help reduce power losses and corresponding costs.
- **Sparta Innovation** is focused on the discovery of new opportunities, initiatives and ventures, especially related to health of the planet and the health of those who inherently inhabit the planet. The Innovation division is presently comprised of TruckSuite Canada™, and Sparta Health Corp. TruckSuite™ is an all-in-one trucking app, driven by a platform designed to provide truck drivers and fleet owner/operators with all of the tools required for life and business on the road. Doc-in-a-Box, developed within Sparta Health Corp brings a proprietary evidence-based medical platform utilizing autonomous artificial intelligence with an individualized, decentralized blockchain-secure protocol.

Going Concern

These consolidated financial statements have been prepared on a going concern basis which presumes that the Company will realize its assets and discharge its liabilities in the normal course of business.

For the period ended March 31, 2024, the Company realized net loss of \$56,613 (2023— income of \$167,897), and negative cash flow from operations of \$95,867 (2022 positive – \$325,986) and at that date had an accumulated deficit of \$13,244,919 (2023 – deficit of \$12,873,750) and a working capital deficiency of \$1,156,662 (2023 – deficiency of \$1,423,941).

In order to meet the Company's future working capital requirements, it will be required to attract additional funds through the issue of debt or equity. The Corporation's management will continue to consider various alternatives to finance the Corporation's operations and activities within the context of existing market conditions. Additional capital requirements are dependent on uncertain future events, including but not limited to the results of the evaluation of other business growth opportunities, the level of growth in product sales and distribution. There can be no assurance that capital will be available as necessary to attain profitable operations or, if the capital is available, that it will be on terms acceptable to the Company.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. If the going concern assumption were not appropriate for these consolidated financial statements, then material adjustments could be necessary to the balance sheet classifications and carrying values of assets and liabilities.

The issuances of additional equity securities by the Corporation may result in significant dilution to the equity interests of its current shareholders. If the Corporation is unable to obtain financing in the amounts and on terms deemed acceptable, the business and future success may be adversely affected.

Additional capital requirements are dependent on uncertain future events, including but not limited to the results of the evaluation of other business growth opportunities, the level of growth in product sales and distribution. If the going

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concern assumption were not appropriate for these financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, and the balance sheet classifications used which could be material.

Further information related to the Corporation is filed on the System for Electronic Document Analysis and Retrieval ("SEDAR") and can be reviewed at www.sedar.com.

Overall Performance

We are pleased with the overall direction and long term goals of our subsidiaries, and our corporate goal of creating multiple revenue streams backed by sustainable practices and organized operations.

We take satisfaction in our trifecta of businesses and the vast array of industries we are presently, or will be serving in the near future. We are proud of the growth of the Carbon credit program and established nature of the environment division. As we are on the verge of unveiling the TruckSuite™ app in Canada, we have an opportunity to improve the daily work and driving experience of over 300,000 truckers across the country. This is a significant opportunity to not only generate new revenue, but to increase market awareness of Sparta. We are looking to the horizon with our Sparta Health team and partners, as Technology backed by Web3 is expanding rapidly and our tech will be taking advantage of this transformational time in history to develop solutions that make a real difference.

Selected Financial Information

The following table is a summary of selected financial information derived from the Corporation's audited financial statements for the years ended September 30, 2023 prepared in accordance with IFRS:

	2023	2022	2021
	\$	\$	\$
Total Assets	1,841,700	2,026,482	3,064,079
Total Non-Current Financial Liabilities	126,405	466,092	655,509
Revenue	9,427,414	5,974,858	5,189,522
Net income (loss), attributable to:			
Shareholders	(303,389)	(970,115)	(609,437)
Non controlling interests	337,776	(550,537)	(47,245)
Total	34,387	(1,520,652)	(656,682)
Basic and diluted net loss per share	0	-0.005	-0.003

	Common Shares	Common Shares	Common Shares
Weighted average number outstanding	213,266,744	206,964,289	206,964,289

For the three-month and six-month periods ended March 31, 2024, the Corporation reported no discontinued operations and declared no cash dividends.

