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 NINE-MONTH PERIODS ENDED
JUNE 30, 2024 AND 2023

Dated August 29, 2024

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Sparta Capital Ltd.

Management's Discussion And Analysis
For the nine months ended June 30, 2024 & 2023

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 nine months ended June 30, 2024. This MD&A should be read in conjunction with the Company's audited consolidated financial statements for the years ended September 30, 2023 and 2022, 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

In Q3, Sparta Capital has made significant progress in developing, planning, and operationalizing two additional branches. We have continued to advance our partnership with TruckSuite™ and are optimistic about the successful launch of TruckSuite Canada in Q4. We have established critical partnerships in Canada to enhance and complement our suite of offerings for TruckSuite Canada. We are confident that upon release, these products and services will be widely received and accepted in Canada.

Furthermore, Sparta Group has formalized and refined its partnership with Parametric Design Canada Inc. to enhance its Autonomous Medicine Project through the use of Augmented Reality (AR) visors. This collaboration is dedicated to transforming healthcare by integrating innovative technology with personalized patient care.

Additionally, we have received approval from the Alberta Securities Commission for a proposed non-brokered private placement of up to 50,000,000 units of the company at $0.02 per unit, aiming for gross proceeds of up to $1,000,000. The funds raised will primarily support licensing, specialty insurance registration, sales and marketing efforts, brokerage costs, communications planning, and the initial setup of administrative and operational functions for 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 artifical 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 June 30, 2024, the Company realized net income of $27,124 (2023– loss of $275,771), and positive cash flow from operations of $279,086 (2022 negative – $303,743) and at that date had an accumulated deficit of $13,313,027 (2023 – deficit of $12,052,314) and a working capital deficiency of $1,110,817 (2023 – deficiency of $1,457,282).

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 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

The delayed launch of TruckSuite Canada has been a disappointment, but we maintain strong confidence in its successful deployment in Q4. This launch will introduce a highly anticipated product to the market, underscoring our commitment to innovation. The TruckSuite app, currently available in its enhanced second release, provides numerous features designed to save money and improve safety for drivers, resonating with our core philosophy: "Keep the driver in the truck and the truck on the road."

We are actively refining our healthcare solutions, particularly focusing on remote medical care in collaboration with Parametrics. This initiative is geared towards leveraging technology to deliver significant, positive impacts in healthcare.

Our primary focus for Q4 extends to pioneering new technologies within our Environmental Division. We aim to position Sparta as a global leader in environmental innovation, supported by a team renowned for its forward-thinking and creativity. This strategic direction not only reflects our commitment to innovation but also aligns with our long-term vision to set new standards in the industry.

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 nine-month periods ended June 30, 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:

	Q3 June 30, 2024	Q2 March 31, 2024	Q3 December 31, 2023	Q4 September 30, 2023	Q3 June 30, 2023	Q2 March 31, 2023	Q1 December 31, 2022	Q4 September 30, 2022
	$	$	$	$	$	$	$	$
Net Income (Loss)	27,174	(56,613)	226,421	(12,005)	(275,771)	167,897	(44,768)	(1,055,331)
Earnings (Loss) per Share	0.000	(0.000)	0.001	-	(0.001)	0.001	-	(0.001)
Total Assets	2,835,066	2,765,974	3,251,536	1,841,700	1,928,613	2,482,933	2,192,417	2,026,482
Total Liabilities	3,704,169	3,662,251	4,197,110	3,107,816	3,272,645	3,690,194	3,782,023	3,779,410

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 June 30, 2024 and 2023

Overall for the three-month periods ended June 30, 2024 and 2023 respectively the Corporation realized a gain from operations of $79,674 and loss from operations of $275,771 and net lincome and comprehensive income of $27,174 and net loss and comprehensive loss of $275,771.

Revenue

Revenue for the three-month periods ended June 30, 2024 and 2023 respectively decreased by $162,649 over the comparative period in 2023, from $2,080,664 to $1,918,015, a decrease of 7.8% over Q3 of 2023. Revenue for the nine-month periods ended June 30, 2024 and 2023 respectively decreased by $183,517 over the comparative period in 2023, from $6,933,445 to $6,749,928, an decrease of 2.6% over Q3 of 2023.

Expenses

The total expenses for the three-month periods ended June 30, 2024 and 2023 respectively decreased by $518,094 over the comparative period in 2023, from $2,356,435 to $1,838,341 a decrease of 21.9% over Q3 of 2023. The total expenses for the nine-month periods ended June 30, 2024 and 2023 respectively decreased by $640,436 over the comparative period in 2023, from $6,996,551 to $6,356,115 an increase of 9.2% over Q3 of 2023.

Cash Flows

The following is a summary of cash flows for the three-month period ended June 30:

	2024	2023
	$	$
Cash provided by (used in) operating activities	279,086	(303,743)
Cash provided by (used in) financing activities	(177,411)	95,896
Cash used in investing activities	-	-
Increase (decrease) in cash	101,675	(207,847)

Liquidity

The Corporation had a cash balance at June 30, 2024 of $1,190,264 (June 30, 2023 – $930,828).

At June 30, 2024 the Corporation had a working capital deficit of $1,110,817 (June 30, 2023 – $1,457,282). 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 June 30, 2024, the Corporation had notes payable of $1,599,491.

Contractual Obligations

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

	Office and facilities
	$
2024	288,784
2025	541,232
2026	38,563
2027	6,400
	874,979

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 June 30, 2024	**Total**	**Less than 1 year**	**1 – 5 years**
	$	$	$
Accounts payable and accrued liabilities	633,450	633,450	-
Notes payable	1,599,491	1,599,491	-
Lease liabilities	874,979	608,674	266,305
Convertible debentures	302,074	302,074	-
	3,409,994	3,143,689	266,305

The carrying value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities 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 June 30, 2023.

The number of issued and outstanding common shares as at June 30, 2024 and 2023 was 244,153,923 and 234,153,923, respectively.

As at June 30, 2024 the Corporation had 6,300,00 options outstanding at an exercise prices of $0.05 and a weighted average remaining contractual life of 2.14 years.

As at June 30, 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.

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 June 30, 2024 shareholders' deficit was $813,425 (June 30, 2023 - $1,207,261) and loans and borrowings were $ 2,878,599 (June 30, 2023 - $2,700,879). 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.

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 (June 30, 2023 - $368,099) of accounts receivable from three (June 30, 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 June 30, 2024 of $1,088,589 (June 30, 2023 – $992,203) and a working capital deficit of $1,156,662 (June 30, 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.