## Introduction

Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Binovi Technologies Corp.'s, ("Binovi" or the "Company") interim condensed consolidated financial statements for the three and six months ended August 31, 2020 and 2019. This MD&A should be read in conjunction with the consolidated financial statements of the Company and the notes thereto for the years ended February 29, 2020 and February 28, 2019. The effective date of this report is October 29, 2020. The interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") for quarterly reporting. Unless expressly stated otherwise, all financial information is presented in Canadian dollars which is the Company's functional and presentation currency. On July 10, 2015, the Company began trading under the symbol "EYC". With the change of name on June 30, 2020, the Company new trading symbol is "VISN". The Company also trades on the OTCQB Ventures market under the new symbol "BNVIF". Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

## Forward-Looking Statements

Certain statements contained in the following MD&A constitute forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements may include statements regarding work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not statement of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties involved in disputes and litigation, fluctuations in commodity prices and currency exchange rates; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and economic return; the need for cooperation of government agencies; the need to obtain additional financing and uncertainty as to the availability and terms of future financing; uncertainty related to the completion of the amalgamation.

It is the Company's policies that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward- looking statements contained herein are as of August 31, 2020 and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Forward-looking information or statements in this MD&A include, but are not limited to, information or statements concerning our expectations regarding the ability to raise additional funds, results of the research and development performed in relation to the products and services of the Company, positive result due to the change in business model, possibility of entering into strategic alliance, distribution agreements and other arrangements to market their products and services and possibility of producing viable products through the use of the new technologies purchased and developed.

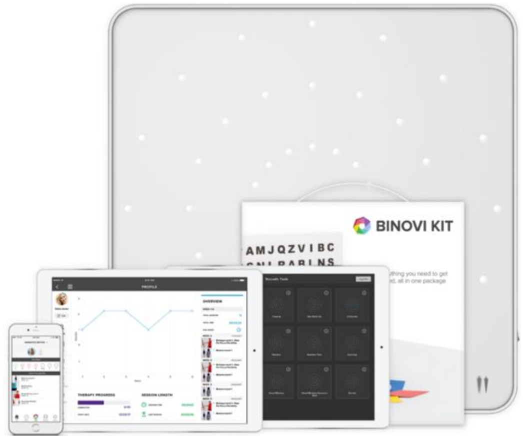
Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and factors including: the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain; dependence on key personnel; dependence on corporate collaborations; potential delays; uncertainties related to early stage of technology and product development; uncertainties as to fluctuation of the stock market; uncertainties as to future expense levels and the possibility of unanticipated costs or expenses or cost overruns; and other risks and uncertainties which may not be described herein. The Company has no policy for updating forward looking information beyond the procedures required under applicable securities laws.

## CORPORATE OVERVIEW

Binovi is a technology company focused on the importance of vision. 1 in 4 people worldwide live with issues related to their vision that go beyond visual acuity. Despite this, ophthalmic treatment primarily focuses on visual acuity issues and disease management, leaving many visual performance issues undiagnosed or mistreated. Binovi was founded to bring attention to these issues, and to help those treating them by providing the tools necessary to bring treatment into the 21st century. A broader vision is vital in how we view the world around us, and we are focused on the importance of developing, protecting, and perfecting that vision. The company is transforming how vision healthcare services are integrated with human performance, including elite athletic performance.

Over the last four years the Company has been building Binovi™. Originally launched in 2017, Binovi was created to enhance the ways in which optometrists and athletic trainers work with their patients/athletes to improve their vision and vision-related skills. Binovi's commitment is to maximize the collaboration between optometry professionals, therapists, trainers and their clients. Our goal is to serve as the foundation for constructive innovation within vision training and sports vision training/performance.

The Company has established itself as a producer of specialized vision training equipment. The Company's Binovi Platform combines software (Binovi Pro + Binovi Coach), hardware (Binovi Touch), data, expert knowledge (Binovi Academy) and insights to help patients, k-12 students and athletes on a global scale.




## PRODUCT OVERVIEW

Commercial revenue streams are generated from the following key products and services:

### Binovi Touch

A purposeful and powerful tool for vision therapy and vision training, Binovi Touch is the result of over 30 years of experience in over 1,500 practices in over 20 countries around the world on children, athletes, and seniors resolving issues from development, to performance, to rehabilitation.

The new Binovi Touch Saccadic Fixator combines the fundamental qualities of the original Wayne Engineering Saccadic Fixator with innovation in almost every dimension.

We have used new materials and components to truly evolve an already dependable and versatile tool for the 21st century, ensuring both patients and athletes can get the most out of our modernized activities. Binovi Touch is controlled through the Binovi Touch app, connecting and communicating wirelessly to provide real-time data and results. The new Binovi Touch app also includes a number of integrated tools and compatibility with many 3rd-party accessories.

### Binovi Pro

The control center of the Binovi Platform, Binovi Pro allows doctors/trainers to manage the many aspects of their patient/athlete's vision training regimens, track progress at both macro and micro levels, and plan and assign protocols.

Binovi Pro integrates with the Binovi Touch App to record and track individual or comparative user data and allows the doctor/trainer to monitor trends and progress for everyone as a whole.

### Binovi Coach

A coach ignites passion, motivates, and works with people to help them achieve their goals Binovi Coach encourages and empowers users to confidently complete their assigned activities through clear multimedia guidance.

Users stay up to date with their training regimen with automatic updates coming from Binovi Pro and can follow along with complete, step-by-step instructions including photo slideshows and video demonstrations. Each user's plan can be custom-tailored, and reminders can be sent directly either connected to exercises or through secure in-app messaging.

## Binovi Academy

Launched in June of 2019, Binovi Academy forms the educational hub of the Binovi Platform. Working with a pool of knowledgeable experts and industry leaders and influencers, we have created a collection of interactive, multi-media e-books that bring rich content and an engaging experience to readers. This expert knowledge is supplemented and integrated with software and hardware tie-ins. Binovi Academy content packs include testing and therapy protocols and pre-set activities for Binovi Pro, as well as custom test configurations for Binovi Touch, and more.

Binovi Academy helps tie together the four pillars of the Binovi Platform and aims to bring as much new information, tools, and techniques to users as possible. The expansion of the Binovi Academy will expand as new relationship and partnership are formed specifically in the sports vertical.

Binovi Academy is also home to Binovi Training, the training manuals that guide users through the ins and outs of Binovi Pro, Binovi Coach, and the Binovi Touch App.

## Binovi Agile

To respond to the development needs of the sports industry, Binovi is bundling together several key hardware and software products to proactively and reactively respond to a developing athletes needs. This bundling consists of the Binovi Touch, Binovi Pro, Binovi Balance (Balance Board) and Binovi Vima Strobe Lenses, aligned with our data and expert knowledge within sports vision therapy. This is currently in its infancy, further testing and price sensitivity need to be done before a full commercial launch; anticipated towards the end of 2020.

## Quality Assurance

Binovi operates primarily in one facility approximately 4,500 square feet in Oakville, Ontario. The facility serves as the operations hub as well as product inspection including engineering, prototype development, design, and implementation of production Quality assurance. The Binovi Touch is currently being assembled in China.

