

INCEPTUS CAPITAL LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2020

GENERAL

Set out below is a review of the activities, results of operations and financial position of Inceptus Capital Ltd. (the "Company"). This Management's Discussion and Analysis ("MD&A"), dated as of November 30, 2020 should be read in conjunction with the audited financial statements of the Company for the year ended March 31, 2020, and the related notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The presentation and functional currency of the Company is the Canadian dollar, unless otherwise stated. The Company is a reporting issuer in the provinces of British Columbia, Alberta, and Ontario in Canada and is listed on the Exchange under the symbol "ICLP". Additional information related to the Company is available on SEDAR at www.sedar.com.

MANAGEMENT RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings, and these financial statements together with the other financial information included in these filings. The Board of Directors' approves the Financial Statements and MD&A and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing.

CAUTIONARY NOTES REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking information and forward-looking statements within the meaning of applicable securities legislation (collectively "forward-looking statements"). Forward-looking information may include financial and other projections, as well as statements regarding future events, plans, objectives or economic performance, or the assumption underlying any of the foregoing. The use of any of the words "may", "would", "could", "will", "likely", "except", "anticipate", "believe", "intend", "plan", "forecast", "project", "estimate", and other similar expressions are intended to identify forward-looking statements.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. In evaluating these statements, the prospective purchasers should not place undue reliance on any such forward-looking information and should specifically consider various factors, including the risks outlined under 'Risk Factors'. Further, any forward-looking statement speaks only as of the date on which such statement is made. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

RISKS AND UNCERTAINTIES

The Company has a limited history of existence. There can be no assurance that a qualifying transaction will be completed. Equity or debt financing may be required to complete a qualifying transaction. There can be no assurance that the Company will be able to obtain adequate financing to continue. The securities of the Company should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Company's securities:

- a) until completion of a qualifying transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential qualifying transactions;
- b) the Company has had no business activity and has not acquired any material assets since its incorporation other than cash;

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RISKS AND UNCERTAINTIES (CONTINUED)

- c) the Company does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the completion of the qualifying transaction;
- d) the Company has only limited funds with which to identify and evaluate potential qualifying transactions and there can be no assurance that the Company will be able to identify a suitable qualifying transaction;
- e) even if a proposed qualifying transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction;
- f) the qualifying transaction may be financed in all or part by the issuance of additional securities by the Company and this may result in further dilution to the investor, which dilution may be significant, and which may also result in a change of control of the Company;
- g) there can be no assurance that an active and liquid market for the common shares will develop and an investor may find it difficult to resell its common shares;
- h) if the Company fails to complete a qualifying transaction within 24 months from the date of listing, the Exchange could suspend the common shares of the Company and an interim cease trade order may be issued against the Company's securities by an applicable securities commission if its common shares are suspended from trading on or delisted from the Exchange or otherwise; and
- i) the Company competes with many Capital Pool Companies that are seeking suitable qualifying transactions. In addition, other Capital Pool Companies may have substantially greater financial and technical resources than the Company.

BUSINESS OVERVIEW AND OPERATIONS

Inceptus Capital Ltd. (the "Company") was incorporated under the provincial Business Corporations Act (British Columbia) on February 1, 2017.

The Company is classified as a Capital Pool Company as defined in Policy 2.4 of the Exchange. The principal business of the Company is to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising of an option or by any concomitant transaction. The purpose of such an acquisition is to satisfy the related conditions of a qualifying transaction under the Exchange rules.

Where an acquisition or participation is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Company's shares from trading. Furthermore, there is no assurance that the business will be profitable. These factors indicate the existence of a material uncertainty that may cast doubt about the Company's ability to continue as a going concern. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

On November 9, 2017, the Company successfully completed its initial public offering ("IPO") and listed on the Exchange under the symbol of "ICLP". The offering consisted of 2,147,500 common shares at a price of \$0.10 per share for gross proceeds of \$214,750. The proceeds raised from the IPO may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to 30% of the gross proceeds may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until the completion of a qualifying transaction by the Company as defined under the policies of the Exchange.

