MyndTec Inc.
Management's Discussion and Analysis (MD&A)
For the Year Ended December 31, 2021 Expressed in Canadian Dollars
Dated: May 2, 2022

The following management's discussion and analysis ("**MD&A**") of the financial condition and results of operations of MyndTec Inc. ("**MyndTec**" or the "**Company**") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2021. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited consolidated financial statements of the Company for the years ended December 31, 2021 and 2020, together with the notes thereto. Information contained herein is presented as at May 2, 2022 unless otherwise indicated.

Description of Business

The Company was incorporated under the *Business Corporations Act* (Ontario) and its head office is located at 1900 Minnesota Court, Suite 122, Mississauga, Ontario, L5N 3C9. The Company became listed on the Canadian Securities Exchange (CSE) on February 16, 2022 and trades under the Symbol MYTC.

The Company is dedicated to the development and commercialization of innovative products that improve function, maximize independence and enhance the quality of life for individuals who have suffered injury to the central nervous system as a result of stroke, spinal cord injuries ("**SCI**") and traumatic brain injury ("**TBI**"). It develops non-invasive neuro and nervous system electrical stimulation therapeutics for the treatment of neurological diseases specifically targeted to markets with large, growing, global patient populations.

The Company has revenues from sales in Canada and from Canada to the United States and has one operating segment which includes income related to its MyndMove™ (**"MyndMove")** device and a variation of that device, called MyndSearch that has been modified for research purposes. The two types of revenue that are earned from MyndMove include: (1) treatment fees, from treatment clinics that use the Company's MyndMove devices and (2) product sales, which are revenues from the sale of MyndMove or MyndSearch devices to clinics or research institutions and the sale of device parts or treatment supplies.

MyndMove

The Company's first product and flagship solution, MyndMove therapy, is a patented and proprietary functional electrical stimulator coupled with proprietary treatment protocols that integrates neuro stimulation with a rapidly growing cloud-connected database. MyndMove is an FDA and Health Canada approved product that restores voluntary movement to stroke and SCI patients and is currently marketed in Canada under a medical device license issued by Health Canada (License No: 93158) and also commercially available in the US under a 510(k) FDA clearance (K170564). MyndMove applies advanced principles of neuroplasticity and functional electrical stimulation to assist patients with paralysis of the arm and hand to make lasting gains in the recovery of natural, voluntary movement. MyndMove's first indications are for paralysis caused by stroke and spinal cord injury.

The Company is continuing to develop additional applications designed to address a broader scope of paralysis including lower limb and trunk applications for walking, standing and sitting.

In Canada and the United States, the Company loans on a service fee basis and sells MyndMove directly to clinics and institutions. Our operations in Mississauga provide dedicated customer service and access to our technical service personnel and clinical consults.

Business Overview and Highlights

Canadian Securities Exchange (CSE) listing
On October 12, 2021, the Company submitted a non-offering prospectus to the Ontario Securities Commission and a listing application to the Canadian Securities Exchange to become a listed company on the CSE. On conditional listing approval of this application, by the CSE, the Company was listed on February 16, 2022 creating a qualified transaction for the purposes of conversion of the Company's convertible debentures.

Conversion of convertible debentures
Effective February 4, 2022, $1,427,523 of Convertible Debentures were converted into 1,784,402 common shares at $0.80 per share, plus 1,784,402 common share warrants exercisable until February 7, 2027 at $1.00 per share.

The Company issued unsecured convertible debentures on May 19, 2020, with a maturity date of December 31, 2022, in an aggregate principal amount of $1,250,000. Interest accrued at a fixed annual interest rate of 8%, compounded annually and is payable on the maturity date. If converted, these convertible debentures and accrued interest will convert into common shares at the fair market value of the respective common shares at the date of conversion, as determined by the Board, unless the conversion is a result of a qualified financing. On the occurrence of a qualified financing, the convertible debentures and accrued interest convert at a price per security equal to 80% of the price per security issued in the qualified financing.

Secondary 2021 private financing transaction
On December 10, 2021, the Company completed a secondary private financing, for a total of $2,954,302 of which $594,860 was received by the Company and the balance remained in escrow, as at December 31, 2021. The subscribers initially received 2,954,302 subscription receipt units and these were exchanged, on February 16, 2022, for 2,954,302 common shares of the Company and 2,954,302 warrants to acquire common shares of the Company at $1.00. The warrants will expire on February 7, 2027.

Of the $2,954,302 in proceeds, the $594,860 received is recorded as deposits for future share financings in long-term liabilities, as at December 31, 2021. The remaining $2,359,442 was received by the Company, from the Escrow Trustee, on February 18, 2022 and is recorded equally in the Company's December 31, 2021 Consolidated Statement of Financial Position as a current asset and a current liability. In addition, the Company incurred $101,704 of share issue costs that are recorded in prepaid expenses and deposits as at December 31, 2021.

The exchange of the subscription receipts units into common shares and warrants was conditional on the Company obtaining conditional listing approval on a stock exchange in Canada by February 28, 2022. The conditional listing was accomplished on February 16, 2022.

Total listing costs were approximately $1,270,000 of which $1,095,940 was recorded in the Company's consolidated statement of operations and comprehensive loss, as at December 31, 2021. With respect to the total listing costs incurred, the Company has applied to have $198,770 of 2022 legal bills, included therein, assessed by the Ontario Superior Court of Justice.

Initial 2021 private financing transaction
On May 3, 2021, the Company completed a private financing transaction, led by Company investors, wherein the Company raised $1,259,535 of share capital proceeds. This financing resulted in the issuance of 1,369,059 common shares at a price of $0.92 and 1,259,535 common share warrants with an exercise price of $1.06 and expiration date of May 3, 2023:

- $285,183 of the proceeds, net of share issue costs, were allocated to the value of the warrants.
- $375,000 of the proceeds were received by December 31, 2020 and are recorded in Company's December 31, 2020 consolidated statement of financial position as deposits for future share financings.
- $59,134 of share issue costs were incurred in respect of these financings.

Scientific Research and Experimental Development (SR&ED) claim

On July 31, 2021, the Company received and recognized as income its $230,945 SR&ED claim for the year ended December 31, 2020.

