LABRADOR TECHNOLOGIES INC.

SIX MONTHS ENDED APRIL 30, 2018

MANAGEMENT'S DISCUSSION & ANALYSIS

The following Management Discussion and Analysis ("MD&A") is prepared in accordance with National Instrument 51-102F1, and should be read in conjunction with the unaudited financial statements of Labrador Technologies Inc. ("LTI" or the "Company") for the three and six months ended April 30, 2018 and 2017. Additional information with respect to the Company can be found on the Company's website at www.labradortechnologies.com or on SEDAR at www.sedar.com. The functional reporting and measurement currency is the Canadian dollar.

International Financial Reporting Standards

The Company's unaudited financial statements for the three and six months ending April 30, 2018 have been prepared in accordance with IFRS as published by the International Accounting Standards Board. The Company also presented comparative information for three and six months ending April 30, 2017, on an IFRS basis.

Non-IFRS Measures

To supplement our financial statements presented in accordance with IFRS, we use non-IFRS measures such as working capital. Working capital is provided to enhance readers' overall understanding of our current use of cash resources and liquidity, and is included to provide investors and management with an alternative measure for assessing our financial position in a manner that is focused on the Company's current liquidity and capital position. This measure is based on the Statement of financial position, from which selected information is presented. Working capital is determined using the period end current assets less current liabilities. These measures are not in accordance with and do not have a standardized meaning under IFRS and may not to be comparable to similar status of the Company's software development projects, the Company's intentions, results of operations, levels of activity, future capital and other expenditures, including the amount, nature and sources of funding thereof, business prospects and opportunities, research and development timetable, and future growth and performance. When used in this MD&A, statements to the effect that the Company or its management 'believes', 'expects', 'plans', 'may', 'will', 'projects', 'anticipates', 'predicts', 'intends' or similar statements, including 'potential', 'opportunity', or variations thereof are not statements of historical fact and should be construed as forward-looking information. These statements reflect management's current beliefs with respect to future events and are based on information currently available to the management of the Company. The Company believes that the expectations reflected in such forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

With respect to the forward-looking information contained in this MD&A, we have made assumptions regarding the following:

- Future software license sales
- The continued ability of the Company to raise operating capital
- Ability to continue current development and new product development
- Ability to retain and recruit qualified staff

Forward-looking information is not a guarantee of future performance and involves a number of risks and uncertainties, only some of which are described herein. Many factors could cause the Company's actual results, performance or achievements, or future events or developments, to differ materially from those expressed or implied by the forward-looking information including, without limitation, the following factors:

- Economic conditions in the oil and gas industry
- Reliance on key partner
- Increased competition
- Reliance on employees with specialized skills and knowledge
- Protection of proprietary rights

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievement may vary materially from those expressed or implied by the forward-looking information contained in this MD&A. These factors should be carefully considered and readers are cautioned not to place undue reliance on forward-looking information, which speaks only as of the date of the MD&A.

This MD&A is dated as of June 29, 2018.

Outlook

A Transformation on the Balance Sheet

During the six months ended April 30, 2018, there were several material improvements to the Company's financial position. These improvements included: forgiveness of interest payable, primarily by the Directors, totaling $492,569; further debt of $425,728 converted into shares; and the raising of $672,500 in January 2018 by way of issuance of units. These items, together with the conversion of $1,666,982 of indebtedness into common shares in September 2017, combined to improve the Company's working capital by over $3.2 million.

Oil & Gas Revitalized

The wellTriever™ Heat Map visualizes proprietary/confidential financial performance indicators quickly, uniquely, and impactfully, providing a distinctive competitive advantage for its clients and decision-makers. Interest in this three year software development process has seriously materialized into real opportunity with substantial Oil & Gas companies.

Expansion into the Cannabis Industry

Over the past months, the Company has embarked on an ambitious plan to gather quality data innovatively from licensed producers, dispensaries, and consumers in order to provide meaningful aggregate and data analytics reporting, in a sanitized form, to all interested parties, including the federal and provincial governments.

