

The Hash Corporation

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

As used in this management's discussion and analysis of financial condition and results of operations ("MD&A"), unless the context indicates or requires otherwise, all references to the "Company", "we", "us" or "our" refer to The Hash Corporation, as constituted on September 30, 2022.

This MD&A for the three and nine months ended September 30, 2022 and 2021 should be read in conjunction with the Company's unaudited condensed interim financial statements and the accompanying notes for three and nine months ended September 30, 2022, and 2021 and the audited financial statements and accompanying notes for the year ended December 31, 2021. The financial information presented in this MD&A is derived from the Company's unaudited condensed interim financial statements for the three and nine months ended September 30, 2022 and 2021 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are in Canadian dollars except where otherwise indicated.

This MD&A is dated as of November 29, 2022.

FORWARD-LOOKING INFORMATION

The information provided in this MD&A, including information incorporated by reference, may contain certain forward-looking statements and forward-looking information (collectively referred to as "forward-looking statements") within the meaning of applicable Canadian legislation about our current expectations, estimates and projections about the future, based on certain assumptions made by us in light of the Company's experience and perception of historical trends. Although we believe that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct.

This forward-looking information is identified by words such as "anticipate", "believe", "expect", "plan", "forecast", "future", "target", "project", "capacity", "could", "should", "focus", "proposed", "scheduled", "outlook", "potential", "may" or similar expressions and includes suggestions of future outcomes, including statements about the Company's intention to produce and the expected costs and timing thereof; the Company's proposed collaboration agreements with other entities; the Company's expected production capacity; the estimated costs of the Company's proposed capital projects and future investments; potential proceeds from the exercise of the Company's outstanding share purchase warrants; actions taken by the Company, or that the Company may take in the future, to adjust its capital structure; potential effects of regulations under the Cannabis Act (Canada) (together with the regulations thereunder (the "Cannabis Regulations"), the "Cannabis Act") and related legislation introduced by provincial governments. Readers are cautioned not to place undue reliance on forward-looking information as the Company's actual results may differ materially from those expressed or implied.

The Company has made certain assumptions with respect to the forward-looking statements regarding, among other things: the Company's ability to generate sufficient cash flow from operations and obtain financing, if needed, on acceptable terms or at all; general economic, financial market, regulatory and political conditions in which the Company operates; the expected yield from the Company's operations; interest in the Company's products or services; anticipated and unanticipated costs; government regulation of the Company's activities; the timely receipt of any required regulatory approvals; the Company's ability to obtain qualified staff, equipment and services in a timely and cost efficient manner; the Company's ability to conduct operations in a safe, efficient and effective manner; and the Company's expansion plans and timeframe for completion of such plans.

Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because no assurance can be given that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: the limited operating history of the Company and history of losses; the Company's ability to continue as a going concern; the Company's ability to generate sufficient revenue to be profitable; the Company's ability to raise the capital necessary for it to execute its strategy; increased competition in the cannabis markets in Canada and internationally; rising energy costs; the Company's reliance on key persons; the Company's compliance with environmental, health and safety laws and regulations; insurance risks; interruptions in the supply chain for key inputs; demand for skilled labour, specialized knowledge, equipment, parts and components; reliance on the operations of the Company's partners; results of litigation; conflicts of interest between the Company and its directors and officers; payment of dividends; the partial dependence of the Company's operations on the maintenance and protection of its information technology systems; unforeseen tax and accounting requirements; regulatory risks relating to compliance with the Cannabis Act and Cannabis Regulations; changes in laws; changes to the market price of cannabis; the ability of the Company to produce and sell cannabis

supply with collaboration agreements; failure to execute definitive agreements with entities in which the Company has entered into letters of intent or memoranda of understanding; changes in government; changes in government policy; failure of counterparties to perform contractual obligations; the Company's ability to successfully develop new products or find a market for their sale; lack of certainty regarding the expansion of the cannabis market; ability of key employees of the Company to obtain or renew security clearances in the future; reputational risks to third parties with whom the Company does business; failure to comply with laws and regulations; the Company's reliance on its own market research and forecasts; competition from synthetic production and new technologies; the existence and growth of the cannabis industry; misconduct or other improper activities by employees, independent contractors, consultants, commercial partners and vendors; failure to comply with health and data protection laws; inability to obtain or maintain sufficient intellectual property protection for the Company's products; third-party claims of intellectual property infringement; patent terms being insufficient to protect competitive position on product candidates; inability to obtain patent term extensions or non-patent exclusivity; inability to protect the confidentiality of trade secrets; inability to protect trademarks and trade names; and other factors beyond the Company's control.

