



LOOP INSIGHT INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Dated October 28, 2020

For the Year Ended June 30, 2020

INTRODUCTION

The following Management Discussion and Analysis ("MD&A") of Loop Insights Inc. (the "Company" or "LOOP") has been prepared by Management in accordance with the requirements of National Instrument 51-102. The information contained in this MD&A is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this MD&A is not intended to be a comprehensive review of all matters and developments concerning the Company. Specific risks facing the Company are set out explicitly in Appendix 1 of this MD&A. In addition, certain statements in this report incorporate forward looking information and readers are advised to review the cautionary note regarding such statements in Appendix 2 of this MD&A.

This MD&A should be read in conjunction with the Company's audited financial statements as at June 30, 2020 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

COMPANY OVERVIEW

Loop Insights Inc. (the "Company") was incorporated under the laws of the province of British Columbia, Canada, on January 2, 2018. On February 16, 2018, the Company changed its name from Cannabis Big Data Holdings Inc. to Loop Cannabis Insight Inc. On March 21, 2018, the Company changed its name from Loop Cannabis Insights Inc. to Loop Insights Inc. The address of the Company's corporate office and principal place of business is Suite 2F – 541 Howe Street, Vancouver B.C., V6C 2C2.

OVERALL PERFORMANCE

Announcements and Highlights during the quarters:

- On July 15, 2019, the Company announced it has entered into a license agreement (the "Agreement") with Kinect Technology Inc. ("Kinect"), pursuant to which Kinect will use LOOP's AI-powered technology in connection with its Smart and Connected City project. Kinect is architecting an advanced digital solution stack of technology and connectivity in global destinations with tech-enabled, human-centric services that intend to transform the physical retail environment.
- On September 11, 2019, the Company announced the signing of an LOI with Señor Frogs in Las Vegas. Loop and Señor Frogs will enter into a partnership for Loop to install its technology in the Las Vegas location to conduct a 120-day proof of concept test. Upon successful completion of the test, Señor Frogs has agreed to discuss installation of the Loop technology in all of the other 20 Señor Frogs locations in the United States, Mexico and the Caribbean.
- On September 16, 2019, the Company announced that it has acquired the IP (the "Agreement") of Uklipz Digital Media Inc. ("Uklipz"), a company whose mission is to disrupt the consumer review industry by simplifying the process of sourcing, creating, curating and licensing authentic customer reviews, which is beneficial for both brands and consumers. Uklipz will be used by Loop to enhance the Company's solution stack in multiple ongoing conversations with Loop's current and potential customers.

- On September 18, 2019, the Company announced that David Salisbury, former Star Micronics Director of Product Development, has been appointed Loop's Chief Strategy Officer. In this newly created position, Mr. Salisbury will work closely with the CEO, Rob Anson and be responsible for guiding the development of the company's strategic priorities across all corporate initiatives.
- On September 18, 2019, the Company announced that Paul Assaly, former Senior Executive at Telus Communications, has been appointed Loop's VP Business Development. In this newly created position, Mr. Assaly will work closely with the CEO, Rob Anson and be responsible for guiding the development and execution of the company's global omni-channel go to market strategy.
- On September 23, 2019, the Company announced that it has signed an LOI with All Net LLC ("All Net") to enter into a business partnership, whereby Loop will supply its AI marketing intelligence solutions to the All Net Stadium Project in Las Vegas, NV.
- During the six months ended December 31, 2019, the Company issued a total of 4,083,791 units pursuant to an ongoing private placement at a price of \$0.28 for gross proceeds of \$1,143,461. Each unit includes one common share and one share purchase warrant exercisable at a price of \$0.35 for one common share of the Company for a period of three years. In connection with the units issued, the Company paid finders' fees of \$83,205 in cash and issued 208,582 share purchase warrants exercisable at a price of \$0.35 for one common share of the Company for periods ranging from one to three years.
- On October 17, 2019, the Company announced a strategic partnership with Alberta Liquor Store Association ("ALSA") following a previously announced partnership agreement with Barnet POS Systems Corp., a provider of Point of Sale Terminals and ancillary services across Canada and the US with a focus on the Liquor and Food & Beverage sectors.
- On November 13, 2019, the Company announced that it has engaged Mackie Research Capital Corporation ("Mackie") as a financial and capital markets advisor to the Company. The service agreement includes providing advice and assistance in connection with defining strategic and financial objectives, making initial contacts with potential institutional and strategic investors, maintaining a regular dialogue with the Company in regards to corporate development, strategic growth objectives as well as general market sentiment, and increasing market awareness of Loop.
- On November 11, 2019, the Company announced that it has signed a partnership agreement with Quis Quis Holdings LLC. to enter into the tribal gaming business, a multibillion-dollar US industry. The preferred Partnership Agreement grants Mr. Blue Quis Quis the non-exclusive rights to represent Loop's technology products to his large network. Mr. Quis Quis, brings years of experience working with numerous tribal communities, he has an extensive background in gaming, compliance and tribal economic growth. He is currently founder of the Indigenous Trade Association, President La Jolla Gaming Commission and Vice Chairman San Pasqual Gaming Commission.
- On November 18, 2019, the Company announced the appointment of Debra Williams to the Company's Board of Directors.
- On November 25, 2019, the Company announced that the Company signed a partnership agreement with International Retail Management and Consulting Group ("IRG") to make Loop the preferred Data Analytics and Automated Marketing platform for their customers in the retail industry.