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BUSINESS OVERVIEW AND OPERATIONS (CONTINUED)

On November 19, 2019, the Company entered into a non-binding letter of intent with Alpha K-9 Technologies Inc. in respect of a proposed reverse takeover transaction intended to constitute the Company's qualifying transaction, as such term is defined under Policy 2.4 of the TSX Venture Exchange. Pursuant to the transaction, the Company will acquire all of the issued and outstanding common shares of Alpha at an exchange ratio of one common share of the Company for every one Alpha share, resulting in a reverse takeover of the Company. It is expected that shareholders of Alpha will hold, in aggregate, at least 31.7 million of the outstanding common shares (on a non-diluted basis) of the resulting issuer after completion of the transaction, which represents approximately 87 per cent of the total outstanding common shares (on a non-diluted basis) of the resulting issuer. The transaction does not constitute a non-arm's-length qualifying transaction for the purposes of the TSX-V.

The Company entered into a definitive amalgamation agreement dated effective August 28, 2020, with Alpha K-9 Technologies Inc. (Alpha) and 1262529 B.C. Ltd. (Inceptus Subco), a wholly owned subsidiary of the Company, pursuant to which the Company will acquire all the issued and outstanding shares in the capital of Alpha. The definitive agreement replaces the letter of intent between the Company and Alpha with respect to the transaction dated November 19, 2019.

The Company filed a filing statement dated August 28, 2020, with the TSX-V in connection with the qualifying transaction. The TSX-V has provided conditional approval for the transaction, the proposed name change, and the financing.

The completion of the transaction is subject to requisite regulatory approval, including, but without limitation to: (i) completion of the pre-RTO financing; (ii) approval of the TSX-V; and (iii) a number of additional conditions precedent. The Transaction is not a Non-Arm's Length Qualifying Transaction in accordance with TSX-V policies, and does not require approval of the Company's shareholders. There can be no assurance that the transaction will be completed on the terms proposed in the Definitive Agreement or at all.

As at September 30, 2020, the Company has working capital of \$80,557, and has incurred accumulated loss of \$257,178 since incorporation. The Company possesses \$83,701 in cash.

RESULTS OF OPERATIONS

For the three and six months ended September 30, 2020, the Company reported a net loss of \$10,642 and \$14,023, respectively. The net loss for the six months ended September 30, 2020, comprised of audit and accounting of \$2,670, general and administrative fees of \$3,575, professional fees of \$2,372, dues & filings of \$3,736 and transfer agent fees of \$1,670.

For the three and six months ended September 30, 2019, the Company reported a net loss of \$12,215 and \$15,533, respectively. The net loss for the six months ended September 30, 2019, comprised of audit and accounting of \$3,652, general and administrative fees of \$3,697, professional fees of \$5,876, dues & filings of \$461 and transfer agent fees of \$1,847.

Professional Fees

The Company incurred \$1,786 and \$2,372 in legal fees for the three and six months ended September 30, 2020, respectively compared to \$5,232 and \$5,876 for the three and six months ended September 30, 2019. The legal fees consisted primarily of the cost of general legal matters, the preparation of legal documents and assistance in connection with the proposed transactions.

Dues & Filings

Dues & filings amounted to \$3,736 for the six months ended September 30, 2020, compared to \$461 for the six months ended September 30, 2019. Regulatory filing fees related to fees paid to Exchange and Sedar filings.

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RESULTS OF OPERATIONS (CONTINUED)

Transfer Agent Fees

Transfer agent fees amounted to \$835 and \$1,670 for the three and six months ended September 30, 2020, respectively, compared to \$1,012 and \$1,847 for the three and six months ended September 30, 2019, respectively. Transfer agent fees related to fees paid to Computershare for their agency services provided.

Loss and Comprehensive Loss

The Company incurred losses from operations of \$10,642 and \$14,023 for the three and six months ended September 30, 2020, respectively compared to \$12,215 and \$15,533 for the same corresponding periods in prior year. As the principal business of the Company is to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising of an option or by any concomitant transaction, further losses are anticipated for the foreseeable future.

SUMMARY OF QUARTERLY RESULTS

Period Ended	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
	\$	\$	\$	\$	\$	\$	\$
Total Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Loss	(10,642)	(3,380)	(20,638)	(13,464)	(12,215)	(3,316)	(18,489)
Loss per Share	(0.01)	(0.00)	(0.01)	(0.01)	(0.01)	(0.00)	(0.01)
Cash	83,701	100,483	109,842	117,342	133,836	150,106	153,051
Total Assets	83,701	100,483	109,842	117,342	133,836	150,106	153,051
Total Liabilities	3,144	9,283	15,262	2,126	5,156	9,209	8,838
Long-Term Liabilities	N/A	N/A	N/A	N/A	N/A	N/A	N/A
(Deficit)	(257,178)	(246,535)	(243,155)	(222,519)	(209,055)	(196,838)	(193,522)

As at September 30, 2020 the Company has working capital of \$80,557, compared to \$94,580 as at March 31, 2020, a decrease of \$14,023. The Company has incurred accumulated loss of \$257,178 since incorporation. The Company holds \$83,701 in cash as at September 30, 2020.

