QYOU MEDIA INC.
(formerly Galleria Opportunities Ltd.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the twelve months ended June 30, 2017 and June 30, 2016

Dated October 27, 2017

QYOU Media Inc.
Management's Discussion and Analysis
October 27, 2017

The purpose of this Management's Discussion and Analysis ("**MD&A**") is to provide the reader with an overview of the consolidated financial position, operating results, and cash flows of QYOU Media Inc. ("**QYOU**" or the "**Corporation**") for the year ended June 30, 2017. This MD&A of QYOU's financial condition and results of operations should be read together with the Corporation's audited consolidated financial statements for the twelve months ended June 30, 2017 and June 30, 2016, and the notes related thereto (the "**Financial Statements**"). The Financial Statements were prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").

Except as otherwise noted, the financial information contained in this MD&A and the Financial Statements have been prepared in accordance with IFRS. For a description of QYOU's accounting policies applied, refer to Note 2 of the Financial Statements.

All amounts are expressed in Canadian dollars unless otherwise noted. Certain amounts included in this MD&A are rounded, to make reading easier. References in this MD&A to the "Corporation", "we", "us" or "our" means QYOU and its subsidiaries. Additional information relating to QYOU is available on SEDAR at www.sedar.com.

The Financial Statements and this MD&A have been reviewed by the Corporation's Audit Committee and approved by its Board of Directors.

Forward-looking Statements

Certain statements in this MD&A constitute "forward-looking" statements that involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, objectives or achievements of the Corporation, or industry results, to be materially different from any future results, performance, objectives or achievements expressed or implied by such forward-looking statements. These statements reflect QYOU's current views regarding future events and operating performance and are based on information currently available to QYOU, and speak only as of the date of this MD&A. These forward–looking statements involve a number of known and unknown risks, uncertainties and assumptions and should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such performance or results will be achieved. Those assumptions and risks include, but are not limited to, the future cost structure, availability of additional financing as and when required, future sales and marketing activities, increased penetration into certain markets through strategic partnerships, the impact of the introduction of new products, agreements and partnerships, the ability of management to leverage sales opportunities, increase in the size of certain markets, expected increases in revenue, expected revenue from certain contracts, third party contractual performance, customer rollout plans for specific products, expected increase in gross margins, treatment under governmental regulatory regimes, general business, economic, competitive, political and social uncertainties, the dependence on key personnel, and fluctuations in foreign currency exchange rates. There can be no assurance that forward-looking statements will be accurate as many factors could cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including factors described in this MD&A and those discussed in QYOU's publicly-available disclosure documents, as filed by QYOU on SEDAR (www.sedar.com) and updated herein. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described in this MD&A as intended, planned, anticipated, believed, estimated or expected. Accordingly, readers should not place undue reliance on forward-looking statements. All subsequent forward-looking statements, whether written or oral, attributable to QYOU or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Unless required by applicable securities law, QYOU does not intend and does not assume any obligation to update these forward-looking statements.

Corporation Overview

The Corporation was incorporated pursuant to the *Business Corporations Act* (Alberta) on July 30, 1993 under the name "575161 Alberta Inc." On April 10, 2014, the Corporation amended its articles to change its name to "Galleria Opportunities Ltd." Effective March 13, 2017, the Corporation completed a reverse takeover transaction (the "**Transaction**") pursuant to which QYOU Media Holdings Inc. became a wholly-owned subsidiary of the Corporation and the security holders of QYOU Media Holdings Inc. became security holders of the Corporation. QYOU Media Holdings Inc. is the entity resulting from the amalgamation of QYOU Media Inc. (as it was then called) and 2561287 Ontario Ltd. (then a wholly-owned subsidiary of the Corporation) on March 13, 2017 as part of the Transaction. Throughout this MD&A, the term "**QYOU Media**" is used to refer to QYOU Media Holdings Inc. after March 13, 2017 and is used to refer to QYOU Media Inc. (as it was then called) prior to March 13, 2017. In connection with the Transaction, the Corporation also filed articles of amendment to change its name to "QYOU Media Inc." and was continued into Ontario on March 29, 2017 under the *Business Corporations Act* (Ontario). Subsequently, on March 31, 2017, the Corporation's common shares (the "**Common Shares**") resumed trading on the facilities of the TSX Venture Exchange (the "**TSXV**") under the symbol "QYOU". Following the Transaction, the Corporation now carries on the business of QYOU Media and its subsidiaries.