New Website

To represent and visualize the Company's expansion into new markets in both Oil & Gas and other sectors, the Labrador website has been completely rewritten and will be released very shortly.

Annual Financial Information

Selected Statement of operations and comprehensive income (loss) information for the years ended:	October 31, 2017	October 31, 2016	October 31, 2015
Revenues			
License fees	**$ 15,601**	$ 23,659	$ 27,893
Expenses			
General & Administrative	**316,684**	186,677	276,238
Development & Related	**51,232**	235,167	249,479
Marketing & Sales	**83,350**	62,850	81,375
	451,266	484,694	607,092
Finance Costs	**(176,193)**	(171,876)	(91,279)
Other Income	**89,839**	5,190	1,564
Net loss before income tax	**(522,019)**	(627,721)	(668,914)
Deferred income tax recovery	**381,657**	-	-
Net loss & comprehensive loss	**$ (140,362)**	$ (627,721)	$ (668,914)
Loss per share (basic & diluted)	**$ (0.00)**	$ (0.01)	$ 0.00

Selected Statement of financial position information as at:	October 31, 2017	October 31, 2016	October 31, 2015
Total assets	**$ 24,236**	$ 26,243	$ 42,454
Total Liabilities	**$ 2,050,766**	$ 3,110,997	$ 2,499,487
Outstanding common shares	**146,265,784**	112,926,137	112,926,137

Results of Operations

At April 30, 2018, the Company has cash balances of $224,158, no long-term debt, and a working capital deficit of $722,635. During the three and six months ended April 30, 2018, the Company had a net loss and comprehensive loss of $289,675 and $577,436, respectively.

Future operations will be dependent upon the successful ongoing development and marketing of the Company's data retrieval technology and the corresponding generation of future cash flows and/or raising of additional capital.

Revenue

The Company generated revenue of $3,500 during the three months and $7,231 during the six months ended April 30, 2018 from the sale of software license fees (2017 - $3,854 and $7,874). This revenue is recognized ratably over the contract period, which ranges from four months to twelve months. The Company is continuing to dedicate its resources to further sales and marketing strategies to increase license fees revenues to sustainable levels.

Presently, the Company has no significant ongoing sources of revenue. The Company, however, has continued its research and development activities to streamline and repackage its eTriever software by "cherry-picking" the best apps, reports and graphs of eTriever and making them available to all consumers on a 'pay-as-you-go' basis with an initial focus on the Oil & Gas industry's well and drilling data, under the banner of wellTriever™.

Financial Summary

		Three Months Ended				Six Months Ended		
		April 30, 2018		**April 30, 2017**		**April 30, 2018**		**April 30, 2017**
Revenue								
License Fees (note 7)	**$**	**3,500**	$	3,854	**$**	**7,231**	$	7,874
Expenses								
General & Administrative		**76,847**		63,264		**160,661**		119,094
Share based compensation		**146,900**		-		**441,612**		-
Development & Related		**2,566**		24,304		**3,071**		37,552
Marketing & Sales		**64,000**		19,000		**93,000**		35,350
		290,313		106,568		**698,344**		191,996
Operating Loss		**(286,813)**		(102,714)		**(691,113)**		(184,122)
Finance Costs		**(2,862)**		(47,865)		**(10,767)**		(95,279)
Other Income (note 9)		**-**		-		**42,406**		-
Loss before income and other taxes		**(289,675)**		(150,579)		**(659,474)**		(279,401)
Deferred Tax Recovery		**-**		-		**82,038**		-
Net Loss & Comprehensive Loss	**$**	**(289,675)**	$	(150,579)	**$**	**(577,436)**	$	(279,401)
Loss per share								
Basic & diluted (note 8(e))	**$**	**(0.00)**	$	(0.00)	**$**	**(0.00)**	$	(0.00)

Expenses

General and administrative

This category of expenses is comprised primarily of office rent, office equipment rentals, administrative salaries, corporate expenses related to shareholder reporting, and professional fees. General and administrative expenses for the three months ended April 30, 2018 were $76,847 compared to $63,264 for the same period in 2017, an increase of 21% ($13,583). For the six months ended April 30, 2018, G&A expenses were $160,661 compared to $119,094 in 2017 for an increase of 35% ($41,567). The increases were due to increased activities for the in the 2018 fiscal year compared to 2017.