Distribution agreement – Fourier Intelligence International Pte. Ltd. (Fourier)

On March 22, 2022, the Company signed a non-binding exclusive distribution Agreement for the distribution of MyndMove™ in Singapore and Malaysia, with Fourier, a company with offices at Marina One West Tower, 9 Straits View #05-07, Singapore 018937. Myndtec will incur costs for product evaluations and clinical demonstrations.

Fourier's global network spans over 50 countries to ensure a broad market outreach for innovative technologies. With joint laboratories with some of the top research institutes in the world such as ETH Zürich, University of Melbourne, and Shirley Ryan Ability Lab in Chicago, Fourier is set to chart the new frontier of innovative medical technologies.

Distribution agreement – LLB Applied Technology Inc. (LBB)

On September 29, 2021, the Company signed a new distribution agreement with LBB, a shareholder of the Company. LBB operates in the State of Michigan, USA and has extensive relationships with hospitals and hospital groups in the United States.

The former agreement with LBB allowed that company to lease MyndMove devices, similar to the Company's business model in Canada, and the average treatments per month of the two LBB treatment clinics are significantly higher than the average usage of clinics in Canada. Subject to maintaining performance targets, the new distribution agreement grants LBB the exclusive rights to market MyndMove devices in the State of Michigan and to selective hospital groups in the United States.

Department of Defense Clinical Trial

The Company is currently conducting a post-market clinical trial to further expand its body of clinical outcome data for the MyndMove product. This trial is funded by the SCI Research Program under the United States Department of Defense office of the Congressionally Directed Medical ResearchPrograms, award number W81XWH-16-1-0790. The trial began enrollment of approximately 60 patients in June 2019 and is scheduled to conclude in June 2022. This is a randomized two-arm, parallel group, multicenter, single-blind, controlled trial comparing electrical neuromodulation delivered by MyndMove therapy to intensive upper-limb conventional therapy in the treatment of individuals with moderate to severe motor impairment to their arms and hands from an incomplete, cervical, traumatic SCI.

KITE

On February 26, 2020, the Company entered into a master collaboration agreement, as amended on January 5, 2021 (the "**Master Collaboration Agreement**"), with KITE (a related party), the research arm of the Toronto Rehabilitation Institute and one of the principal research institutes at the University Health Network ("**UHN**"). KITE's expertise includes injury prevention, restoration of function following injury or illness, enhanced participation and independent living. Pursuant to the Master Collaboration Agreement, the Company works directly with KITE to develop new treatments, devices and products as well as gathering evidence that guides changes to policy and public opinion that improve the lives of people living with the effects of disability, illness and aging. Currently, the Company and KITE are collaborating on an improvement to MyndMove to support the addition of protocols related to the treatment of lower limbswith a focus on regaining the ability to walk independently. This collaboration includes development of proprietary enhancements to hardware and software as well as our training programs. The work will include appropriate clinical validation to be conducted by the KITE team suitable for inclusion in our regulatory submissions.

Research and development expenses consist primarily of employee-related expenses, contractor and consultant fees and corporate overhead allocations for the design, development and management of our communities and platform. The Company will continue to focus our research and development efforts on adding new protocols and clinical applications designed to expand the portfolio of clinical functionality of the platform. In the past, these expenses have been reduced by Canadian federal SR&ED tax credits. Once the Company is publicly listed, it will no longer qualify for cash refundable SR&ED credits, which will cause the Company's research and development expenses to increase.

For the Year Ended December 31, 2021 Expressed in Canadian Dollars

Business Objectives and Milestones

The Company launched MyndMove to hospitals in the United States in the fourth quarter of 2021, primarily through distributors although one direct sale of a device, in the amount of $36,000 US, occurred in July 2021.

The Company's immediate business objective is to expand its product revenues through its distribution partner, LBB Applied Technology, LLC ("LBB" or "Life Beyond Barriers") in Michigan, USA, which has been using MyndMove in their 2 clinics for two years and has the highest utilization rates of all MyndMove clinics. The Company is working to secure other distributors in the United States and other partnerships in Asia, for sale of licensing of its MyndMove product

Longer term, the Company's business objective is to further expand the placement of MyndMove™ systems and establish and/or increase the number of treatments in Canada, the United States of America, Asia and Europe. To support these efforts the company will be using distribution partners and sales agents in the identified countries. As noted above, this process has already started with the signing of Life Beyond Barriers for distribution in the US starting with the State of Michigan. The company also has a sales agreement with the Maness Veteran Medical to sell to US Veteran hospitals now that the company is on the approved Federal Supply Schedule (FSS) for VA hospitals.

To accomplish its objectives, the Company intends to achieve the following milestones within the twelve months ended December 31, 2022:

	Milestone	Estimated Completion Date (Qtr,Year)	Estimated Amount ($)	Amount Spent ($)	Amount Remaining
1	Establish MyndMove™ marketing and sales outside of the United States of America	Q1, 2022	25,000	15,000	10,000
2	Expand and enhance the intellectual property portfolio	Q2, 2022	25,000	0	25,000
3	Complete clinical and technical improvements for MyndMove™	Q2, 2022	20,000	0	20,000
4	Development to expand MyndMove™ Indications	Q4, 2022	75,000	38,000	37,000
	Total		145,000	53,000	92,000

Notes:

(1) The Company is in the early stages of establishing distribution opportunities in Asia and has signed a Non-Binding Exclusive Distribution Agreement for the distribution of MyndMove™ in Singapore and Malaysia. The Company will incur costs for product evaluations and clinical demonstrations.

(2) The Company will review and identify opportunities to file provisional patent applications and develop trade secrets and know-how directed at novel approaches to stimulating muscles in the lower body.

(3) The Company will identify new protocols with a view to improving the ease of use of the device for therapists, through software improvements, and leading to faster set-up times; treatment optimization; and, more robust patient data, capturing and reporting of treatment outcomes.

(4) The Company is developing the hardware and software to allow the MyndMove device to treat lower body paralysis. This is being done in conjunction with Kite/UHN as part of our Master Collaboration Agreement, whereby the device is being developed to provide higher levels of stimulation for the larger muscle groups in the lower body and new protocols are being developed to work with the lower body muscles.

For the Year Ended December 31, 2021 Expressed in Canadian Dollars

Research and Development Activities

Research and development expenses consist primarily of employee-related expenses, contractor and consultant fees and corporate overhead allocations for the design, development and management of our products and treatment tracking platform. The Company will continue to focus its research and development efforts on adding new protocols and clinical applications designed to expand the portfolio of clinical functionalities of the platform. In the past, these expenses have been reduced by Canadian federal SR&ED tax credits. On February 16, 2022, when the Company became publicly listed, it no longer qualifies for cash refundable SR&ED credits from that date forward, which will cause the Company's net research and development expenses to increase.

