MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

The following discussion and analysis is intended to provide additional information with regard to the operations, business environment and factors that may affect the business and financial results of Total Telcom Inc. ("Total" or the "Company").

The discussion and analysis as provided by Management should be read in conjunction with the unaudited condensed interim consolidated financial statements and related notes for the quarter ended December 31, 2019 and the audited consolidated financial statements, related notes and MD&A for the year ended June 30, 2019.

The unaudited condensed interim consolidated financial statements for the quarter ended December 31, 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS) and are presented in Canadian dollars unless specifically otherwise stated.

The unaudited interim consolidated financial statements for the quarter ended December 31, 2019 have not been reviewed by the Company's auditors, BDO Canada LLP.

This document contains forward-looking statements that are subject to future events. Management formulates estimates and assumptions based on the expectations of future outcomes. However, actual results may differ materially from those expectations and estimates due to inherent uncertainty and general nature of the business.

This Management Discussion and Analysis is presented with information available up to and including February 27, 2020.

INTRODUCTION

Total Telcom Inc. is a reporting issuer in Alberta, British Columbia and Ontario. The shares of the Company trade on the TSX Venture Exchange (symbol **TTZ**).

The Company, through its wholly owned subsidiary ROM Communications Inc. (ROM) is a leading developer and provider of remote asset monitoring and tracking products and services throughout North America. ROM specializes in the development of innovative wireless communications that provide low cost, high tech monitoring, tracking and remote control solutions for commercial, industrial and consumer applications. ROM is uniquely positioned and qualified to deliver complete web to wireless solutions that enable companies and organizations to remotely monitor, track and control their fixed and mobile assets with a web browser from any Internet enabled PC. Products and services are based on ROM's web to wireless technology and proprietary 2nd generation hardware & software marketed as TextAnywhere, ROM Heater Controllers, ROMTraX, MotoTraX, TraX, DataTrax and Alarm Point. These modules are wireless modems that utilize microcomputers integrated with sensors, GPS engines and various inputs and outputs (I/Os) and interfaced by the user through the Internet. ROM is an authorized airtime reseller and hardware developer for satellite, cellular and wireless IP Networks.

The following sections provide Management's review of operations for the quarter ended December 31, 2019. Balance sheet comparisons are made to the year ended June 30, 2019 while income statement and cash flow comparisons are made to the quarter ended December 31, 2018. Additional information about Total Telcom Inc. can be found on SEDAR at www.sedar.com.

FORWARD LOOKING STATEMENTS

Any statements in this document that may be considered forward-looking are based on current expectations that involve a number of risks and uncertainties, which could cause actual results to differ from those anticipated.

OVERALL PERFORMANCE

The following table sets forth the Company's selected consolidated financial data. This information has been derived from the Company's unaudited interim consolidated financial statements and should be read in conjunction with, and is qualified entirely by, the more detailed information in the unaudited interim consolidated financial statements.

	Three months ending December 31		Six months ending December 31	
	2019	2018	**2019**	2018
($ except as noted)				
Consolidated figures				
Revenue	**$ 272,293**	$ 401,337	**$ 692,640**	$ 748,097
Net income (loss)	**$ (2,250)**	$ 108,412	**$ 108,507**	$ 158,244
Net Earnings (loss) per share	**$ (0.000)**	$ 0.004	**$ 0.004**	$ 0.006
Shares outstanding at end of period	**24,965,014**	24,965,014	**24,965,014**	24,965,014
Cash from (used in) operations	**$ (78,736)**	$ 45,876	**$ 109,861**	$ 94,672
Cash from (used in) financing activities	**$ (15,399)**	$ 0	**$ (30,516)**	$ 0
Cash from (used in) investing activities	**$ (95,697)**	$ (98,316)	**$ (213,661)**	$ (235,956)
Net Cash Inflow (Outflow)	**$ (189,832)**	$ (52,440)	**$ (134,316)**	$ (141,284)

	December 31, 2019	June 30, 2019
Consolidated figures		
Cash	**$ 1,314,028**	$ 1,448,344
Working capital	**$ 1,452,639**	$ 1,548,582
Total assets	**$ 2,987,834**	$ 2,622,889
Total liabilities	**$ 455,894**	$ 199,456

Revenues for the second quarters of fiscal 2020 decreased by approximately $129,000 compared to the second quarter of fiscal 2019. This was primarily due to a decrease in rental revenue as the Company monitored one less off-road race in the second quarter this year. In addition, there was less hardware sales in the second quarter this year due to the timing of when the heater controller sales occurred this year. The impact of the reduce revenue in the second quarter was offset somewhat by increased sales in the first quarter with the Company only experiencing a $55,000 decrease over the first two quarters combined.