The Corporation's wholly-owned subsidiaries, QYOU Media, QYOU Limited, QYOUTV International Limited and QYOU USA Inc. had a financial year end on December 31, 2016, and the results of those operations only are reported on in this MD&A. The Corporation, through its subsidiaries, focuses on the curation and programming of short-form video content for the "TV

Everywhere" age. The Corporation finds and licenses videos from around the world in categories ranging from factual to viral and everything in between; packaging them for linear and on-demand TV and video channels, playlist-driven mobile apps, custom shows and influencer marketing campaigns. Using sub-contracted production staff, production facilities and third-party contractors, the Corporation identifies sources for content material, records original video programming, edits content and prepares final video product for distribution.

On July 14, 2015, QYOU Media, through its subsidiary, QYOU Limited, entered into an asset purchase agreement with Black Forest Production Services, Inc. (then called QYOUTV, Inc.) ("**BFPS**"), pursuant to which QYOU Limited acquired certain intellectual property and assumed certain contracts from BFPS and all obligations and liabilities related thereto (the "**Asset Purchase**"). The assets acquired from BFPS were purchased for a payment of $25,000 in cash plus the assumption of liabilities in the amount of $56,454, resulting in the Corporation recognizing an indefinite life intangible asset (brand) for $81,454.

In addition, as part of the Asset Purchase, QYOU Limited acquired all of the issued and outstanding shares of QYOUTV International Limited, a corporation established under the laws of the Republic of Ireland in August 2014, which became a wholly-owned indirect subsidiary of QYOU Media as a result.

Prior to the Asset Purchase, from November 2013 through May 2015, BFPS developed a library of internet-curated content and related production services and a Pay-TV linear channel capable of broadcasting curated content. Following the Asset Purchase, QYOU Media outsourced its production services to BFPS, and accordingly the video production business remained within BFPS as a going concern.

An additional wholly-owned indirect subsidiary of QYOU, QYOU USA Inc., was established in August 2015 under the laws of the State of Delaware to undertake new production and coordinate the sourcing of content procurement both from BFPS and other suppliers. In addition, QYOU USA Inc. is examining the marketing potential into the United States of its products.

On March 10, 2017, in connection with the Transaction, the Corporation completed a private placement of 3,869,000 units of the Corporation (the "**Galleria Units**") at a price of $0.50 per Galleria Unit, each Galleria Unit comprised of one Common Share and one-half of one Common Share purchase warrant, each such Common Share purchase warrant exercisable at a price of $0.75 per Common Share until March 10, 2019, for gross proceeds of $1,934,500, completed through the use of a Short Form Offering Document under the policies of the TSXV (the "**Galleria Offering**"). Also in connection with the Transaction, QYOU Media completed a brokered private placement of 8,632,000 subscription receipts of QYOU Media (the "**QYOU Subscription Receipts**") at a price of $0.50 per QYOU Subscription Receipt (the "**QYOU Brokered Offering**") and a non-brokered private placement of 2,130,000 QYOU Subscription Receipts (the "**QYOU Non-Brokered Offering**", and together with the QYOU Brokered Offering, the "**QYOU Offering**"), for aggregate gross proceeds of $5,381,000. Upon satisfaction of certain escrow release conditions, the QYOU Subscription Receipts were automatically exchanged for units of QYOU Media (the "**QYOU Units**"), each QYOU Unit comprised of one Class A common share in the capital of QYOU Media (each, a "**QYOU Class A Share**") and one-half of one QYOU Class A Share purchase warrant.

In connection with the QYOU Offering and the Galleria Offering, the agents involved in such offerings were issued 668,700 compensation options of QYOU Media and 290,175 compensation options of the Corporation. Each compensation option of QYOU Media entitled the holder thereof to subscribe for one QYOU Unit at a price of $0.50, and each compensation option of the Corporation entitles the holder thereof to subscribe for one unit of the Corporation at a price of $0.50 per unit, in each case until March 31, 2019. Each such unit of the Corporation is comprised of one Common Share and one-half of one Common Share purchase warrant exercisable at a price of $0.75 per Common Share until March 31, 2019.

The fair value estimate for the QYOU Class A Shares partially comprising the QYOU Units was estimated at $0.45 per QYOU Class A Share, for an aggregate total of $4,842,900 based on 10,762,000 QYOU Units sold in the QYOU Offering. The fair value estimate of the QYOU Class A Shares partially comprising the QYOU Units was determined using the residual method.

