PLYMOUTH ROCK TECHNOLOGIES INC.
(FORMERLY ALEXANDRA CAPITAL CORP.)
FORM 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the Year Ended November 30, 2019

The following information, prepared as of March 31, 2020, should be read in conjunction with the audited consolidated financial statements of Plymouth Rock Technologies Inc. ("the Company" or "Plymouth Rock" or "PRT") for the years ended November 30, 2019 and 2018; including the notes thereto. The financial statements and financial data contained in this discussion and analysis are presented in accordance with International Financial Reporting Standards ("IFRS"). The reporting currency is the Canadian dollar.

The following discussion and analysis provide information that management believes is relevant to the assessment and understanding of the Company's results of operations and financial conditions. Certain statements herein contain forward-looking statements relating to the operations or to the environment in which we operate, which are based on our operations, forecasts, and projections. Forward-looking statements are not guaranteed of future performance. They involve risks, uncertainties and assumptions; and actual results may differ materially from those anticipated in these forward-looking statements. The risks include those outlined under the "Risk Factors" section of this MD&A and elsewhere in the Company's public disclosure documents. Included in the risk factors is the public health crisis caused by the pandemic, COVID-19 which caused disruptions in global supply chain, business operations and financial markets. As of report date, the extent to which this crisis may impact the Company is uncertain. However, it is possible that COVID-19 may have a material adverse effect on the Company's business and financial condition.

BUSINESS OVERVIEW AND OVERALL PERFORMANCE

The Company was incorporated under the *Business Corporations Act* of British Columbia on October 17, 2011. The head office, principal address and registered and records office of the Company are located at 300 – 2015 Burrard Street, Vancouver, B.C., V6J 3H4.

On March 7, 2016, the Company announced that it received final approval to list its common shares on the Canadian Securities Exchange (the "CSE") and voluntarily delisted its common shares from the TSXV. The Company's common shares commenced trading on the CSE at market open on March 10, 2016 and were delisted from the TSXV effective March 9, 2016. The Company's common shares were traded under symbol "AXC" on the CSE.

On October 31, 2018, the Company completed its business acquisition of Plymouth Rock Technologies Inc. (Plymouth Rock USA) and changed its name from Alexandra Capital Corp. to Plymouth Rock Technologies Inc. with new trading symbol "PRT" on November 1, 2018 (See "Business Acquisition" section of this report). As a result of the acquisition, the Company's principal business activity through its subsidiary, Plymouth Rock USA, was changed to focus on developing technologies related to remotely detecting assault firearms and suicide bombs concealed on the person or a carry bag. The Company focuses on detection methods without the need for a checkpoint or the compliance of the suspect who is being screened. The Company's planned technologies encompass the very latest radar technologies for quickly detecting, locating and identifying the presence of threats.

On January 8, 2019, the Company's common shares commenced trading on the Frankfurt Stock Exchange in Germany under the Symbol: 4XA, WKN# - A2N8RH.

On March 12, 2019, Manchester Metropolitan University assigned and on October 8, 2019, transferred the Millimeter Wave, Shoe Scanning technology IP to the Company for the consideration of $30,000. The Millimeter Wave Shoe Scanner is a floor-mounted 3D imaging system that uses harmless millimeter wave imaging techniques to inspect footwear. The scanner is then able to identify if the footwear has been altered or is being used to transport concealed items, such as weaponry, substances, compounds, or electronic items. As of October 8, 2019, the IP and patent transfer for this technology was already completed.

On April 9, 2019, the Company was accepted as a member of the USA National Safe Skies Alliance, Inc, which is a non-profit organization that works with airports, government, and industry to maintain a safe and effective aviation security system.

On April 25, 2019, the Company was accepted as a member of the Canadian Association of Defense and Security Industries, which is dedicated to scientific, engineering, industrial, and management preparedness for the common defense of Canada.

Effective August 27, 2019, the Company's common shares commenced trading on the OTC Markets Group ("OTCQB") under the symbol: PLRTF.

On October 15, 2019, the Company announced the launch of its new product under development, the PRT-X1 which is a next level Unmanned Aerial System (UAS) drone designed with the direct input of law enforcement, intelligence agencies, military, and rescue services to address the global requirement for a multi-role, state-of-the-art aerial platform (See DEVELOPING TECHNOLOGIES).

On October 16, 2019, the Company entered into a binding agreement with Aerowave Corporation ("Aerowave") whereby the Company significantly acquired the finished goods and inventory, for a consideration equal to 50,000 shares of Plymouth Rock Technologies Inc. times $0.46 per share which is the average closing price on OTCQB market over the twenty days prior to the closing date of the sale.