Development and related costs

Computer and related costs include programmers' salaries, programmers' consutling fees, software costs, and telecommunication costs. This category of expenses totaled $2,566 and 3,071 for the three and six months ended April 30, 2018, respectively, compared to $24,304, and $37,552 for the three and six months ended April 30, 2017, representing decreases of 89% ($21,738) and 92% (34,481) for the three and six months, respectively. The decrease is primarily due to a reduction in programmer fees as a result of a decision to reduce expenditures until additional capital could be raised.

Marketing & Sales Expenses

Marketing & sales expenses include expenses for sales and support salaries/consulting fees, and promotion/advertising. Expenses for the three months ended April 30, 2018 were $64,000 compared to $19,000 for the same period in 2017, and $93,000 compared to $35,350 for the six months periods. This represent increases of 237% ($45,000) and 163% ($67,650) for the respective periods.. The increase is due to increased sales efforts.

Financing Costs

Financing costs includes mainly interest paid on loans advanced to the Company by its officers, directors, former directors, and shareholders. For the three months ended April 30, 2018, interest expense was $2,862 compared to $47,865 for 2017, a decrease of 94% ($45,003). For the six months ended April 30, 2018, financing costs were $10,767 compared to $95,279 for 2017, a decrease of 89% ($84,512). The decrease is primarily due to the significant reduction of debt.

Stock-based compensation

For the three and six months ended April 30, 2018, stock-based compensation of $146,900 and $441,612 were recorded as a result of 13,500,000 options issued to directors and consultants during the first quarter ended January 31, 2018 and additional 3,320,000 options issued to consultants during the three months ended April 30, 2018. Further stock-based compensation expense will be recorded over the vesting period of these options. No options were issued in the comparative periods in 2017.

Depreciation

Amortization expense for the three and six months ended April 30, 2018 was $425 and $849 compared to $547 and $1,136 for the same periods ended April 30, 2017. Depreciation has been allocated fully to general & administrative expenses in both 2018 and 2017.

Working capital

At April 30, 2018, LTI had cash of $224,158, no bank debt, and a working capital deficiency of $722,635. The Company received loan advances from officers & directors of $16,425 during the period (2017 - $133,145)). The Company has not had any significant sources of ongoing revenue for many years as it has been developing its eTriever and wellTriever web applications. The Company's ability to maintain its operations in the future is still dependent on its ability to generate sufficient revenue, and/or raise sufficient capital to continue to fund its strategic business plan.

Liquidity and Capital Resources

During the six months ended April 30, 2018, the Company's cash position increased by $216,286 as a result of the increase in cash of $641,900 through financing activities and offset by cash used in operating activities of $425,614.

Going Concern

In recent years, the Company has raised capital in order to fund the development of its web-based oil and gas data retrieval software products, eTriever and wellTriever. The Company has raised in excess of $6.2 million during the period August 1, 2005 through January 31, 2018.

There is a material uncertainty that may cast a significant doubt about the appropriateness of using the going concern assumption because the Company's ability to continue as a going concern is dependent upon its ability to generate sufficient cash to settle its existing liabilities and fund its strategic business plan. To date, the Company has minimal revenue and is now, in the short term, dependent on raising sufficient capital to realize its assets and discharge its obligations, including the working capital deficiency of $722,635 as at April 30, 2018 (October 31, 2017 - $2.0 million). In addition, the Company will continue to pursue opportunities to license its eTriever software and to generate revenue from the Company's new product, wellTriever. Revenue realized through these additional sources is expected to assist the Company in realizing its assets and discharging its obligations.

