LOOPShare Ltd.

MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis (this "**MD&A**") is dated November 29, 2019 and is intended to assist the reader in understanding the results of operations and financial condition of LOOPShare Ltd., the "Company" or "LOOPShare"). This MD&A should be read in conjunction with the following information that can be obtained from www.sedar.com:

i. the Company's unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2019 and accompanying notes;
ii. the Company's Annual Management's Discussion and Analysis dated May 1, 2019 ("Annual MD&A"); and

Unless otherwise noted, results are reported in Canadian dollars, which is the Company's functional currency, and are reported in accordance with International Financial Reporting Standards ("**IFRS**"). References to USD are references to United States dollars.

CAUTION ON FORWARD-LOOKING INFORMATION

This MD&A contains certain "forward-looking information" and "forward-looking statements" (collectively "**forward-looking statements**") within the meaning of applicable Canadian securities legislation. When we discuss our strategy, plans, outlook, future financial and operating performance, financing plans, growth in cash flow and other events and developments that have not yet happened, we are making forward-looking statements. All statements in this MD&A that address events or developments that we expect to occur in the future are forward-looking statements, including the following:

- our intention to ship scooters equipped with our devices directly from the manufacturer;
- the development and capabilities of LOOPShare (as defined herein) platform to enable scooter sharing operations;
- our plan to launch operations by partnering with operators worldwide;
- our plan to continue the development of our devices to provide for manufacturing cost savings;
- our plan to continue the development of the next generation SVD400G device (as defined herein);
- our plan to commence additional scooter sharing field trials;
- plans to deploy scooters in cities globally;
- our expectations in relation to working capital;
- our expectations with respect to the partnership with OpenStreet;
- our expectations in relation to our future financial needs;
- our expectations with respect to the GreenMo (as defined herein) transaction; and
- our expectations with respect to the intellectual property acquired from Raytroniks and the sale of Scoot-E-Bike® branded electric scooters.

Forward-looking statements are statements that are not historical facts and are generally, although not always, identified by words such as "expect", "plan", "anticipate", "project", "target", "potential", "schedule", "forecast", "budget", "estimate", "intend" or "believe" and similar expressions or their negative connotations, or that events or conditions "will", "would", "may", "could", "should" or "might" occur. All such forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Forward-looking statements necessarily involve assumptions, risks and uncertainties, certain of which are beyond the Company's control, including the following:

- our dependence on suppliers and customers;
- our untested business model;
- our completion of additional financing to continue operations;
- our ability to attract qualified operators;
- the competitive nature of the transportation sharing market; our ability to manage our growth;
- geopolitical risks;
- exchange rate risks;
- regulatory risks;
- our future operations;
- our dependence on key personnel; dilution to present and prospective shareholders;
- the lack of a market for our securities; and
- our share price.

As we are entering into a new business segment, future operations are uncertain and there is a risk that there will be a limited market for our services. In addition, operational challenges such as licensing, regulation and product and service costs are uncertain and may vary from country to country.

The Company assumes no responsibility to revise forward-looking statements to reflect new information, subsequent events or changes in circumstances, except as required by applicable securities laws.

1. Description of the Business

LOOPShare Ltd. (the "Company" or "LOOPShare") was incorporated under the provisions of The Business Corporations Act (Saskatchewan) on September 25, 2009. On September 4, 2014, the Company completed its continuance to British Columbia under the Business Corporations Act (British Columbia). The Company's head office, principal address and the registered and records office are located at 106 – 131 Water Street, Vancouver, BC V6B 4M3. The Company trades on the TSX Venture Exchange under the symbol "LOOP" and on the OTCQB under the symbol "LPPPF".

During the year ended December 31, 2016, the Company acquired all of the outstanding securities of Saturna Green Systems Inc. ("Saturna") in exchange for the issuance of securities of the Company and changed its name to LOOPShare Ltd. (the "Transaction"). The Company, with Saturna as its wholly owned subsidiary, now pursues the business of Saturna which is the expansion of its Loop™ micro-mobility rideshare system.