Binovi is fully qualified and certified to produce Binovi Touch Saccadic Fixators. It has been granted the required certifications according to CAN/CSA-C22.2 No. 61010-1-2012/U2:2016-04 UL 61010-1:2012/R:2016-04. The product certification system is operated by TUV SUD America Inc. under a classification, system 3 as defined in ISO/IEC 17067. Certification is based on the TUV SUD "Testing and Certification Regulations". TUV SUD America Inc. is an OSHA recognized NRTL and a Standards Council of Canada accredited certification body.

**BUSINESS OPPORTUNITY**

Sports Performance Vision Training

Binovi's sights are set on disrupting the sports performance industry in 2020, as we receive engagement from leaders within the human performance – sport performance industry. Sports Vision Training (SVT) is used to help athletes achieve new heights in performance and can be an incredibly powerful tool for the prevention and rehabilitation of injuries, like concussion. SVT works on improving individual skills but, more importantly, focuses on improving how vision skills work as a whole, each supporting the others to work better together. This better situational awareness and reaction time means athletes see better, process information more efficiently, react faster, and are better suited to react to potential threats and dangers, reducing the chance of injury. Much has been made of the risks and results of traumatic brain injuries suffered during play. Concussions are now being treated as the serious injury that they really are, leading to increased scrutiny and associated rate of diagnosis. Part of Sports Vision Training is being able to have a reference point from which athletes can be compared following a serious impact.

K-12 Educational Alignment

The global education smart technology industry is growing significantly with abundant opportunities. North America plays a huge role in the development of this technology, which helps in the adoption of new learning solutions across various end-user segments. The goal of Binovi is to provide the global education sector with the best vision assessment and development tools to assist students to achieve all that they are capable. New learning opportunities are emerging as students engage with a new generation of smart technology; with smart classrooms becoming the norm, students have instant access to performance and cognitive tools that can supplement their learning success.

Blending personalized, online, student-driven instruction with offline, teacher-delivered lessons and activities, Binovi strives to accelerate the development of both fundamental literacy skills and higher-order thinking skills through adaptive learning paths. With a range of instructional and motivating resources, Binovi for Education will engage students in their learning success. Additionally, progress monitoring, actionable data, and scripted lessons will empower teachers to deliver literacy support specific to each students' needs.

Insurance Benefits Consideration

Of significant importance for us is the potential for insurance company coverage of binocular vision treatment. With our systematic approach to data capture, we should be able to provide significant outcome data and protocols for treatment of various visual conditions. Binovi will work to expand access to vision training by targeting large corporate insurance plans for "employee benefits/child benefits". It won't be long before we have significant data demonstrating the treatment of ADHD conditions with vision training.

Providing Telehealth Compatibility

Binovi has established telehealth compatibility with Zoom, a cloud-based video service, featuring an integration with electronic health record system Epic. Zoom for Telehealth offers a standard feature set for healthcare enterprises and providers, enabling reliable, HIPAA-compliant communications between organizations, care teams, and vision training recipients. As a part of the company's business continuity strategy, Binovi has utilized Zoom within customer facing initiatives designed to support remote care providers during COVID-19 social distancing and beyond as an added value offering to Binovi Platform subscribers. Binovi, used in conjunction with Zoom, ultimately represents a best-in-class solution for any vision performance training and therapy provider seeking to implement modern video communications as well as telehealth care. Such an application will prove invaluable to sport teams, vision therapy patients, rehabilitative providers and neurovision providers looking to engage those under their care.

## Market Positioning

Binovi is a best-in-class neuro-visual performance platform designed to test, analyze, track, and report on individual cognitive performance. Binovi combines hardware, software, specialized expert knowledge, and unique data insights to deliver customized, one-on-one training and learning protocols ideal for K-12 Students, Vision Care Specialists, and Sports Performance testing and training. Designed for vision optimization and the enhancement of skills related to cognitive performance, Binovi provides measurable results in less time, and with less effort. Binovi is currently used in over 1,500 locations across 20 countries.

# STRATEGIC OBJECTIVES

## Corporate Diligence and Realignment

The strategic focus moving forward is to build Binovi into a North American leader and a global standard in supporting vision therapists across optometry, performance, education and related disciplines that support these foundational pillars.

### Arcan Management Consultants

On June 18, 2020 Binovi engagement Arcan Management Consultants to facilitate the realignment of the Company's objectives. The primary outcome of the engagement is the establishment and implementation of a well-defined business systems to support the achievement of operating goals. The High-Level Outputs of this exercise are:

- Clearly defined risk/opportunity informed business processes
- Clearly defined risk/opportunity informed action plan
- Organizational Structure complete with clearly defined roles and responsibilities
- Objective informed strategic/business plan complete with measurable targets and key performance indicators (KPIs)
- Annual budget informed by strategic/business plan

The intent is for the outputs to serve as real-time tools that are part of a complete and comprehensive management system to enable efficient operations where all leadership and support staff alike have a clear understanding of their roles and responsibilities in the organization and are aligned and working together towards achieving the same goals. Established guidelines are intended to provide leadership with the necessary visibility over the operations of the company and measurable KPIs to monitor performance at all levels of the organization.

## Leadership Experience and Advisory Team

The Binovi leadership and executive management team brings experience to the business. This builds investor confidence and becomes the foundation to ensuring that all R&D as well as operations and sales decisions are based on insight, experience and a proactive approach to dealing with external challenges and competitive pressures

To build marketing credibility and gain customer support and confidence, Binovi has created a strong base of advisors and content providers to contribute to the company's capabilities with the sports performance vertical.

2020 Key Appointments

Dr. Leonard Press, Chief Scientific Officer, Scientific Advisory Board – Behavioral Optometry
Dr. Jason Dyck, Scientific Advisory Board – Performance and Education
Dr. Sandra Stoddard, Scientific Advisory Board – Education (K-12)
Mr. Eric M. Phillips, 90-91 White House Fellow, Strategic Advisor – Government Alliances

## Performance Benchmark

Binovi has implemented an effective marketing and sales strategy designed to build the brand, create market awareness and generates top of the funnel leads from the Professional Sports, Collegiate Sports, Sport Medicine, Youth Athletics and Sports related verticals. This process is refined through formalized reporting, an internal communication plan and recruiting top sales talent to support the plan to hit revenue targets over the course of the next three years.

## Sales Growth

Binovi is committed to ongoing product development and expansion, which is critical to ensuring long-term sustainability and profitability. Accordingly, we expect to initiate innovation projects targeted at related market segments (e.g., Educational Institutions, Pro and Amateur Sports, Behavioral Optometry including Geriatric Vision Therapy) based on the foundation established by the company.

- Direct Sales Fulfillment and Inbound Sales Fulfillment
- Generate Top-of-Mind Awareness (TOFU)
- Qualify Top of the Funnel Leads (TOFU)
- Build Recurring SaaS Revenue Model

## Partnership Alignment

Building partnerships and leveraging advocates within Professional Sports Teams, Collegiate Sports Teams, Youth Sports and Supporting Associations will be a key to eventual market success. Binovi's active partnerships.*

Teams and Organizations

Sporting Kansas City (MLS)
GPG Elite Athlete Performance
Elite Baseball Training
Swope Park Rangers (MLS)
John McEnroe Tennis Academy
Logan Cusson Racing Team (F3)
xHockey Products
EWG Eli Wilson Goaltending
Chicago Cubs (MLB)
Dallas Stars (NHL)

*The Key factor will be to penetrate (create relationships) with the sports teams/organizations and affiliate them with our technology. Once we can demonstrate that Pro Teams have successfully implemented Binovi into their training facility, the ability to develop further relationships rises. The Company has multiple ongoing conversations for future partnerships that will strengthen product demand.