Treatment for the Lower Body

The Company and KITE are collaborating on an improvement to MyndMove™ to support the addition of protocols related to the treatment of lower limbs with a focus on regaining the ability to walk independently. This collaboration includes the development of proprietary enhancements to hardware and software as well as our training programs. The work will include appropriate clinical validation to be conducted by the KITE team suitable for inclusion in our regulatory submissions (see Milestone 4). The target of this is to develop protocols that retrain walking for patients with paralysis due to stroke or spinal cord injury.

Improvements to MyndMove™

The Company is continuously improving the functionality of the device in response to user feedback. Some of this development work is done internally, otherwise 3rd party development groups are utilized. For example, improvements to our software are in collaboration with Prolucid Technologies. Improvements to the hardware is being done in collaboration with RMF Design and Manufacturing, all in conjunction with KITE and other development partners (see Milestone 3).

Selected Financial Information

The following selected financial information is derived from the Company's financial statements prepared in accordance with International Financial Reporting Standards ("**IFRS**").

December 31, 2021 and 2020 Annual Information

	Year Ended Dec. 31, 2021 $	Year Ended Dec. 31, 2020 $
Total assets	3,824,137	1,654,591
Current liabilities	5,753,243	1,052,486
Non-current liabilities	1,612,140	2,428,087
Working capital (deficit)	(2,271,227)	288,459
Revenue	605,567	162,634
Gross Margin	354,621	67,044
Expenses	3,403,706	1,561,542
Net loss	(3,049,085)	(1,494,498)
Net loss per share, basic and diluted	(0.18)	(0.10)

Summary of Quarterly Results (2021)

	$'000			
For the Three Months Ended	**31-Mar 2021**	**30-Jun 2021**	**30-Sep 2021**	**31-Dec 2021**
Total Assets	1,668	2,018	1,843	3,824
Revenue for the Period	51	55	95	405
Loss for the period	(528)	(1,253)	(848)	(420)
Loss per share	(0.03)	(0.08)	(0.05)	(0.02)

Summary of Quarterly Results (2020)

	$'000			
For the Three Months Ended	**31-Mar 2020**	**30-Jun 2020**	**30-Sep 2020**	**31-Dec 2020**
Total Assets	1,545	2,203	1,494	1,655
Revenue for the Period	44	31	41	47
Loss for the period	(360)	(151)	(475)	(508)
Loss per share	(0.02)	(0.01)	(0.03)	(0.04)

Year Ended December 31, 2021 compared to December 31, 2020 ("Comparable Period")

Statement of Operations and Comprehensive Loss

	Three Months Ended		Years Ended	
	2021	**2020**	**2021**	**2020**
Revenue	**$ 404,907**	**$ 46,153**	**$ 605,567**	**$ 162,634**
Cost of sales	162,951	29,072	250,946	95,590
Gross Margin	**241,956**	**17,081**	**354,621**	**67,044**
Expenses				
General and administration	184,126	292,122	1,113,932	1,104,795
Research and development	122,205	106,192	726,296	556,624
Quality and regulatory assurance	12,304	8,941	73,267	49,266
Selling and marketing	21,497	68,314	90,318	291,823
Share-based compensation	47,074	15,232	133,421	95,044
Interest and accretion expense	83,184	98,304	318,970	228,292
Depreciation and amortization	25,755	30,063	106,025	120,225
Clinical trial	(4,456)	5,304	2,077	(15,966)
Changes in fair value	(105,777)	(99,130)	14,405	(433,986)
Public listing costs	276,160	-	1,055,940	-
Government grants and tax credit	-	-	(230,945)	(434,575)
Total operating expenses	662,072	525,342	3,403,706	1,561,542
Comprehensive Loss	**$ (420,116)**	**$ (508,261)**	**$ (3,049,085)**	**$ (1,494,498)**

For the Year Ended December 31, 2021 Expressed in Canadian Dollars

Commentary respecting the year ended December 31, 2021

Comprehensive Loss

For the year ended December 31, 2021, the Company reported a comprehensive loss of $3,049,085 compared to a loss of $1,494,498 for the year ended December 31, 2020, an increase in losses of $1,554,587, of which $1,055,950 is due to public listing costs and $448,391 is due to variances in non-cash IFRS fair value adjustments. The remaining change in losses includes $255,861 of severance expense for the former CEO; an increase of $193,673 in R&D and quality assurance costs, primarily related to third-party costs for development of MyndMove 2.0; a $38,377 increase in share-based compensation; a $90,678 increase in accreted interest mostly related to the convertible debentures issued on May 20, 2020; a $18,043 increase in clinical trial costs; a $203,630 reduction in expense recoveries for government grants and tax credits, given the Company received no COVID support in 2021 - offset by a $287,577 increase in gross margin; a $201,505 reduction in selling and marketing costs, due to the termination of the marketing manager and consulting cost reductions; a $246,724 reduction in other general and administration costs after excluding the severance noted above; and, $14,200 of lower depreciation.

Revenue and gross margin

Revenue increased 272.3% and gross margin increased 428.9% in 2021 compared to 2020, The Company made its first sale of a MyndMove device in Q3 of 2021, in the amount of $44,918, and $361,027 of product sales in Q4 to a research institute that both increased 2021 revenue over the prior year.

Gross margin rates increased from 41.2% in 2020 to 58.6% in 2021, due to the consistency of fixed overheads in each year.

COVID has been a significant factor influencing the Company's treatment revenues. Following are the Company's treatment statistics for the three months ended December 31, 2021, compared to the years ended December 31, 2021 and 2020 and 2019.