The Company develops and deploys connected end-to-end Telematics-based solutions for inner-city transportation vehicles, specifically geared toward Transportation as a Service ("TaaS"). The Company specializes in the connected vehicle industry with a focus on two wheel electric vehicles. Saturna has developed a ruggedized 7" touch screen dashboard ("SVD400") for factory installation.

The accompanying consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material. The Company is dependent upon raising debt and equity financing to provide the funding necessary to meet its general operating expenses and will require additional financing to continue to develop and deploy its TaaS technology and micro-mobility rideshare system, and settle liabilities.

The Company has incurred losses since inception and expects to incur further losses in the development of its business. As at September 30, 2019, the Company had a net working capital deficiency of $963,718 (December 31, 2018 - $218,905 net working capital) and a cumulative deficit of $15,154,322 (December 31, 2018 - $12,582,374). These factors may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

2. Business Model

The Company's primary focus is on establishing a micro-mobility rideshare system, primarily using electric scooter-sharing, throughout the world through a network of third party operators. LOOPShare both operates its own fleet of electric scooters and plans to sell connected scooters to LoopZone™ operators as part of a turnkey, "plug-and-play" business solution. The Company will receive a revenue share from its LoopZone™ operators. The Company is also expanding its focus in electric transportation through the evaluation of providing electric transportation solutions for delivery, hotel and resort operations and direct to consumer sales of its Scoot-E-Bike® branded electric scooters.

3. Growth Strategy

LOOPShare's business model is designed to be highly scalable, supported by software it has developed. "LOOP" branded scooters can be shipped from the factory in China to cities around the world, already homologated to meet local transport authority requirements and localized for market specific requirements.

LOOP plans to deploy its own fleet of electric scooters and engage local Zone Operators world-wide based on criteria developed for size of local market, financial capacity and operating requirements.

4. Overall Performance

a) Operations for the Nine Months Ended September 30, 2019

During the nine months ended September 30, 2019 the Company continued the support of Loop s.a.l., its Zone Operator in Lebanon, and the commercial and operational field trial of 43 Loop scooters in the city of Beirut, Lebanon. Subsequent to the nine months ended September 30, 2019, the Company transferred its 99.995% interest in Loop s.a.l. to its former CEO, Mr. Anwar Sukkarie in return for settlement of $460,000 in amounts owing to Mr. Sukkarie. As of October 15, 2019, the Company no longer has any ownership interest in Loop s.a.l.; however, Loop s.a.l. remains a Master Zone Operator of the Company for the territory that includes the Middle East, Africa and Cyprus. The Company is entitled to a share of the revenue of the operations of Loop s.a.l.

On February 13, 2019, the Company announced it has begun a worldwide expansion of its Loop™ micro-mobility rideshare system with the purchase of more than 400 custom-configured sit-down scooters from a top-tier global manufacturer. The Company expects to receive 330 of the e-scooters prior to year-end with plans to deploy in Q1, 2020. The Company is currently conducting pilot operations in Vancouver, Victoria and Kelowna, British Columbia. The Company has also shipped 55 new e-scooters to Loop s.a.l., with a further 55 new e-scooters expected to be delivered prior to year-end. Loop s.a.l. will deploy this fleet of e-scooters under the terms of its Master Zone Operator Agreement with the Company.

The Company also issued 18,240,000 class "A" common shares to Raytroniks, in return for a portfolio of intellectual property assets. The purchased assets include the rights to the 'Scoot-E' brand, including the trademarks for 'Scoot-E®', 'Scoot-E-Bike®' and 'Scoot-E-Bike by Raytroniks®.' The Company intends to integrate the 'Scoot-E®' brand into its portfolio of intellectual property and use it to help drive awareness of its core rideshare micro-mobility business model. The Company expects an initial shipment of Scoot-E-Bikes in Q4 2019 with the intention to sell them direct to consumer.

b) Business Arrangement

On February 3, 2016 and November 14, 2016 the Company entered into agreements (collectively the "**Berytech Agreements**") with Berytech Fund II s.a.l. (Holding) ("**BTFII**"), Berytech Fund Management s.a.l. (Holding) ("**BTFM**"), Loop s.a.l., and Anwar Sukkarie, a director and officer of the Company. Loop is a Lebanese company incorporated for the purpose of this business arrangement (the "**Berytech Business Arrangement**").