Binovi Product Ambassador Appointees

Kareem Rush, National Basketball Association (NBA) Athlete, Men's Professional Basketball
Jennifer Botterill, Women's Hockey League (WHL) Olympic Athlete and World Champion
Eli Wilson, National Hockey League (NHL) Coach/Trainer, Men's Hockey Goal Tending

## Competitor Summary

This is a competitive market with new technology driven entrants that are making headway. Namely: Right Eye, Senaptec, Dynavision International, Reflexion, Vivid Vision and Anteo.

Right Eye
Right Eye provides commercialized eye-tracking solution for general healthcare and wellness, applicable for optometry, medicine and sports.
Product(s): EyeQ Product Series, Sports Vision Trainer, EyeQ Trainer
Product Price Range: $10K and up, reoccurring annual fee $2.5K and up
Main Vertical(s): Vision Therapy
Annual Revenue: >3M

Senaptec
Provides sensor-based tools to assess and improve an individual's vision skills.
Product(s): Strobe Glasses, Sensory Station
Product Price Range: $500 and up, $10K and up
Main Vertical(s): Sports Performance
Annual Revenue: >4M

Dynavision International
Offers a cognitive training device that combines eye-hand coordination, peripheral vision training, and brain processing.
Product(s): Dynavision D2
Product Price Range: >10K
Main Vertical(s): Sports Medicine, Hospital, Rehabilitative Care, Military
Annual Revenue: <1M (Closed operations in June 2019, re-opened under new management)

Reflexion
Reflexion Edge shows cognitive strengths, weaknesses, and changes over time using an LED touchscreen to train and track changes in core brain function.
Product(s): Reflexion Edge
Product Price Range: >9K
Main Vertical(s): Sports Performance, Executive Performance
Annual Revenue: <1.5M

Additional Competitors
Vivid Vision and Anteo

**Fulfillment Centers**

Obtaining strategically aligned partners will be the key to scaling the product sales, the business and extending the brand globally. Currently Binovi hosts fulfillment partners within Denmark, Germany, Spain, India, Hong Kong and Australia. We expect 65% - 80% of our business to be in North America.

## COMPANY OUTLOOK

We are building our brand, Binovi, to solve a human condition that relates to the visual system, in particular how humans develop stereo vision (the crown jewel of the visual system as it requires left and right brain alignment). Our IP gives us a leading position of understanding where our industry is going, as well as mapping out how to use all the existing technology developments of “today” to apply to this industry. As we work to help thousands of people, followed by millions of people, it will be the company’s goal to be on the radar of one of the large 5 technology companies, that can really help billions of people. Once we have some basic scale with our hardware rollout and software expansion, we will be able to leverage technology such as AI to advance our understanding of the data and human performance.

Vima Rev Strobes Acquisition

On July 20, 2020 Binovi closed the acquisition of a private entity which owns VIMA Rev Strobe Lenses, its related patents [US 2016/0275805 A, US 2016/0300506 A1, US 2017/0229041 A1], associated intellectual property, and available inventory, to further bolster its neuro-vision technology stack as the Company continues to execute upon its global commercialization efforts.

Agoracom Marketing and Discussion Forum

On April 28, 2020, the Company announced the launch of AGORACOM Online Marketing And "CEO Verified" Discussion Forum as a Primary Investor Social Media Discussion Platform. The forum will serve as the Company's primary social media platform to interact with both shareholders and the broader investment community in a fully moderated environment.

The Binovi HUB is live and can be found at https://agoracom.com/ir/BinoviTechnologies

Binovi will also receive significant exposure through millions of content brand insertions on the AGORACOM network and extensive search engine marketing over the next 12 months. In addition, exclusive sponsorships of invaluable digital properties such as the AGORACOM home page and the AGORACOM Twitter account will serve to significantly raise brand awareness of the Company among small cap investors. AGORACOM is the only small cap marketing firm to hold a Twitter Verified badge, averaging 4.2 million Twitter impressions per month in 2019.

Hybrid Financial Ltd

On May 1, 2020, Hybrid Financial Ltd., a sales and distribution company that actively connects issuers to the investment community across North America, was engaged to provide marketing services to Binovi. Hybrid has been providing the below services.

Assisting in all aspects of a marketing campaign for the Company, including, but not be limited to:

- Minimum 1,000 live phone calls/month to qualified North American Brokers and North
- American Family Offices.
- Advisors selected from Hybrid's CRM database.

Email Communication:

- All emails are tracked to maximize real-time engagement.
- All emails are approved by you to ensure the integrity of your brand.

Weekly & monthly reporting:

- Weekly updates with full list of contacts who are engaged in your stock/story.
  Detailed monthly report including:
- Summary of calls made, and emails sent, stock volume & price charts, stock volume by brokerage firm, geographical breakdown of leads and pipeline contact information.

Using a data driven approach and a team of over 70 sales professionals, Hybrid offers comprehensive coverage of both Canadian and U.S. markets.

Generations IACP Inc

On May 27, 2020, the Company retained Generation IACP Inc. ("**Generation**") to provide market making services with the objective of maintaining a reasonable market and improving the liquidity of its Common Shares. Generation is a member of the Investment Industry Regulatory Organization of Canada and a member firm of the Toronto Stock Exchange and the TSX Venture Exchange.

## NEW DIRECTORS

On April 8, 2020 the Company announced the appointment of Patrick Morris as an Independent Director of the Company. Mr. Morris is an entrepreneur and capital market executive with over 15 years of experience, raising funds for microcap companies in a number of industries, including pharmaceutical cannabis, resource exploration, blockchain technologies and finance. In addition, Mr. Morris co-created and coproduced Canada's first nationally syndicated radio show about growth stock opportunities, which was broadcast on 14 of the top-rated news talk stations across Canada. Prior to entering the capital markets, Mr. Morris had five years of experience in wine and spirits importing, sales and portfolio management.

On May 21, 2020, the Company announced the appointment of Aurora Cannabis (TSX-ACB) Founder and former CEO, Mr. Terry Booth, to the Company as Executive Chairman. Mr. Booth was one of the 2 original founders of Aurora Cannabis Inc. In 2013, he personally provided over $3 million in start-up capital to the building of a new from the ground up high quality purpose-built medical cannabis production facility in Mountain View County. This facility was the first in the world to be certified as 100% EU GMP compliant for the production of Medical Cannabis. Appointed CEO in December 2014, he has skillfully raised Aurora from its infancy into one of the world's largest and fastest growing cannabis companies, valued at $18B at its peak, with a focus on providing high-quality medical and adult usage cannabis and inspiring better days for medical and recreational consumers around the world. A visionary and passionate leader, Terry has a deep knowledge of highly regulated environments. He was instrumental in Aurora receiving its initial licensing and approval from Health Canada to produce medical cannabis, as well as building the Company's state of the art cultivation facility Aurora Sky. With this strong entrepreneurial vision running through the entire company, Terry has overseen the company's organic growth as well as its expansion through acquisitions of companies, all of which were successfully integrated into the parent company. Terry also has more than 25 years of experience in creating, growing and leading companies in highly regulated industries. Terry currently sits on the board of Aurora Cannabis, Quinsam Capital, and Psyched Wellness and has sat on the board of other organizations, including Radient Technologies and Alcanna (formerly Liquor Stores N.A.). Terry has also served as President/CEO of Superior Safety Codes Inc, which was recognized as one of Canada's top 50 fastest-growing companies. Terry joins Binovi with an established track-record of transformational leadership and a purpose to impact Global Health and Education.