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Summary of Quarterly Results

The quarterly financial information for the eight most recently ended quarters are as follows:

	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
	March	December	September	June	March	December	September	June
	31,	31,	30,	30,	31,	31,	30,	30,
	2024	2023	2023	2023	2023	2022	2022	2022
	\$	\$	\$	\$	\$	\$	\$	\$
Net Income (Loss)	(56,613)	226,421	(12,005)	(275,771)	167,897	(44,768)	(1,055,331)	(97,698)
Earnings (Loss) per Share	(0.000)	0.001	-	(0.001)	0.001	-	(0.001)	(0.001)
Total Assets	2,765,974	3,251,536	1,841,700	1,928,613	2,482,933	2,192,417	2,026,482	2,908,139
Total Liabilities	3,662,251	4,197,110	3,107,816	3,272,645	3,690,194	3,782,023	3,779,410	3,659,294

All periods within the summary of quarterly results have been prepared in accordance with IFRS.

Variances in net loss by quarter is not cyclical or seasonal and reflect overall corporate activity and factors which do not recur each quarter, such as travel, due diligence, professional and regulatory fees.

Results of Operations for the three month periods ended December 31, 2023 and 2022

Overall for the three-month periods ended March 31, 2024 and 2023 respectively the Corporation realized a loss from operations of \$30,313 and gain from operations of \$167,897 and net loss and comprehensive loss of \$56,613 and net income and comprehensive income of \$167,897..

Revenue

Revenue for the three-month periods ended March 31, 2024 and 2023 respectively decreased by \$659,466 over the comparative period in 2023, from \$2,684,717 to \$2,025,251, an decrease of 24.6% over Q3 of 2023. Revenue for the six-month periods ended March 31, 2024 and 2023 respectively decreased by \$20,868 over the comparative period in 2023, from \$4,852,781 to \$4,831,913, an decrease of 0.004% over Q3 of 2023.

Expenses

The total expenses for the three month periods ended March 31, 2024 and 2023 respectively decreased by \$461,256 over the comparative period in 2023, from \$2,516,820 to \$2,055,564 a decrease of 18.32% over Q2 of 2023. The total expenses for the six-month periods ended March 31, 2024 and 2023 respectively decreased by \$122,342 over the comparative period in 2023, from \$4,640,116 to \$4,517,774 an increase of 2.63% over Q2 of 2023.

Cash Flows

The following is a summary of cash flows for the three-month period ended March 31:

	2024	2023
	\$	\$
Cash provided by (used in) operating activities	135,522	191,701
Cash provided by (used in) financing activities	(231,389)	134,285
Cash used in investing activities	-	-
Increase (decrease) in cash	(98,867)	325,986

Liquidity

The Corporation had a cash balance at March 31, 2024 of \$1,088,589 (March 31, 2023 – \$922,203).

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At March 31, 2024 the Corporation had a working capital deficit of \$1,156,662 (March 31, 2023 – \$1,423,941). In order to meet the Corporation's anticipated working capital requirements it will be required to attract additional funds through the issue of debt, equity or other business means to further the development of the Corporation's products and to provide sufficient working capital. The Corporation monitors its working capital position and makes changes or reductions in expenditures to help sustain sufficient liquidity to meet liabilities on a timely basis.

The Corporation regularly explores business opportunities as it seeks to expand its product offerings. Prior to acceptance, each opportunity goes through a due diligence process to ensure it meets the requirements of the Corporation. Potential growth opportunities may be advanced through joint business relationships with third parties including license arrangements, partnerships and joint ventures or may be internally financed through debt or equity issuances as appropriate in the circumstances.

As at March 31, 2024, the Corporation had notes payable of \$1,592,239.

Contractual Obligations

The Corporation is committed to building and vehicle lease payments as follows:

	Office and facilities
	\$
2024	425,962
2025	541,232
2026	44,964
	1,012,158

Capital Expenditures

At this time, the Corporation has no material commitments for future capital expenditures.