Pursuant to the Berytech Agreements, BTFII advanced Loop USD 1,300,000 by way of an initial instalment of USD 610,000 and a second installment of USD 690,000. The amount could be increased to an aggregate of USD 2.5 million, upon agreement of all parties to the Berytech Agreements.

On April 18, 2019, the Company issued 8,424,943 class A common shares for an effective 100% ownership and control of the Affiliate company as a result of the cashless exercise of pre-existing warrants by a 40% independent shareholder and investor in the Affiliate company. The shares are subject to an escrow agreement, with incremental releases over a 36-month period. Mr. Sukkarie also transferred his 59.995% ownership interest in Loop s.a.l. to the Company for a nominal amount (US$1.00) as previously stipulated in the warrant terms. The remaining 0.005% of Loop s.a.l. continues to be owned by an independent director of Loop s.a.l., as required by Lebanese law for companies domiciled in the country. As noted above, subsequent to quarter end the Company transferred its 99.995% interest in Loop s.a.l. to Mr. Sukkarie.

c) GreenMo Transaction

April 8, 2019 the Company announced a letter of intent with GreenMo Rent BV ("**GreenMo**") to expand its electric scooter ridesharing service into Europe.

The Company and GreenMo intended to launch a pilot deployment of 55 electric scooters for ridesharing in the Netherlands, with plans to expand the fleet after conclusion of the pilot rapidly. The transaction with GreenMo was conditional on the execution of a definitive agreement and the satisfaction of certain conditions that will be contained in the agreement. These conditions included, among other things, the receipt of all other necessary consents, approvals and authorizations required by either party, along with the Company having sufficient financing to proceed with the transaction. At this time GreenMo has started its own ridesharing services in the Netherlands and the Company does not currently intend to pursue this opportunity further.

d) <u>OpenStreet</u>

On September 17, 2019 the Company announced a partnership with OpenStreet Co., Ltd. with the goal of integrating the Company's electric scooter telematics and digital dashboard technology with OpenStreet's service in Japan. OpenStreet is an affiliate of SoftBank Corporation and Yahoo! Japan Corporation that provides electric bike sharing. OpenStreet has a current fleet of over 10,000 electric bikes under the 'Hello Cycling' brand.

The Company is continuing with the initial integration work associated with this partnership. Upon the completion of the initial integration work, the Company and OpenStreet will determine whether to proceed further with the partnership or not. At this time there is no assurance that the partnership with OpenStreet will be continued after the completion of the initial integration work.

5. Future Plans and Outlook

a) Future Plans and Outlook

The Company is planning to perform the following activities during the year ending December 31, 2019:

Plans
a) Evaluate the development of the next generation SVD400 and SVD400G devices..
b) Prepare for the deployment of the over 400 VMOTO electric scooters as part of the Company's scooter sharing operations in cities around the globe, initially through pilot operations and subsequently through full deployment which will likely occur in Q1 2020.
c) Evaluate upgrades to the Company's 'minimal viable software solution' in 2018.
d) Complete the initial integration with OpenStreet and evaluate whether the partnership will be continued.
e) Complete the sale of an intial shipment of Scoot-E-Bike® branded electric scooters direct to consumers.

6. Summary of Quarterly Results

Quarterly results for the three and nine months ended September 30, 2019 and 2018 are as follows:

Results	Three months ended September 30,		Nine months ended September 30,	
	2019	**2018**	**2019**	**2018**
Total Revenue	$ 38,195	$ -	$ 38,195	$ -
Cost of Sales	395	-	395	-
Gross Margin	37,800	-	37,800	-
Amortization of property and equipment	2,252	4,337	6,756	16,762
Amortization of Intangible Asset	129,275	-	284,050	-
Debt issue expense	-	-	-	1,053
General and administrative	338,558	136,913	1,189,319	504,903
Finance costs	139,955	-	449,416	-
Research and development	92,853	181,539	299,092	509,192
Sales and marketing	33,709	-	46,845	101,691
Share-based compensation	142,559	7,751	328,351	31,714
Total Expenses	879,161	330,540	2,603,829	1,165,315
Net loss before other items	(841,361)	(330,540)	(2,566,029)	(1,165,315)
Other items				
Currency gain (loss)	(22,688)	(13,078)	(5,919)	(66,969)
Other income	-	-	-	-
Gain on sale of land	-	-	-	35,000
Government grant income	-	-	-	371,602
Net Loss	(864,049)	(343,618)	(2,571,948)	(825,682)
Other comprehensive gain (loss)				
Foreign currency translation adjustment	800	25,948	(10,830)	(25,472)
Total comprehensive loss	(863,249)	(317,670)	(2,582,778)	(851,154)
Loss per share – basic and diluted	$ (0.01)	$ (0.01)	$ (0.03)	$ (0.02)
Weighted average number of common shares	113,075,628	42,541,256	101,232,441	42,386,844

a) <u>Revenue and Gross Margin</u>

Revenue for the nine months ended September 30, 2019 was $38,195 (2018 - $Nil) which is comprised of $29,634 (2018 - $Nil) from engineering services and $8,561 (2018 - $Nil) from scooter services.

Revenue for the three months ended September 30, 2019 was $38,195 (2018 - $Nil) which is comprised of $29,634 (2018 - $Nil) from engineering services and $8,561 (2018 - $Nil) from scooter services.

Revenue for the nine months ended September 30, 2019 was derived 78% from Japan and 22% from the Middle East. There was no revenue for the nine months ended September 30, 2018.

b) Expenses

Overall total expenses for the nine months ended September 30, 2019 increased by 123% over the prior year. This increase is mainly due to finance costs in connection with the Company's convertible debentures, amortization in connection with the Company's intangible asset, and financial marketing expenses as well as the acquisition of Loop s.a.l.'s operations.

i) General and Administrative

General and administrative expense for the nine months ended September 30, 2019 increased by 136% over the prior year. This increase is mainly due to an agreement entered into for financial marketing services for an aggregate cost of USD $250,000 and increases in headcount to personnel.

ii) Research and Development Expense

Research and development expense for the nine months ended September 30, 2019 decreased by 41% over the prior year mainly due to cash flow restrictions.

iii) Sales and Marketing Expense

Sales and marketing expense for the nine months ended September 30, 2019 decreased by 54% over the prior year. The decrease was a result of a cash flow deficiency and therefore any expenses not related to the growth of the Company's operations and technology development were scaled back.

iv) Share Based Compensation Expense

The share-based compensation expense for the nine months ended September 30, 2019 of $328,351 is comprised of $159,261 share-based compensation to Anwar Sukkarie for his performance shares, $32,696 to 1,955,820 bonus warrants granted in connection with a loan payable, and $136,394 share-based compensation for the vesting of options granted in 2016, 2018, and the grant of 4,350,000 options during the period. Share-based compensation for the prior period was $31,714 and primarily comprised of share-based compensation to Anwar Sukkarie (compensation and performance shares) and the vesting of options granted in 2016.

v) Finance costs

Finance costs for nine months ended September 30, 2019 is $449,416 compared to $Nil during the nine months ended September 30, 2018. Finance costs are mostly comprised of $195,349 accretion expense and $241,898 interest expense in connection with the Company's convertible debentures.

Summary of Quarterly information:

The Company has not previously reported loss per share information for quarters other than the quarters prior to June 30, 2016.