Dr. John Flanagan has resigned from the Board of Directors of the Company to make room for Mr. Terry Booth, and will now be the first member of the Company's Scientific Advisory Board.

## MATERIAL CHANGE REPORT

On March 23, 2020 the Company announced the passing of Chief Scientific Director, Dr. Selwyn Super. Dr. Super was the catalyst in the founding of the Company and was the visionary that helped guide and direct the Company's efforts from very early on. Beyond his accomplishments as a specialist in the field of behavioral- and neuro-optometry, neurocognitive development, binocular vision, and educational psychology, it was Dr. Super's passion and belief in human potential that made us all into believers. Dr. Super fits every possible description of what it means to be a visionary.

On May 28, 2020, the Company announced the appointment of Dr. Leonard Press to Chief Scientific Officer. Dr. Press has contributed to the Company as its Director of Global Education supporting the development resources available to vision professionals through Binovi Academy and the Binovi Platform. Through his appointment, he will lead the Scientific Advisory Board and all scientific development efforts including the expansion of Speed of Stereopsis. Dr. Leonard Press is a graduate of the Pennsylvania College of Optometry, where he was a member of the Gold Key International Optometric Honor Society. He completed his Residency program in Pediatric Optometry at The Eye Institute of the Pennsylvania College of Optometry in Philadelphia, and formerly served as Chief of the Pediatric Unit of The Eye Institute. Dr. Press was recruited to the State University of New York, State College of Optometry, to serve as Chief of the Vision Therapy Service, where he was Associate Professor of Clinical Optometry for 15 years. Patients of all ages with problems related to vision development, visual processing, learning disabilities, and dyslexia are referred to Dr. Press by a wide variety of professionals through his consulting practice in Lakewood, New Jersey.

**Acquisition of Call Connect Me**

On March 13, 2020, the Company completed the acquisition of the Call Connect Me Inc. (the "Target"), to indirectly acquire ConnectMe Solution, a lead delivery and monetization 'Software As A Service' solution, whereby the Company acquired all of the outstanding shares of the Target. As consideration for the transaction, the Company issued 9,111,111 common shares of the Company at a price of $0.45 per share for a total consideration of $4,100,000.

The following table summarizes the fair value of consideration paid on the acquisition date and the allocation of the Purchase Price acquired.

| **Consideration** | **$** |
|---|---|
| 9,111,111 common shares at a value of $0.45 per share | 4,100,000 |
| | **4,100,000** |

| **Purchase Price allocation** | **$** |
|---|---|
| Intangible asset-Connect me solution (Software As A Service) | 4,100,000 |
| | **4,100,000** |

**Asset acquisition of 2270377 Alberta Ltd.**

On July 3, 2020, the Company entered into a Share Exchange Agreement with 2270377 Alberta Ltd. (the "2270377 Agreement"), in order to acquire assets owned by 2270377 Alberta Ltd. such as the domain name held by 2270377 Alberta Ltd. Pursuant to the terms of the 2270377 Agreement, the Company acquired all of the outstanding shares of 2270377 Alberta Ltd. and issued 1,200,000 common shares at $0.20 per share. The shares were issued on July 24, 2020.

| **Consideration** | **$** |
|---|---|
| 1,200,000 common shares issued at $0.20 per share | 240,000 |
| | **240,000** |

| **Purchase Price allocation** | **$** |
|---|---|
| Intangible asset-Domain name | 240,000 |
| | **240,000** |

**Business acquisition**

The Company's acquisitions serve to expand and broaden the suite of service offerings, add key customers and realize synergies.

On July 9, 2020, pursuant to an acquisition agreement, the Company acquired all of the issued and outstanding securities of 1252796 B.C. Ltd, a Company that owns VIMA Rev Strobe Lenses, its related patents, associated intellectual property, trademark, all rights to its domain, all copyright materials associated with the Vima Rev product and its usage, all client and supplier lists and all available inventory. As consideration for the Transaction, the Company issued 18,900,000 common shares of the Company at a price of $0.225 per share for a total consideration of $4,252,500 (the "Purchase Price"). The shares were issued on July 20, 2020. The acquisition of the Vima portfolio of products is subject to perpetual, sales royalty based on gross sales of Vima products.

The following table summarizes the fair value of consideration paid on the acquisition date and the allocation of the purchase price to the assets and liabilities acquired. In accordance with the Company's accounting policy and IFRS, the Company has up to one year following the acquisition date to finalize the accounting for a business combination. Accordingly, pending measurement of the intangible and other assets, the accounting for the acquisition has been completed using only provisional amounts allocated to goodwill within these consolidated financial statements.

| **Consideration** | **$** |
|---|---|
| 18,900,000 common shares issued at $0.225 per share | 4,252,500 |
| | **4,252,500** |

| **Purchase Price allocation** | **$** |
|---|---|
| Inventory (raw material) | 800,650 |
| Inventory (finished goods) | 59,020 |
| Provisional amount allocated to goodwill | 3,392,830 |
| | **4,252,500** |

The Company issued 378,000 common shares as administration fee to a consultant of the Company in connection with the transaction which was fair valued at $85,050. These costs are included and separately disclosed as business acquisition and integration costs in the consolidated statement of operations and comprehensive loss.

## SUBSEQUENT EVENTS

a) On September 8, 2020, the Company issued 57,702 shares at a price of $0.235 for services.

b) On October 6, 2020, the Company closed the non-brokered private placement for total proceeds of $1,701,553. The Company issued a total of 13,345,514 units at $0.1275 per unit, each unit comprised of one common share of the Company (a "Share") and one common share purchase warrant (a "Warrant"). Each Warrant will entitle the holder thereof to purchase one Share (each, a "Warrant Share") at an exercise price of $0.40 per Warrant Share at any time until October 5, 2022. The Warrants are subject to an acceleration clause whereby if the common share price is equal to or greater than $0.45 for a period of 5 consecutive trading days, the Company may reduce the remaining exercise period to 30 days. The Company paid aggregate finder's fees of $6,764 in cash and 53,053 finder's warrants, with each finder warrant having the same terms as the warrants.

c) On October 8, 2020, the Company granted 3,000,000 stock options to certain directors, officers, employees and consultants of the Company. These options are exercisable at a price of $0.15 and have a 5-year term

d) Since February 29, 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

## Summary of Quarterly Results

The following table sets forth selected information from the Company's unaudited quarterly financial statements prepared in accordance with IFRS for the most recent eight quarters.

