QYOU MEDIA INC.
(formerly Galleria Opportunities Ltd.)

INTERIM MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

For the three months ended September 30, 2017 and September 30, 2016

Dated November 28, 2017

QYOU Media Inc.
Management's Discussion and Analysis
November 28, 2017

The purpose of this Management's Discussion and Analysis ("**MD&A**") is to provide the reader with an overview of the unaudited consolidated interim financial position, operating results, and cash flows of QYOU Media Inc. ("**QYOU**" or the "**Corporation**") for the three months ended September 30, 2017 and September 30, 2016. The Corporation's unaudited consolidated interim financial statements for the three months ended September 30, 2017 and September 30, 2016 and the notes related thereto (the "**Financial Statements**") were prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"), including *International Accounting Standard 34* Interim Financial Reporting, as issued by the IASB.

This MD&A should also be read in conjunction with both the audited annual consolidated financial statements and annual MD&A of the Corporation for the twelve months ended June 30, 2017. Additional information regarding the Corporation, including its audited annual consolidated financial statements and annual MD&A of the Corporation for the twelve months ended June 30, 2017 and its most recent annual information form dated November 6, 2017 are available on SEDAR at www.sedar.com.

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, 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 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, 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 in the United States of its products.

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 Quarterly Financial Highlights

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.

	Three months ended September 30, 2017	**Three months ended September 30, 2016**
Selected Financial Information	**$**	**$**
Revenues	**1,514,938**	**897,057**
Content and production costs	759,363	778,027
Other operating expenses, net	2,091,629	756,410
Total Expenses	**2,850,992**	**1,534,437**
Net loss	**(1,336,054)**	**(637,380)**
Loss per share	**($0.02)**	**($0.01)**

	As at September 30, 2017	**As at June 30, 2017**
	$	**$**
Cash and Cash equivalents	1,982,841	2,582,966
Total assets	4,865,874	4,873,463
Total liabilities	1,628,056	1,190,206

Overall Performance

For the three months ended September 30, 2017, revenues were $1,514,938, compared to revenues of $897,057 for the three months ended September 30, 2016. The Corporation's revenues were derived from linear channel revenue of $1,222,627, programming revenue of $97,912 and influencer marketing revenue of $194,399. Linear channel revenue, programming revenue and influencer marketing revenue represented 81%, 6% and 13% of the Corporation's total revenue for the three months ended September 30, 2017, respectively.

	Three months ended September 30, 2017 $	Three months ended September 30, 2016 $
Linear Channel	1,222,627	480,928
Programming	97,912	277,222
Influencer Marketing	194,399	138,907
Total Revenue	**1,514,938**	**897,057**

For the three months ended September 30, 2017, consolidated revenue increased $617,881 or 69% 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 $18,664 or 2%, selling and administrative expenses and non-content and production-related costs (including non-cash expenses) increased $1,335,219 or 177% as compared to the three months ended September 30, 2016. The net loss for the three months ended September 30, 2017 is $1,336,054 compared to net loss of $637,380 for the three months ended September 30, 2016. The change in net loss was due primarily to an increase of non-cash related expenses of $524,043 ($381,894 related to foreign exchange loss and $142,149 related to stock-based compensation). Additionally, the Corporation incurred increased operation expenses in an effort to support revenue growth.

The Corporation concluded the three months ended September 30, 2017 with cash and cash equivalents of $1,982,841 (June 30, 2017 – $2,582,966). Cash used in operating activities for the three month ended September 30, 2017 was $912,010. In addition, the Corporation's cash usage from investing activities for the three month ended September 30, 2017 was $173,403, which was related to the development of an application to facilitate the delivery of its content through non-linear channels, including mobile. Lastly, the Corporation increased its cash by $501,375 from financing activities for the three months ended September 30, 2017 due to the exercise of certain compensation options.

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 September 30, 2017. Management expects growth 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 management anticipates 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. Management believes that 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 believes 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 the Corporation's program sales, management expects new genres to emerge. The Corporation also recently announced the launch of "Heads Up Daily" ("**HUD**"), a daily show of curated e-sports content.

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 three months ended September 30, 2017. Additional, less significant changes are not articulated.