- On January 8, 2020, the Company signed a partnership agreement with ID TECH, a leader in the contactless payments industry.
- On January 9, 2020, the Company announced they will be debuting their new "Tap to Engage" product along with ID TECH at the National Retail Federation's Retail Show (or "NRF"), the world's largest retail expo. Loop will be a guest at IDTECH's booth (#3378). NRF will be held in New York from January 12-14, 2020. The NRF Retail Show will host over 38,000 attendees, 16,000 retailers, and 800 exhibitors -representing 99 countries.
- On February 13, 2020, the Company announced they have entered into a share for debt arrangement in which the Company will issue 413,981 common shares at a deemed price of CAD \$0.12 and 859,808 common shares at a deemed price of CAD \$0.13 in settlement of a debt totaling CAD \$ 161,452.73. The Company chose to settle the Indebtedness through the issuance of Common Shares to preserve cash and improve the Company's balance sheet. The Debt Settlement was conditionally approved by the TSX Venture Exchange (the "TSXV") on February 7, 2020.
- On April 1, 2020, the Company announced that Terry Burns, former owner of Mckays Home Theatre retail chain, has been appointed Loop's Director of Sales. Mr. Burns will work closely with the CEO, Rob Anson, to continue building the company's portfolio of clients and forge new partnerships in the \$838B consumer electronic space.
- On April 9, 2020, the Company announced its release of a NFC (Near Field Communication) contactless verification platform to support brick and mortar retail's shift to curbside pick-up and delivery to abide by social distancing expectations.
- On April 14, 202, the Company announced that it has signed a Memorandum of Understanding (MOU), and intends to enter into a joint venture partnership, with Frontier Technology to access the lucrative Indonesian retail market.
- On April 15, 2020, the Company announced they have entered into a share for debt arrangement in which the Company will issue 303,394 common shares at a deemed price of CAD \$0.18 in settlement of a debt totaling CAD \$54,611. The Company chose to settle the Indebtedness through the issuance of Common Shares to preserve cash and improve the Company's balance sheet. The Debt Settlement is subject to TSX Venture Exchange approval.
- On April 16, 2020, the Company announced the appointment of Teresa N. Taylor to the Company's Board of Advisors.
- On April 20, 2020, the Company announced the release of its Smart Health contactless check-in platform, which streamlines patient engagement and operations, and reduces transmission of bacteria and disease.
- On April 23, 2020, the Company announced that it has signed a Memorandum of Understanding (MOU), and intends to enter into a joint venture partnership, with Ping Pong Innovation ("PPI")-to bring Loop's transformative products to Mexico and Latin America's tourism industry.
- On April 28, 2020, the Company announced the appointment of Jeffrey Hyman to its Board of Advisors.
- On April 30, 2020, the Company announced that it has closed its oversubscribed non-brokered private placement of 21,130,010 units ("Units") at a price of \$0.10 per Unit for aggregate gross proceeds of \$2,113,001 Each Unit is comprised of one (1) Loop Common Share and one warrant ("Warrant"), with each Warrant entitling the holder thereof to acquire