The estimated fair value of the QYOU Class A Share purchase warrants partially comprising the QYOU Units and the Common Share purchase warrants partially comprising the units of the Corporation was $0.05 per each one-half of a warrant, for a total of $7,315,500 based on an aggregate of 14,631,000 units sold in the QYOU Offering and the Galleria Offering. The fair value estimate of such warrants was based on the Black-Scholes pricing model using the following assumptions:

Grant date share price	$0.45
Exercise price	$0.75
Risk-free interest rate	0.67%
Weighted average expected life of options (years)	2
Expected annualized volatility	100%
Expected dividend yield	nil

As part of the Transaction, the Corporation issued (i) 10,762,000 Common Shares to holders of QYOU Class A Shares on the basis of one Common Share exchanged for each QYOU Class A Share held; (ii) 48,219,809 Common Shares to the holders of common shares of QYOU Media, other than QYOU Class A Shares, on the basis of 0.92 Common Shares exchanged for each common share of QYOU Media, other than QYOU Class A Shares, held; (iii) 19,463,294 Common Share purchase warrants to the holders of common share purchase warrants of QYOU Media, on the basis of one Common Share purchase warrant exchanged for each common share purchase warrant of QYOU Media held, exercisable on equivalent terms; and (iv) 2,141,065 compensation options of the Corporation to holders of compensation options of QYOU Media, on the basis of one compensation option of the Corporation exchanged for each compensation option of QYOU Media held, exercisable into securities of the Corporation on equivalent terms.

Upon the closing of the Transaction, on March 13, 2017, the former shareholders of QYOU Media held 58,981,809 (or 89.4%) of the issued and outstanding Common Shares, while shareholders of the Corporation who held Common Shares prior to the Transaction held 6,958,153 (or 10.6%) of the issued and outstanding Common Shares. Because the Corporation, as it existed prior to the Transaction, did not meet the definition of a "business" under IFRS 3 – *Business Combinations* ("**IFRS 3**"), the Transaction was accounted for as the purchase of the Corporation's assets by QYOU Media. The consideration paid was determined as an equity settled share-based payment under IFRS 2 – *Share-based payments* ("**IFRS 2**"), at the fair value of the equity of the Corporation retained by the Corporation's shareholders who held Common Shares prior to the Transaction, based on the fair value of the QYOU Class A Shares on the date of the closing of the Transaction which was determined to be $0.45 as noted above.

The Corporation's listing expense associated with the Transaction that the Corporation expects to record subsequent to the twelve months ended June 30, 2017 is $1,621,456. The amount, subject to finalization, will be expensed in the Corporation's consolidated statement of net loss and comprehensive loss. The details of the preliminary estimate of the listing expense are as follows:

	$
Fair value of consideration paid:	
6,958,150 QYOU Class A Shares at $0.45 per share	1,390,118
Fair value of net assets of the Corporation acquired by QYOU Media	324,309
Fair Value of Galleria	**1,065,809**
Professional fees	511,470
Filing and listing fees	44,177
Other Transaction fees	**555,647**
Transaction listing expense	**1,621,456**

Description of the Business

QYOU is a content packaging and distribution company focused on the curation and programming of premium short-form made-for-web (i.e. YouTube-style) video content for the "TV Everywhere" age. Its low cost, multi-platform content offerings are designed primarily for millennials and distributed globally via satellite, cable, over-the-top ("**OTT**"), mobile carriers and other content distribution partners, making it a leading next generation content company.

TV subscribers today are increasingly becoming cord-cutters, demonstrating a desire to view content on-demand on the device of their choosing. While live television continues to be the most popular service for consumers, Nielsen's 2015 Total Audience Report states that the amount of time adults spend watching it has gone down over the last few years, while the consumption of video content on computers and smartphones has increased.

In response, broadcasters have expanded their services, reaching customers' smart phones and other mobile devices through the "TV Everywhere" model. Under this model, TV subscribers, once authenticated, are allowed access to content on multiple devices as part of their subscription service.

In keeping with the "TV Everywhere" model, QYOU is offered as a linear channel ("**The Q**"), via subject specific programs, as video-on-demand, via mobile application and by other means of content distribution based on customer needs. The linear channel initially focused exclusively on distribution outside of North America, with an emphasis on high growth platforms like Mobile, OTT and Digital Terrestrial ("**DTT**"). QYOU has since expanded into app-driven and mobile experiences, curated playlists, custom show development, and marketing services.

Selected Annual Financial Information

This financial information has been prepared in accordance with IFRS as issued by IASB. For further information and significant accounting policies, please see Note 2 of the Financial Statements.

	Twelve months ended June 30,	
	2017	2016
Selected Financial Information	**$**	$
Revenues	**4,185,067**	1,800,399
Content and production costs	2,981,205	4,337,613
Other operating expenses, net	6,350,724	5,285,016
Total Operating Expenses	**9,331,928**	9,622,629
Listing expense	1,621,456	
Total expenses	**10,953,384**	9,622,629
Net loss	**(6,768,317)**	(7,882,230)
Loss per share	**($0.13)**	($0.17)

	As at June 30, 2017 $	**As at June 30, 2016 $**
Cash and Cash Equivalents	2,582,966	1,802,694
Total Assets	4,873,463	2,830,571
Total Liabilities	1,190,206	1,002,189

Overall Performance

For the year ending June 30, 2017, revenues were $4,185,067, compared to revenues of $1,800,399 for the twelve months ended June 30, 2016. The Corporation's revenues were derived from linear channel revenue of $3,220,699, programming revenue of $685,672 and influencer marketing revenue of $278,696. Linear channel revenue, programming revenue and influencer marketing revenue represented 77%, 16% and 7% of the Corporation's total revenue for the year ended June 30, 2017, respectively.