	For the quarters ended							
	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017
	$	$	$	$	$	$	$	$
Revenue	38,195	-	-	-	-	-	-	115,695
Cost of Sales	395	-	-	-	-	-	-	303,201
Gross Margin	37,800	-	-	-	-	-	-	(187,506)
Total expenses	879,161	731,233	993,435	1,053,435	330,540	323,657	511,118	778,950
Net loss before other items	(841,361)	(731,233)	(993,435)	(1,053,435)	(330,540)	(323,657)	(511,118)	(966,456)
Exchange gain (loss)	(22,688)	28,309	(11,540)	70,839	(13,078)	(46,213)	(7,678)	(16,688)
Gain on settlement of debt and accounts payable	-	-	-	123,579	-	-	-	-
Other income	-	-	-	-	-	-	-	(2,174)
Other expense	-	-	-	(2,587)	-	-	-	-
Gain on asset disposal	-	-	-	639	-	-	-	-
Gain on sale of mineral property interest	-	-	-	-	-	35,000	-	-
Loss on settlement of debt with share exchange agreement	-	-	-	(1,000,000)	-	-	-	-
Inventory write-down	-	-	-	(47,386)	-	-	-	-
Government grant income	-	-	-	-	-	371,602	-	-
Net loss	(864,049)	(702,294)	(1,004,975)	(1,908,351)	(343,618)	36,732	(518,796)	(985,318)
Other comprehensive income (loss)	800	(4,478)	(7,152)	13,767	25,948	(34,037)	(17,383)	9,604
Total comprehensive loss	(863,249)	(706,772)	(1,012,127)	(1,894,584)	(317,670)	2,695	(536,179)	(975,714)

<u>Third Quarter Results</u>

Three months ended September 30, 2019 and 2018

The Company’s net loss for the three months ended September 30, 2019, was $864,049 compared to

$343,618 for the three months ended September 30, 2018. This change is mainly due to finance costs in connection with the Company's convertible debentures and amortization in connection with the Company's intangible asset, and financial marketing expenses as well as the acquisition of Loop s.a.l.'s operations. During the three months ended September 30, 2019 there were increases in headcount to personnel compared to the prior year's period.

Nine months ended September 30, 2019 and 2018

The Company's net loss for the nine months ended September 30, 2019, was $2,571,948 up from $825,682 for the nine months ended September 30, 2018. This increase is mainly due to finance costs in connection with the Company's convertible debentures, amortization in connection with the intangible asset, and financial marketing expenses as well as the acquisition of Loop s.a.l.'s operations.

There are no known trends or seasonal impacts on the Company's business although it is anticipated that seasonal trends will develop as the Company grows, which will be mitigated in part due to the planned global nature of the Company's business.

7. Financial Position

Summary of Financial Position	September 30, 2019	December 31, 2018
Current assets	$1,510,472	$1,701,296
Total assets	$4,634,462	$1,737,605
Current and total liabilities	$5,186,190	$4,056,727
Deficit	$(15,154,322)	$(12,582,374)
Shareholders' equity (deficiency)	$(551,728)	$(2,319,122)

a) Assets

The 11% decrease in current assets was mainly due to a decrease in cash of $1,577,832 used for operating purposes.

As at September 30, 2019, total assets increased by 167% from total assets at December 31, 2018 primarily due to the acquisition of the Scoot-E brand which has been recorded as an intangible asset on the balance sheet as well as the acquisition of Loop s.a.l.'s assets.

b) Liabilities

Total liabilities as at September 30, 2019 increased by $1,129,463 compared to December 31, 2018. This is primarily due to the Company receiving loans during the nine months ended September 30, 2019.

c) Foreign Currency Loss

During the nine months ended September 30, 2019 the Company realized a currency loss of $10,830 (2018 – $25,472).

8. Non-recurring Transactions

Not Applicable

9. Liquidity and Capital Resources

The Company is reliant on its ability to raise capital in order to settle its debts as they come due. As at September 30, 2019, the Company had a working capital deficiency of $963,718; an increase in working capital deficiency of $1,182,623 over its December 31, 2018 working capital of $218,905.

Current operating capacity for the year ending December 31, 2019 is estimated to be $4,000,000, comprised $1,890,000 of operating expenditures based on expenditures for the year ended December 31, 2018, less non-recurring costs and less applicable subsidies. Additional capital will be required to meet estimated operating expenditures for 2019.

Estimated operating expenditures for the ensuing 12 month period ending December 31, 2019 (not committed)	**Required funding**
Engineering and design	$1,385,000
Sales and marketing	$190,000
Operations and administration	$973,000
Inventory	$400,000
Planned Growth	$1,052,000
Total funds required for operations	**$4,000,000**

As at September 30, 2019, the Company had $104,615 cash, a decrease of $784,014 compared to a cash balance of $888,629 at December 31, 2018. The decrease was primarily due to cash used for operating activities of $1,577,832 offset with cash from financing activities of $798,726.