	Year Ended December 31,		Periods Ended December 31, 2021	
	2019	2020	Year	3 Months
Average per month - Canada				
Clinics	9.0	11.0	16.0	15.0
Devices	11.0	11.0	18.0	17.0
Treatments	93.4	118.6	175.4	146.7
Treatments per clinic	10.4	10.8	11.0	9.8
Average per month - US				
Clinics	1.3	2.0	2.0	2.0
Devices	1.3	2.0	2.0	2.0
Treatments	123.6	88.7	73.4	62.7
Treatments per clinic	92.7	44.3	36.7	31.3

Expenses

The $9,137 increase in general and administration, from $1,104,795 in 2020 to $1,113,932 in 2021, includes: the $255,861 severance paid in 2021, offset by a $205,321 reduction in costs related to the US subsidiary and $41,403 of other expense reductions

The $193,673 increase in research, development and quality assurance, from $605,890 in 2020 to $799,563 in 2021, includes: $173,397 for third party MyndMove development costs and $23,389 in regulatory costs.

The $201,505 reduction in marketing costs, from $291,823 in 2020 to $90,318 in 2021, includes: $167,902 in salaries and benefits; $17,619 for consulting fees and $15,984 for other expenses, related to the Company's decision to move away from a direct sales approach to marketing through distributors.

There was a $38,377 increase in share-based compensation, in 2021 compared to 2020, related to the hiring of a new Chief Executive Officer.

The $90,678 increase in interest and accretion expense, from $228,292 in 2020 to 318,970 in 2021 is non-cash based and includes: $100,499 for accretion on the convertible debentures that were issued on May 20, 2020.

Depreciation decreased $14,200 from 2020 to 2021.

Clinic trial net expenses were $18,043 higher in 2021, than 2020, due to the timing of expenses incurred compared to recoveries. The Company expects to average a net deficit of approximately $3,000 per month from this clinical trial, which is anticipated to end in the second quarter of 2022.

Changes in fair value are non-cash based and related to IFRS requirements to revalue government debt and derivatives. The $14,405 loss for 2021 includes: $3,810 for government loans; $29 561 for convertible debenture conversion rights; offset by $18,966 for warrant liabilities. The $433,986 2020 gain included: $106,715 for government loans; $347,766 for warrant liabilities; offset by $20,495 for convertible debenture conversion rights.

In 2021, the Company incurred $1,055,940 of costs, as of December 31, 2021, with respect to the listing application it was preparing for the Canadian Securities Exchange. This listing was completed on February 16, 2022 for a total of approximately $1,270,000 in public listing costs during 2021 and 2022.

With respect to government grants and tax credits, the Company recorded $230,945 of favourable recoveries in 2021, compared to $434,575 in 2020; creating a $203,630 unfavourable difference from 2020 to 2021, including the following:

- $161,928 from COVID wage subsidies
- $25,437 of lower SR&ED credits received in 2021 compared to 2020
- $16,265 due to the 2020 fair valuation of a $40,000 COVID CEBA loan

Commentary respecting the three-month period ended December 31, 2021

Comprehensive Loss

For the three months ended December 31, 2021, the Company reported a comprehensive loss of $420,116 compared to a loss of $508,261 for the three months ended December 31, 2020, a decrease in losses of $88,145 between the periods, notwithstanding $276,160 of public listing costs in 2021. The remaining change in losses includes improvements for: a $224,875 increase in gross margins; a $107,996 reduction in general and administration costs; $46,817 of lower costs for selling and marketing, $4,308 of lower depreciation; and a $31,527 reduction in other costs - offset by higher costs of $19,376 in R&D and quality assurance costs, MyndMove 2.0 development and a $31,842 increase in share-based compensation.

Gross margins

The $224,875 improvement in gross margins, includes revenue increases from $46,153 in 2020 to $404,907 in 2021. The fourth quarter 2021 revenue includes $361,029 of sates to the University Health Network for shipments of device products to a research facility, which created $212,635 of gross margin.

For the Year Ended December 31, 2021 Expressed in Canadian Dollars

Operating Expenses

Operating expenses for the three-month period ended December 31, 2021, compared to the Comparative Period increased by $136,730 from $525,342 to $662,072. The increase includes:

- $276,160 of public listing costs in 2021
- $31,842 in share-based compensation, related to the hiring of a new CEO at the end of the second quarter

Significant decreases in fourth quarter costs, compared to the prior year, include:

- $53,372 related to the US Subsidiary and $44,008 related to professional fees, included in the $107,966 of general and administration costs
- $42,223 in selling and marketing costs, due to the termination of the marketing manager and consulting cost reductions

Disclosure of Outstanding Security Data

The Company is authorized to issue an unlimited number of common shares. The table below lists the securities outstanding as at December 31, 2021 and May 2, 2022:

Description	As at December 31, 2021	As at May 2, 2022
Common Shares	17,099,796	21,838,500
Common Share Purchase Warrants	1,259,535	5,998,239
Convertible Debentures	$1,275,499	$0
Options	987,500	987,500
Subscription Receipt Units	2,954,302	0

Liquidity and Capital Resources

As at December 31, 2021, the Company had negative working capital of $2,271,227 (December 31, 2020 – positive working capital of $288,459); and a cash balance of $377,065, (December 31, 2020 - $668,580). The Company is not subject to any externally imposed capital requirements.

The $2,271,227 of negative December 31, 2021, working capital includes liabilities for:

- $1,553,630 of accounts payable and accrued liabilities; and,
- $2,359,442 of subscription receipts, which is offset by the same amount of cash held in escrow in current assets.
- $1,840,171 of current portion of long term liabilities, of which $1,629,791 is to be settled by non-cash transactions and $210,380 will be paid in cash in the 2022 year.

Working capital requirements for 2022 will be funded by the secondary financing transaction.

Secondary private financing transaction

See page 2 of this MD&A for details in respect of the Company's second private financing in 2021. $2,359,442 of proceeds was received by the Company on February 18, 2022, with respect to this financing.

Initial private financing transaction

See page 2 of this MD&A for details in respect of the Company's initial private financing in 2021.

On May 3, 2021, the Company completed a private financing transaction, led by Company investors, wherein the Company raised $1,259,535 of share capital proceeds, entirely from existing shareholders.

2020 private financing transaction
On May 19, 2020, the Company issued unsecured convertible debentures with a maturity date of December 31, 2022, in an aggregate principal amount of $1,250,000 (2019 – $nil). Interest accrued at a fixed annual interest rate of 8%, compounded annually and is payable on the maturity date. If converted, these convertible debentures and accrued interest will convert into common shares at the fair market value of the respective common shares at the date of conversion, as determined by the Board, unless the conversion is a result of a qualified financing. On the occurrence of a qualified financing, the convertible debentures and accrued interest convert at a price per security equal to 80% of the price per security issued in the qualified financing.