one (1) Loop Common Share at a price of \$0.15 per share for a period of two (2) years from the date of Closing, subject to acceleration.

- On May 13, 2020, the Company announced that it has enlisted two highly-regarded investor relations companies, Stockhouse and Proactive Investors ("Proactive"), to bring increased market and investor awareness to the Company.
- On May 19, 2020, the Company announced that it has signed a Memorandum of Understanding (MOU) agreement with Sun Global Broadband ("SGB"), a global leader in Super Long-range Wi-Fi with mobility, and broadband communications to target international tourism and public safety in the State of Hawaii and for the 2021 Tokyo Olympic Summer Games.
- On May 21, 2020, the Company released a company update as global businesses enter into Covid-19 recovery plans.
- On May 27, 2020, the Company announced a signed Memorandum of Understanding (MOU) agreement with German digital wallet pass developer, Mediahelden GmbH (Passcreator).
- On June 8, 2020, announced that it has been accepted into Amazon Web Services' ("AWS") Partner Network ("APN"), furthering the Company's partnership with Amazon.
- On June 29, 2020, the Company announced it is set to launch its latest product "Loop Cloud", an Application Programming Interface ("API") cloud software product.
- Management continued to actively focus on capital raising to support the company's business, marketing initiatives and general working capital.

RESULTS OF OPERATIONS

During the year ended June 30, 2019, the Company entered into a license agreement wherein the Company licensed its technology to Kinect Technology, Inc. ("Kinect") for a fee of \$5,000,000 USD, of which \$3,000,000 USD was to be settled by the issuance of 12,000,000 common shares of Kinect and the remaining \$2,000,000 USD is receivable in cash over a period of four years. As at June 30, 2020, the Company has not received the common shares of Kinect. As a result, no revenue has been recognized as at June 30, 2020 related to this transaction with Kinect.

Selected Annual Information and Results of Operations

	June 30, 2020 \$	June 30, 2019 \$
Net Loss	(5,251,021)	(13,663,010)
Basic and diluted loss per share	(0.08)	(0.30)
Cash	174,252	227,678
Total Assets	1,663,273	1,060,176
Non-Current Liabilities	8,010	\$Nil

During the year ended June 30, 2020, the Company incurred net loss from the operations of \$5,251,021 (June 30, 2019 - \$13,663,011). The total net loss includes share-based compensation of \$467,700 (June 30, 2019 - \$1,950,530). The net loss reduced by \$8,411,990 compared to last year due to reduction in operating expenses and license fees.

As at June 30, 2020, the Company had a negative working capital of \$1,271,161 from the operations (June 30, 2019 - negative working capital of \$1,456,256) and an accumulated deficit of \$27,994,708 (June 30, 2019 - \$22,743,687)

During the year ended June 30, 2020, the Company incurred share-based compensation of \$467,700 (June 30, 2019 - \$1,950,530). The net loss includes interest and accretion expense of \$204,297. Of the \$467,700 share-based compensation, \$127,185 was for 1,430,000 options that were granted to various employees, directors and officers during the year. The remaining \$340,515 was from stock options granted in prior year end but not vested until current period.

During the year, the Company incurred professional fees in the amount of \$702,998 (June 30, 2019 – \$117,143) due to an increase from third party consulting services, corporate activities and operational activities of the Company. Professional fees include consulting services, legal fees and related expenses.

For the year ended June 30, 2020, consulting fees were \$775,503 compared to \$1,273,126 in the prior year. The Company is more active in product development and corporate activities in the current year. The Company reallocated funds from consulting to wages and benefits to increase internal team.