LIQUIDITY

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2020, the Company had a cash balance of \$83,701 to pay liabilities of \$3,144, which are due in the short term (0 - 3 months).

CAPITAL RESOURCES

The authorized share capital of the Company consists of:

Unlimited Class A Voting, Participating, Common Shares without par value

Unlimited Class B Voting, Non-participating, Common Shares without par value

Unlimited Class C Non-voting, Participating, Common Shares without par value

Unlimited Class D Non-Voting, Non-participating, Common Shares without par value

As at September 30, 2020, there were 4,747,500 Class A common shares issued and outstanding.

During the period ended March 31, 2017, the Company issued 2,600,000 Class A common shares of the Company at a price of \$0.05 per share, which are subject to escrow provisions pursuant to the policies of the Exchange.

During the year ended March 31, 2018, the Company completed and closed its IPO and listed on the Exchange under the symbol of "ICI.P". The offering consisted of 2,147,500 common shares at a price of \$0.10 per share for gross proceeds of \$214,750. Mackie Research Capital Corp. ("Mackie") acted as agent for the offering and received a commission of 10% of the gross proceeds of the offering.

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CAPITAL RESOURCES (CONTINUED)

The Company also reimbursed Mackie for its expenses in connection with the offering. In addition, the Company has granted Mackie warrants to acquire up to 214,750 common shares of the Company at an exercise price of \$0.10 exercisable until November 9, 2019. During the nine months ended December 31, 2019, the Agent's Warrants were all expired unexercised.

The Company has 2,680,000 common shares subject to an escrow agreement whereby 10% of the shares will be released from escrow upon the completion of the qualifying transaction. An additional 15% of the escrowed common shares will be released on each six-month anniversary thereafter unless otherwise permitted by the Exchange. Common shares issued upon the exercise of options held by officers and directors are subject to the same escrow conditions to the extent of options exercised prior to the completion of a qualifying transaction.

The Company has adopted a stock option plan pursuant to which it may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, and consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares, exercisable for periods of up to 10 years from the date of grant.

Common Shares issued upon the exercise of options held by officers and directors are subject to the same escrow conditions to the extent of options exercised prior to the completion of a Qualifying Transaction.

During the six months ended September 30, 2020, the Company granted nil incentive stock options to its directors and officers of the Company.

During the year ended March 31, 2018, the Company granted incentive stock options to its directors and officers of the Company, which entitles the purchase of an aggregate 474,750 common shares at an exercise price of \$0.10 for a period of 10 years.

RELATED PARTIES

The Company has identified its directors and certain senior officers as its key management personnel.

During the three months ended September 30, 2020, \$1,575 (2019: \$1,575) in administrative expenses was incurred and paid to a company, directly controlled by the CEO and director of the Company.

During the six months ended September 30, 2020, \$3,150 (2019: \$3,150) in office and miscellaneous was incurred and paid to a company, directly controlled by the CEO and director of the Company.

OFF-BALANCE SHEET ARRANGEMENTS

The Company is not aware of any off-balance sheet transactions requiring disclosure.

SECOND QUARTER EVENTS, 2021

The Company was working on raising the needed financing in order to complete the qualifying transaction.

PROPOSED TRANSACTIONS

The Company is not aware of any additional proposed transactions requiring disclosure.

SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these financial statements requires management to make judgment, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period.

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SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual outcomes could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Areas of Assumptions and Estimates

Share-based payments

The Company measures share-based payments expense by reference to the fair value of the stock options at the date at which they are granted. Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures.

ADOPTION OF NEW ACCOUNTING STANDARDS

IFRS 16, Leases

IFRS 16 introduces a single lessee accounting model that requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Lease assets and liabilities are initially recognized on a present value basis and subsequently, similarly to other non-financial assets and financial liabilities, respectively. The lessor accounting requirements are substantially unchanged and, accordingly, continue to require classification and measurement as either operating or finance leases. The new standard also introduces detailed disclosure requirements for both the lessee and lessor. The new standard was adopted by the Company without effect to the financial statements.