**For the quarters ended:**

| | **August 31, 2020** | **May 31, 2020** | **February 29, 2020** | **November 30, 2019** |
|---|---|---|---|---|
| Total Revenue | $160,979 | $108,310 | $135,667 | $137,759 |
| Net Loss | ($1,328,642) | ($1,873,679) | ($3,863,745) | ($1,097,957) |
| Loss Per Share (Basic & Diluted) | ($0.02) | ($0.04) | ($0.17) | ($0.08) |

| | **August 31, 2019** | **May 31, 2019** | **February 28, 2019** | **November 30, 2018** |
|---|---|---|---|---|
| Total Revenue | $208,498 | $205,287 | $134,645 | $237,354 |
| Net Loss | ($956,927) | ($1,770,511) | ($854,287) | ($1,127,967) |
| Loss Per Share (Basic & Diluted) | ($0.08) | ($0.15) | ($0.10) | ($0.10) |

During the three months ended August 31, 2020, the Company's net loss was $1,328,642 compared to $956,927 in 2019. Investor relations services decreased from $400,123 in 2019 to $22,564 as no new agreements for investor relations were executed during the current quarter, amortization increased to $55,723 as compared to $39,857 during the prior period. The increase in amortization is primarily the additional amortization on the right-of-use asset for $15,022 in 2020 (2019-$nil). Management fees increased from $54,250 in 2019 to $223,251 due to more involvement of management in business operations, travel and promotion decreased from $67,761 in 2019 to $19,673 due to lesser travel and lower promotional activities primarily due to Covid-19.

During the three months ended August 31, 2020, revenue decreased from $208,498 in 2019 to $160,979 in 2020. The decrease of revenue was mainly attributable to lower sales attributable to the Company's Binovi Touch products arising as a result of the pandemic caused by Covid-19.

During the six months ended August 31, 2020, the Company's net loss was $3,202,321 compared to $2,724,884 in 2019. Management fees increased from $119,000 in 2019 to $361,502 due to more involvement of management in business operations, travel and promotion decreased from $158,666 in 2019 to $47,542 due to lesser travel and lower promotional activities primarily due to Covid-19.

Investor relations services decreased from $800,124 in 2019 to $57,639 as no new agreements for investor relations were executed during the current quarter.

During the six months ended August 31, 2020, revenue decreased from $413,785 in 2019 to $269,289 in 2020. The decrease of revenue was mainly attributable to lower sales attributable to the Company's Binovi Touch products arising as a result of the pandemic caused by Covid-19.

## Capital Resources and Liquidity

At August 31, 2020, the Company had cash of $5,010 (February 29, 2020 - $230,999) and working capital of $219,968 (February 29, 2020 – deficit of $102,509). The Company has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants. Management has evaluated the Company's alternatives to enable it to pay its liabilities as they become due and payable in the next twelve-month period, including reducing or postponing expenditures and obtaining additional financing in order to advance the proposed transaction. The Company has relied on equity financing to fund its research and general operations since inception. The Company believes it will need to raise additional equity to provide liquidity for it to continue as a going concern throughout current year. Refer to Financing Activities.

The Company's cash are highly liquid and held at a major Canadian financial institution.

| | | Decrease in Cash for the Six Months Ended | | |
|---|---|---|---|---|
| | | **August 31, 2020** | | **August 31, 2019** |
| Operating Activities | $ | (2,386,431) | $ | (2,400,366) |
| Investing Activity | | - | | - |
| Financing Activities | | 2,160,442 | | 366,000 |
| Total Change in Cash | | (225,989) | | (2,034,366) |
| Cash, Beginning of the Period | | 230,999 | | 2,156,338 |
| Cash, End of the Period | $ | 5,010 | $ | 121,972 |

*Operating Activities*

Cash used in operating activities primarily consist of selling, general and administrative expenditures. Cash outflow from operating activities for the six months ended August 31, 2020 and 2019 was comparable. The use of cash for operating activities for the six months ended August 31, 2020 and 2019 is mainly attributable to the increased corporate activities related to the launch of the Company's new products and services.

*Investing Activity*

$nil cash used in investing activity for the six months ended August 31, 2020 (2019- $nil).

*Financing Activities*

$2,160,442 cash flow from financing activity for the six months ended August 31, 2020 (2019- $366,000).

Cash from financing activities for the six months ended August 31, 2020 was primarily attributable to the proceeds of $763,941 from exercised warrants, $965,350 (net of share issuance costs) from private placement of units and unsecured interest-free loan of $467,151.

Management has been successful in accessing the equity markets in the current and prior periods, but there is no assurance that such sources will be available, on acceptable terms, or at all in the future. Factors which could impact management's ability to access the equity markets include the state of capital markets, market prices and market interest for the Company's new direction as a technology company.

**Share Capital**

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued

During the six- month period ended August 31, 2020:

- On March 13, 2020, the Company completed the acquisition of the Call Connect Me Inc. (the "Target"), to indirectly acquire ConnectMe Solution. As consideration for the transaction, the Company issued 9,111,111 common shares of the Company at a price of $0.45 per share for a total consideration of $4,100,000.
- On July 3, 2020, pursuant to an acquisition agreement the Company acquired assets owned by 2270377 Alberta Ltd, such as the domain name held by 2270377 Alberta Ltd. As consideration for the transaction, the Company issued 1,200,000 common shares at a price of $0.20 per share for a total consideration of $240,000.
- On July 9, 2020, pursuant to an acquisition agreement, the Company acquired all of the issued and outstanding securities of 1252796 B.C. Ltd, As consideration for the Transaction, the Company issued 18,900,000 common shares at a price of $0.225 per share for a total consideration of $4,252,500.
- The Company issued 378,000 common shares as administration fee to a consultant in connection with the acquisition of 1252796 B.C. Ltd, at a price of $0.225 per share for a total consideration of $85,050.
- 2,546,472 shares were issued upon exercise of 2,546,472 warrants at a price of $0.30 per share for gross proceeds of $763,941.
- On June 9, 2020, the Company closed a non-brokered private placement in which 7,843,137 units were issued at $0.1275 per unit for gross proceeds of $1,000,000. Each unit comprised of one common share and one common share purchase warrant, with each warrant exercisable into one common share at an exercise price

of $0.25 and expires June 8, 2022. The Company expensed $34,650 as unit issuance cost.

- On July 2, 2020, the Company issued 52,154 common shares at a price of $.26 per share to a consultant for services

During the year ended February 29, 2020:

- On November 27, 2019, the Company announced the closing of a non-brokered private placement in which 15,000,000 units were issued at $0.15 per unit for gross proceeds of $2,250,000. Each unit comprised of one common share and one common share purchase warrant, with each warrant exercisable into one common share for a period of 24 months at an exercise price of $0.30.
- On January 6, 2020, the Company announced the closing of a non-brokered private placement in which 13,000,000 units were issued at $0.15 per unit for gross proceeds of $1,950,000. Each unit comprised of one common share and one common share purchase warrant, with each warrant exercisable into one common share for a period of 24 months with an exercise price of $0.30. The warrants are subject to an acceleration clause whereby if the common share price is equal to or greater than $0.60 for a period of 5 consecutive trading days (at any time at or following the expiry of the four months resale restriction period), the Company may, by notice to the warrant holder reduce the remaining exercise period applicable to the warrants to not less than 30 days from the date of such notice. In connection with the closing, the Company expensed issuance costs of $52,715 in cash and issued 133,401 finders' warrants, with an exercise price of $0.30 and a term of two years, fair valued at $28,601.
- 1,627,600 shares were issued upon exercise of 1,607,600 warrants at a price of $0.30 per share and 20,000 warrants at a price of $0.45 per share for gross proceeds of $491,280.
- During the year ended February 29, 2020, the Company consolidated the common shares of the Company on a ten to one basis. These consolidated financial statements reflect the share consolidation retrospectively.
- During the year ended February 29, 2020, the Company incurred share issuance costs of $81,316.
- On May 25, 2018, 25,000 shares were issued at $1.00 per share for gross proceeds of $25,000.
- On November 8, 2018, 2,611,111 units were issued at $1.80 per unit for gross proceeds of $4,700,000. Each unit comprised of one common share and one half of one common share purchase warrant, with each whole warrant exercisable into one common share for a period of 24 months at an exercise price of $3.00. In connection with the closing, the Company expensed issuance costs of $95,556 in cash and issued 7,000 finders' warrants fair valued at $5,076.
- 5,000 shares were issued upon exercise of 5,000 finders' warrants at a price of $2.00 per share for gross proceeds of $10,000. The Company reclassified $6,025 from warrant reserve to share capital on the exercise of these warrants.
- 732,700 shares were issued upon exercise of 732,700 warrants at a price of $1.50 per share for gross proceeds of $1,099,050. Of the proceeds received, $30,000 had

been received during the year ended February 28, 2018 and recorded as share subscriptions received in advance.