Net Income for the second quarter decreased because of the decreased sales realized during the quarter.

Net cash outflows for the quarter ended December 31, 2019 were $189,832. The operating cash outflow of $78,736 was primarily related to the timing of inventory purchases and payment of trade payables. In addition, the Company continues to invest resources to complete product development projects where specific customer application opportunities have been identified. The Company invested $98,697 on these product development projects in the second quarter.

OVERALL PERFORMANCE (CONTINUED)

Effective July 1, 2018, there was a change in the accounting for leases as the Company adopted IFRS 16 on a modified retrospective basis. As a result, the Company started reporting a Right of Use asset and Lease Liability relating to its lease for occupied premises. **Working capital at December 31, 2019** decreased by $95,943 compared to the working capital at June 30, 2019. $63,848 of this decrease relates to the current portion of the Lease Liability that was reported at December 31, 2019 but not included in the June 30, 2019 current liabilities. **Total assets** have increased by $364,945 due to the Company reporting the $308,945 Right of Use Asset. In addition, the Company continues to invest in new Product Developments. **Total liabilities** increased by $256,438 primarily due to the $313,404 Lease Liability reported at December 31, 2019 being offset by trade payables being paid down during the quarter.

RESULTS OF OPERATIONS

	Three months ended December 31		Six months ended December 31,	
	2019	2018	**2019**	2018
Consolidated operating results				
Sales	**$ 272,293**	$ 401,337	**$ 692,640**	$ 748,097
Gross profit	**117,223**	205,873	**341,562**	390,879
General & administrative expenses	**81,525**	117,006	**171,304**	229,842
Amortization of Right of Use Asset	**17,488**	0	**34,975**	0
Interest on Lease Liability	**4,842**	0	**9,966**	0
Finance income net of finance costs	**(2,481)**	27,593	**8,520**	13,302
Amortization of product development cost	**12,600**	7,825	**24,300**	15,650

Sales have decreased in the first two quarters of fiscal 2020 compared to fiscal 2019. This is primarily due to reduced equipment rental in the second quarter. This was a result of the Company monitoring one less off road race in the second quarter of this year. In addition, hardware sales decreased in the second quarter of fiscal 2020 due to the timing of when heater controller sales occurred this year.

Gross Profit margins have decreased in the first two quarters of fiscal 2020 due to the change in the sales mix this year. Equipment rental has certain fixed costs associated with depreciation of the rental fleet. The lower utilization of the rental fleet in Q2 therefore also resulted in lower margins being realized.

General and administrative expenses have decreased by approximately $59,000 compared to the first two quarters of fiscal 2019. This is a result of the change in accounting for the lease on occupied premises. This resulted in a decrease in rent expense reported under administrative expenses by approximately $40,000 in the first two quarters. This decrease is, however offset by amortization of the Right of Use asset and interest on the Lease Liability under the new disclosure requirements. The remainder of the decrease in general and administrative expenses is attributable to lower wages and benefits as the Company has allocated additional resources into its Product Development initiatives.

Amortization of Product Development Costs has increased as the Company has begun completing development of more of it projects and commenced amortization as the products have now moved into the commercialization stage.

The Company incurred **Foreign exchange losses** in the second quarter of fiscal 2020 as the Company continues to hold approximately half of its cash resources in US dollars and the US dollar weakened in the second quarter relative to the Canadian dollar.