Off-balance Sheet Arrangements

The Corporation has no off-balance sheet arrangements.

Financial Instruments

Financial instruments include cash, accounts receivable, accounts payable and accrued liabilities, and loans. Financial instruments are recognized initially at fair value. Subsequent to initial recognition, financial instruments are measured in one of the following categories: financial assets and financial liabilities measured at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets or other financial liabilities.

The carrying values of the financial assets and liabilities included in the statements of financial position are as follows:

At March 31, 2024	Total	Less than 1 year	1 – 5 years
	\$	\$	\$
Accounts payable and accrued liabilities	635,125	635,125	-
Notes payable	1,592,239	1,592,239	-
Lease liabilities	1,012,158	588,947	423,211
Convertible debentures	294,374	294,374	-
	3,533,896	3,110,685	423,211

The carrying value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities

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approximate their fair value due to the relatively short period to maturity of the instruments. Cash and cash equivalents are classified as level 1, which means fair value measurement are those derived from quoted prices in active markets. The carrying value of the loans and borrowings approximates their fair value due to the relatively short period to maturity of the instruments.

Shareholders' Equity

Authorized

The authorized share capital of the Corporation consists of an unlimited number of common shares without nominal or par value, 50,000,000 non-voting preferred shares (issuable in series, the rights, privileges, restrictions and conditions attached to the preferred shares are to be determined by the Directors of the Corporation at time of issuance) and an unlimited number of special non-voting shares. There are no preferred shares and no non-voting special shares issued or outstanding as at March 31, 2023.

The number of issued and outstanding common shares as at March 31, 2024 and 2023 was 244,153,923 and 234,153,923, respectively.

As at March 31, 2024 the Corporation had 6,300,00 options outstanding at an exercise prices of \$0.05 and a weighted average remaining contractual life of 2.36 years.

As at March 31, 2024, the Corporation had 20,433,333 warrants outstanding, exercisable to acquire an additional common share per warrant at a prices of \$0.05 per common share for up to 24 months following the date of issuance.

Application of new and revised International Financial Reporting Standards

The standards issued and adopted by the Company in the current year's financial statements are listed below.

IFRS 9 - Financial Instruments

On October 1, 2019, the Company adopted the new rules under IFRS 9 - Financial Instruments which includes a principle-based approach for the classification and measurement of financial assets and a forward-looking 'expected credit loss' model. The standard was adopted retrospectively. The comparative financial statements have not been restated as the adoption had no impact on amounts previously recognized in the statements of comprehensive income and financial position.

The following table outlines the classification of financial instruments under the previous standard and the new classification under IFRS 9.

Financial asset / liability	Previous classification (IAS 39)	New classification under IFRS 9
Cash	Fair value through profit and loss	Amortized cost
Accounts receivable	Loans and receivables	Amortized cost
Notes receivable	Loans and receivables	Amortized cost
Loans receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Notes payable	Other financial liabilities	Amortized cost
Loans payable	Other financial liabilities	Amortized cost
Obligations under capital lease	Other financial liabilities	Amortized cost
Mortgage loan	Other financial liabilities	Amortized cost
Convertible debentures payable	Other financial liabilities	Amortized cost

IFRS 15 Revenue from contracts with customers

On October 1, 2019 the Corporation adopted the new rules under IFRS 15 Revenue from contracts with customers. Under the new standard revenue is recognized from the perspective of when a transfer of control to the customer is

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complete. Adoption of the standard had no impact on amounts previously recognized in the statements of net and comprehensive income and financial position.

At the date of authorization of these financial statements, the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC") has issued the following new and revised standards, amendments and interpretations which are not yet effective during the year ended September 30, 2021.

IFRS 16 - Leases

Effective October 1, 2019, the Corporation adopted IFRS 16 Leases which replaces IAS 17 Leases and requires the recognition of most leases on the statement of financial position. IFRS 16 effectively removes the classification of leases as either financing or operating leases and treats all leases as finance leases for lessees, with practical expedients for short-term leases where the lease term is twelve months or less and for leases of low value items. The accounting treatment for lessors remains essentially unchanged, with the requirement to classify leases as either financing or operating.