On February 4, 2020, the Company announced and cancelled a non-brokered private placement financing of up to 10,000,000 units (the "Units") of securities at a price of $0.40 CAD per Unit for aggregate gross proceeds of up to $4,000,000 (the "Offering"). Each Unit will be comprised of one (1) common share and one-half of one (1/2) non-transferable common share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at a price of $0.80 CAD for two (2) years from closing of the Offering. Finders' fees of up to 7.0%, payable in cash or Units, may be payable on a portion of the Offering. On March 16, 2020, due to instability in the financial markets caused by the COVID-19 pandemic, the company cancelled this private placement financing.

Letter of Intent

On December 1, 2017, the Company entered into a non-binding letter of intent ("LOI"), which superseded and replaced the previous letter of intent announced on November 10, 2017, with WMC ApS ("WMC"), a private Danish company based in Copenhagen which brokers and develops payment processes in cryptocurrency transactions. On April 10, 2018, the Company announced that it cancelled the proposed acquisition of WMC.

Business Acquisition

On April 10, 2018, the Company entered into a non-binding letter of intent ("LOI") with Plymouth Rock Technologies Inc. ("Plymouth Rock USA"), followed by a definitive agreement on June 21, 2018. Plymouth Rock

USA is a private Delaware corporation that is developing systems using microwave radar techniques for threat detection screening in Wi-Fi enabled zones in buildings and places, like airports, shopping malls, schools and sports venues. Plymouth Rock USA is also developing a millimeter-wave imaging system, which can be drone-mounted to detect weapons, such as guns, suicide vests, and explosives in mass gatherings and has both military and civilian applications. PRT is also working on a compact millimeter-wave radar imaging system for scanning shoes for concealed weapons and contraband.

On October 31, 2018, pursuant to the definitive agreement with Plymouth Rock USA, the Company received shareholder approval to change the name of the Company and symbol with the acquisition of Plymouth Rock USA. For the acquisition, the Company issued 3,000,000 common shares of the Company to the four shareholders of Plymouth Rock USA. The Company also issued 231,250 common shares of the Company as a finder's fee. The Company changed its name from Alexandra Capital Corp. to Plymouth Rock Technologies Inc. with the new trading symbol "PRT" on November 1, 2018.

With the acquisition, the Company's principal business activity through its subsidiary, Plymouth Rock USA, was changed to focus on developing technologies related to remotely detecting assault firearms and suicide bombs concealed on the person or a carry bag. The Company now focuses on detection methods without the need for a checkpoint or the compliance of the suspect who is being screened. The Company's planned technologies encompass the very latest radar and imaging technologies for quickly detecting, locating and identifying the presence of threats.

DEVELOPING TECHNOLOGIES

The Company's core technologies include: (1) A Millimeter-wave Remote Imaging system from Airborne Drone ("MiRIAD"); (2) A compact millimeter-wave radar system for scanning shoe's ("Shoe-Scanner"); and (3) Microwave radar techniques for threat detection screening in Wi-Fi enabled zones in buildings and places, such as airports, shopping malls, schools and sports venues ("Wi-Ti " – Wireless Threat Indication). In addition, the Company has announced on October 15, 2019 the launch of its newest technology, the "PRT-X1", a next level Unmanned Aerial System (UAS) drone.

MiRIAD (Millimeter-wave Remote Imaging from Airborne Drone) Updates

On April 3, 2019, the Company announced that its MiRIAD system has passed internal payload flight testing demonstrations in the Morongo and Coachella Valley, California, USA. The test allowed the Company to assess the stability and maneuverability of a UAS (Unmanned Aircraft System) with a MiRIAD system attached. With the successful payload test and lightweight antenna design, the Company's management and scientific advisors are confident that Plymouth Rock would be the first company to realize millimeter-wave imaging from commercial drones.

In Q4 2019, the Company fielded a multispectral imaging capability aboard a small Search & Rescue drone (the "PRT=X1") by combining visible, IR (infrared) and millimeter-wave imaging sensors on a single aerial vehicle. Chemical trace detection sensors are also being investigated along with sensors that measure human biometrics, which is the measurement and statistical analysis of people's unique physical and behavioral characteristics. The technology is mainly used for identification and access control, or for identifying individuals who are under surveillance.

Increasing threat of terrorist activities, rising territorial conflicts, and geopolitical instabilities have led to the rise in the demand for threat detection systems. Also, increasing need for large-scale surveillance systems at public and commercial places is driving the demand for threat detection equipment.