At April 30, 2018, the Company has cash balances of $224,158, and a working capital deficiency of $722,635. During the six months ended April 30, 2018, the Company incurred a net loss of $577,436 (2017 - $279,401) and used cash in operations totaling $425,614 (2017 – $129,677).

During the six months ended April 30, 2018, there were several material improvements to the Company's financial position including $918,297 in indebtedness owed to creditors being converted into common shares or forgiven (note 6a) and $625,475 (net of finder's fees) being raised in a financing (note 8). These items, combined with the conversion of $1,666,982 of indebtedness into common shares prior to yearend October 31, 2017 have improved the Company's working capital by over $3.2 million.

Management believes the going concern assumption is still appropriate for these financial statements but is dependent upon the successful raising of sufficient capital in the future, achieving and sustaining profitable operations, as well as the continued support from related parties and trade and other creditors. There can be no assurance that the steps management is taking will be successful. This assumption will be reviewed on an ongoing basis by management and the Board of Directors. If the going concern assumption were not appropriate for these financial statements, adjustments would be necessary to the carrying value of assets and liabilities, reported revenues and expenses and the classifications used in the statement of financial position.

Capital Management

The Company's objectives in managing capital are to ensure sufficient liquidity to pursue its strategy of organic growth to maximize the return to its shareholders. The capital structure of the Company consists of cash and shareholders' deficit. The Company does not have any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital.

The Company makes adjustments to its capital structure in light of general economic conditions and the Company's working capital requirements. In order to maintain or adjust its capital structure, the Company, upon approval from its Board of Directors, may pay dividends, buy back shares or undertake other activities as deemed appropriate under the specific circumstances. The Board of Directors reviews and approves any material transactions not in the ordinary course of business.

Summary of Quarterly Results

	2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3
	$	$	$	$	$	$	$	$
Revenue								
License fees	3,500	3,731	3,500	4,227	3,854	4,020	(8,126)	5,167
	3,500	3,731	3,500	4,227	3,854	4,020	(8,126)	5,167
Expenses								
General & Administrative	76,847	83,814	97,511	100,089	63,254	55,830	(67,857)	52,176
Share based compensation	146,900	294,712	-	-	-	-	-	-
Development & Related	2,566	505	(308)	13,988	24,304	13,248	(173,484)	63,608
Marketing & Sales	64,000	29,000	54,000	(6,000)	19,000	16,350	(7,600)	13,700
	290,313	408,031	151,203	108,077	106,558	85,428	(248,941)	129,484
Operating Loss	(286,813)	(404,300)	(147,703)	(103,850)	(102,704)	(81,408)	240,815	(124,317)
Finance Costs	(2,862)	(7,905)	(28,449)	(52,465)	(47,865)	(47,414)	(45,615)	(43,050)
Other Income	-	42,406	89,839	-	-	-	-	-
Net loss before income tax	(289,675)	(369,799)	(86,313)	(156,315)	(150,569)	(128,822)	195,200	(167,367)
Deferred Income Tax Recovery	-	82,038	381,657	-	-	-	-	-
Net loss & comprehensive loss	(289,675)	(287,761)	295,344	(156,315)	(150,569)	(128,822)	195,200	(167,367)
Net loss per share, basic & diluted	(0.00)	(0.00)	0.00	(0.00)	(0.00)	(0.00)	0.00	(0.00)
Outstanding shares	168,230,352	168,230,352	146,265,784	112,926,137	112,926,137	112,926,137	112,926,137	112,926,137
Total assets	241,426	495,369	24,236	26,941	23,007	26,243	26,243	25,755

Financial Instruments and Financial Risk Management

i) Classification of financial instruments:

	Classification	Measurement
Cash	Held for trading	Fair value
Trade and other receivables	Loans and receivables	Amortized cost
Trade payables and accrued liabilities	Other financial liabilities	Amortized cost
Loan payables	Other financial liabilities	Amortized cost

ii) Determination of Fair Values

The following table analyzes recurring assets and liabilities measured at fair value in the statement of financial position. The different levels are defined as follows:

Level 1 - Determined by reference to quoted in active markets for identical financial assets and liabilities.