The Company may be required to fund its ongoing operations from future operating surpluses, if they exist, or from raising additional equity financing.

10. Related Party Transactions

Key Management Compensation

The Company incurred the following transactions with directors, officers and companies that are controlled by directors of the Company, during the three and nine months ended:

	Three months ended September 30,				Nine months ended September 30,			
		2019		**2018**		**2019**		**2018**
Salary & management fees	$	19,500	$	26,000	$	58,500	$	65,000
Consulting		112,740		-		183,300		-
Share-based compensation accrued/paid		81,870		10,481		224,426		30,727
	$	**214,110**	**$**	**36,481**	**$**	**466,226**	**$**	**95,727**

The following amounts are payable to related parties as at September 30, 2019 and December 31, 2018:

	September 30, 2019		December 31, 2018	
Companies controlled by directors	$	-	$	323,096
Accrued compensation (note 10)		52,000		16,172
Due to directors and officers		116,920		4,200
	$	**168,920**	**$**	**343,468**

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

As at September 30, 2019, the Company has an obligation to issue class A common shares to a director and officer of the Company in the amount of $75,000 (December 31, 2018 - $75,000).

As at September 30, 2019, the Company has an obligation to issue performance shares to an Officer and Director.

Performance Shares

The company has issued performance shares to a director. As of September 30, 2019 the number of shares expected to vest was 3,499,999. The performance shares have no set expiry date. The fair value of the performance shares was based on an estimated vesting period of 1.5 years for the first performance condition and 2.5 years for the second performance condition, and the market price of the common shares of $0.20 for total fair values of $300,000 and $400,000, respectively. Share-based compensation of $159,261 for the nine months ended September 30, 2019 (2018 - $Nil) was recorded in the unaudited condensed consolidated statement of loss.

Royalty Arrangement

On May 29, 2016, the Company revised the terms of a royalty agreement that was previously entered into in 2014 with a corporation (the "**Royalty Company**") owned by employees of the Company with respect to the forgiveness of past salary. Under the revised agreement a royalty of up to $1,150,000 (the "Royalty Max") was to be calculated quarterly and payable in common shares of the Company and the market value on the issue date. Directors and officers held a beneficial interest of 70% of the royalty company and collectively had 33% voting interest.

The royalty agreement was treated as a contingent liability based on a future outcome and for which the payment is not probable, nor can it be measured reliably. At such time that the amount of the royalty can be calculated and it is probable that it will be due, the liability and expense will be recorded.

During the year ended December 31, 2018 the Company entered into a share exchange agreement with 1022313 B.C. LTD (the Royalty Company) whereby the Company acquired all of the issued and outstanding capital of the Royalty Company in exchange for the issuance of 19,999,998 class A common shares of the Company with the fair value of the shares of $1,000,000.

Since, the Royalty Company had no inputs, processes and outputs, the acquisition of the shares does not represent a business combination in accordance with IFRS 3. Due to this fact, the acquisition was accounted as asset acquisition. Since the royalty agreement acquired from the Royalty Company is based on the Company's own revenues it was determined that this contingent asset had no value and therefore it was recognized as a loss on settlement of debt with the exchange agreement for $1,000,000 during the year ended December 31, 2018.

11. Off Balance Sheet Arrangements

On February 3, 2016 the Company entered into the Berytech Agreement, amended on September 7, 2016 under the Additional Investment Agreement, as more particularly described in note 10 to the Company's audited financial statements for the year ended December 31, 2018, and in the Company's Filing Statement dated May 29, 2016.

As of the date of this MD&A, BTFII has invested USD 1,300,000 in Loop pursuant to the Berytech Business Arrangement. The investment is comprised USD 1,280,000 of debt and USD 20,000 for a 40% interest in Loop. On November 14, 2016 the Company has issued a warrant to BTFII, which provides BTFII with the right to acquire 8,424,943 common shares of the Company at a deemed average exercise price of CAD $0.206 per share (the "**Berytech Warrant**"). Consideration for the exercise of the Berytech Warrant will be comprised of Berytech's debt and equity interest in Loop. Berytech may exercise the Berytech Warrant at any time, however the Berytech Warrant will exercise automatically on February 3, 2019 if it still remains outstanding, subject to the Company and Berytech entering into a share transfer agreement and subject to Lebanese law.