Revenue

	Three months ended September 30, 2017 $	Three months ended September 30, 2016 $
Linear Channel	1,222,627	480,928
Programming	97,912	277,222
Influencer Marketing	194,399	138,907
Total Revenue	**1,514,938**	**897,057**

The Corporation has three sources of revenue, as discussed above, being linear channel revenue, program sales revenue and influencer marketing revenue.

For the three months ended September 30, 2017, total revenue increased by $617,881 or 69% compared the three months ended September 30, 2016. For the three months ended September 30, 2017, linear channel revenue, program sales revenue and influencer marketing revenue represented approximately 81%, 6% and 13% of the Corporation's total revenue, respectively, as compared to 54%, 31% and 15% for the three months ended September 30, 2016.

For the three months ended September 30, 2017 when compared to the three months ended September 30, 2016, linear channel revenue increased 154%, from $480,928 to $1,222,627, program sales revenue decreased 65%, from $277,222 to $97,912, and influencer marketing revenue increased 40%, from $138,907 to $194,399.

The Corporation's top 10 customers represented approximately 99% of sales for the three months ended September 30, 2017, with two customers representing 78% of sales.

Content and Production Costs

	Three months ended September 30, 2017	Three months ended September 30, 2016
	$	**$**
Channel Delivery	239,725	209,762
Production expense	519,638	568,265
Total cost of sales	**759,363**	**778,027**

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

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 three months ended September 30, 2017, content and production costs decreased by $18,664 or 2% as compared to the three months ended September 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 in 2015 and 2016, and continued to leverage that content through the three months ended September 30, 2017. As a percentage of total operating expenses, content and production costs were 27% for the three months ended September 30, 2017 compared with 51% for the three months ended September 30, 2016.

Channel delivery costs for the three months ended September 30, 2017 were $239,725, compared to $209,762 for the three months ended September 30, 2016, representing a 14% 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 18% of the Corporation's total operating expenses for the three months ended September 30, 2017 and 37% for the three months ended September 30, 2016. Production expenses for the three months ended September 30, 2017 decreased by $48,627, or 9%, over the three months ended September 30, 2016. QYOU Media rapidly built a significant library of content for its linear channel from QYOU Media's inception through 2015 and 2016, and therefore required less production activity for the three months ended September 30, 2017.

Selling and Administrative Costs

	Three months ended September 30, 2017 $	Three months ended September 30, 2016 $
Sales and marketing	495,058	286,392
Salaries and benefits	452,178	292,531
Legal and consulting	488,773	156,715
General and administrative	212,878	140,567
Total selling and administrative	**1,648,888**	**876,205**

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

Selling and admisitrative costs represented 58% of the Corporation's total operating expenses for the three months ended September 30, 2017, and 57% for the three months ended September 30, 2016. For the three months ended September 30, 2017, selling and administrative costs increased by $772,683 or 88% over the three months ended September 30, 2016. During the three months ended September 30, 2017, sales and marketing costs increased by $208,666 or 73%, salary and benefit costs increased by $159,647 or 55%, legal and consulting cost increase 332,058 or 212% over the three months ended September 30, 2016 and general and administrative costs increased by $72,311 or 51%. The increase in selling and administrative costs was due primarily to legal and consulting expenses related to public company obligations following the Transaction, as well as to support the Corporation's revenue growth.

Foreign Exchange Gain

Foreign exchange loss of $264,217 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 September 30, 2017, the Corporation invested $831,200 in the development of an application to facilitate the delivery of its content through non-linear channels, including mobile. As of September 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 three months ended September 30, 2017 and September 30, 2016 were comprised of the following:

	Intangible Assets $	Capitalized Development Costs $	Total $
Cost			
Balance, as at June 30, 2016	**84,852**	**457,685**	**542,537**
Acquisitions	—	—	0
Additions	—	104,706	104,706
Impact of foreign exchange	1,995	—	1,995
Balance, as at September 30, 2016	**86,847**	**562,391**	**649,238**

	Intangible Assets $	Capitalized Development Costs $	Total $
Cost			
Balance, as at June 30, 2017	**87,835**	**657,797**	**745,632**
Additions	—	173,403	173,403
Impact of foreign exchange	(956)	—	(956)
Balance, as at June 30, 2017	**86,879**	**831,200**	**918,079**

Depreciation and Foreign Exchange

	As at September 30, 2017 $	As at September 30, 2016 $
Depreciation	6,477	3,825
Foreign exchange Loss (Gain)	264,217	(117,677)

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 three months ended September 30, 2017 was $9,153 as the result of subleasing office space to a third party. Additionally, the Corporation had bad debt expenses of $39,051 for the three months ended September 30, 2017.

