**LABRADOR TECHNOLOGIES INC.**

**SIX MONTHS ENDED APRIL 30, 2020**

**AMENDED MANAGEMENT'S DISCUSSION & ANALYSIS**

The following Amended Management Discussion and Analysis ("MD&A") is prepared in accordance with National Instrument 51-102F1, and should be read in conjunction with the unaudited interim financial statements for six month period ended April 30, 2020 and audited financial statements for the year ended October 31, 2019 of Labrador Technologies Inc. ("LTI" or the "Company"). Additional information with respect to LTI can be found on the Company's website at www.labradortechnologies.com or on SEDAR at www.sedar.com. The functional and presentation currency is the Canadian dollar.

## International Financial Reporting Standards

The Company's unaudited financial statements for the six month periods ended April 30, 2020 and 2019 have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). For each reporting period in 2020, the Company also presented comparative information for 2019 for interim financial statements, as applicable 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

- Acquisition of target companies

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:

- Overall economic conditions
- Reliance on key partner
- Increased competition
- Reliance on employees and contractors 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 September 19, 2020**

**Outlook**

During the six months ended April 30, 2020, the Company continues to be dependent on proceeds of private placements and loans from Officers and Directors to meet operating and financial obligations. The management is continuing with its restructuring efforts through pursuing investors to recapitalize the company.

The company is actively pursuing prospective investors for financing the purchase of an exclusive marketing right to a specialized software through private placement and issuance of convertible debt to facilitate the pending transaction. The Company is in the advance stages in fulfilling the terms of the agreement and concurrent financing with the prospective investors and is expected to conclude the transaction by the end of October 2020 subject to applicable TSXV acceptance.

**Annual Financial Information**

| **Selected Statement of operations and comprehensive loss information for the years ended:** | **October 31, 2019 ($)** | **October 31, 2018 ($)** | **October 31, 2017 ($)** |
|---|---|---|---|
| Revenues | | | |
| License fees | **1,190** | **13,209** | 15,601 |
| | | | |
| **Expenses** | | | |
| General & Administrative | **186,156** | **383,297** | 316,684 |
| Share based compensation | **21,718** | **669,795** | - |
| Development & Related | **6,507** | **38,915** | 51,232 |
| Marketing & Sales | **7,682** | **171,984** | 83,350 |
| | **222,063** | **1,263,991** | 451,266 |
| | | | |
| Finance Costs | **(13,977)** | **(14,262)** | (176,193) |
| Other Income | **671,57** | **42,406** | 89,839 |
| Net income (loss) before income tax | **436,607** | **(1,222,638)** | (522,019) |
| Deferred income tax recovery | **-** | **82,038** | 381,657 |
| Net income (loss) and comprehensive income (loss) | **436,607** | **(1,140,600)** | (140,362) |
| Loss per share (basic & diluted) | **0.01** | **(0.01)** | 0 |

| **Selected Statement of financial position information as at:** | **October 31, 2019 ($)** | **October 31, 2018 ($)** | **October 31, 2017 ($)** |
|---|---|---|---|
| Total assets | **8,629** | **67,726** | 24,236 |
| Total liabilities | **477,525** | **1,019,947** | 2,050,766 |
| | | | |
| Outstanding common shares | **8,636,518** | **8,411,518** | 7,313,289 |

## Results of Operations

At April 30, 2020, the Company had cash of $2,803, no long-term debt, net income and comprehensive income of $39,641 for the six months, and a working capital deficit of $246,735.

Future operations will be dependent on its ability to generate sufficient revenue, and/or raise sufficient capital to continue to fund its operations and meet its obligations.

**Revenue**

The Company generated revenue of $nil (2019 - $1,190). Presently, the Company has no significant ongoing sources of revenue.

The Company was engaged in research and development of data retrieval technology but has changed focus and is now pursuing opportunities to obtain marketing rights for a software used in the healthcare industry. The discussions also include financing the acquisition of the licenses through share issuances and convertible debt.

**Expenses**

**General & Administrative**

This category of expenses is comprised primarily of corporate expenses related to shareholder reporting and professional fees. General and administration expenses for the six months ended April 30, 2020 were $37,232 (2019 - $142,380). The decrease was due to management's decision to reduce general and administrative expenses in order to preserve capital until additional capital can be raised.

**Development & Related**

Development and related costs include programmers' salaries, software costs, and telecommunication costs. This category of expenses for the six months ended April 30, 2020 was $nil (2019 - $11,328). 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**

Marketing and sales expenses include expenses for sales and support salaries/consulting fees, and promotion/advertising. Marketing and sales expenses for the six months ended April 30, 2020 were $nil (2019 - $7,682). The decrease is due to decreased sales efforts primarily in the area of its efforts to reduce expenditures until additional capital is raised.

**Share-based compensation**

For the six months ended April 30, 2020, the Company did not incur any share-based compensation expenses $nil (2019 - $21,998).

**Finance Costs**

Finance costs mainly includes interest accrued on loans advanced to the Company by its directors and former directors. Interest expense for the six months ended April 30, 2020 was $2,409 (2019 - $6,596). The decrease is primarily due to higher interest free loans.