SUMMARY OF QUARTERLY RESULTS

CONSOLIDATED FIGURES	FISCAL 2020		FISCAL 2019				FISCAL 2018	
($ EXCEPT AS NOTED)	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
SALES	272,293	420,347	370,846	319,447	401,337	346,760	421,993	581,491
NET INCOME (LOSS)	(2,250)	110,757	110,281	33,663	108,412	49,832	81,732	236,764
EARNINGS (LOSS) PER SHARE	(0.000)	0.004	0.005	0.001	0.004	0.002	0.003	0.010

The results of the first two quarters shows that the Company is exposed to fluctuations in both revenues and profitability depending on the level of commercial acceptance received from the new products that are being rolled out. The results also show the seasonal fluctuations that can occur depending on the utilization of the rental fleet and timing of heater controller sales. However, the quarterly results do show that the Company has essentially reached the break-even point from its recurring business and barring any unforeseen circumstances, ensures that the Company should not incur any significant cash flow burn from operations as it continues to develop new markets in which to grow.

The Company is exposed to seasonal fluctuations as its ROM Heater Controller unit sales are primarily in demand in the fall and winter seasons. The rental fleet is also being used on short term rental basis and seasonal fluctuations currently occur as the rental fleet is not fully utilized in the summer months. There are no contracts in place to guarantee the rental revenue will be recurring.

LIQUIDITY AND CAPITAL RESOURCES

	December 31, 2019	June 30, 2019
Consolidated figures		
Cash	**$ 1,314,028**	$ 1,448,344
Current assets	**$ 1,658,977**	$ 1,748,038
Current liabilities	**$ 206,338**	$ 199,456
Working capital	**$ 1,452,639**	$ 1,548,582

As of December 31, 2019 the Company's only long term debt obligation is the $249,556 Lease Liability for occupied office space. Fiscal 2020 is the first year the Company has been required to disclose this Lease Liability on the balance sheet.

The Company's cash resources have decreased by approximately $134,000 since June 30, 2019. This primarily due to the Company continuing to invest resources in ongoing product development initiatives. Commencing in the first quarter of fiscal 2020, there was a change in the accounting for leases as the Company adopted IFRS 16 on a modified retrospective basis. Working capital at December 31, 2019 decreased by approximately $96,000 compared to the working capital at June 30, 2019 due the $63,848 current portion of the Lease Liability that was reported at December 31, 2019 but not included in the June 30, 2019 current liabilities. After adjusting for the impact of implementing IFRS 16 the Company's working capital has actually only decreased by approximately $32,000. This decrease is a result of operations not being able to generate sufficient cash flow to fully fund the product development costs and investment in new rental fleet assets that occurred in the first two quarters of fiscal 2020.

The Company's primary cash requirements are for the continued implementation of its marketing strategy to bring its new products to full commercialization. The Company will continue to invest resources in the development of new product and services for specific applications identified for potential new customers. In addition, the Company could have short term cash requirements in order to purchase inventory should larger sales opportunities be realized. The Company has sufficient cash resources to fund these initiatives and does not anticipate any immediate financing requirements.

Securities Issued and Options Granted

There are presently 24,965,014 common shares issued and outstanding as of February 27, 2020. No shares were issued during the second quarter.

At December 31, 2019 there were 1,430,000 stock options outstanding and exercisable. No options were issued during the second quarter.

Commitments, guarantees and indemnifications

The Company is not obligated under any guarantees, but has provided certain indemnifications as described in note 14 to the consolidated financial statements for the year ended June 30, 2019.

Transactions with Related Parties

General and administrative expenses for the quarter include $7,500 ($15,000 for six months ended December 31, 2019) in management fees paid to a Company controlled by a director and $2,500 ($5,000 for six months ended December 31, 2019) in director fees expense. These transactions occurred in the normal course of business and are recorded at fair value. See note 12 to the condensed interim consolidated financial statements for details regarding key management personnel compensation.

Financial Instruments and Other Instruments

Management has classified and measured the Company's financial instruments as described in note 21 to the consolidated financial statements for the year ended June 30, 2019.

The Company is exposed to concentration of credit risk with respect to its cash and accounts receivable. Management monitors this risk on an ongoing basis through review of specific accounts and cash management.