	Twelve months ended June 30, 2017 $	**Twelve months ended June 30, 2016 $**
Linear Channel	3,220,699	1,468,899
Programming	685,672	-
Influencer Marketing	278,696	331,500
Total Revenue	**4,185,067**	1,800,399

For the year ended June 30, 2017, consolidated revenue increased $2,384,668 or 132% due to organic growth of the Corporation's linear channel and the expanded operations of creating content and marketing campaigns for third parties as well as managing the launch and operations of the new channel created by Sinclair Broadcast Group ("**Sinclair**"), "TBD". Direct content and production costs decreased $1,356,408 or 31%, selling and administrative expenses and non-content and production-related costs (including non-cash expenses) increased $1,065,708 or 20% as compared to the twelve months ended June 30, 2016. The net loss for the twelve months ended June 30, 2017 is $6,768,317 compared to net loss of $7,822,230 for the twelve months ended June 30, 2016.

The Corporation concluded the twelve months ended June 30, 2017 with cash and cash equivalents of $2,582,966 (June 30, 2016 - $1,802,694). Cash used in operating activities was $5,261,066. In addition, the Corporation's cash usage from investing activities was $9,895. Lastly, the Corporation increased its cash by $6,053,538 from financing activities for the twelve months ended June 30, 2017.

Operating Segments:

The Corporation has one operating segment that is comprised of three different product and services divisions:

- QYOU linear channel, The Q:
  The linear channel is a 24/7 channel featuring "best-of-web" content and available globally via traditional broadcast (cable/satellite) providers, OTT providers and mobile carriers. Additionally, this category includes the operational management of Sinclair's new channel, "TBD". TBD launched as a broadcast channel in the United States on February 13, 2017 and is currently distributed in more than 50 million homes in the United States as of June 30, 2017. Growth is expected to continue as Sinclair expands distribution throughout its media footprint.
- Program Sales:
  This category is the business of supplying genre-specific programming to channels in territories around the world. This category has been led to date by sports programming, but we anticipate new strong categories to emerge as well.
- Influencer Marketing:
  This category is the business of offering the support of talent both inside and outside of QYOU programming to promote the products and services of partners and third parties.

The Corporation's divisions reported certain business developments in 2016 and early 2017, which management believes will have a significant impact on the Corporation's future operation. These business developments are described below.

QYOU Linear Channel:

Linear channel growth continues in territories around the world including recent agreements in India, Latin America and Serbia. The most significant opportunities, will likely revolve around the OTT and mobile carrier space as the need for millennial offerings continues to expand.

The TBD channel, which launched in conjunction with Sinclair is expected to experience continued growth as Sinclair rolls the channel out across the rest of its media footprint. Management believe that the unique and cutting edge launch of TBD should help drive corporate sales and also propel new opportunities with similar broadcast groups outside the United States market.

Program Sales:

Recent agreements with companies in Africa, Portugal and the United States have helped drive program sales opportunities around the world. While sports programming continues to dominate program sales, the Corporation expects new genres to emerge.

Influencer Marketing:

This is an area that has been more opportunistic to date, but one that the Corporation anticipates ramping up more aggressively. Management believes this growth will be driven by the fact that the Corporation has achieved significant "over performance" above promised results in every influencer marketing campaign launched to date.

Discussion of Operations

The following discussion includes an explanation of the primary factors in changes in operations for the twelve months ended June 30, 2017. Additional, less significant changes are not articulated.

Revenue

	Twelve months ended June 30, 2017 $	**Twelve months ended June 30, 2016 $**
Linear Channel	3,220,699	1,468,899
Programming	685,672	
Influencer Marketing	278,696	331,500
Total Revenue	**4,185,067**	**1,800,399**

The Corporation has three sources of revenue, as discussed above, being linear channel revenue, program sales revenue and influencer marketing revenue. In 2016, the Corporation only had Linear Channel and Influencer Marketing revenue.

For the twelve months ended June 30, 2017, total revenue increased by $2,384,668 or 132% compared the twelve months ended June 30, 2016. During this period, the Corporation expanded operations from an organization relying solely on the distribution of its linear channel for revenue, to a business with multiple revenue streams. For the twelve months ended June 30, 2017, linear channel revenue, program sales revenue and influencer marketing revenue represented approximately 77%, 16% and 7% of the Corporation's total revenue. For the twelve months ended June 30, 2016, 82% of the Corporation's revenue was derived from its linear channel and 18% was derived from influencer marketing.