The threat detection systems market is led by the public infrastructure that is further segmented into airports, railway stations, sports stadiums, shopping malls, pilgrimages, and others. The high demand for threat detection devices from airports and shopping malls, especially for explosive detectors, video surveillance systems, and biometric systems, is one of the major factors driving the growth of the threat detection systems market for the public infrastructure application.

Millimeter Wave, Shoe Scanning Technology

On March 12, 2019, the Company announced that Manchester Metropolitan University assigned the Millimeter-wave, Shoe Scanning technology IP to the Company for the consideration of $30,000. The Millimeter-wave Shoe Scanner is a floor-mounted 3D imaging system that uses harmless millimeter-wave imaging techniques to inspect footwear. The scanner is then able to identify if the footwear has been altered or is being used to transport concealed items, such as weaponry, substances, compounds, or electronic items. As of October 8, 2019, the IP and patent transfer for this technology was completed.

The Millimeter-wave Shoe Scanner allows for the rapid screening of footwear without necessitating removal of shoes. With a screening time objective of 30 PPM (Persons/Minute) the Shoe Scanner is ideal for airport terminals, prison/correctional facilities, public events and other high throughput, screening applications.

Wi-Ti Updates

On February 19, 2019, the Company signed a memorandum of understanding ("MOU") with Abicom International Ltd. ("Abicom International"), a Qualcomm authorized design partner, to assist in the continued development of the Plymouth Rock Wi-Ti (Wireless Threat Indication) system and prototype. Wi-Ti is a passive detection system that uses artificial-intelligence ("AI") to analyze the radio waves within an area. The system uses radar-based algorithms to filter common items such as cell phones and general pocket items from concealed threats items such as assault weaponry and improvised explosive devices ("IED'S").

The past three years have seen significant advances in the monitoring of Wi-Fi radio wave analysis. This includes Wi-Fi used to track and trace the movements of people in real time through walls. Similar techniques have used Wi-Fi radio waves to detect subtle changes in breathing and heart rates. The Plymouth Rock Wi-Ti technology advances that analysis to concealed threat detection. Unlike other emerging screening technologies Wi-Ti can be used in airport concourse areas, stadiums and open spaces at stand-off distances. Our unique radar imaging and signal processing technology allows for non-intrusive screening of crowds in real time.

Abicom International has worked with many prominent security and technology companies, including Bosch Security, Siemens Transportation, QinetiQ, Harris Systems and Northern Light Technologies. "Abicom International's status as a Qualcomm design center is an assurance of excellence that is granted to less than eleven companies globally". The partnership between Plymouth Rock and Abicom International is about the drive to continuously expand the realm of possibilities for Wi-Fi based technologies.

PRT-X1 Updates

On October 15, 2019, the company announced the launch of its new product under development, the PRT-X1 which is a search and rescue grade Unmanned Aerial System (UAS) drone designed with the direct input of law enforcement, intelligence agencies, military, and rescue services to address the global requirement for a multi-role, state-of-the-art aerial platform. The production PRT-X1 has been unveiled live at the 2019 International Security Conference (ISC), at the Javits Center in New York City on November 20-21, 2019. In 2020 the PRT-X1 UAS will be submitted to the U.S Army's Unique Mission Cell Program, TSOA, for war-fighter evaluations.

INTEREST IN MINERAL PROPERTIES

On February 17, 2014, and further amended on May 2, 2014, the Company entered into an Option Agreement, with Eastland Management Ltd. whereby the Company acquired an option to earn an undivided 100% interest in and to the eight (8) mineral claims comprising the Southern Bell ("SB") Property, located approximately 25 kilometers west of Merritt, British Columbia totaling 3,517 hectares. The Option Agreement was amended on May 2, 2014 to substitute Eastland Management Ltd. for Qualitas Holdings Corp. as the optionor of the claims.

On August 26, 2015, the Company and Eastland Management amended the Option Agreement so that on the first anniversary of Exchange approval (August 11, 2015) the Company must arrange for payment of $10,000 to Eastland Management in lieu of the original obligation to issue 200,000 common shares. All other aspects of the Option Agreement remain unchanged.

In order to maintain the Option in good standing and earn 100% interest in the SB Property, the Company was required to incur exploration expenditures totaling $100,000 on or before August 11, 2015 (completed). The Company was also required to make cash payments to the vendors of the Option of $10,000 upon receipt of the Technical Report (paid), $15,000 at the time of Exchange approval (paid) and $10,000 on the first anniversary of

Exchange approval (paid). Additionally, the Company had to issue 500,000 shares (200,000 upon Exchange approval (issued) and 300,000 on or before the second anniversary (issued).