*Impairment of goodwill*

On June 30, 2015, the Company closed the acquisition of all the assets, trademarks and copyrights of Wayne Engineering Inc. ("Wayne").

The acquisition of Wayne business met the definition of a business combination and resulted in the recognition of goodwill of $125,339. Goodwill is primarily related to the growth expectations, expected future profitability and expertise related to the Wayne products for further development of the visual and neuro-cognitive processing products.

As part of the consideration for the acquisition of Wayne, the Company paid to the owners of Wayne. US$78,000 in cash and will issue 25,000 common shares of the Company as follows:

- 5,000 shares issued on May 4, 2016;
- 10,000 shares issuable upon Wayne achieving yearly gross sales of $250,000; and
- 10,000 shares issuable upon Wayne achieving 1,000,000 users of digital programs created from such business.

The Company has reassessed the likelihood of the occurrence of the milestones listed above. As Wayne was a dormant entity during the year ended February 28, 2019 onward, management asserted that Wayne's likelihood of reaching the remaining milestones were nominal. As a result of this reassessment, the obligation to issue shares as at February 28, 2018 of $17,500, which was the estimated fair value of the contingently issuable shares, was written off against goodwill during the year ended February 28, 2019 for a total impairment of $107,839.

## Related Party Transactions

Key management comprises directors and executive officers. The Company did not pay post-employment benefits and long-term benefits to key management. The following compensation was paid to key management:

| | Six months ended August 31, 2020 | Six months ended August 31, 2019 | Three months ended August 31, 2020 | Three months ended August 31, 2019 |
|---|---|---|---|---|
| Management fees | $ 361,502 | $ 119,000 | $ 223,251 | $ 54,250 |
| Research and Development costs | - | 45,820 | - | - |
| Salaries | - | 125,000 | - | 62,500 |
| Share-based | 173,381 | 61,900 | - | 24,686 |
| | **$ 534,883** | **$ 351,720** | **$ 223,251** | **$ 141,436** |

The Company entered into the following transactions with related parties for the six months ended August 31, 2020:

i) Paid or accrued management fees of $190,000 (2019-$77,500) to the President and CEO of the Company;
ii) Paid or accrued research and product development costs of $nil (2019-$45,820) to a Company owned by the President and CEO of the Company.
iii) Paid or accrued management fees of $46,500 (2019- $41,500) to the CFO of the Company;
iv) Paid or accrued management fee of $125,002 (2019-salaries- $125,000) to the CTO and director of the Company;
v) Expensed consulting fees of $66,000 (2019-$nil) to the spouse of the CTO; and
vi) Expensed consulting fees of $30,000 (2019-$nil) to the spouse of the President and CEO

As at August 31, 2020, $28,815 (2019-$36,083) is included in accounts payable and accrued liabilities owing to those directors and officers for consulting fees and expense reimbursements. As at August 31, 2020, $103,276 was advanced to the directors for expense reimbursements.

As at August 31, 2020, $44,000 (2019- $nil) is included in prepaid expenses to the spouse of the CTO for consulting services and $30,000 (2019-$nil) to the spouse of the President and CEO for consulting services.

## Contingent Liabilities

The Company received a letter from a shareholder of the Company, requesting the return of its investment in the Company of $900,000 and removal of certain members of the Company's board of directors. As of the date of these consolidated financial statements, no formal claim has been made against the Company. An estimate of the likelihood of loss is unable to be determined at this time and no loss provision has been made in the consolidated financial statements.

## Share Capital and Disclosure of Outstanding Share Data

As at August 31, 2020, the authorized share capital was an unlimited number of common shares and there were 81,701,122 common shares issued and outstanding. As at the date of this MD&A, the Company had 95,104,334 common shares issued and outstanding.

## Stock Options and Warrants

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, at its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance under the rolling plan will not exceed 10% of the total issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed

2% of the issued and outstanding common shares. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities.

A summary of outstanding and exercisable stock options is as follows:

| Expiry Date | Exercise Price | **August 31, 2020** | **August 31, 2019** |
|---|---|---|---|
| February 17, 2022 | $ 2.50 | - | 666,000 |
| February 16, 2023 | $ 1.70 | - | 489,000 |
| December 12, 2021 | $ 0.30 | 2,500,000 | - |
| May 21, 2025 | $ 0.17 | 2,500,000 | - |
| July 20, 2025 | $0.25 | 350,000 | |
| July 21, 2025 | $0.25 | 100,000 | |
| July 21, 2025 | $ 2.50 | 40,000 | - |
| | | 5,490,000 | 1,155,000 |
| **Exercisable** | | **5,490,000** | **918,538** |

The remaining contractual life for the outstanding options at August 31, 2020 is 3.17 (2019 – 2.89) years.
Stock option transactions are summarized as follows:

| | | **August 31, 2020** | | | **August 31, 2019** | |
|---|---|---|---|---|---|---|
| | Number of Options | | Weighted Average Exercise Price | Number of Options | | Weighted Average Exercise Price |
| Balance, beginning of | 2,500,000 | $ | 0.30 | 1,155,000 | $ | 2.20 |
| Granted | 2,500,000 | | 0.17 | - | | - |
| Granted | 350,000 | | 0.25 | - | | - |
| Granted | 100,000 | | 0.25 | - | | - |
| Granted | 40,000 | | 2.5 | - | | - |
| Expired | - | | - | - | | - |
| **Balance, end of period** | **5,490,000** | **$** | **0.25** | **1,155,000** | **$** | **2.20** |

The fair value of 2,990,000 stock options granted during the period ended August 31, 2020 were estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

| | **August 31, 2020** |
|---|---|
| Weighted average risk-free rate | 1.24% |
| Weighted average expected life of options (years) | 5.00 |
| Weighted average volatility | 140.34% |
| Dividend | Nil% |
| Estimated forfeiture rate | Nil% |

The Company expensed stock- based compensation expense for $471,023 during the six-month period ended August 31, 2020.