Advertising and marketing increased to \$282,732 compared to \$21,619 in the prior year mainly due to more marketing and marketing efforts to increase its business and market awareness during the year.

Office and miscellaneous expenses decreased to \$232,658 from \$261,427 compared to June 30, 2019 mainly due to more activities in prior year related to start-up expenses for the business and commencement of operational activities.

The Company incurred rent expenses in the amount of \$46,210 (June 30, 2019 - \$86,911) mainly due to the new office location during the year. The decrease was mainly due to negotiating a temporary rent decrease while the office was closed during COVID-19 restrictions. The Company had \$2,505,410 in wages and benefits (June 30, 2019 - \$520,754)

The Company had \$2,505,410 in wages and benefits (June 30, 2019 - \$520,754) due to a portion of employees' wages who were indirectly working on product development and engaging consultants on an as needed basis. The increase is due to hiring more qualified employees to reduce external consulting services.

During the year ended June 30, 2020, the Company incurred \$62,929 in license and distribution fees during the year compared to \$1,104,898 in the prior year due to the payments of licenses which were non-recurring activities.

Research and development expenses decreased to \$63,818 from \$561,214 compared to June 30, 2019 mainly due to the Company incurring research and development costs during the year to upgrade and test the Company product and technology.

During the year ended June 30, 2020, the Company incurred travel expense in the amount of \$225,836 (June 30, 2019 – \$151,534) related to marketing, tradeshow attendance and the selling of it's products globally.

During the year ended June 30, 2020, the Company recognized other income in the amount of \$400,930 receivable pursuant to the Government of Canada's Scientific Research and Experimental

Development (“SR&ED”) Program. The Company’s SR&ED application was approved subsequent to June 30, 2020.

During the year ended June 30, 2020, the Company has focused on reducing operating expenditures mainly in the reduction of staffing and optimizing operational efficiencies.

SUMMARY OF QUARTERLY RESULTS

The following is selected financial information as prepared in Canadian dollars under International Financial Reporting Standards derived from the Company’s most recently completed fiscal quarters:

	Revenue	Basic and Diluted Loss per Share	Net Loss for the year
		\$	\$
September 30, 2018		(0.03)	(1,357,299)
December 31, 2018		(0.03)	(1,402,128)
March 31, 2019		(0.03)	(1,096,699)
June 30, 2019		(0.21)	(9,806,884)
September 30, 2019		(0.02)	(1,385,318)
December 31, 2019		(0.02)	(1,523,924)
March 31, 2020		(0.02)	(1,445,952)
June 30, 2020		(0.08)	(5,251,021)

LIQUIDITY AND CAPITAL RESOURCES

To date, the Company has funded its operations and capital requirements through a combination of loans from related parties and equity financings.

As at June 30, 2020, the Company had total assets of \$1,663,273. As at June 30, 2020, the Company had a negative working capital of \$ 1,271,161.

Cash utilized in operating activities during the year ended June 30, 2020, was \$4,064,116 (June 30, 2019 – \$3,720,378).

At June 30, 2020, the Company has not achieved profitable operations and has accumulated losses of \$27,994,708 since inception and expects to incur further losses in the development of its business. This material uncertainty may cast significant doubt about the Company’s ability to continue as a going concern. The Company’s continuation as a going concern is dependent on its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

Equity financing

During the year ended June 30, 2020, the Company completed several private placements by issuing 25,213,807 common shares for net proceeds of \$3,121,148. In addition, 3,325,000 warrants were exercised for proceeds of \$332,500. The Company also issued 3,955,025 common shares for liabilities in the amount of \$965,625.

Management believes that the Company will require additional working capital to meet its primary business objectives over the next 12 months. The Company plans to raise capital through equity or debt financing. However, there can be no assurance that the Company will be able to raise sufficient

funds from the sale of its common shares to fund its operations or planned business development activities. Even if the Company is successful in obtaining equity financing to expand operations and to fund its business development activities, there is no assurance that it will obtain the funding necessary to acquire any additional further technology product interests. If the Company is not able to obtain additional financing, it may be forced to amend its business plan.