Linear channel revenue for the twelve months ended June 30, 2017 increased 119%, from $1,468,899 to $3,220,699, when compared to the twelve months ended June 30, 2016, program sales revenue grew from nil to $685,672 and influencer marketing revenue decreased by $52,804 or 16%.

The Corporation's top 10 customers represented approximately 92% of sales for the twelve months ended June 30, 2017, with two customers representing 65% of sales.

Content and Production Costs

	Twelve months ended June 30, 2017	Twelve months ended June 30, 2016
	$	$
Channel Delivery	1,091,384	780,365
Production Expense	1,889,820	3,557,249
Total cost of sales	**2,981,205**	**4,337,613**

Content and production costs represents the costs of sales of earning the Corporation's revenue and is comprised of content development, production and delivery expenses. As of June 30, 2017, the Corporation's linear channel, The Q, has created more than 5,000 hours of original program ing.

In 2015 QYOU Media entered into an operating lease with M7 Group SA for satellite, transponder and technical services (the "**M7 Lease**"). This agreement gives QYOU the ability to distribute its content throughout all of Europe, the Middle East and Africa. Additionally, the Corporation uses a third party to deliver content via Internet protocol (IP).

For the twelve months ended June 30, 2017, content and production costs decreased by $1,356,408 or 31% over the twelve months ended June 30, 2016, as a result of reduced expenses related to the production of the Corporation's linear channel. QYOU Media built a significant library of content through June 30, 2016 and leveraged that content throughout the twelve months ended June 30, 2017. As a percentage of total operating expenses, content and production costs were 32% for the twelve months ended June 30, 2017 compared with 45% for the twelve months ended June 30, 2016.

Channel delivery costs for the year ended June 30, 2017 were $1,091,384, compared to $780,365 for the twelve months ended June 30, 2016, representing a 40% increase. This increase was due primarily to contractual increases associated with the M7 Lease and other third party delivery costs.

Production and content costs represented 32% of the Corporation's total operating expenses for the twelve months ended June 30, 2017 and 45% over the twelve months ended June 30, 2016. Production expenses for the twelve months ended June 30, 2017 decreased by $1,667,428, or 47%, over the twelve months ended June 30, 2016. QYOU Media rapidly built a significant library of content for its linear channel from QYOU Media's inception through June 30, 2016 and therefore required less production activity for the period of July 1, 2016 through June 30, 2017.

Selling, General and Administrative Costs

	Twelve months ended June 30, 2017 $	Twelve months ended June 30, 2016 $
Sales and marketing	1,646,544	1,591,027
Salaries and benefits	1,530,587	1,377,523
Legal and consulting	1,601,023	1,552,484
General and administrative	752,744	741,738
Total selling and administrative costs	**5,530,898**	5,262,772

Selling and administrative expenses are comprised of sales and marketing, salaries and benefits, legal and consulting and general administrative costs.

Selling and admisitrative costs represented 59% of the Corporation's total operating expenses for the twelve months ended June 30, 2017, and 55% for the twelve months ended June 30, 2016. For the twelve months ended June 30, 2017, selling and administrative costs increased by $268,126 or 5% over the twelve months ended June 30, 2016. During this period, sales and marketing costs increased by $55,517 or 3%, salary and benefit costs increased by $153,064 or 11%, general and administrative costs increased by $11,006 or 1%, over the twelve months ended June 30, 2016, and a $48,539 or 3% increase in legal and consulting costs over the twelve months ended June 30, 2016.

Foreign Exchange Gain

Foreign exchange gain of $31,600 arose as a result of fluctuating exchange rates from transactions incurred in currencies other than the functional currency of the Corporation or its subsidiaries.

Intangible Assets Application Development Costs

Pursuant to the Asset Purchase, on July 14, 2015, QYOU Media, through its subsidiary, QYOU Limited, acquired certain assets from BFPS, including the rights to the "QYOU" brand and related intellectual property, and assumed net liabilities of $56,454 for a cash payment of $25,000. Accordingly, a value of $81,454 has been allocated to the "QYOU" brand.

QYOU, through its wholly-owned indirect Irish subsidiary, QYOU Limited, owns a Broadcast License granted by the Broadcasting Authority of Ireland, which allows QYOU Limited to broadcast its programs in Ireland and the European Union.

As of June 30, 2017, the Corporation invested $657,797 in the development of applications to facilitate the delivery of its content through non-linear channels, including mobile. As of June 30, 2017, the application remained in the development phase with plans to bring it to the market as a final product in the fourth quarter of 2017.