During the year ended November 30, 2018, the Company sold its entire interest in the SB Property for a cash payment of $15,000, incurring a loss on the disposition of exploration and evaluation assets of $156,012. With the business acquisition and the sale of the mineral interest of the SB Property, the Company no longer pursues the exploration and development of mineral properties.

RESULTS OF OPERATIONS

Selected Annual Information

The following table provides a brief summary of the Company's financial operations for the last three fiscal years. This information has been presented in accordance with International Financial Reporting Standards ("IFRS"). The reporting currency is the Canadian dollar. For more detailed information, please refer to the November 30, 2019, 2018 and 2017 audited financial statements.

	Year Ended November 30, 2019	**Year Ended November 30, 2018**	**Year Ended November 30, 2017**
Revenues	$ 28,257	$ -	$ -
Interest income	14,226	8,630	370
Net income (loss) for the year	(4,366,807)	(986,901)	(115,989)
Basic and diluted earnings (loss) per share	(0.14)	(0.04)	(0.01)
Total assets	739,990	4,306,727	760,862
Total long term liabilities	-	245,813	-
Cash dividends	-	-	-

Year ended November 30, 2019

During the year ended November 30, 2019, the Company had a comprehensive loss of $4,320,563 compared to a comprehensive loss of $986,901 for the year ended November 30, 2018. The increase in comprehensive losses were caused by the following:

- Sales during the year ended November 30, 2019 amounted to $28,257 (2018 - $Nil) with gross profit of $16,366 resulting in a gross margin of 58%. The Company's sales for 2019 include radar components and radar systems. The Company also offers engineering design and development services but is yet to recognize revenues from this line of business.
- Accounting and audit fees of $80,415 (2018 - $66,463) consisted of fees to the Company's auditors which increased by about 34% from prior year and accounting fees paid to a Company controlled by the CFO. (See **Transactions with Related Parties**). Accounting and audit fees increased to account for the PRT US acquisition, operations and additional compliance in connection with the business acquisition.
- Business development (2019 - $739,615 vs. 2018 - $11,326) significantly went up due to increased spending on advertising and marketing as well as promotional expenditures during the year.
- Consulting fees (2019 - $125,685 vs. 2018 - $187,015) decreased due to lower spending on business plans and advising regarding the US Market. Last year, most expenditures were focused on the business acquisition which was completed in October 2018.
- Development costs of $399,720 (2018 - $Nil) were recognized for expenditures on enhancement of the Company's current technologies.
- General office expenses (2019 - $68,602 vs. 2018 – $46,466) increased mostly as a result of business expansion during the year and to account for additional operations in the USA
- Legal fees (2019 - $103,535 vs. 2018 - $166,124) also decreased resulting from the completion of the business acquisition in October 2018.
- Management fees of $125,390 (2018 - $71,842) increased as a result of higher rates of payment to related parties. (See **Transactions with Related Parties**)
- Rent (2019 - $77,186 vs. 2018 - $30,000) more than doubled due to the payment for the office space occupied by PRT USA which was not present in the prior year.
- Stock based compensation of $692,091 (2018 - $Nil) refer to the value of the stock options granted by the Company under its stock option plan. (See **Capital Stock**) During the year ended 2019, the Company granted 1,350,000 stock options to related parties which corresponded to $260,145. (See **Transactions with Related Parties**)
- Transfer agent and filing fees of $111,709 (2018 - $71,076) was higher than last year due to additional fees to the Company's stock transfer agent, additional fees for regulatory requirements submission and added fees for the trading in Frankfurt Stock Exchange which commenced in January 2019 and OTC Markets Group beginning August 2019.
- Wages, salaries and benefits of $513,729 (2018 - $21,843) was significantly higher due to higher fees paid to the Company's CEO (See **Transactions with Related Parties**) and other employees.
- Impairment losses of $1,572,552 (2018 - $Nil) were recognized consisting of $256,874 for goodwill previously recognized on business combination and $1,315,678 from intangible assets. The recognition was a result of inability to establish future cash flows to be generated from the business acquired and the future economic benefits from the Company's intangible assets
- Deferred tax recovery amounting to $245,479 (2018 - $Nil) was as a reversal of previously recognized liability due to non-capital loss incurred during the year.
- Interest income (2019 - $14,226 vs. 2018 - $8,630) increased primarily due to the increase of average daily balances in the Company's bank accounts.