The Company is exposed to fluctuations in foreign exchange rate changes between the Canadian and United States dollars as a significant portion of the Company's operations and financial instruments are denominated in United States dollars.

Changes in Accounting Policies

The condensed interim consolidated financial statements have been prepared using IFRS as described in note 3 to the consolidated financial statements for the year ended June 30, 2019. Effective July 1, 2019 the Company adopted IFRS 16 which eliminates the classification of leases as either operating or finance leases. Instead, all leases are now capitalized by recognizing the present value of the lease payments and reporting them as a Right of Use Asset. If lease payments are made over time, the Company also recognizes a Lease Liability representing its obligation to make future lease payments. The Company applied the modified retrospective approach on the transition to IFRS 16. Accordingly, no restatement of opening retained earnings was required and the comparative figure were not restated.

Accounting policy developments and their potential impact on the Company in the future are described in note 4 to the consolidated financial statements for the year ended June 30, 2019.

OUTLOOK AND FUTURE RISKS

Up to the end of fiscal 2017, management had been seeing a steady increase in its customer install base as a result of growth in the environmental monitoring sector. However, in 2018 the Company experienced some challenges in this market due to changes in the political environment occurring in the United States. The Company is seeing signs of recovery in this market and has started seeing new orders for its traditional environment monitoring products. In addition, the Company has been working on new product developments in the environmental monitoring market and has started seeing market acceptance of the new products. Management is hopeful it will see continued recovery of the demand for our traditional products and further acceptance of our new products resulting in the Company seeing the significant growth in this environmental monitoring market over the next year.

The Company introduced its new ROM Heater Controller product in 2016 with positive acceptance in the market. Management hoped to see expanded growth in this market in the fall and winter of 2017 but this growth was limited due to a North America wide shortage of heaters. The Company saw a small increase in Heater Controller sales in the second quarter of fiscal 2019. In addition, the Company is in the process of completing product developments that will allow its controllers to interface with a major heater manufacturer. With this development, management expects future sales will increase with this manufacturer. Therefore, management remains optimistic about the long term growth potential of this market.

The Company had seen growth from its rental fleet up to the end of fiscal 2018. However, there was a decline in in fiscal 2019 as less off-road races were monitored in that year. Feedback from the racers has supported the position that our Race Management System and safety features far exceed those of the competition. Therefore, management is hopeful that the Company will be able to regain its lost market share and service new markets that will allow it to expand the utilization of the rental fleet. In addition, the Company has invested in new product developments that will allow for growth of the rental fleet through new tracking and race management applications. MotoTrax for motorbike race tracking was successfully introduced in the first quarter of fiscal 2020 resulting in increased equipment rental revenue. The Company continues to complete development of a marketing plan for commercial deployment of its Trax product for personal tracking of participants in extreme sports races such as ultramarathons. Management remains optimistic about the long term potential in this sector and its ability to grow the rental fleet utilization and thereby increase that recurring revenue base.

In fiscal 2019 the Company focused on the development of new product initiatives identified for customer specific applications. Management hopes to capitalize on global opportunities that have been identified for the following new products that have just recently completed development and are now ready to begin commercial deployment. These products include the following:

1) TextAnywhere II which management will market to the aviation industry and expand its environmental monitoring into additional applications such as air quality measurement.
2) DataTraX which allows for large message data processing which management will market to the forestry industry

Management expects to continue to open new markets, as the Company is able to develop customer specific applications that tie into the platform of the Company's core products. The challenge the Company faces is to effectively market these products. The Company will invest significant resources in continued customer specific product developments and implementing its marketing strategy. Management anticipates it will continue to invest similar amounts on Product development costs in the foreseeable future and believes it has the resources necessary to complete the full commercial deployment of its new product initiatives.

Future risk factors include management's ability to successfully market the products that have been developed, successfully integrate customer applications to the Company's platform, attract and retain qualified personnel, maintain cost control and the potential for increased competition by companies that may have significantly greater financial resources and/or infrastructure. Furthermore, the company is entirely dependent upon third party satellite and cellular service providers to convey data from the field application to ROM's operation center for further processing and distribution to its clients.