Intangible assets and capitalized development costs for the years ended June 30, 2017 and June 30, 2016 were comprised of the following:

	Intangible Assets	Capitalized Development Costs	Total
	$	$	$
Cost			
Balance, as at June 30, 2015	—	—	—
Acquisitions	81,454	—	81,454
Additions	—	457,685	457,685
Impact of foreign exchange	3,398		
Balance, as at June 30, 2016	**84,852**	**457,685**	**539,139**

	Intangible Assets	Capitalized Development Costs	Total
	$	$	$
Cost			
Balance, as at June 30, 2016	**84,852**	**457,685**	**542,537**
Additions	—	200,112	**200,112**
Impact of foreign exchange	2,983		**2,983**
Balance, as at June 30, 2017	**87,835**	**657,797**	**745,632**

Depreciation and Foreign Exhange

	As at June 30, 2017	As at June 30, 2016
	$	$
Depreciation	15,427	6,833
Foreign exchange gain	31,600	257,929

Other operating expenses include depreciation and foreign exchange gain.

Depreciation of capital assets is in relation to the Corporation's purchased computers and office equipment.

Interest/Other Expenses

The Corporation has not incurred any long-term debt since its inception. Interest/other income for the twelve months ended June 30, 2017 was $25,370 as the result of subleasing office space to a third party.

	Jun. 30, 2017 $	Mar. 31, 2017 $	Dec. 31, 2016 $	Sept. 30, 2016 $	Jun. 30, 2016 $	Mar. 31, 2016 $
Linear Channel	1,294,295	898,048	547,428	480,928	215,426	310,992
Programming	15,140	150,843	242,467	277,222	95,054	150,827
Influencer Marketing	345	39,712	99,732	138,907	-	-
Total Revenue	**1,309,780**	**1,088,603**	**889,627**	**897,057**	**310,480**	**461,819**
Operating expenses	3,852,827	2,046,074	1,898,590	1,534,437	2,592,050	2,196,476
Net loss[1] **(excluding listing expense)**	**($2,543,047)**	**($957,471)**	**($1,008,963)**	**($637,380)**	**($2,281,570)**	**($1,734,657)**

1)Net loss as presented above excludes impact of listing of expense of $1,621,456 which was incurred during the quarter ended March 31, 2017.

Over the past six quarters, revenue has changed for the following reasons:

QYOU's linear channel continues to experience growth internationally as well as in the United States with a rapid expansion of the TBD channel to over 50 million homes in the United States.

QYOU program sales increased with additional sales from nil in to $685,672 for the twelve months ended June 30, 2017. Sales and marketing for the QYOU program sales will remain a priority for **2017**.

QYOU's revenue in the future is expected to be driven by a global set of customers with business across all three revenue categories (linear channel sales, program sales and influencer marketing). We continue to expect growth in all three of these categories moving forward as the depth and breadth of our customer base grows.

Liquidity and Capital Resources

	Twelve months ended June 30, 2017 $	Twelve months ended June 30, 2016 $
Current Assets	4,073,707	2,249,384
Current Liabilities	1,190,206	1,002,189
Working Capital	**2,883,501**	1,247,195
Total Assets	4,873,463	2,830,571
Total Liabilities	1,190,206	1,002,189
Total Shareholders' Equity	3,683,257	1,828,382

QYOU's capital requirements consist primarily of working capital necessary to fund operations and support a rapidly growing business. Sources of funds available to meet these requirements include existing cash balances, cash flow from operations and capital raised through equity financings. QYOU must generate sufficient revenue from operations to attract additional investment from the capital markets; failure to do so would adversely impact QYOU's ability to pay current liabilities.

Working capital is defined as current assets less current liabilities.

The Corporation has not incurred any long-term debt or declared any cash dividend since its inception.

As of June 30, 2017, the Corporation had a positive working capital balance of $2,883,501 compared to a working capital balance of $1,247,195 for the twelve months ended June 30, 2016.

Cash Flow Activity

For the twelve months ended June 30, 2017, cash used in operations was $5,261,066 and the Corporation had a net cash balance of $2,582,966. For the twelve months ended June 30, 2016, cash used in operations was $7,517,827 and the Corporation had a cash balance of $1,802,694.

For the twelve months ended June 30, 2017, cash generated from investing was $9,895, for the twelve months ended June 30, 2016, cash used from investing was $503,168.

For the twelve months ended June 30, 2017, financing activities generated $6,053,538 from the QYOU Offering and the Galleria Offering, as described above. For the twelve months ended June 30, 2016, financing activities generated $9,817,996 from a private placement by QYOU Media of 20,791,530 units of QYOU Media at $0.50 per unit.