FINANCIAL INSTRUMENTS

The Company classifies its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's cash is measured as level 1 input.

Financial Instruments

Effective April 1, 2018, the Company adopted IFRS 9 Financial Instruments ("IFRS 9"), which replaced IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). The standard eliminates the existing IAS 39 categories of held to maturity, available-for-sale and loans and receivable. The new classification and measurement of the Company's financial assets and liabilities are as follows:

Financial Assets

Amortized cost

This category includes financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the solely principal and interest ("SPPI") criterion. Financial assets classified in this category are measured at amortized cost using the effective interest method.

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FINANCIAL INSTRUMENTS (CONTINUED)

Fair value through profit or loss ("FVTPL")

This category includes quoted equity instruments which the Company has not irrevocably elected, at initial recognition or transition, to classify at fair value through other comprehensive income.

This category would also include debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Financial assets in this category are recorded at fair value with changes recognized in profit or loss.

Financial Liabilities

Financial liabilities are designated as either: fair value through profit or loss; or amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

The following table summarizes the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets and financial liabilities:

	IAS 39 Classification	IFRS 9 Classification
Financial Assets		
Cash	FVTPL	FVTPL
Financial Liabilities		
Accounts Payable & Accrued Liabilities	Amortized cost	Amortized cost

The adoption of this standard did not have a material impact on the measurement of the Company's financial instruments in these financial statements, however additional disclosures have been provided.

Impairment of Financial Assets

The adoption of IFRS 9 has fundamentally changed the Company's accounting of impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss approach. There were no impairment losses recognized in these financial statements as a result of the adoption of IFRS 9 as at the date of initial application.

FINANCIAL RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

Overview

The Company's financial instruments consist of cash, and accounts payable and accrued liabilities. The fair value of these financial instruments, other than cash which is measured at fair value, approximate their carrying value due to short term nature.

Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is held with reputable institutions in Canada.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

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FINANCIAL RISK MANAGEMENT (CONTINUED)

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2020, the Company had a cash balance of \$83,701 to pay liabilities of \$3,144.

Market Risk

The Company will be subject to normal market risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. For the six months ended September 30, 2020, the Company held \$nil financial instruments subject to significant foreign exchange or interest rate risks.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

CAPITAL MANAGEMENT

The Company's capital structure consists of cash and share capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to complete a qualifying transaction. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In order to carry out the planned activities and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since inception. The Company is not subject to externally imposed capital requirements.

OTHER MD&A REQUIREMENTS

(a) Additional Information

Additional information relating to the Company may be available upon request.

Additional relevant disclosure, such as general and administration expenses, share capitals, significant accounting policies adopted are disclosed in the Company's condensed interim financial statements for the six months ended September 30, 2020 and the audited financial statements for the year ended March 31, 2020.

(b) Disclosure of Outstanding Share Data

Security in Number	September 30, 2020	The reporting date November 30, 2020
Each class and series of voting or equity securities for which there are securities Common Shares Outstanding: Class A Common Share	4,747,500	4,747,500
Each class and series of securities for which there are securities outstanding if the securities are convertible into, or exercisable or exchangeable for, voting or equity securities Agent's Warrants	-	-

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Stock Options	474,750	474,750
Each class and series of voting or equity securities that are issuable on the conversion, exercise or exchange of outstanding securities above Common Shares	474,750	474,750
Fully diluted	5,222,250	5,222,250

As of the date of this report, the Company had 4,747,500 Class A common shares issued and outstanding and 474,750 stock options had been granted and outstanding. The Company has 2,680,000 common shares subject to an escrow agreement. The Agent's Warrants were all expired unexercised.

(c) Disclosure Controls and Procedures

Management of the Company is responsible for establishing and maintaining disclosure controls and procedures for the Company and has designed such disclosure controls and procedures, or caused them to be designed under the Company management's supervision, to provide reasonable assurance that material information relating to the Company is made known to management by others within those entities particularly during the period covered by this MD&A.

Management has evaluated the effectiveness of the Company's disclosure controls and procedures for the period covered by this MD&A and based on that evaluation, Management has concluded that the disclosure controls and procedures are effective.