2020 exercise of warrants
On February 11, 2020, 94,339 common shares were issued upon the exercise of 94,339 warrants for cash consideration of $100,000 and $23,401 of value transferred from contributed surplus, for a fair value of $123,401 added to share capital.

2020 COVID grants
During the year ended December 31, 2020, the Company received $161,928 in Temporary Wage and Canada Emergency Wage program subsidies.

Funding Requirements

As at December 31, 2021, the Company is not anticipating an ongoing profit from operations in the immediate term, therefore it is dependent on its ability to obtain equity or debt financing for growth. The Company may need additional capital and may raise additional funds should management and the board of directors of the Company (the“**Board of Directors**”) deem it advisable.

As at December 31, 2021, the Company had $377,065 of cash plus $305,638 of trade and other receivables for $682,703 of available funds, and the following short-term obligations:

- $1,478,630 of trade and other payables, excluding $75,000 of compensation accrued in 2019 that is indefinitely deferred
- $210,380 of current long-term liabilities, that will be settled in cash in 2022.
- For a total of $1,689,010 in short-term obligations

There is unlikely to be significant capital spending for the twelve months of 2022.

The net deficit of short-term obligations, in excess of available funds is $1,006,307 at December 31, 2021.

Including the $2,359,442 of proceeds received by the Company on February 18, 2022, with respect to second private financing, and the $1,006,307 of short-term obligations in excess of available funds at December 31, 2021, the Company’s December 31, 2021 adjusted available cash to fund 2022 operations is $1,353,135.

Application of the Company’s accounting policies in compliance with IFRS requires the Company’s management to make certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, which could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made.

Critical Judgments Used in Applying Accounting Policies

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Estimates are based on management's best knowledge of current events and actions the Company may undertake in the future. 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 future periods if the revision affects both current and future periods.

The following are the critical judgments, apart from those involving estimations, that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

- ***Going concern***

  Judgement is required in determining if disclosure of a material uncertainty related to events or conditions which cast significant doubt on the Company's ability to continue as a going concern is required. In management's judgement, such disclosure is not required. This judgement is based on management's expectation of revenue and future net cash flows for the 15-month period to March 31, 2023. The Company's mitigating actions include the secondary private financing transaction (note 25) for gross proceeds held in escrow of $2,359,441 and reduction in operating and discretionary expenses.

  During the year ended December 31, 2021, the Company had a net loss of $3,049,085, which includes $1,055,940 of public listing costs, negative cash flows from operating activities of $1,435,624 and negative working capital of $2,271,227, as at December 31, 2021. To the extent that the Company has negative operating cash flows in future periods, the Company will deploy funds raised through the above noted secondary private financing transaction to fund such negative cash flow. Based on management's expectations of revenue, future net cash flows for the 15-month period to March 31, 2023 and the secondary private financing transaction, management has applied judgement in determining that there are no material uncertainties related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

  The estimates used by management in reaching this conclusion are based on information available as of the date of these audited consolidated financial statements were authorized for issuance and included an internally generated cash flow forecast. Accordingly, actual results could differ from those estimates and resulting variances may be material to management's assessment.

- ***Leases***
  Values of right-of-use assets and lease liabilities require judgment in determining lease terms such as extension options and the incremental borrowing rate applied.

- ***Stock options and warrants***
  The Company uses the Black-Scholes valuation model to determine the fair value of stock option awards granted and warrants granted in conjunction with the share capital subscriptions. The fair value of the warrants granted in conjunction with the issuance of convertible debentures were determined using the Cox-Rubenstein Binomial model. Estimates are required for inputs to this model including the fair value of the underlying shares, the expected life of the option, volatility, expected dividend yield, forfeiture rates and the risk-free interest rate. Variation in actual results for any of these inputs will result in a different value of the share option realized from the original estimate. The assumptions and estimates used are further outlined in the share capital note.

- ***Convertible debentures and embedded derivative***
  Convertible debentures are compound financial instruments which are accounted for separately by their components: liabilities, equity and warrants. The identification of convertible debenture components is based on interpretations of the substance of the contractual arrangement and therefore requires judgment by management. The separation of components affects the initial recognition of the convertible debenture at issuance and the subsequent recognition of interest or liability component. The determination of the fair value of the liability is also based on a number of assumptions including contractual future cash flows, discount rates, and presence of liabilities. Changes in the input assumptions can materially affect the fair value estimates and the Company's classification between debt and equity components.

- ***Fair value of financial instruments***
  The individual fair values attributable to the different components of a financing transaction, notably loans and borrowings and convertible debentures are determined using valuation techniques. The Company uses judgment to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine the values attributable to each component of a transaction at the time of their issuance. When determine the discount rate used to estimate the fair value of government loans, the Company considers market conditions and other internal and external factors as well as third-party financing agreements entered into by the Company. In determining the fair value of the Health Technology Exchange loan, the Company uses judgment to estimate the future loan repayments based on projected future revenue. These valuation estimates could be significantly different because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

- ***Financial assets***

  On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (''**FVOCI**''), or fair value through profit and loss (''**FVTPL**''). The classification of financial assets is based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

  A financial asset is measured at amortized cost if it is not designated as at FVTPL; it is held within a business model whose objective is to hold assets to collect contractual cash flows; and, its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL	Subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized inprofit or loss.
Financial assets at amortized cost	Subsequently measured at amortized cost using the effective interest method, less any impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred.

- ***Financial liabilities***

The Company initially recognizes financial liabilities at fair value on the date at which theCompany becomes a party to the contractual provisions of the instrument.

The Company classifies its financial liabilities as either financial liabilities at FVTPL or amortized cost.

Subsequent to initial recognition, other liabilities are measured at amortized cost using the effective interest method. Financial liabilities at FVTPL are stated at fair value with changes being recognized in profit or loss.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

- ***Financial liabilities and equity instruments***
  - Classification as debt or equity
    Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.
  - Equity instruments
    An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue cost.

Repurchase of the Company’s own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on thepurchase, sale, issue or cancellation of the Company’s own equity instruments.