Liquidity and Cash Resource Requirements

The Financial Statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Corporation will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Financial Statements do not include any adjustments to the amounts and classification of assets and liabilities that would be necessary should the Corporation be unable to continue as a going concern.

The Corporation has not yet achieved profitable operations, and as at June 30, 2017, had an accumulated deficit of $14.6 million. Cash flow used in operating activities was $5.3 million for the twelve months ended June 30, 2017. Whether, and when, the Corporation can attain profitability and positive cash flows from operations have material uncertainty, which casts significant doubt upon the Corporation's ability to continue as a going concern. The application of the going concern assumption is dependent upon the Corporation's ability to generate future profitable operations and obtain necessary financing to do so. While the Corporation has been successful in obtaining financing to date, there can be no assurance that it will be able to do so in future on terms favourable for the Corporation or at all. The Corporation will need to raise capital in order to fund its operations. This need may be adversely impacted by factors such as uncertain market conditions, approval by regulatory bodies and adverse results from operations. The Corporation believes it will be able to obtain sufficient funds to cover planned operations through the next twelve-month period from anticipated revenue growth during fiscal 2017 and by securing additional financing through additional financing transactions and strategic options currently being explored. The outcome of these matters cannot be predicted at this time.

Commitments

The Corporation has one significant lease agreement, being the M7 Lease, which provides the Corporation with access to transponder and technical services for broadcasting purposes. The Corporation's commitment under this agreement is as follows:

	Commitment $
2017	387,747
2018	131,129
Total	**518,876**

The currency of the M7 Lease is the Euro and has been translated at **an** exchange rate of 1.4099

Off-Balance Sheet Arrangements

The Corporation did not enter into any off-balance sheet arrangements during the period ended June 30, 2016 nor have any off balance sheet arrangements been entered into as at June 30, 2017.

Transactions Between Related Parties

The related party transactions entered into by the Company were comprised of the following:

- The Company paid consulting fees of $190,000 to a director for services rendered (2016 – $285,000).
- The Corporation agreed to loan the Chief Executive Officer, Curt Marvis, an aggregate principal amount of one hundred fifty thousand dollars ($150,000) in lawful money of the United States. As of June 30, 2017 $125,000 of the $150,000 loan had been paid to Mr. Marvis.
- BFPS and the Company are considered to be related parties as a result of common

share ownership and whereby an officer of the Company is also a director of BFPS.

- In 2015, the Company acquired the "QYOU" brand and certain other assets and liabilities for a net payment of $25,000 and assumption of liabilities totaling $56,454 from BFPS.
- In addition, BFPS provides outsourced production services, on a cost plus basis, for the Company's videos under the terms of a production services contract. Total production costs incurred by the Company that were provided by BFPS for the year ended June 30, 2017 was $1,208,102 (2016 - $3,178,701).
- As at June 30, 2017, total amounts due to BFPS was $64,637 (2016 - $63,412) and is included in Accounts Payable. The Company's payment terms to BFPS is due upon receipt and non-interest bearing.
- During the year ended June 30, 2017, BFPS paid certain operating expenses, which include salaries for certain employees as well as related expenses, for the Company in the amount of $1,223,638. For the twelve months ending June 30, 2016, BFPS paid expenses amounting to $1,747,315 on behalf of the Company. These amounts were reimbursed by the Company.
- The Company paid interest of nil (2016 – $82) to a director on a short-term promissory note for $75,000. The promissory note and the accrued interest were settled through the issuance of 150,164 units to the director.
- As part of the QYOU Offering, the Company issued 730,000 subscription receipts of QYOU Media Inc. at a subscription price of $0.50 per receipt for a total amount of $365,000 to previously engaged consultants of the Company. These subscription receipts were provided as payment against future services from certain consultants of the Company. The full amount of $365,000 has been recorded as an expense.

Significant Accounting Policies and Critical Accounting Estimates

We describe our significant accounting policies and critical accounting estimates in Note 2 to the Financial Statements.

Future Accounting Policy Changes

The following accounting pronouncements issued by the IASB were not effective as of June 30, 2017. Management is currently evaluating the potential impact the adoption of these accounting pronouncements will have on the Corporation's consolidated financial statements:

IFRS 9 Financial Instruments

IFRS 9, as issued in 2014, introduces new requirements for the classification and measurement of financial instruments, a new expected-loss impairment model that will require more timely recognition of expected credit losses and a substantially reformed model for hedge accounting, with enhanced disclosures about risk management activity. IFRS 9 also removes the volatility in profit or loss that was caused by changes in an entity's own credit risk for liabilities elected to be measured at fair value. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted. The Corporation has not yet begun the process of evaluating the impact of this standard on its consolidated financial statements and the potential effect on its business and business practices.