The Company cautions that the foregoing list of important factors is not exhaustive. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

The forward-looking statements contained or incorporated by reference in this MD&A are made as of the date of this MD&A or as otherwise specified. Except as required by applicable securities laws, we undertake no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors affecting those statements, whether as a result of new information, future events or otherwise or the foregoing lists of factors affecting this information.

All of the forward-looking information contained in this MD&A is expressly qualified by the foregoing cautionary statements.

Additional information relating to the Company can be found on SEDAR at www.sedar.com.

OVERVIEW

The Hash Corporation (the "Company") was incorporated under the Business Corporations Act (Ontario) on March 28, 1967 as Northville Explorations Ltd. On January 22, 2014, the Company changed its name to Senternet Phi Gamma Inc. and on July 8, 2019 the Company changed its name to its present name. The head office of the Company's is located at 1 Adelaide Street East, Suite 801, Toronto, Ontario, M5C 2V9.

The Company is focused on the production and sale of cannabis-based hashish and other cannabis products. The Company applies its separation and curing techniques to produce a suite of high-quality cannabis resin products, which are all-natural and free of additives. At present, the Company does not possess the licenses required to carry on its business in producing and selling cannabis-based hashish and other cannabis concentrates. In particular, the Company does not have a Standard Processing License and a Cannabis License under the Cannabis Act. The Company does not intend to apply for both of these licenses and instead relies on the Collaboration Agreement with Medz Cannabis Inc. ("Medz"), an Ontario-based, privately-owned company, licensed for the cultivation, processing and sale of medical cannabis under the Cannabis Act.

On April 20, 2020, the Company entered into a five-year collaboration agreement with Medz to produce and sell cannabis-based hashish and other cannabis concentrates. Per the agreement, Medz will provide the Company with licensed processing space at the Medz licensed facility for the purposes of manufacturing, packaging and selling products. The Company is responsible for all costs incurred related to the production and will grant Medz certain profit-sharing rights in connection with the sale of products produced within the Medz facility. The Company will pay Medz a 3.5% royalty on all revenues generated from the sale of the products produced in the Medz facility, and a 5% royalty on any tolling or service revenue earned by the Company on certain service contracts.

The Company has entered into a lease with Medz for approximately 1,900 square feet of production and office space as well as access of common space and material storage for a term of two years commencing on February 28, 2021. The Company has the option to renew the lease for additional terms.

On June 3, 2021, the Company commenced trading on the Canadian Securities Exchange ("CSE") under the ticker REZN.

IMPACT OF COVID-19

The outbreak of the novel strain of coronavirus, specifically identified as “COVID-19,” has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The extent to which COVID-19 and any other pandemic or public health crisis impacts the Company’s business, affairs, operations, financial condition, liquidity, availability of credit and results of operations will depend on future developments that are highly uncertain and cannot be predicted with any meaningful precision, including new information which may emerge concerning the severity of the COVID-19 virus and the actions required to contain the COVID-19 virus or remedy its impact, among others. While the impact of COVID-19 on the Company has been minimal to date, there is uncertainty around its duration and future business conditions. If the outbreak were to cause disruption to the Company’s operations in the future, it would have a negative impact on revenue, which could be material. In addition, any material negative impact on revenue would impact profitability, as well as liquidity and capital resources.