- ***Classification of financial instruments***

  The Company classifies its financial assets and liabilities depending on the purpose for which the financial instruments were acquired, their characteristics and management intent as outlined below:

  Classifications

○ Cash and cash equivalents	Amortized cost
○ Trade and other receivables, excluding HST	Amortized cost
○ Trade and other payables, excluding HST	Amortized cost
○ Deferred payment agreement	Amortized cost
○ Derivative and warrant liabilities	FVTPL
○ Lease obligations	Amortized cost
○ Convertible debentures	Amortized cost
○ FEDA and CEBA Government loans	Amortized cost
○ HTE Government loan	FVTPL

- ***Impairment of financial assets***

  An expected credit loss ("**ECL**") model applies to financial assets measured at amortized cost. The Company's financial assets measured at amortized cost and subject to the ECL model consist primarily of trade receivables. The Company applies the simplified approach to impairment for trade and other receivables by recognizing lifetime expected losses on initial recognition through both the analysis of historical defaults and a reassessment of counterparty credit risk in revenue contracts on an annual basis.

Financial Risk Factors

The Company's business is subject to certain risks, including but not restricted to risks related to: market risk for securities, future financing risks; going-concern risks; global economy risks; use of proceeds risks; volatility of the Company's share price following a listing on a public exchange and the lack of trading history for the Common Shares; increased costs of being a publicly traded company; limited operating history in an evolving industry and history of losses; lack of brand development; expectations with respectto advancement in technologies; currency fluctuations; interest rates; taxes on the Company and its products; liabilities that are uninsured or uninsurable; economic conditions, dependence on management and conflicts of interest; intellectual property rights; attracting and retaining quality employees; key personnel risk; management of growth; product and services development; expansion risk; breach of confidential information; competition within the technology industry; corporate matters; issuance of debt; third party credit; short term investments; shares reserved for issuance; credit risk; liquidity risk; interest rate risk; and described from time to time in the Company's documents filed with Canadian securities regulatory authorities; and other factors beyond the Company's control.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, and foreign exchange rate risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

For the Year Ended December 31, 2021 Expressed in Canadian Dollars

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from deposits with banks and outstanding receivables. The Company trades only with recognized, creditworthy third parties. The Company performs credit checks for all customers who wish to trade on credit terms.

The Company does not hold any collateral as security but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

Credit loss impairment is determined based upon review of specific accounts as the Company does not have significant historical uncollectable receivables.

Liquidity risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they come due. The Company's exposure to liquidity risk is dependent on the Company's ability to raise additional financing to meet its commitments and sustain operations. The Company mitigates liquidity risk by management of working capital, cash flows, the issuance of share capital and if desired, the issuance of debt. The Company's trade and other payables are all due within twelve months from the date of these financial statements.

If unanticipated events occur that impact the Company's ability to meet its forecast and continue to fund customer acquisition cost, research and development, and administrative requirements, the Company may need to take additional measures to increase its liquidity and capital resources, including obtaining additional debt or equity financing or strategically altering the business forecast and plan. In this case, there is no guarantee that the Company will obtain satisfactory financing terms or adequate financing. Failure to obtain adequate financing on satisfactory terms could have a material adverse effect on the Company's results of operations or financial condition.

The Company is obligated to the following contractual maturities of undiscounted cash flows as at December 31, 2021:

	Payments Due			
	Less than 1 year	**2 - 3 years**	**After 3 years**	**Total**
Trade and other payables	$ 1,553,630	$ -	$ -	$ 1,553,630
Deferred payment agreement	27,500	311,500	-	339,000
Office lease - base rent and common area	26,450	25,841	-	52,291
Government loans - principal	159,030	509,500	645,449	1,313,979
Convertible debentures - principal	1,250,000	-	-	1,250,000
	$3,016,610	$ 846,841	$645,449	$4,508,900

Market risk

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk:

- **Foreign currency risk** arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company's primary exposure with respect to foreign currencies is from United States dollar denominated cash, trade and other receivables, and trade and other payables. A 1% change in the foreign exchange rates would result in a $568 impact to the financial statements.

- **Interest rate risk** is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as at December 31, 2021, because all of its indebtedness is at fixed rates.
- **Other price risk** is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.The Company is not exposed to other price risk as at December 31, 2021.

Fair values

The carrying values of cash, trade and other receivables excluding HST, trade and other payables excluding HST and lease obligations are considered representative of their respective fair values due to the short-term period to maturity. The convertible debentures, deferred payment agreement and FEDA and CEBA Government loans approximate their fair value as the interest and discount rates are consistent with the current rates offered by the Company for its loans with similar terms. The Company does not use derivative financial instruments to manage this risk.

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Company categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company’s valuation techniques. A level is assigned to each fair value measurement based on the lowest-level input significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined as follows:

- **Level 1** – Unadjusted quoted prices as at the measurement date for identical assets or liabilities in active markets.
- **Level 2** – Observable inputs other than quoted prices included in Level 1, such as quoted pricesfor similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- **Level 3** – Significant unobservable inputs that are supported by little or no market activity. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. During the year, there were no transfers of amounts between levels. The fair value of the derivative and warrant liabilities and HTE government loan are determined using level 3 inputs.

	Valuation technique	**Significant unobservable inputs**	**Inter-relationship between significant unobservable inputs and fair value**
Derivative liabilities	Probability weighted discounted cash flow	- Discount rate - Expected timing and probability of qualified transaction	An increase in the probably or earlier expected date of qualified transaction would increase the fair value of the derivative liability.
Warrant liabilities	Black Scholes	- Share price - Volatility	An increase in share price or volatility would increase the fair value of the warrant liabilities.
HTC government loan	Discounted cash flows	- Discount rate - Expected timing of repayments based on revenue forecast	An increase revenue growth or decrease in discount rate would increase the fair value of the HTC government loan.

Capital Management

The Company manages its capital with the following objectives:

- To ensure sufficient financial flexibility to achieve the ongoing business objectives, including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- To maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on a regular basis.

The Company considers its capital to be equity, comprising share capital, contributed surplus, and deficit, which on December 31, 2021 totaled a deficiency of $3,541,246 (December 31, 2020 - $1,825,982). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. Information is provided to the Board of Directors of the Company. The Company is not constrained by externally imposed capital requirements. The Company's capital management objectives, policies and processes have remained unchanged during the Years Ended December 31, 2021 and 2020.