Subject to the approval of the parties, BTFII may invest a total of USD 2.5 million in Loop. In the event additional advances are made to Loop, it is expected that additional warrants will be issued for the purchase of the appropriate number of Shares at a deemed exercise price equal to the market price of the Company's common shares at the time the funds are advanced.

The Company has entered into an option agreement with Anwar Sukkarie providing the Company with the right to acquire his 59.995% interest in the equity in Loop for a price of USD 1.00 subject to the exercise of the Berytech Warrant. The remaining 0.005% is held by an unrelated individual.

On April 18, 2019, the Company issued 8,424,943 class A common shares for an effective 100% ownership and control of the Affiliate company as a result of the cashless exercise of pre-existing warrants by a 40%

independent shareholder and investor in the Affiliate company. The shares are subject to an escrow agreement, with incremental releases over a 36-month period.

12. Outstanding Share Data

As at the date of this MD&A, the Company had 21,392,287 class A common shares, 6,390,249 share purchase warrants and 1,115,000 stock options outstanding. The Company also has $Nil principal amount of convertible debentures outstanding. These numbers have been adjusted for the Company's consolidation of its class A common shares on the basis of one (1) post-consolidation share for every ten (10) pre-consolidated shares.

13. Risk Factors

The Company's risk factors are set out in the Annual MD&A and in the Filing Statement that can be found at www.sedar.com.

14. Non-IFRS Measures

The Company uses EBITDA (earnings before interest, taxes, depreciation and amortization), a non-IFRS measure, to determine amounts due under the Royalty Agreement. Securities regulators require that issuers caution readers that measures adjusted to a basis other than IFRS do not have standardized meaning under IFRS and are unlikely to be comparable to similar measures used by other companies. EBITDA is presented solely as a supplemental disclosure in relation to the Royalty Agreement, in which EBITDA is defined as EBITDA after adding back non-recurring development costs.

New accounting standards effective January 1, 2019

IFRS 16 – Leases

IFRS 16 is a new standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019. Adoption of this standard did not have a significant measurement or disclosure impact on the Company's unaudited condensed interim consolidated financial statements.

15. Subsequent Events

On October 1, 2019, the Company announced the consolidation of its issued and outstanding class A common shares on the basis of one (1) post-consolidation share for every ten (10) pre-consolidation shares.

On October 15, 2019, Mr. Sukkarie resigned as President & Chief Executive Officer of the Company. In connection with his resignation, the Company settled $460,000 in amounts owing to Mr. Sukkarie through the transfer of its 99.995% interest in Loop s.a.l. to Mr. Sukkarie which occurred effective October 15, 2019. As of October 15, 2019, the Company no longer has any ownership interest in Loop s.a.l.; however, Loop s.a.l. remains a Master Zone Operator of the Company for the territory that includes the Middle East, Africa and Cyprus. The Company is entitled to a share of the revenue of the operations of Loop s.a.l.

On November 25, 2019, $2,832,500 of debentures and $282,593 in accrued interest were converted at a conversion price of $0.50 and $0.53 respectively resulting in the issuance of 6,961,020 class A common shares.

On November 28, 2019, the Company announced it closed the first tranche of a non-brokered private placement (the "Private Placement"). The Company raised gross proceeds of $772,972 through the issuance of 3,864,860 class A common shares (each a "Share") at a price of $0.20 per share.

On November 28, 2019, subject to the approval of the TSX-V, the Company announced the amendment to the exercise price of a total of 6,194,667 outstanding share purchase warrants (the "Warrants") from $0.75 per Share to $0.50 per Share. The Warrants were issued in connection to a private placement that closed November 23, 2018.

16. Approval

The Board of Directors of the Company has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it and can be obtained along with additional information at www.sedar.com.