SELECTED FINANCIAL HIGHLIGHTS

	As at September 30, 2022	As at December 31, 2021	Change	
	\$	\$	\$	%
Cash and cash equivalents	41,694	354,173	(312,479)	-88%
Total assets	518,459	1,406,214	(887,755)	-63%
Total liabilities	328,928	242,013	86,915	36%

Cash and cash equivalents as at September 30, 2022, was \$41,694 compared to \$354,173 as at December 31, 2021. The decrease of \$312,479 or 88% is primarily due to cash used in operating activities during the nine months ended September 30, 2022.

Total assets as at September 30, 2022, were \$518,459 resulting in a decrease of \$887,755 or 63% compared to total assets as at December 31, 2021. The decrease is primarily attributable to the decrease in cash, trade receivables and prepaid expenses and other assets.

Total liabilities as at September 30, 2022, were \$328,928 resulting in an increase of \$86,915 or 36% compared to total liabilities as at December 31, 2021. The increase is primarily due to an increase in sales tax payable and borrowings.

RESULTS OF OPERATIONS

The following table outlines our statements of loss and comprehensive loss for the three and nine months ended September 30, 2022 and 2021:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Revenue	38,393	250,686	612,268	342,246
General and administrative	71,223	331,301	389,449	1,225,148
Share-based compensation	3,177	134,777	242,716	1,362,886
Salaries and wages	176,274	217,483	624,270	565,792
Professional fees	936	64,676	145,572	786,145
Production expenditures	45,830	218,820	376,339	379,834
Depreciation	34,675	30,144	103,062	72,167
Interest expense	576	1,484	2,431	3,181
Total operating expenses	332,691	998,685	1,883,839	4,395,153
Net loss and comprehensive loss	(275,533)	(747,999)	(1,219,133)	(4,052,907)

REVIEW OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

Revenue, net of excise tax.

Revenue decreased from \$250,686 to \$38,393 and increased from \$342,246 to \$612,268 for the three and nine months ended September 30, 2022, respectively, compared to the equivalent periods in the prior year. The decrease for the three months ended September 30, 2022, is due to slow down in growth during the period. The increase for the nine months ended September 30, 2022, compared to the equivalent period in the prior year due to growth in revenue.

General and administrative

	For the three months ended September 30,				For the nine months ended September 30,			
	2022	2021	Change		2022	2021	Change	
	\$	\$	\$	%	\$	\$	\$	%
Marketing expenses	3,138	39,736	(36,598)	-92%	24,624	480,236	(455,612)	-95%
Investor relations	—	178,022	(178,022)	-100%	130,466	374,844	(244,378)	-65%
Office and general	63,291	91,269	(27,978)	-31%	209,158	190,185	18,973	10%
Listing fees	—	—	—	—	—	126,842	(126,842)	-100%
Travel, meals, and entertainment	4,794	22,274	(17,480)	-78%	25,201	53,041	(27,840)	-52%
Total	71,223	331,301	(260,078)	-79%	389,449	1,225,148	(835,699)	-68%

General and administrative expenses are comprised of marketing, investor relations, office and general, listing fees and travel, meals and entertainment expenses. General and administrative expenses decreased from \$331,301 to \$71,223 and decreased from \$1,225,148 to \$389,449 for the three and nine months ended September 30, 2022, respectively, compared to the equivalent periods in the prior year. The decrease for the three months ended September 30, 2022, is due to lower spending on investor general and administrative expenses. The decrease is primarily due expenses incurred during the nine months ended September 30, 2021, in connection with the listing on the CSE.

Share-based compensation

Share-based payments decreased from \$134,777 to \$3,177 and decreased from \$1,362,886 to \$242,716 for the three and nine months ended September 30, 2022, respectively, compared to the equivalent periods in the prior year. The decrease in share-based payments is due to the variability in the number of options and RSUs granted, vesting periods of the options and RSUs and the grant date fair values.

Salaries and wages

Salaries and wages decreased from \$217,483 to \$176,274 and increased from \$565,792 to \$624,270 for the three and nine months ended September 30, 2022, respectively, compared to the equivalent periods in the prior year. The decrease is primarily related to a decrease in the number of employees during the three months ended September 30, 2022, compared to the equivalent period. The increase is primarily related to an increase in the number of employees during the nine months ended September 30, 2022, compared to the equivalent period.