Any amendments to the Company's plans will be based on many factors, including the results of our new product acquisition plan, marketing plan and financing plan; negotiations with potential product suppliers and distribution partners; and the amount of available capital. Additionally, the extent to which the Company is able to carry out its business plan is dependent upon revenue from operations and the amount of financing obtained.

CAPITAL MANAGEMENT

The Company considers capital to be the sole element of shareholders' equity. The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the sale and distribution of its technology products. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

COMMITMENTS

During the year ended June 30, 2020, the Company entered into a lease agreement for its office premises by way of an assignment agreement. The lease term expires on October 31, 2020 and annual minimum payments are as follows:

Year(s)	\$
2020	48,246
2021	16,482
2022 onwards	Nil
	64,728

During the year ended June 30, 2020, the Company entered into a vehicle lease agreement for its company vehicle by way of a lease agreement. The lease term expires on March 31, 2022 and the required minimum payments are as follows:

Year(s)	\$
2020	11,982
2021	11,982
2022 onwards	2,996
	26,960

CONTINGENCIES

There are no contingent liabilities.

OFF-BALANCE SHEET ARRANGMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The Company has identified its directors and senior officers as its key management personnel. No postemployment benefits, other long-term benefits and termination benefits were made during the year ended June 30, 2020. Short-term key management compensation consists of the following:

	2020	2019
	\$	\$
Salaries and professional fees	1,050,019	647,083
Share-based payments	177,807	345,636
	1,227,826	992,719

As at June 30, 2020, the Company owed \$479,100 (June 30, 2019 - \$479,100) to the Company's CEO, a company controlled by the CEO, and significant shareholder. As at June 30, 2020, the Company also has a balance payable to other related parties totaling \$74,901 which is included in accounts payable and accrued liabilities. The amounts due to related parties are unsecured, non-interest bearing, and due on demand.

SUBSEQUENT EVENTS

- On July 2, 2020, the Company announced that Dallas Pretty reigned as a director of the Company. The Company wishes to thank Mr. Pretty for his valuable service and contributions and wish him well in his future endeavors.
- On July 7, 2020, the Company announced it has now entered into a partnership with Omnivore ("Omnivore"), a universal point-of-sale (POS) connectivity platform enabling instant access to hundreds of brands and technology providers to integrate seamlessly.
- On July 13, 2020, the Company has accelerated conversations and projects with two of Canada's largest telecommunications companies as well as two of the largest network providers in the United States (collectively, the "Telco(s)").
- On July 15, 2020, the Company announced that it has applied for eligibility to The Depository Trust Company ("DTC") in preparation for trading company shares on the OTCQB® American Venture Market, operated by OTC Markets Group based in New York.
- On July 17, 2020, the Company announced that it has accelerated conversations for the implementation of its Covid-19 contact tracing solution with government officials, and live event and stadium operators, in North America, Australia, Indonesia, and the U.K., since its launch in June 2020.
- On July 20, 2020, the Company announced the signing of an MOU with ImagineAR (CSE: IP); (OTCQB: IPNFF) an Augmented Reality ("AR") mobile platform.
- On July 20, 2020, the Company announced the launch of a 12-month online marketing campaign through AGORACOM for the purposes of targeting new potential investors that would be specifically interested in the Company's business model, as well as engaging shareholders through a custom and moderated forum.