Transition:

The Corporation adopted IFRS 16 using the modified retrospective approach by adjusting the opening deficit with no restatement of comparative figures. As such, comparative information continues to be reported under IAS 17 and related interpretations.

For the building lease, the right-of-use asset was measured at its carrying amount as if IFRS 16 had been applied since the commencement date, discounted using either the lease agreement's implicit rate or the Corporation's incremental rate, as applicable. Deferred rent liability, which was required under the previous lease standard, is not required under IFRS 16.

Upon transition, the Corporation did not recognize right-of-use assets for low value leases or leases that have a term of twelve months or less.

The impact of adopting IFRS 16 is disclosed in the Corporation's audited consolidated statement of financial position at September 2020.

Capital Management

The Corporation's objectives when managing capital is to safeguard its ability to continue as a going concern, provide adequate working capital and maintain cash on hand. The Corporation defines capital as the Corporation's shareholders' equity and loans and borrowings. At March 31, 2024 shareholders' deficit was \$896,277 (March 31, 2023 - \$1,207,261) and loans and borrowings were \$3,000,826 (March 31, 2023 - \$2,785,220). The Corporation manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Corporation may purchase shares for cancellation pursuant to normal course issuer bids, issue new shares or obtain debt financing. The Corporation is not currently subject to any externally imposed capital requirements.

Management anticipates that, based on the amount required to fund expenses associated with the execution of the Corporation's current business plan, taking into account the present working capital and the Corporation's projected level of future income, the Corporation is expected to require an injection of capital through debt or equity financing to meet its normal operating requirements for the next 12 months. Additional capital requirements are dependent on the extent of future revenues and expenses related to product development, manufacturing, sales and promotion and in consideration of results of the evaluation of other business growth opportunities and associated capital requirements. Additional liquid capital may be sourced from the issuance of share capital, debt financing or from potential government funding in support of development of export markets.

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Financial Risk Management

The Corporation's risk exposures and the impact on the Corporation's financial instruments are summarized as follows:

Fair Value

The fair value of cash, accounts receivable, notes receivable, accounts payable and accrued liabilities approximate their carrying value due to the relatively short period to maturity of the instruments. The fair value of loans payable, notes payable and mortgage payable approximate their carrying value as the interest rates are consistent with the current market rates.

Financial risk management

The Corporation's risk exposures and the impact on the Corporation's financial instruments are summarized as follows:

Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Corporation's trade receivables.

The Company has \$149,026 (March 31, 2023 - \$368,099) of accounts receivable from three (March 31, 2023 – two) customer(s), which represents 49% (2023 – 52%) of total accounts receivable.

Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with its financial liabilities. The Corporation's objective in managing liquidity risk is to maintain sufficient liquidity to meet liabilities when due by holding sufficient cash and cash equivalents to settle current liabilities and meet its anticipated working capital requirements. The Company had a cash balance at March 31, 2024 of \$1,088,589 (March 31, 2023 – \$992,203) and a working capital deficit of \$1,156,662 (March 31, 2023 - \$1,423,941).

In order to meet the Corporation's anticipated working capital requirements it will be required to attract additional funds through the issue of debt, equity or other business means to further the development of the Corporation's products and to provide sufficient working capital. The Corporation monitors its working capital position and makes changes or reductions in expenditures to help sustain sufficient liquidity to meet liabilities on a timely basis.

Market Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Corporation is exposed to currency risk on its U.S. dollar denominated bank accounts. The Corporation does not use derivative instruments to reduce its exposure to foreign currency risk.

Outlook

Sparta, now strongly connected to an advanced technology network through our President, Mr. Peticca, will continue to weave emerging tech into all areas of the business. As we work through the next quarter, edging ever closer to the launch of two new exciting business entities, we will continue to dedicate ample resources to launch TruckSuite™ Canada and Sparta Health, while continuing to support our Environment division.