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, which covers principles for reporting about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. The Corporation is in the process of reviewing the standard to determine the impact on its consolidated financial statements and the potential effect on its business and business practices.

IFRS 16 Leases

On January 13, 2016, the IASB published a new standard, IFRS 16, Leases. The new standard will eliminate the distinction between operating and finance leases and will bring most leases on the balance sheet for lessees. This standard is effective for annual reporting periods beginning on or after January 1, 2019 and is to be applied retrospectively. The Corporation has not yet determined the impact on its consolidated financial statements and the potential effect on its business and business practices.

IAS 7 Statement of Cash Flows

In January 2016, the IASB issued an amendment to International Accounting Standard ("IAS") 7 in order to clarify and improve information provided to users of financial statements about an entity's financing activities. This amendment is effective for annual periods beginning on or after January 1, 2017, and is to be applied prospectively. Earlier application is permitted. The Corporation has not yet assessed the impact this standard will have on its consolidated financial statements and the potential effect on its business and business practices.

Financial Instruments and Risk Management

The Corporation's financial instruments consist of cash and cash equivalents, accounts receivable, other receivables, accounts payable and accrued expenses and their carrying value approximates fair value due to their immediate or short-term maturity.

Risks and Uncertainties

The results of operations and financial condition of the Corporation are subject to a number of risks and uncertainties, and are affected by a number of factors outside of the control of management. An investment in the Corporation's securities involves risks. Before making an investment decision with respect to our securities, you should carefully consider the risks and uncertainties described elsewhere in this MD&A and those described under the heading "Risk Factors" in the Corporation's Filing Statement dated February 22, 2017 and in other publically available disclosure documents filed by the Corporation on SEDAR (www.sedar.com). The risks and uncertainties described in the documents referred to in the preceding sentence and in other documents filed by us with Canadian securities regulatory authorities are not the only ones we may face. Those risks and uncertainties, together with additional risks and uncertainties not currently known to us or that we may deem immaterial, could impair our business, financial condition and results of operations. The market price of our securities could decline if one or more of these risks and uncertainties develop into actual events, and you may lose all or part of your investment.

Currency Risk

Currency risk arises from financial instruments that are denominated in a currency other than the Canadian dollar. The Corporation is exposed to the risk that the value of its financial instruments will fluctuate due to changes in exchange rates.

Sensitivity Analysis

The Corporation holds balances in foreign currencies that could give rise to exposure to foreign exchange risk. Sensitivity to a 10% plus or minus change in the Canadian dollar foreign exchange rate against the United States Dollar or the Euro would affect the reported loss and comprehensive loss of the Corporation by approximately $40,000 This estimate is based on management's knowledge and experience of the financial markets, which estimate the Corporation believes to be reasonably possible.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Corporation does not use credit derivatives or similar instruments to mitigate this risk and, as such, the maximum exposure is the full carrying value or face value of the applicable financial instruments. The Corporation minimizes credit risk on cash by depositing with only reputable financial institutions. The Corporation's primary credit risk relates to its bank accounts. The balance of these accounts as at June 30, 2017 and June 30, 2016 was held with major financial institutions as follows:

	June 30, 2017 $	June 30, 2016 $
In Canada		
- At financial institute	2,254,024	30,018
- In trust at legal counsel	18,953	1,673,258
In United States	88,335	16,880
In Ireland	221,654	82,538

Additional credit risk is attributable to the $329,347 as at June 30, 2017 (June 30, 2016 - $159,772) of Harmonized Sales Tax and Value Added Taxes receivable from the Federal Government of Canada and the Government of Ireland. Management believes that the credit risk with respect to these financial instruments is remote, respectively.

Liquidity risk

Liquidity risk arises as a result of an excess of financial obligations due over available financial assets at any point in time. The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they become due. As at June 30, 2017, the Corporation had cash and cash equivalents of $2,582,966 (June 30, 2016 - $1,802,694) to settle current liabilities of $1,190,205 (June 30, 2016 - $1,002,189).

Disclosure of Equity and Outstanding Share Data

The Corporation's authorized share capital currently consists of an unlimited number of First Preferred Shares, Second Preferred Shares and Common Shares. As of the date hereof, there are 66,942,710 Common Shares, nil First Preferred Shares and nil Second Preferred Shares issued and outstanding. As of the date hereof, the Corporation also has issued and outstanding (i) Common Share purchase warrants to acquire an aggregate of up to 21,397,794 Common Shares; (ii) compensation options to acquire an aggregate of up to 958,875 Common Shares; (iii) stock options to acquire an aggregate of up to 6,694,271 Common Shares; and (iv) nil restricted share units.