Selected Unaudited Consolidated Quarterly Financial Information

The following table presents selected unaudited consolidated quarterly financial information for each of the eight quarters indicated prepared in accordance with IFRS.

	Sept 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
	$	$	$	$	$	$	$	$
Linear Channel	1,222,627	1,294,295	898,048	547,428	480,928	215,426	310,992	359,279
Programming	97,912	15,140	150,843	242,467	277,222	95,054	150,827	
Influencer Marketing	194,399	345	39,712	99,732	138,907	-	-	331,500
Total Revenue	**1,514,938**	**1,309,780**	**1,088,603**	**889,627**	**897,057**	**310,480**	**461,819**	**690,779**
Operating expenses	**2,850,992**	**3,852,827**	**2,046,074**	**1,898,590**	**1,534,437**	**2,592,050**	**2,196,476**	**3,028,421**
Net loss(1)	**($1,336,054)**	**($2,543,047)**	**($957,471)**	**($1,008,963)**	**($637,380)**	**($2,281,570)**	**($1,734,657)**	**($2,337,642)**

Notes:

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 eight quarters, revenue has changed for the following reasons:

QYOU's linear channel revenue 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's program sales revenue increased from $15,140 for the three month ended June 30, 2017 to $97,912 for the three months ended September 30, 2017. Sales and marketing for QYOU program sales will remain a priority for the Corporation for the next twelve months. The Corporation also recently announced the launch of "Heads Up Daily", a daily show of curated e-sports content.

QYOU's influencer marketing increased from $345 for the three months ended June 30, 2017 to $194,399 for the three months ended September 30, 2017. Influencer marketing revenue is an area that has been more opportunistic to date, but one that the Corporation anticipates ramping up more aggressively over the next calendar year. 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.

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

	Three months ended September 30, 2017	Three months ended June 30, 2017
	$	$
Current Assets	3,900,231	4,073,707
Current Liabilities	1,628,056	1,190,206
Working Capital	**2,272,175**	**2,883,501**
Total assets	4,865,874	4,873,463
Total Liabilities	1,628,056	1,190,206
Total stockholders equity	3,237,817	3,683,257

QYOU's capital requirements consist primarily of working capital necessary to fund operations and support a 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 September 30, 2017, the Corporation had a positive working capital balance of $2,272,175 compared to a working capital balance of $2,883,501 for the three months ended June 30, 2017.

Cash Flow Activity

For the three months ended September 30, 2017, cash used in operations was $912,010 and the Corporation had a net cash balance of $1,982,841. For the three months ended September 30, 2016, cash used in operations was $422,936 and the Corporation had a cash balance of $1,256,050.

For the three months ended September 30, 2017, cash use from investing activity was $173,403, as compared to nil for the three months ended September 30, 2016.

For the three months ended September 30, 2017, financing activities generated $501,375 from the exercise of 1,002,750 compensation options of the Corporation at a price of $0.50 per compensation option. For the three months ended September 30, 2016, cash generated from financing activities was nil.

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 September 30, 2017, had an accumulated deficit of $15.9 million. Cash flow used in operating activities was $0.9 million for the three months ended September 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 during its current financial year 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.

On November 21, 2017 the Corporation completed an offering of 15,541,100 units of the Corporation for gross proceeds of $5,750,207. See "*Subsequent Events*", below, for further details.

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 for the below calendar years:

	Commitment **$**
2017	205,022
2018	136,681
Total	**341,703**

The currency of the M7 Lease is the Euro and has been translated at the Bank of Canada exchange rate on September 30, 2017 of €1 = C$1.4697.

Off-Balance Sheet Arrangements

The Corporation did not enter into any off-balance sheet arrangements during the three months ended September 30, 2016, nor were any off balance sheet arrangements been entered into as at September 30, 2017.