- On July 23, 2020, the Company announced the launch of its contact tracing platform in Nevada with two of Grupo Anderson's flagship restaurants in Las Vegas, Senor Frog's and Carlos'n Charlies.
- On July 29, 2020, the Company announced the appointment of Jeffrey Hyman to the Company's Board of Directors. Jeffrey previously served on the Board of Advisors.
- On July 31, 2020, the Company announced the acceleration of conversations with municipal, provincial and federal school boards to implement its Covid-19 contact tracing solution throughout schools in Canada and the United States.
- On August 4, 2020, the Company explains how the Loop Insights Contact Tracing Platform is complementary to the government's "COVID Alert" App.
- On August 6, 2020, the announced the receipt of more than \$900,000 from the exercise of warrants.
- On August 10, 2020, the Company announced the signing of a channel reseller partnership with global cloud-based Point-of-Sale (POS) company, Vend, as well as, the first sale to a Vend client.
- On August 10, 2020, the Company announced two webinars taking place on August 11th and 20th through two esteemed investing firm platforms, SmallCap Power and RB Milestone Group ("RBMG").
- On August 13, 2020, the Company announced the signing of a channel reseller partnership with Kentucky-based bdG Sports LLC ("bdG") a leading representation, event management and public relations firm operating within the global sports marketing industry.
- On August 17, 2020, the Company announced it has been invited to present its contact tracing solutions to the Athletic Directors of the 11 NCAA Division 1 Schools of the Big East Conference ("Big East"), for the purposes of supporting resumption plans that provide a safe environment for students, faculty, athletes, fans and staff.
- On August 20, 2020, the Company announced the signing of a Pilot Agreement with Sunflora Inc., to implement Loop's analytics platform into 20 of its Your CBD Store retail locations.
- On August 25, 2020, the Company announced an initial partnership agreement with KABN Systems North America Inc., a wholly-owned subsidiary of KABN System NA Holding Corp. (CSE: KABN) ("KABN NA" or "KABN North America"), a Canadian Fintech company that specializes in continuous online identity verification, management and monetization in Canada and the US.
- On September 16, 2020, the Company announced the signing of an agreement with the University of Houston Athletics ("UH") to implement Loop's contactless, artificial intelligence marketing solutions to provide personalized promotions and targeted engagement, as well as, Loop's leading contact tracing solutions for the purposes of supporting resumption plans that provide a safe environment for fans and guests attending Houston football games at TDECU Stadium.
- On September 17, 2020, the Company announced that it has entered into a limited formal agreement with the TELUS Corporation (or "TELUS") (TSX: T) NYSE: TU), Canada's leading telecommunications company, to conduct a 90-day proof of concept pilot across TELUS's three flagship corporate retail locations in British Columbia.
- On September 21, 2020, the Company provided shareholders with the following corporate update reviewing recent significant business wins and near-term expectations. The company has been successful in reaching many milestones across both product lines, Contact Tracing,

and Contactless Marketing, with world-renowned brands, which have led to accelerating opportunities and contract negotiations with potential customers of similar stature.

- On September 25, 2020, the Company announced that its common shares will commence trading on Monday, September 28th, 2020 on the OTCQB Venture Market ("OTCQB Venture") under the stock symbol "RACMF".
- On September 28, 2020, the Company announced the signing of a short form agreement to grant Austin, TX based startup CasaPerks LLC ("CasaPerks") a non-exclusive license to use various aspects of Loop's technology in return for \$1,930,000 in cash and shares.
- On October 5, 2020, the Company announced the filing of provisional patent applications and various Trademark Registries for its contactless data applications. The filings come in the wake of both actual integrations with globally renowned customers and a substantial increase in demand from various verticals, including college sports, professional sports, hotels, TV & movie productions, and hospitality & entertainment, amongst others.
- On October 7, 2020, the Company announced that it has entered into an agreement to acquire the intellectual property ("IP") assets (the "Agreement") of Digital2Go Media Networks, Inc., d/b/a Locally.io (the "Vendor" or "Locally"), a global leader in location data intelligence and real-time consumer engagement.
- On October 8, 2020, the Company announced the signing of its first deal with partner bdG Sports ("bdG") to provide venue tracing and enhanced fan engagement solutions for its #VegasBubble, which will feature NCAA Division I men's and women's basketball when the new season launches next month.
- On October 13, 2020, the Company announced the signing of a referral agreement with leading UK-based SG-retail to expand Loop's services and products into the UK and Europe. SG-retail, led by retail industry veteran Steve Gray, will assist Loop with its efforts to establish a strong presence in Europe and take advantage of recent momentum in the US and Canada.
- On October 15, 2020, the Company announced the Company has been accepted into the TELUS IoT Marketplace (T:TSX; TU: NYSE), which will serve to significantly expand Loop's sales distribution channels on a national scale.
- On October 19, 2020, the Company announced a partnership with Empower Clinics (CBDT:CSE) (EPWCF:OTC) (8EC:FRA) to provide an end-to-end COVID-19 mitigation solution complete with venue tracing, real-time automated guest exposure notifications, and frequent testing with rapid results in 15 minutes.
- On, October 27, 2020, the Company announced that the company has signed a referral and partnership agreement with Summit Services Inc. dba Summit One Source ("Summit") to provide a complete end-to-end integrated COVID-19 management solution consisting of rapid mobile testing, integrated lab results, and exposure alert notification capabilities.