**Other Income**

For the six months ended April 30, 2020, the Company issued common shares to settle accounts payable resulting in recorded gain in the amount of $235,621 (2019 - $175,296). The fair value of the common shares issued of $26,181 and other income of $235,621 have been recognized as a result of the settlement.

**Working capital**

As at April 30, 2020, the Company had cash of $2,803, no bank debt, and a working capital deficiency of $246,735. The Company has not had any significant sources of ongoing revenue for many years. 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, 2020, the Company's cash position decreased by $2,431 as a result of higher operating cash outflows of $34,934 and offset by financing cash inflows of $32,503.

## Going Concern

These financial statements have been prepared in accordance with IFRS applicable to a going concern, which contemplates, that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations.

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 no revenue and depends on external financing sources to fund its obligations, including the working capital deficiency of $246,735 as at April 30, 2020 (October 31, 2019 - $468,896).

Management believes the going concern assumption is still appropriate for these financial statements but is dependent upon the successful raising of sufficient capital. 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.

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.

## Summary of Quarterly Results:

| | 2020 Q2 | 2020 Q1 | 2019 Q4 | 2019 Q3 | 2019 Q2 | 2019 Q1 |
|---|---|---|---|---|---|---|
| | $ | $ Restated | $ | $ | $ | $ |
| **Revenue** | | | | | | |
| License fees | - | - | - | - | 4 | 1,186 |
| | | | | | 4 | 1,186 |
| **Expenses** | | | | | | |
| General& Administrative | 12,392 | 24,320 | 24,162 | 19,614 | 48,463 | 93,917 |
| Share based compensation | - | - | (1,889) | 1,609 | 1,292 | 20,706 |
| Development & Related | - | - | - | (4,821) | 529 | 10,799 |
| Marketing & Sales | - | - | - | - | - | 7,682 |
| | 12,392 | 24,320 | 22,273 | 16,402 | 50,284 | 133,104 |
| Operating loss | (12,320) | (24,320) | (22,273) | (16,402) | (50,280) | (131,918) |
| Finance Costs | (1,439) | (1,490) | (3,251) | (4,130) | (3,784) | (2,812) |
| Other income | - | 235,621 | 496,161 | - | 175,296 | - |
| Net loss before income tax | (13,380) | 209,811 | 470,637 | (20,532) | 121,232 | (134,730) |
| Deferred Income Tax Recovery | - | - | - | - | - | - |
| Net loss & comprehensive loss | (13,380) | 209,811 | 470,637 | (20,532) | 121,232 | (134,730) |
| Net loss per share, basic & diluted | - | - | - | - | - | - |
| Outstanding shares | 8,898,318 | 8,898,318 | 8,636,518 | 8,511,518 | 8,511,518 | 8,511,518 |
| Total assets | 5,305 | 5,083 | 8,629 | 14,474 | 7,078 | 28,044 |

Please note that quarterly information is unaudited.

**Capital Management**

The Company's objectives in managing capital are to ensure sufficient liquidity to pursue its strategy 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.

**Financial instruments and financial risk management:**

i) 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 cash, accounts receivable, and 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.

**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. Read above details regarding the going concern assumption.

At April 30, 2020, the Company has cash balances of $2,803 and a working capital deficiency of $246,735.

**Loans payable and related party transactions:**

*Related Party Transactions:*

As at April 30, 2020, the Company had $59,782 (2019 - $27,217) of loans payable to certain officers, directors, former directors, and shareholders. These loans are unsecured and due on demand. $42,502 of these loans bears no interest and the remaining $17,218 bears interest of 12%. Total interest accrued and payable for these loans as at April 30, 2020 was $9,779 (2019 - $16,708). During the six months ended April 30, 2020, additional advances on these loans of $32,563 (2019 - $85,110) were made to the Company and interest expense of $454 (2019 - $nil) on the outstanding loans was recognized.

Trade payables and accrued liabilities include the following related party balances: $2,577 (October 31, 2019 - $2,577) in trade payables and $38,500 (2019 – $37,458) in accrued interest. All trade payables and accrued liabilities are currently due and expected to be settled as funding allows. During the six months ended April 30, 2020 interest expense of $587 (2019 - $11,413) on the outstanding loans was recognized.

During the six months ended April 30, 2020, the Company settled loan and accounts payable to related parties in amount of $181,979 (2019 - $669,433), of which $175,979 was settled by issuance of common shares and $6,000 by cash considerations.

*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. Compensation expenses incurred with respect to key management personnel were as follows:

| | Six months ended April 30, 2020 ($) | Six months ended April 30, 2019 ($) |
|---|---|---|
| Salaries | - | 7,000 |
| Total Compensation | - | 7,000 |

**Outstanding share data**

As of September 19, 2020, LTI had 8,898,318 common shares and 1,662,500 warrants to acquire shares outstanding.

Kaan Camlioglu
**"Signed"**
Interim Chief Executive Officer
Labrador Technologies Inc.

Jeffrey A. Howe
**"Signed"**
Interim Chief Financial Officer
Labrador Technologies Inc.