Transactions Between Related Parties

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

- The Corporation paid consulting fees of $53,359 to a director for services rendered for the three months ended September 30, 2017 (September 30, 2016 – nil).
- On June 5, 2017, the Corporation agreed to loan Curt Marvis, the Chief Executive Officer of the Corporation, an aggregate principal amount of US$150,000, as evidenced by a promissory note issued by Mr. Marvis to the Corporation, which bears interest at a rate of 3% per annum (the "Officer Loan"). As of September 30, 2017, the full principal amount of the Officer Loan had been paid to Mr. Marvis. As at September 30, 2017, the carrying value of the loan, inclusive of principle and interest, was US$151,000 or C$188,057, as determined using the Bank of Canada exchange rate on September 30, 2017 of US$1 = C$1.2454.
- BFPS and the Corporation are considered to be related parties for accounting purposes as a result of common share ownership and because an officer of the Corporation also acts as a director of BFPS.
- In addition, BFPS provides outsourced production services, on a cost plus basis, for the Corporation;s videos under the terms of a production services contract. Total production costs incurred by the Corporation that were provided by BFPS for the three months ended September 30, 2017 was $151,488 (September 30, 2016 – $568,265).

- As at September 30, 2017, total amounts due to BFPS was $42,479 (September 30, 2016 – $54,100) and is included in Accounts Payable. The Corporation's payment terms to BFPS is due upon receipt and non-interest bearing.
- During the three months ended September 30, 2017, BFPS paid certain operating expenses, which include salaries for certain employees as well as related expenses, for the Corporation in the amount of $541,112. For the three months ending September 30, 2016, BFPS paid expenses amounting to $318,902 on behalf of the Corporation. These amounts were reimbursed by the Corporation.
- The Corporation paid interest of nil to a director on a short term promissory note for $75,000 for the three months ended September 30,2017 (September 30, 2016 – nil).

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 September 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 annual information form dated November 6, 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 reasonable.

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 September 30, 2017 and June 30, 2017 was held with major financial institutions as follows:

	September 30, 2017	June 30, 2017
	$	$
In Canada		
- At financial institute	1,458,341	2,254,024
- In trust at legal counsel	7,662	18,953
In United States	258,396	88,335
In Ireland	258,442	221,654

Additional credit risk is attributable to the $360,080 as at September 30, 2017 (June 30, 2017 - $329,347) 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.

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 September 30, 2017, the Corporation had cash and cash equivalents of $1,982,841 (June 30, 2017 – $2,582.966) to settle current liabilities of $1,628,056 (June 30, 2017 – $1,190,205).

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 82,483,810 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 29,669,718 Common Shares; (ii) compensation options to acquire an aggregate of up to 2,046,752 Common Shares; (iii) stock options to acquire an aggregate of up to 6,694,271 Common Shares; and (iv) nil restricted share units.

Subsequent Events

On October 26, 2017, the Corporation issued stock options to acquire an aggregate of 450,000 Common Shares certain directors and consultants of the Corporation pursuant to the Corporation's stock option plan, each stock option exercisable to purchase one Common Share at a price of $0.50 until October 26, 2022.

On November 21, 2017 the Corporation completed an offering of 15,541,100 units of the Corporation (the "**Units**"), at a price of $0.37 per Unit on a bought deal basis pursuant to a short form prospectus for gross proceeds of $5,750,207 (the "**Offering**"). Each Unit consists of one Common Share and one-half of one Common Share purchase warrant (each whole common share purchase warrant, a "**Warrant**"). Each Warrant entitles the holder thereof to acquire one Common Share at a price of $0.55 per share until November 21, 2019. In connection with the Offering, the Corporation also granted the underwriter, Clarus Securities Inc. and other members of its selling group 2,027,100 compensation options of the Corporation (the "**Compensation Options**"), each Compensation Option exercisable until November 21, 2019 at a price of $0.37 into one Unit.

Investor Information

Stock Exchange Listing

The Common Shares of the Corporation are listed on the TSXV under the symbol QYOU.

Transfer Agent and Registrar

Computershare Investor Services Inc.

Auditors

Ernst & Young LLP

Investor Relations

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