OTHER MD&A REQUIREMENTS

- a) Additional information relating to the Company is on SEDAR at www.sedar.com.
- b) Disclosure of June 30, 2020 and the date of this MD&A, the Company has 91,383,209 and 108,820,234 issued and outstanding common shares respectively.
- c) Options
As at June 30, 2020, there are 6,869,000 options outstanding.
- d) Warrants

As at June 30, 2020, the Company has 34,183,733 outstanding warrants.

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical accounting estimates

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

Assumptions used in the calculation of the fair value assigned to share-based payments

The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions, including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's equity reserves.

Going concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investing and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

The Company's significant accounting policies are disclosed in Note 3 of the Company's annual audited consolidated financial statements for the year ended June 30, 2019.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of accounts payable, loans payable and due to related parties approximate their fair value because of the short-term nature of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2020, the Company had a cash balance of \$174,252 to settle current liabilities of \$2,874,753.

There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company anticipates it will need additional capital in the future to finance ongoing developments of its technology, such capital to be derived from the completion of other equity financings. The Company has limited financial resource and has no assurance that additional funding will be available to it for future development of its technology, although the Company has been successful in the past in financing its activities through the previously mentioned financing activities. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and the success of its technology. In recent years, the securities markets have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

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 credit risk is primarily attributable to its liquid financial assets including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. Receivables consist of GST receivable from the Government of Canada.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

a) Interest rate risk

The Company's financial assets exposed to interest rate risk consist of cash. The Company's current policy will be to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at June 30, 2020, the Company did not have any investments in investment-grade short-term deposit certificates.

b) Foreign currency risk

The Company is not exposed to any foreign currency risk fluctuations.

c) Price risk

The Company is currently not exposed to any price risk.

APPENDIX 1

Risk Factors

The Company is focused on more select market introduction and development. The failure to generate future sales in the Company's main products could have a significant and adverse effect on the Company.

The Company success will depend in large measure on certain key personnel. The loss of the services of such key personnel could have a material adverse effect on the Company. The Company does not anticipate having key person insurance in effect for management. The contributions of these individuals to the immediate operations of the Company are of central importance. In addition, there can be no assurance that the Company will be able to continue to attract and retain all personnel necessary for the development and operation of its business.

The Company has incurred a net loss for the year ended June 30, 2020 of \$5,251,021 and has a deficit of \$27,994,708. Management is continuing efforts to attract additional equity and capital

investors and implement cost control measures to maintain adequate levels of working capital. Nevertheless, there can be no assurance provided with respect to the successful outcome of these ongoing actions. If the Company is unable to obtain additional financing on reasonable terms, the Company may be required to curtail or reduce its operations to continue as a going concern.

In addition, the Company's limited working capital could affect the Company's ability to seize upon opportunities requiring investment, or to reinvest in its products in a timely manner.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements and information relating to the Company that is based on the beliefs of our management as well as assumptions made by and information currently available to us. When used in this document, the words “*anticipate*”, “*believe*”, “*estimate*”, “*expect*” and similar expressions, as they relate to our company or our management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued development of our technological property. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or our achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.