A summary of outstanding common share purchase warrants is as follows:

| Expiry Date | Exercise Price | **August 31, 2020** | **February 29, 2020** |
|---|---|---|---|
| November 24, 2019 | $ 2.00 | - | - |
| March 6, 2020[4] | $ 0.45 | - | 271,167 |
| March 6, 2020[5] | $ 0.45 | - | 458,673 |
| April 27, 2020[1] | $3.00 | - | 7,000 |
| November 8, 2020[2] | $ 3.00 | 7,000 | 7,000 |
| November 8, 2020 | $ 3.00 | 1,305,556 | 1,305,556 |
| November 26, 2021 | $0.30 | 12,783,333 | 15,000,000 |
| December 22, 2021[3] | $0.30 | 98,996 | 120,801 |
| December 22, 2021 | $0.30 | 2,931,065 | 3,239,065 |
| January 2, 2022 | $0.30 | 9,760,934 | 9,760,934 |
| June 8, 2022 | $0.25 | 7,843,137 | - |
| | | **34,730,021** | **30,170,196** |

[1] The fair value of these finders' warrants of $8,118 was recorded as share issuance costs estimated using the Black-Scholes option pricing model with the following assumptions: volatility of 87.74%, risk-free rate of 2.00%, expected life of 2 years and expected dividend yield of 0.00%.

[2] The fair value of these finders' warrants of $5,076 was recorded as share issuance costs estimated using the Black-Scholes option pricing model with the following assumptions: volatility of 98.93%, risk-free rate of 2.33%, expected life of 2 years and expected dividend yield of 0.00%.

[3] The fair value of these finders' warrants of $28,601 was recorded as share issuance costs estimated using the Black-Scholes option pricing model with the following assumptions: volatility of 109.75%, risk-free rate of 1.24%, expected life of 2 years and expected dividend yield of 0.00%.

[4] These warrants expiry date was extended from the original expiry date of March 20, 2020 to revised expiry date of April 27, 2021. In addition, the exercise price of these warrants was reduced from original price of $3.00 to revised exercise price of $0.45. These warrants were subject to an accelerated expiry feature based on the Company's common shares trading above $0.56 for 10 consecutive days, resulting in the expiry date to be revised to March 6, 2020. These warrants expired unexercised subsequent to year end.

[5] These warrants expiry date was extended from the original expiry date of April 27, 2020 to revised expiry date of April 27, 2021. In addition, the exercise price of these warrants was reduced from original price of $3.00 to revised exercise price of $0.45. These warrants were subject to an accelerated expiry feature based on the Company's common shares trading above $0.56 for 10 consecutive days, resulting in the expiry date to be revised to March 6, 2020. These warrants expired unexercised subsequent to year end.

Common share purchase warrant transactions are summarized as follows:

| | August 31, 2020 | | February 29, 2020 | |
|---|---|---|---|---|
| | Number of Warrants | Weighted Average Exercise Price | Number of Warrants | Weighted Average Exercise Price |
| Balance, beginning of period | 30,170,196 | $ 0.42 | 3,677,896 | $ 2.60 |
| Issued | 7,843,137 | 0.25 | 28,133,400 | 0.30 |
| Exercised | (2,546,472) | 0.30 | (1,627,600) | 0.30 |
| Expired | (7,000) | 3.00 | - | - |
| Expired | (729,840) | 0.45 | (13,500) | 0.45 |
| **Balance, end of period** | **34,730,021** | **$ 0.39** | **30,170,196** | **$ 0.42** |

The remaining contractual life for the outstanding warrants at August 31, 2020 is 1.35 (February 29, 2020 – 1.70) years.

## Outstanding Share Data

As at the date of this report, the Company's fully diluted shares outstanding is as follows:

| | |
|---|---|
| Common shares | 95,104,338 |
| Options | 8,490,000 |
| Warrants | 48,128,588 |
| Fully diluted shares outstanding | 151,722,926 |

## Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

## Risks and Uncertainties

The Company has changed its business from mineral exploration and development to health and technology development. It has commenced commercial production.

*Additional Financing*

The Company does not have adequate revenue to fund all its operational needs and may require additional financing to continue its operations if it is unable to generate substantial revenue growth. There can be no assurance that such financing will be available at all or on favorable terms. Failure to generate substantial revenue growth may result in the Company looking to obtain such additional financing could result in delay or indefinite postponement of the Company's deployment of its products, resulting in the possible dilution. Any such financing will dilute the ownership interest of the Company's shareholders at the time of the financing and may dilute the value of their shareholdings.

*Impact of Covid-19*

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specially identified as "COVID-19" has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods.

*General Venture Company Risks*

The common shares must be considered highly speculative due to the nature of the Company's business, the early stage of its deployment, its current financial position and ongoing requirements for capital. An investment in the common shares should only be considered by those persons who can afford a total loss of investment and is not suited to those investors who may need to dispose of their investment in a timely fashion. Investors should consult with their own professional advisors to assess the legal, financial and other aspects of an investment in common shares.

*Uncertainty of Revenue Growth*

There can be no assurance that the Company can generate substantial revenue growth, or that any revenue growth that is achieved can be sustained. Revenue growth that the Company has achieved or may achieve may not be indicative of future operating results. In addition, the Company may increase further its operating expenses in order to fund increase its sales and marketing efforts and increase its administrative resources in anticipation of future growth. To the extent that increases in such expenses precede or are not subsequently followed by increased revenues, the Company's business, operating results and financial condition will be materially adversely affected.

*Dependence on Management and Key Personnel*

The Company is dependent on certain members of its management. The loss of the services of one or more of them could adversely affect the Company. The Company's ability to maintain its competitive position is dependent upon its ability to attract and retain highly qualified managerial, specialized technical, manufacturing, sales and marketing personnel. There can be no assurance that the Company will be able to continue to recruit and retain such personnel. The inability of the Company to recruit and retain such personnel would adversely affect the Company's operations and product development.

*Dependence on Key Suppliers*

The Company currently has multiple suppliers in Canada and China for each of the component parts and raw materials required to assemble the Company's finished products. There is a potential risk that, from time to time, the Company could face a shortage of parts and raw materials in the future if the Company's suppliers are unable to support current or increased customer demand for the Company's products. This could have a material negative impact on the business development plans of the Company, its revenues and continued operations.

*Product Liability*

The Company may be subject to proceedings or claims that may arise in the ordinary conduct of the business, which could include product and service warranty claims, which could be substantial. If its products fail to perform as warranted and it fails to quickly resolve product quality or performance issues in a timely manner, sales may be lost and it may be forced to pay damages. Any failure to meet customer requirements could materially affect its business, results of operations and financial condition. The occurrence of product defects and the inability to correct errors could result in the delay or loss of market acceptance of its products, material warranty expense, diversion of technological and other resources from its product development efforts, and the loss of credibility with customers, manufacturer's representatives, distributors, value added resellers, systems integrators, original equipment manufacturers and end-users, any of which could have a material adverse effect on the Company's business, operating results and financial conditions.

*Marketing and Distribution Capabilities*

In order to commercialize its technology, the Company must either acquire or develop an internal marketing and sales force with technical expertise and with supporting distribution capabilities or arrange for third parties to perform these services. In order to market certain of its products, the Company must either acquire or develop a sales and distribution infrastructure. In order to maximize sales of other products, the Company may determine that it needs to either acquire or develop a sales and distribution infrastructure. The acquisition or development of a sales and distribution infrastructure would require substantial resources, which may divert the attention of its management and key personnel and defer its product development and deployment efforts. To the extent that the Company enters into marketing and sales arrangements with other companies, its revenues will depend on the efforts of others. These efforts may not be successful. If the Company fails to develop substantial sales, marketing and distribution channels, or to enter into arrangements with third parties for those purposes, it will experience delays in product sales and incur increased costs.