Professional fees

Professional fees decreased from \$64,676 to \$936 and decreased from \$786,145 to \$145,572 for the three and nine months ended September 30, 2022, respectively, compared to the equivalent periods in the prior year. Professional fees include legal, accounting and consulting fees that fluctuate from period to period based on the nature of the transactions the Company undertakes.

Production expenditures

Production expenditures decreased from \$218,820 to \$45,830 and decreased from \$379,834 to \$376,339 for the three and nine months ended September 30, 2022, respectively, compared to the equivalent periods in the prior year. The decrease is primarily related to reduction in production during the three and nine months ended September 30, 2022, compared to the equivalent period.

Depreciation

Depreciation expense increased from \$30,144 to \$34,675 and increased from \$72,167 to \$103,062 for the three and nine months ended September 30, 2022, respectively, compared to the equivalent periods in the prior year. The increase is primarily related to depreciation on new equipment purchased.

SELECTED QUARTERLY INFORMATION

The following table sets forth selected unaudited quarterly statements of operations data for each of the eight quarters commencing October 1, 2020 and ending September 30, 2022. The information for each of these quarters has been prepared on the same basis as the audited financial statements for the year ended December 31, 2021. This data should be read in conjunction with our audited annual financial statements for the year ended December 31, 2021 and unaudited financial statements for the period ended September 30, 2022. These quarterly operating results are not necessarily indicative of our operating results for a full year or any future period.

	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	38,393	380,681	193,194	550,147	250,686	91,560	—	—
Total operating expenses	332,691	704,710	846,438	1,134,710	998,685	2,773,945	622,523	295,617
Net loss and comprehensive loss	(275,533)	(309,009)	(634,591)	(584,563)	(747,999)	(2,682,385)	(622,523)	(295,617)
Net loss per share - basic and diluted	(0.001)	(0.001)	(0.002)	(0.002)	(0.003)	(0.011)	(0.003)	(0.001)

FINANCIAL POSITION

	As at September 30, 2022	As at December 31, 2021	Change	
			\$	%
ASSETS				
Current				
Cash and cash equivalents	41,694	354,173	(312,479)	-88%
Trade receivables	190,933	490,711	(299,778)	-61%
Prepaid expenses and other assets	155,823	334,942	(179,119)	-53%
Total current assets	388,450	1,179,826	(791,376)	-67%
Non-current				
Property and equipment, net	116,356	188,158	(71,802)	-38%
Right-of-use asset, net	13,653	38,230	(24,577)	-64%
Total non-current assets	130,009	226,388	(96,379)	-43%
Total assets	518,459	1,406,214	(887,755)	-63%
LIABILITIES				
Current				
Trade and other payables	127,954	192,787	(64,833)	-34%
Borrowings	163,253	—	163,253	100%
Sales tax payable	22,306	7,742	14,564	188%
Lease obligations	15,415	35,235	(19,820)	-56%
Total current liabilities	328,928	235,764	93,164	40%
Non-current				
Lease obligations	—	6,249	(6,249)	-100%
Total liabilities	328,928	242,013	86,915	36%
SHAREHOLDERS' EQUITY				
Share capital	11,938,008	11,938,008	—	0%
Warrants	98,948	106,103	(7,155)	-7%
Contributed surplus	1,993,152	1,741,534	251,618	14%
Accumulated deficit	(13,840,577)	(12,621,444)	(1,219,133)	10%
Total shareholders' equity	189,531	1,164,201	(974,670)	-84%
Total liabilities and shareholders' equity	518,459	1,406,214	(887,755)	-63%

Assets

Current assets decreased by \$791,376 or 67%, primarily due to cash used in operations, decrease in trade receivables and decrease of prepaid expenses and other assets.

Non-current assets decreased by \$96,379 or 43%, primarily due to depreciation of equipment and the right-of-use asset.

Liabilities

Trade and other payables decreased by \$64,833 or 34%, primarily due to the timing of payments.

Borrowings increased by \$163,253 or 100%, due to convertibles debentures issued to related parties.