Year ended November 30, 2018

During the year ended November 30, 2018, the Company had a comprehensive loss of $986,901 compared to a comprehensive loss of $115,989 from the year ended November 30, 2017.

During the year ended November 30, 2018 and 2017, the Company's expenses by category consisted of: business development of $11,326 (2017 - $Nil), accounting fees of $66,463 (2017 - $19,920), consulting fees of $187,015 (2017 - $14,742), general office expenses of $46,466 (2017 – $2,979), insurance fees of $9,500 (2017 - $Nil), legal fees of $166,124 (2017 - $43,691), management fees of $71,842 (2017 - $13,500), rent of $30,000 (2017 - $2,500), transfer agent and filing fees of $71,076 (2017 - $19,027), and Wages, salaries and benefits of $21,843 (2017 - $Nil).

The increase in net loss in the year ended November 30, 2018 compared with the year ended November 30, 2017 was primarily due to significant increases in consulting fees, legal fees, accounting fees, and transfer agent and filing fees associated with the due diligence, administration, filing and compliance related expenses of the LOI with WMC and the acquisition of Plymouth Rock USA, and the non-brokered private placement closed on May 18, 2018. Business development costs and general office expenses increased as a result of increased activities associated with the due diligence and administration costs pursuant to new agreements and private placements. Rent expenses also increased for the Company's occupancy in Canada and the US.

Interest income earned for the year ended November 30, 2018 was $8,630 compared to $370 during the year ended November 30, 2017. The increase in interest income was primarily due to the increase of funds in the Company's bank accounts.

Year Ended November 30, 2017

During the year ended November 30, 2017, the Company had a comprehensive loss of $115,989 compared to a comprehensive loss of $108,087 of the year ended November 30, 2016.

During the years ended November 30, 2017 and 2016, the Company's expenses by category consisted of: accounting fees of $19,920 (2016 - $21,244), consulting fees of $14,742 (2016 - $Nil), legal fees of $43,691 (2016 - $21,584), general office expenses of $2,979 (2016 – $1,208), rent expenses of $2,500 (2016 - $Nil), and transfer agent and filing fees of $19,027 (2016 - $54,451). The increase in net loss in the year ended November 30, 2017 compared with the year ended November 30, 2016 was primarily due to the consulting fees incurred for the LOI with WMC.

Interest income earned for the years ended November 30, 2017 was $370 compared to $900 during the year ended November 30, 2016. The decrease in interest income was primarily due to the reduction of funds in the Company's short-term investment account.

Fourth Quarter Results

During the quarter ended November 30, 2019, the Company had a net loss of $2,460,265 compared to a net loss of $557,166 of quarter ended November 30, 2018. The operating expenses consist of accounting and audit fees of $46,264 (2018 - $37,165), business development of $292,079 (2018 - $3,980), consulting fees of $71,140 (2018 - $55,119), legal fees of $36,497 (2018 - $48,957), management fees of $31,590 (2018 - $21,618), office and administrative expenses of $31,623 (2018 - $25,971), insurance of $2,144 (2018 - $9,500), rent of $19,589 (2018 - $7,500), stock-based compensation of $176,072 (2018 - $Nil), development costs of $273,201 (2018 - $Nil), wages, salaries and benefits of $103,914 (2018 - $21,843), and transfer agent and filing fees of $27,191 (2018 - $23,903). The Company's expenses for the quarter ended November 30, 2019 was significantly higher than the same period in the prior year primarily due to recognition of development expenses for the amount spent on the enhancement of the Company's current technologies as well as the recognition of expense for the options vested during the quarter. Both development expenses and stock-based compensation amounted to $Nil in the fourth quarter of last year.

During the quarter ended November 30, 2019, the Company recognized an impairment loss of $1,572,552 on the goodwill arising from the business combination ($256,874) and intangible assets ($1,315,678) (See discussion on- **Results of Operations**). The Company also collected interest income of $1,500 (2018 - $5,966), incurred interest expense of $Nil (2018 - $1,184), and recognized forex gain of $2,332 (2018 – $8,441).

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected financial data in respect of the last eight quarters of the Company. The data is derived from the financial statements of the Company prepared in accordance with IFRS.