Commitments and Contingencies

On August 29, 2012, the Company entered into an agreement with a health services institution whereby it granted the Company an exclusive worldwide license to commercialize the intellectual property related to a functional electrical stimulation device and system; for which the Institution received 400,000 of the Company's common shares, with a fair value of $400,000. In addition, the Company is committed to paying a cumulative royalty on the net sales of stimulators used to treat motor dysfunction), as follows:

- 0% on the first $1,000,000 cumulative net sales
- 4% on the cumulative net sales exceeding $1,000,000 but not greater than $7,500,000
- 1% on the cumulative net sales exceeding $7,500,000

During the year ended December 31, 2021, the Company accrued license fees of $9,757 (2020, $8,567).

The Company's lease commitments are disclosed in Note 6 of the Company's December 31, 2021 audited consolidated financial statements.

Related Party Transactions

During the years ended December 31, 2021 and 2020, the Company recognized treatment revenues from LBB Applied Technology Inc., a shareholder of the Company that was entitled to nominate one director to the Board. These transactions were made in the normal course of business.

The Company has a shareholder and director, who is employed by the KITE Research Institute at the University Health Network in Toronto, Canada (KITE), an Institution over which he has significant influence and to which the Company is committed to a long-term license agreement, requiring the semi-annual payment of royalty fees. In addition, the Company has entered into contracts with this Institution to sell MyndMove devices, which have been modified for research purposes; and to purchase research and development (R&D) services.

In 2017, the Board approved the remuneration of a director, related to interim CEO services provided to the Company in addition to his role as director. As at December 31, 2021 and 2020, the entire $75,000 amount remains unpaid and is included in trade and other payables.

For the Year Ended December 31, 2021 Expressed in Canadian Dollars

$1,807,500 of the $2,954,302 in private placement funds raised in 2021, as described in the subsequent events note 25, was from directors, officers and a significant shareholder.

$1,000,000 of the $1,259,535 of private placement funds recorded as share capital on May 3, 2021 was received from a director and a significant shareholder of which $250,000 was recorded as deposits for future share financings as at December 31, 2020.

$900,000 of the Company's convertible debenture issued on May 19, 2020 were issued to a director and significant shareholder

The fore noted raises and convertible debentures were on the same terms as convertible debentures issued to other parties.

A summary of the Company's related party transactions follows:

	December 31 2021	December 31 2020
Revenue during the year		
Treatment revenues	$ 92,358	$ 95,295
Sale of devices and parts	361,445	-
	$ 453,803	$ 95,295
Expenses during the year		
Share-based compensation for directors and senior officers	$ 131,639	$ 92,198
Salaries, fees and benefits for directors and senior officers	1,035,563	517,387
License fees	9,757	8,567
R&D services	262,986	23,115
	$ 1,439,945	$ 641,267
Assets - end of the year		
Accounts receivable for treatment revenues	$ 15,147	$ 7,638
Liabilities - end of the year		
Due to director for pre-2020 compensation	$ 75,000	$ 75,000
License fees payable	$ 9,757	$ 8,567
Deferred revenue	$ 85,000	$ 220,520

Related party share-based compensation for the year ending December 31, 2021 includes $112,658 for Craig Leon, Director and Chief Executive Officer (2020 - $nil); $18,981 for Ron Kurtz, Vice President Engineering (2020 - $19,632); $nil for Steve Plymale, former Director and Chief Executive Officer (2020 - $38,425); and, $nil for other Directors (2020 - $34,141).

Related party salaries and fees for the year ending December 31, 2021 includes $136,332 for Craig Leon, Director and Chief Executive Officer (2020 - $nil); $193,997 for Ron Kurtz, Vice President Engineering (2020 - $180,410); $147,042 for Scott Franklin, Chief Financial Officer (2020 - $36,344); $511,192 for Steve Plymale, former Director and Chief Executive Officer (2020 - $288,633); and, $47,000 for other Directors (2020 - $34,000).

Events Occurring after the Reporting Date

Private placement transaction and public company listing

On December 10, 2021, the Company completed a secondary private financing, for a total of $2,954,302 of which $590,860 was received by the Company and the balance remains in escrow. The subscribers received 2,954,302 subscription receipt units, with the expectation that these will be exchanged for 2,954,302 common shares of the Company and 2,954,302 warrants to acquire common shares of the Company at $1.00. The warrants will expire sixty months following the date that the subscription receipts are exchanged.

Of the $2,954,302 in proceeds, $594,860 had been received out of escrow by the Company and is recorded as deposits for future share financings in long-term liabilities. The remaining $2,359,442 was received by the Company, from the Escrow Trustee, on February 18, 2022. Offsetting those receipts, the Company incurred $101,704 of share issue costs that are recorded in prepaid expenses and deposits as at December 31, 2021.

The exchange of the subscription receipts units into common shares and warrants was conditional on the Company obtaining conditional listing approval on a stock exchange in Canada by February 28, 2022. The conditional listing was accomplished on February 16, 2022.

On February 17, 2022, the Company exchanged each share subscription receipt into one (1) common share and (1) warrant at $1.00 that will expire sixty months following the date of such approval.

Total listing costs were approximately $1,270,000 of which $1,095,940 was recorded in the Company's consolidated statement of loss and comprehensive loss, as at December 31, 2021.

Convertible debentures

Effective February 4, 2022, the Company's outstanding convertible debentures and accumulated interest, amounting to $1,427,523 (note 12) were converted into 1,784,402 subscription receipt units at $0.80 per subscription receipt unit.

COVID-19 Pandemic

The global outbreak of the COVID-19 pandemic continues to be a threat to the global economy. The extent to which the COVID-19 pandemic may continue to impact the Company's business will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the duration of the outbreak, travel restrictions and social distancing in Canada, the United States and other countries; business closures or business disruptions; and the effectiveness of actions taken by governments around the globe to contain and treat the disease. The measures taken to date have caused material disruptions to businesses globally, resulting in an economic slowdown.

From an operational perspective, the Company's employees and distribution partners, as well as the workforce of vendors, services providers and counterparties with which the Company does business, may also be adversely affected by the COVID-19 pandemic or efforts to mitigate the pandemic, including government-mandated shutdowns, requests or orders for employees to work remotely and other physical distancing measures, which could result in an adverse impact on the Company' ability to conduct its businesses, including its ability to cultivate adoption of the Company's technology.