Sales tax payable increased by \$22,306 or 188%, due to increase in revenue.

Lease obligations decreased by \$19,820 or 56%, primarily due to lease payments made during the period, offset by interest accretion.

Shareholders' equity

Shareholders' equity decreased by \$974,670 or 84% due to net loss of \$1,219,133 for the nine months ended September 30, 2022, and \$7,155 related to expired warrants, offset by additions of \$251,618 to contributed surplus related to shares-based payments and convertible debentures.

LIQUIDITY, CAPITAL RESOURCES AND FINANCING

The general objectives of our capital management strategy are to preserve our capacity to continue operating, provide benefits to our stakeholders and provide an adequate return on investment to our shareholders by continuing to invest in our future that is commensurate with the level of operating risk we assume. We determine the total amount of capital required consistent with risk levels. This capital structure is adjusted on a timely basis depending on changes in the economic environment and risks of the underlying assets. We are not subject to any externally imposed capital requirements.

The financial statements and this MD&A has been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The financial statements and this MD&A do not include any adjustments to the amounts and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

As at September 30, 2022, the Company has an accumulated deficit of \$13,840,577 (December 31, 2021 – \$12,621,444) and a working capital surplus of \$59,522 (December 31, 2021 – \$944,062). For the three and nine months ended September 30, 2022, the Company had a net loss of \$275,533 and \$1,219,133 (September 30, 2021 – \$747,999 and \$4,052,907). Whether, and when, the Company can attain profitability and positive cash flows from operations is subject to material uncertainty. The application of the going concern assumption is dependent upon the Company's ability to generate future profitable operations and obtain necessary financing to do so. While the Company has been successful in obtaining financing to date, there can be no assurance that it will be able to do so in the future. The Company will need to raise capital in order to fund its operations. This need may be adversely impacted by uncertain market conditions, COVID-19, approval by regulatory bodies, and adverse results from operations. The above events and conditions indicate there is a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern.

As at September 30, 2022, the Company had cash of \$41,694, representing a decrease of \$312,479 from December 31, 2021. This decrease is due to \$442,296 of cash used in operating activities, \$6,683 of cash used in investing activities, offset by \$136,500 of cash provided by financing activities.

Cash flows

	For the nine months ended September 30,	
	2022	2021
	\$	\$
Cash and cash equivalents, beginning of the period	<u>354,173</u>	<u>2,051,028</u>
Net cash provided by (used in):		
Cash used in operating activities	<u>(442,296)</u>	<u>(3,192,251)</u>
Cash used in investing activities	<u>(6,683)</u>	<u>(123,276)</u>
Cash provided by financing activities	<u>136,500</u>	<u>2,249,520</u>
Net change	<u>(312,479)</u>	<u>(1,066,007)</u>
Cash and cash equivalents, end of the period	<u>41,694</u>	<u>985,021</u>

Cash Flows Used in Operating Activities

Cash flows used in operating activities for the nine months ended September 30, 2022, were \$442,296 compared to cash used in operating activities of \$3,192,251 for the nine months ended September 30, 2021. The decrease in cash used in operating activities is primarily due to the collection of trade receivables and lower spending on prepaid expenses.

Cash Flows Used in Investing Activities

Cash flows used in investing activities for the nine months ended September 30, 2022, were \$6,683 compared to \$123,276, for the nine months ended September 30, 2021. The decrease is primarily due to lower investment in equipment purchased during

the nine months ended September 30, 2022.

Cash Flows Provided by Financing Activities

Cash flows provided by financing activities for the nine months ended September 30, 2022, were \$136,500 compared to \$2,249,250 for the nine months ended September 30, 2021. During the nine months ended September 30, 2022, cash flows provided by financing activities consisted of proceeds from borrowings offset by the repayment of lease obligations. During the nine months ended September 30, 2021, cash flows provided by financing activities consisted of proceeds from share issuances offset by the repayment of lease obligations.

CONTRACTUAL OBLIGATIONS

We have no significant contractual arrangements other than those noted in our financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

We have no off-balance sheet arrangements other than those noted in our financial statements.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling activities of the entity, directly or indirectly.