- The fair value of loans payable approximates their carrying value as they are payable on demand.
- The fair value of trade payables and accrued liabilities approximates their carrying value due to their short term to maturity.

Level 2 – Inputs to the valuations, other than quoted prices, are observable for the financial assets and liabilities, either directly or indirectly.

Level 3 – Inputs to the valuations are based on inputs that are not observable for the financial assets and obligations.

Recurring Measurements	**April 30, 2018**	**Level 1**	**Level 2**	**Level 3**
Financial Assets				
Cash		$ 224,158	$ –	$ –
Financial Liabilities				
Accounts payables and accrued liabilities		$ 859,774	$ –	$ –
Loans payable		$ 92,642	$ –	$ –

Overview

The Company is exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth. The main objectives of the Company's risk management process are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal financial risks to which the Company is exposed are described below.

a) Interest rate risk:

Interest rate risk is the risk that fair value of a financial instrument or its cash flows will fluctuate as a result of changes in interest rates.

The Company maintains its short-term deposits in instruments that are redeemable at any time without penalty, thereby reducing its exposure to interest rate fluctuations.

The loans payable bear interest at a fixed rate of 12% and are due upon demand, thus the cash flows are not subject to interest rate risk.

b) Liquidity risk:

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due or can do so only at excessive cost. Given that the Company continues to use cash in operations, there are inherent liquidity risks, including the possibility that additional financing may not be available to the Company on a timely basis. Refer to note 3 for details regarding the going concern assumption.

At April 30, 2018, the Company had cash balances of $224,158 and a working capital deficiency of $722,635. The Company had financial liabilities of $958,666 classified as current liabilities.

Loans Payable and Related Party Transactions

a) Related Party Transactions:

As at April 30, 2018, the Company had $92,642 (October 31, 2017 - $229,593) of loans payable to certain officers, directors, former directors, and shareholders. These loans bear interest at 12% per year, are unsecured and due on demand. Total interest accrued and payable as at April 30, 2018 was $102,970 (October 31, 2017 - $585,641). During the period ended April 30, 2018, additional advances on these loans of $16,425 (2017 - $133,145) were made to the Company. Total interest expense of $8,409 (2017 - $93,899) on these loans was recognized.

On January 9, 2018, 6,000,000 options were granted to directors of at a price of $0.06 per share with an expiry date of January 9, 2023. 50% of the options vested on issuance and 50% on January 9, 2019.

On January 29, 2018, the Company entered into debt settlement agreements with four creditors (including 1 director), pursuant to which the Company issued 8,514,568 common shares at a price of $0.05 per share in satisfaction of $425,729 of debt. In addition, the Company announced that that $492,569 in interest payable has been forgiven by certain debt holders, including 3 directors. Of this amount, $393,911 was recorded as contributed surplus (net of $82,038 of tax) and the remaining $16,620 as gain on settlement of debt.

b) Key Management Personnel Compensation

The key management personnel of the Company are the members of the Company's executive management team and Board of Directors.

In addition to their salaries and director fees, as applicable, directors and executive officers, along with certain employees of the Company, also participate in the Company's stock option plan (note 8(d)). Compensation expenses incurred with respect to key management personnel were as follows:

	Three months ended April 30, 2018	Three months ended April 30, 2018	Six months ended April 30, 2018	Six months ended April 30, 2017
Salaries	$ 38,000	$ 24,000	$ 62,000	$ 48,000
Total Compensation	$ 38,000	$ 24,000	$ 62,000	$ 48,000

Outstanding Share Data

As of June 29, 2018 LTI had 168,230,532 common shares, 14,390,500 warrants and 16,820,000 options to acquire shares outstanding.

"   "
H. Ronald Sterne

Chief Executive Officer
Labrador Technologies Inc.

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Jeffrey Howe

Interim Chief Financial Officer
Labrador Technologies Inc.