	Qtr 4 November 30, 2019	Qtr 3 August 31, 2019	Qtr 2 May 31, 2019	Qtr 1 February 28, 2019	Qtr 4 November 30, 2018	Qtr 3 August 31, 2018	Qtr 2 May 31, 2018	Qtr 1 February 28, 2018
Total Revenues, including interest income	$ 9,651	$ 16,638	$ 10,041	$ 6,153	$ 5,966	$ 798	$ 1,226	$ 640
Net loss	(2,460,265)	(885,806)	(626,323)	(394,413)	(557,166)	(85,672)	(186,002)	(158,061)
Basic and diluted loss per common share	(0.08)	(0.03)	(0.02)	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)

The increase net loss in the quarter ended February 28, 2018 compared with the quarter ended November 30, 2017 was primarily due to significant increase in consulting fees, legal fees, accounting fees, and transfer agent and filing fees associated with the LOI with WMC and the non-brokered private placement announced on December 27, 2017.

The significant increase in net loss in the quarter ended May 31, 2018 compared with the quarter ended February 28, 2018 was primarily due to significant increase in consulting fees, legal fees and accounting fees and transfer agent and filing fees associated with the LOI with WMC and PRT and the non-brokered private placement closed on May 18, 2018.

The decreased net loss in the quarter ended August 31, 2018 compared with the quarter ended May 31, 2018 was primarily due to decrease in consulting fees, legal fees, accounting fees, and transfer agent and filing fees, as the Company has substantially completed the LOI with PRT and the non-brokered private placement was closed on May 18, 2018.

The increased net loss in the quarter ended November 30, 2018 compared with the quarter ended August 31, 2018 was primarily due to increase in consulting expense, legal fees, management and salaries, transfer agent and regulatory fees, and acquisition costs for completing the transaction of the Plymouth Rock USA acquisition. The expenditures also increased due to the costs incurred associated with the development of the Company's technologies.

The decreased net loss in the quarter ended February 28, 2019 compared with the quarter ended November 30, 2018 was primarily due to loss on disposition of exploration and evaluation, the acquisition costs for completing the transaction of the Plymouth Rock USA acquisition and the high legal and accounting fees associated with the acquisition and year-end filing incurred in the three months ended November 30, 2018. Other costs increased in the quarter ended February 28, 2019 associated with the development and promotion of the Company's technology.

The increased net loss in the quarter ended May 31, 2019 compared with the quarter ended February 28, 2019 was primarily due to significant increase in business development and consulting fees for the Company's technology promotion and development, and higher legal and accounting fees associated with the year-end compliance incurred in the quarter ended May 31, 2019.

The increased net loss in the quarter ended August 31, 2019 compared with the quarter ended May 31, 2019 was primarily due to significant increase in stock-based compensation primarily due to the first time recognition of expenses relating to the Company's incentive stock option plan aggravated by the increase in consulting and legal fees incurred in the quarter ended August 31, 2019 brought about by operating activities and share issuances during the period.

The increased net loss in the quarter ended November 30, 2019 compared with the quarter ended August 31, 2019 was primarily due to the impairment loss recorded in the fourth quarter. The recognition was a result of inability to establish future cash flows to be generated from the business acquired and the future economic benefits from the Company's intangible assets.

LIQUIDITY AND CAPITAL RESOURCES

The Company's approach to managing its liquidity is to ensure that it has sufficient resources to meet its liabilities as they come due and have sufficient working capital to fund operations for the ensuing fiscal year. Financing of operations has been achieved solely by equity financing. The Company anticipates that it will require significant funds from either equity or debt financing for the development of its technologies and to support general administrative expenses.

As at November 30, 2019, the Company had $727,526 in current assets (November 30, 2018 - $2,811,971) and $227,058 in current liabilities (November 30, 2018 - $166,941) for a working capital position of $500,468 compared to a working capital position of $2,645,030 as at November 30, 2018. Working capital decreased mostly due to lower cash balance at the end of the period due to use of cash in the Company's operating activities.

Current assets at November 30, 2019 were represented by cash of $583,119 (November 30, 2018 - $2,743,694), accounts receivable of $1,488 (November 30, 2018 - $Nil), sales tax receivable of $12,310 (November 30, 2018 - $10,986), prepaid expenses of $105,539 (November 30, 2018 - $49,891) and due from related parties of $25,070 (November 30, 2018 - $7,400). Current liabilities were comprised of $217,023 in accounts payable and accrued liabilities (November 30, 2018- $112,757), loan payable of $Nil (November 30, 2018 - $51,184), and due to related parties of $10,035 (November 30, 2018 - $3,000).