Key management personnel compensation during the three and nine months ended September 30, 2022 and 2021 is comprised of:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Salaries, benefits, bonuses and other fees	88,856	88,856	266,569	522,194
Share-based payments	—	100,822	167,671	814,408
Total	88,856	189,678	434,240	1,336,602

The Company owes related parties \$nil (December 31, 2021 – \$36,040), included in trade and other payables, as at September 30, 2022.

During the nine months ended September 30, 2022, convertible debentures were issued to the CEO, COO of the Company and to an entity related to the CFO of the Company for total proceeds of \$165,000.

During the three months ended March 31, 2021, the Company granted the Board of Directors a total of 4,000,000 share options, vesting immediately, with an exercise price of \$0.11 and expiry date of 3 years from the date of grant. The fair value of the share options was determined to be \$250,123 using the Black-Scholes option pricing model.

During the three months ended June 30, 2021, the Company modified 2,000,000, share options held by related parties to vest immediately. The Company recognized the fair value of the original awards in the amount of \$11,874.

During the three months ended June 30, 2021, the Company granted certain directors and officers 6,500,000 share options, vesting immediately, with an exercise price of \$0.10 and expiry date of 3 years from the date of grant. The fair value of the share options was determined to be \$419,809 using the Black-Scholes option pricing model.

During the three months ended June 30, 2021, the Company granted certain directors and officers of the Company 4,000,000 RSUs. The RSUs vest on June 1, 2022 and expire on June 1, 2024.

During the three months ended June 30, 2021, the Company paid \$220,000 to a Company related to the CFO for professional services provided in relation to the CSE listing.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

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. As of September 30, 2022, 89% (December 31, 2021 – 98%) of the Company's trade

receivables outstanding were due from Medz. The Company collects outstanding receivables due from Medz once Medz receives payment from the provincial retail customers for the sale of the Company's products.

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.

The aging of trade receivables is as follows:

	September 30, 2022	December 31, 2021
	\$	\$
Current	65,771	335,163
31 to 60 days	90,704	15,573
> 60 days	34,458	139,975
Total trade receivables	190,933	490,711

Credit loss impairment is determined based upon review of specific accounts as the Company does not have historical uncollectable receivables. As at September 30, 2022, allowance for expected credit losses is \$nil (2021 – \$nil).

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 complete products for sale, the Company may need to take additional measures to increase its liquidity and capital resources, including issuing debt or additional 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:

	Contractual cash flows				Total contractual cash flows
	Carrying amount	Year 1	Year 2	Year 3 and beyond	
	\$	\$	\$	\$	\$
Trade and other payables	127,954	127,954	—	—	127,954
Borrowings	163,253	264,068	—	—	264,068
Sales tax payable	22,306	22,306	—	—	22,306
Lease liabilities	15,415	15,833	—	—	15,833
	328,928	430,161	—	—	430,161

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

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 is not exposed to foreign currency risk as at September 30, 2022, as it does not hold any material financial instruments in foreign currency.

- Interest rate risk

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 September 30, 2022, as there are no borrowings outstanding.

- Other price risk

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 Company, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to other price risk as at September 30, 2022.

Fair values

The carrying values of cash, sales tax receivables and trade and other payables approximate fair values due to the short-term nature of these items or they are being carried at fair value. The Company does not use derivative financial instruments to manage this risk.

Financial instruments recorded at fair value on the 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 prices for 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 Company did not have any financial instruments stated at fair value as at September 30, 2022 and 2021.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Refer to the audited financial statements for December 31, 2021, for a full discussion of our critical accounting policies and estimates.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares.

The Company's outstanding capital was as follows as at the date of this MD&A:

Common Shares	280,120,290
Share Options	20,700,000
Warrants	1,805,000
RSUs	6,900,000
Convertible debentures	3,300,000

DISCLOSURE OF INTERNAL CONTROLS

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements; and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Company uses the Venture Issuer Basic Certificate, which does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's generally accepted accounting principles (IFRS). The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture Company to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.