*Rapid Technological Development*

The markets for the Company's products and services are characterized by rapidly changing technology and evolving industry standards, which could result in product obsolescence or short product life cycles. Accordingly, the Company's success is dependent upon its ability to anticipate technological changes in the industries it serves and to successfully identify, obtain, develop and market new products that satisfy evolving industry requirements. There can be no assurance that the Company will successfully develop new products or enhance and improve its existing products or that any new products and enhanced and improved existing products will achieve market acceptance. Further, there can be no assurance that competitors will not market products that have perceived advantages over the Company's products or which render the products currently sold by the Company obsolete or less marketable. Regardless of the Industry as a whole, the less lethal sector moves somewhat slower in the adaptation and integration of new products.

The Company must commit significant resources to developing new products before knowing whether its investments will result in products the market will accept. To remain competitive, the Company may be required to invest significantly greater resources then currently anticipated in research and development and product enhancement efforts and result in increased operating expenses.

*Competition*

The Company's industry is competitive and composed of many foreign companies. The Company has experienced and expects to continue to experience, substantial competition from numerous competitors whom it expects to continue to improve their products and technologies. Competitors may announce and introduce new products, services or enhancements that better meet the needs of end-users or changing industry standards, or achieve greater market acceptance due to pricing, sales channels or other factors. Competitors may be able to respond more quickly than the Company to changes in end-user requirements and devote greater resources to the enhancement, promotion and sale of their products.

*Intellectual Property*

The Company's ability to compete effectively will depend, in part, on its ability to maintain the proprietary nature of its technology and manufacturing processes. Although the Company considers certain of its product designs as well as manufacturing processes involving certain of its products to be proprietary, patents or copyrights do not protect all design and manufacturing processes. The Company has adopted procedures to protect its intellectual property and maintain secrecy of its confidential business information and trade secrets. However, there can be no assurance that such procedures will afford complete protection of such intellectual property, confidential business information and trade secrets. There can be no assurance that the Company's competitors will not independently develop technologies that are substantially equivalent or superior to the Company's technology.

To protect the Company's intellectual property, it may become involved in litigation, which could result in substantial expenses, divert the attention of its management, cause significant delays and materially disrupt the conduct of its business.

*Infringement of Intellectual Property Rights*

While the Company believes that its products and other intellectual property do not infringe upon the proprietary rights of third parties, its commercial success depends, in part, upon the Company not infringing intellectual property rights of others. Some of the Company's competitors and other third parties have been issued or may have filed patent applications or may obtain additional patents and proprietary rights for technologies similar to those utilized by the Company. Some of these patents may grant very broad protection to the owners of the patents. The Company has not undertaken a review to determine whether any existing third- party patents or the issuance of any third- party patents would require the Company to alter its technology, obtain licenses or cease certain activities. The Company may become subject to claims by third parties that its technology infringes their intellectual property rights due to the growth of products in its target markets, the overlap in functionality of those products and the prevalence of products. The Company may become subject to these claims either directly or through indemnities against these claims that it provides to end-users, manufacturer's representatives, distributors, value added resellers, system integrators and original equipment manufacturers.

Litigation may be necessary to determine the scope, enforceability and validity of third- party proprietary rights or to establish the Company's proprietary rights. Some of its competitors have, or are affiliated with companies having, substantially greater resources than the Company and these competitors may be able to sustain the costs of complex intellectual property litigation to a greater degree and for a longer period of time than the Company. Regardless of their merit, any such claims could be time consuming to evaluate and defend, result in costly litigation, cause product shipment delays or stoppages, divert management's attention and focus away from the business, subject the Company to significant liabilities and equitable remedies, including injunctions, require the Company to enter into costly royalty or licensing agreements and require the Company to modify or stop using infringing technology.

The Company may be prohibited from developing or commercializing certain technologies and products unless it obtains a license from a third party. There can be no assurance that it will be able to obtain any such license on commercially favorable terms or at all. If it does not obtain such a license, it could be required to cease the sale of certain of its products.

*Health and Safety*

Health and safety issues related to its products may arise that could lead to litigation or other action against the Company or to regulation of certain of its product components. The Company may be required to modify its technology and may not be able to do so. It may also be required to pay damages that may reduce its profitability and adversely affect its financial condition. Even if these concerns prove to be baseless, the resulting negative publicity could affect the Company's ability to market certain of its products and, in turn, could harm its business and results from operations.

*Stress in the global financial system may adversely affect the Company's operations in ways that may be hard to predict or to defend against*

Recent events have demonstrated that businesses and industries throughout the world are very tightly connected to each other. Thus, events seemingly unrelated to the Company, or to its industry, may adversely affect its finances or operations in ways that are hard to predict or defend against. For example, credit contraction in financial markets may hurt the Company's ability to access credit when it is needed or rapid changes in foreign exchange rates may adversely affect financial results. Finally, a reduction in credit, combined with reduced economic activity, may adversely affect businesses and industries that collectively constitute a significant portion of the Company's customer base. As a result, these customers may need to reduce their purchases of the Company's products, or there may be greater difficulty in receiving payment for the products that these customers purchase from the Company. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on the business, operating results, and financial condition.

*Dividend Policy*

The Company has not paid dividends in the past and has no plans to pay dividends for the foreseeable future. The future dividend policy of the Company will be determined by its directors.

*Lack of Active Market*

There can be no assurance that an active market for the common shares will continue and any increased demand to buy or sell the common shares can create volatility in price and volume.

*Market Price of Common Shares*

There can be no assurance that an active market for the common shares will be sustained. Securities of small and midcap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include global economic developments and market perceptions of the attractiveness of certain industries. The price per common share is also likely to be affected by change in the Company's financial condition or results of operations as reflected in its quarterly filings. Other factors unrelated to the performance of the Company that may have an effect on the price of common shares include the following: the extent of analytical coverage available to subscribers concerning the business of the Company may be limited if investment banks with research capabilities do not follow the Company's securities; lessening in trading volume and general market interest in the Company's securities may affect a subscriber's ability to trade significant numbers of common shares, the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; a substantial decline in the price of the common shares that persists for a significant period of time could cause the Company's securities to be delisted from the exchange, further reducing market liquidity. If an active market for the common shares does not continue, the liquidity of a subscriber's investment may be limited, and the price of the common shares may decline. If such a market does not develop, subscribers may lose their entire investment in the common shares.

*Political Regulatory Risks*

Any changes in government policy may result in changes to laws affecting the sale of the Company's products. This may affect the Company's ability to ship product in the future. The possibility that future governments may adopt substantially different policies, may also affect the Company's operations.

*Potential Conflicts of Interest*

The directors and officers of the Company may serve as directors and/or officers of other public and private companies and may devote a portion of their time to manage other business interests. This may result in certain conflicts of interest. To the extent that such other companies may participate in ventures in which the Company is also participating, such directors and officers of the Company may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each company's participation. The laws of British Columbia, Canada, require the directors and officers to act honestly, in good faith, and in the best interests of the Company and its shareholders. However, in conflict of interest situations, directors and officers of the Company may owe the same duty to another company and will need to balance the competing obligations and liabilities of their actions.

## Management's Responsibility for Financial Information

The Company's consolidated financial statements and the other financial information included in this management report are the responsibility of the Company's management and have been examined and approved by the Board of Directors. The consolidated financial statements were prepared by management in accordance with IFRS and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the consolidated financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the consolidated financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.