As at November 30, 2019, the Company had a share capital balance of $5,676,498 (November 30, 2018 - $5,311,034) and an accumulated deficit of $5,968,892 (November 30, 2018 - $1,602,085).

Financing of operations has been achieved solely by equity financing. As the Company will not generate sufficient funds from operations for the foreseeable future, the Company is primarily reliant upon the sale of equity securities in order to fund future operations. Since inception, the Company has funded limited operations through the issuance of equity securities on a private placement basis. The Company's ability to raise funds through the issuance of equity will depend on economic, market and commodity prices at the time of financing. The Company expects to generate similar losses quarter over quarter for the next fiscal year in relation to the Company's development, administration and promotion of its technologies. As of report date, management anticipates that the funds raised to date will be not be sufficient to sustain operations and the development of the Companies technologies for the next fiscal year.

The planned financing (private placement – see **Business Overview and Overall Performance**) was cancelled as a result of instability in the financial markets caused by the global pandemic, COVID-19. As of report date, management is considering alternatives to raise the necessary funds for the continuance of business operations.

Detailed discussions related to the Company's cash flows during the year ended November 30, 2019

Cash balances decreased by a total of $2,159,174 during the year ended November 30, 2019 (November 30, 2018 – increased by $2,647,542).

During the year ended November 30, 2019, cash used in operating activities was $2,317,362 compared to cash used in operating activities of $663,765 during the year ended November 30, 2018. The increase in cash used in operating activities is primarily attributed to higher expenditures on wages, salary and benefits, research and development, business development and the consulting fees during the year. (See **Results of Operations** for a detailed discussion of the expense variances.)

Cash used in investing activities during the year ended November 30, 2019 was $14,175 (2018 – provided cash of $62,467). The cash used in investing activities was primarily attributed to the acquisition of equipment and development expenses on the Company's technologies during the year ended November 30, 2019.

Cash provided by financing activities during the year ended November 30, 2019 was $172,363 compared to cash provided by financing activities of $3,248,840 during the year ended November 30, 2018. The cash provided by financing activities was primarily due to the warrants exercised of $187,120 and options exercised of $37,500 during the year ended November 30, 2019 partly offset by the payment of loan balance of $52,256. The cash provided by financing activities in the year ended November 30, 2018 was a result of the net proceeds from issuance of common shares of the Company from the private placement announced during the 4th quarter ended November 30, 2017.

The effect of foreign exchange rates on cash during the year ended November 30, 2019 amounted to a decrease of $1,401 (2018 - $Nil).

Detailed discussions related to the Company's cash flows during the year ended November 30, 2018

Cash balances increased by $2,647,542 during the year ended November 30, 2018 (November 30, 2017 – $85,876).

During the year ended November 30, 2018, cash used in operating activities was $663,765 compared to cash used in operating activities of $126,124 during the year ended November 30, 2017. The increase in cash used in operating activities is primarily attributed to increased expenditures on consulting fees, professional fees and transfer agent and filing fees associated with the letter of intent with WMC, the business acquisition of Plymouth Rock USA, the development costs of technologies, and the non-brokered private placement closed on May 18, 2018.

Cash provided by investing activities during the year ended November 30, 2018 was $62,467 (2017 - $90,000). The change in cash provided in 2018 was due to the proceeds of the disposition of the SB property and acquisition of business.

Cash provided by financing activities during the year ended November 30, 2018 was $3,248,840 compared to cash provided by financing activities of $122,000 during the year ended November 30, 2017. The cash provided by financing activities was a result of the net proceeds from issuance of common shares of the Company from the private placement announced during the 4th quarter ended November 30, 2017, and options and warrants exercised during the year ended November 30, 2018. The Company also received $50,000 loan bearing annual interest rate of 12%.

PROPOSED TRANSACTIONS

The Company has no proposed transactions as at the report date.

OFF-BALANCE SHEET ARRANGEMENTS

To the best of Management's knowledge, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

CONTRACTUAL COMMITMENTS

In November 2018, Plymouth Rock USA entered into a two-year lease agreement for leased premises in Plymouth, Massachusetts, commencing December 1, 2018 and ending on November 30, 2020. The minimum monthly base rent is US$2,917 for the period from December 1, 2018 to November 30, 2019 and US$3,005 from December 1, 2019 to November 30, 2020.

On April 1, 2019, the Company entered into a one-year lease agreement for leased premises in Vancouver, BC, commencing on April 1, 2019 and ending on March 31, 2020. The minimum monthly base rent is $2,500.