To date, the economic downturn and uncertainty caused by the COVID-19 pandemic and global measures undertaken to contain its spread have affected all of the Company's operations to some extent and, in particular, have caused volatility in demand for the Company's technology. This has resulted in a reduction in anticipated revenue and led to delays in the Company's expectations regarding the rate at which agreements for new user sites will be entered into. Despite the COVID-19 pandemic, treatment sessions are continuing, and the Company continues to identify potential new user sites. The Company continues to evaluate the current and potential impact of the COVID-19 pandemic on its business, affairs, operations, financial condition, liquidity and results of operations.

Risks and Uncertainties

Operations of the Company

The success of the Company is dependent, among other things, on obtaining sufficient funding to enable the Company to develop its business. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further research and development of its products, creating possible obsolescence thereof. The Company will require new capital to continue to operate its business, and there is no assurance that capital will be available when needed, if at all. If such additional capital is raised through the issuance of additional equity, it may result in dilution to the Company's shareholders.

The operations of the Company may require licenses and permits from various local, provincial and federal governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out development of its business or operations.

The Company does not have a historical track record of operating upon which investors may rely. Consequently, investors will have to rely on the expertise of the Company's management. The Company does not have a history of earnings or the provision of return on investment, and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

Directors and Officers

Certain directors or proposed directors of the Company are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest, which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Dependence on Key Employees

The Company's business and operations are dependent on retaining the services of a small number of key employees. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these employees. The loss of one or more of these employees could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key employees.

Competitive Conditions

The markets for the Company's products are competitive and rapidly changing, and a number of companies offer products similar to the Company's products and target similar customers. The Company believes its ability to compete depends upon many factors within and outside its control, including the timely development and introduction of new products and product enhancements; product functionality, performance, price and reliability; customer service and support; sales and marketing efforts; and the introduction of new products and services by competitors.

Potential Dilution

The issue of common shares of the Company upon the exercise of the options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional options and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

Current Global Financial Conditions and Trends

Securities of technology companies in public markets 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 macroeconomic developments in Canada and globally, and market perceptions of the attractiveness of particular industries. The price of the securities of Companies in the technology sector are also significantly affected by proposed and newly enacted laws and regulations, currency exchange fluctuation and the political environment in the local, provincial and federal jurisdictions in which the Company does business. The economy remains in a period of volatility, primarily driven by the worldwide impact of COVID-19 and an uncertain socioeconomic and political climate in the United States. Significant volatility is expected in the near to mid-term, the potential impact of which upon the Companyis unknown at this time.

Management's Responsibility for Financial Information

The Company's financial statements are the responsibility of the Company's management and have been approved by the Board of Directors. The financial statements were prepared by the Company's management in accordance with Canadian generally accepted accounting principles. The financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

Forward Looking Statements

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities laws (forward-looking information being collectively hereinafter referred to as "forward-looking statements"). Such forward-looking statements are based on expectations, estimates and projections as at the date of this MD&A. Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often but not always using phrases such as "expects", "is expected", "anticipates", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends", or variations of such words and phrases (including negative and grammatical variations), or stating that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements and are intended to identify forward-looking statements.

These forward-looking statements include, but are not limited to, statements and information concerning: the intentions, plans and future actions of the Company; statements relating to the business and future activities of the Company after the date of this MD&A; market position, ability to compete and future financial or operating performance of the Company after the date of this MD&A; anticipated developments in operations of the Company; the timing and amount of funding required to execute the Company's business plans; capital expenditures; the effect on the Company of any changes to existing or new legislation or policy or government regulation; the length of time required to obtain permits, certifications and approvals; the availability of labour; estimated budgets; currency fluctuations; requirements for additional capital; limitations on insurance coverage; the timing and possible outcome of litigation in future periods; the timing and possible outcome of regulatory and permitting matters; goals; strategies; future growth; the adequacy of financial resources; and other events or conditions that may occur in the future.

Forward-looking statements are based on the beliefs of the Company's management, as well as on assumptions, which such management believes to be reasonable based on information available at the time such statements were made. However, by their nature, forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Certain assumptions in respect of our ability to recruit and retain key talent, our ability to execute on growth strategies, the impact of competition, changes in trends in our industry or macroeconomic conditions, including the impact of the ongoing COVID-19 pandemic, and any changes in laws, rules, regulations, and global standards are material assumptions made in preparing forward-looking information and management's expectations.

Forward-looking statements are subject to a variety of risks, uncertaintiesand other factors which could cause actual results, performance or achievements to differ from those expressed or implied by the forward-looking statements, including, without limitation, related to the following: operational risks; regulation and permitting; evolving markets; industry growth; uncertainty of new business models; speed of introduction of products and services to the marketplace; undetected flaws; risks of operation in urban areas; marketing risks; geographical expansion; limited operating history; substantial capital requirements; history of losses; reliance on management and key employees;management of growth; risk associated with foreign operations in other countries; risks associated with acquisitions; electronic communication security risks; insurance coverage; tax risk; currency fluctuations;conflicts of interest; competitive markets; uncertainty and adverse changes in the economy; reliance oncomponents and raw materials; change in technology; quality of products and services; maintenance oftechnology infrastructure; privacy protection; development costs; product defects; insufficient research and development funding; uncertainty related to exportation; legal proceedings; reliance on business partners; protection of intellectual property rights; infringement by the Company of intellectual property rights; resale of shares; market for securities; dividends; and, global financial conditions.

The lists of risk factors set out in this MD&A or in the Company's other public disclosure documents are not exhaustive of the factors that may affect any forward-looking statements of the Company. Forward-looking statements are statements about the future and are inherently uncertain. Actual results could differ materially from those projected in the forward-looking statements as a result of the matters set outin this MD&A generally and certain economic and business factors, some of which may be beyond the control of the Company. In addition, the global financial and credit markets have experienced significant debt and equity market and commodity price volatility which could have a particularly significant, detrimental and unpredictable effect on forward-looking statements. The Company does not intend, anddoes not assume any obligation, to update any forward-looking statements, other than as required by applicable law. For all of these reasons, the Company's securityholders should not place undue relianceon forward-looking statements. Any financial outlook or future-oriented financial information in this MD&A, as defined by applicable securities laws, has been approved by management of the Company.

Such financial outlook or future-oriented financial information is provided for the purpose of providing information about management's current expectations and plans relating to the future of the Company. Readers are cautioned that reliance on such information may not be appropriate for other purposes.

Additional Information

Additional information relating to the Company is available in the prospectus on www.sedar.ca