On October 17, 2019, the Company entered into a binding agreement to acquire the intellectual property, finished goods and inventory, as well as name rights and goodwill from Massachusetts based aerospace and scientific component manufacturer Aerowave Corporation ("Aerowave"). Under the terms of the agreement, Plymouth Rock will pay Aerowave's principals 50,000 common shares. The shares will be restricted securities under the US Securities Act and subject to Canadian securities legislation. The fair value of these shares amounting to $22,811 is presented separately as shares to be issued in the balance sheet – equity section.

TRANSACTIONS WITH RELATED PARTIES

The amounts due to related parties are due to the directors and officers of the Company. The balances are unsecured, non-interest bearing and have no specific terms for repayment. These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

As at November 30, 2019, $10,035 (November 30, 2018 - $3,000) was due to officers of the Company:

	November 30, 2019	November 30, 2018
Company controlled by CFO	**$ 5,000**	$ 3,000
CEO of the Company	**5,035**	-
	$ 10,035	$ 3,000

As at November 30, 2019, $25,070 (November 30, 2018 - $7,400) was due from directors and officers of the Company:

	November 30, 2019	November 30, 2018
Company controlled by Corporate Secretary	**$ 5,250**	$ 5,613
CEO of the Company	**-**	1,787
George Stubos, Director	**19,820**	-
	$ 25,070	$ 7,400

During the year ended November 30, 2019, 2018 and 2017, the Company entered into the following transactions with related parties:

	November 30, 2019	November 30, 2018	November 30, 2017
Management fees	**$ 123,000**	$ 71,842	$ 13,500
Accounting fees	**24,490**	20,748	-
Share-based payments	**260,145**	-	-
Salaries and benefits to CEO	**318,790**	13,200	-
	$ 726,425	$ 105,790	$ 13,500

During the year ended November 30, 2019, the Company granted 750,000 options to the CEO, CFO, the Corporate Secretary, and one of the Company's directors.

	November 30, 2019	
	Number of options granted	Expense for the period
CEO	400,000	$ 113,077
CFO	100,000	28,269
Corporate Secretary	100,000	28,269
Angelos Kostopoulos, Director	150,000	42,404
George Stubos, Director	450,000	48,014
Tim Crowhurst, Director	150,000	112
	1,350,000	$ 260,145

As at November 30, 2019, no options were vested, and stock-based compensation amounting to $692,091 was recognized in profit or loss of which $260,145 were for the Company's officers and directors as above.

On October 16, 2019, Jeremy Poirier resigned from as a Director of the Company. 100,000 stock options granted to him were cancelled.

Management fees consisted of the following:

	November 30, 2019	November 30, 2018	November 30, 2017
Vivian Katsuris, Corporate Secretary	$ 63,000	$ 36,842	$ 13,500
Zara Kanji, CFO	60,000	30,000	-
Ioannis Tsitos, Former Director	-	5,000	-
	$ 123,000	$ 71,842	$ 13,500

As at November 30, 2019, $26,578 (November 30, 2018 - $Nil) prepayment was made to Dana Wheeler, the CEO of the Company and $13,289 (November 30, 2018 - $Nil) to David Russell, the SVP for Engineering Operations.

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

All significant accounting policies and critical accounting estimates are fully disclosed in Note 2 of the audited consolidated financial statements for the years ended November 30, 2019 and 2018 that are available on SEDAR at www.sedar.com.

FINANCIAL RISK MANAGEMENT

The Company's financial assets consist of cash, and due from related parties. The estimated fair values of cash, subscription receivable, and due from related parties approximate their respective carrying values due to the short period to maturity.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

a. Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities;
b. Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
c. Level 3 – inputs that are not based on observable market data.

For the years ended November 30, 2019 and 2018, the fair value of the cash, accounts receivable, accounts payable, due to and from related parties and loans payable approximate the book value due to the short term nature.

The Company is exposed to a variety of financial instrument related risks. The Board approves and monitors the risk management processes, inclusive of counterparty limits, controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company ensures, as far as reasonably possible, it will have sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company believes that these sources will be sufficient to cover the likely short-term cash requirements. The Company's cash is currently invested in business accounts which is available on demand by the Company for its operations.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has no significant interest rate risk due to the short term nature of its interest generating assets.

Credit Risk

Credit risk is the risk of a loss in a counterparty to a financial instrument when it fails to meet its contractual obligations. The Company's exposure to credit risk is limited to its cash. The Company limits its exposure to credit risk by holding its cash in deposits with high credit quality Canadian financial institutions.

Foreign Currency Risk

The Company is exposed to foreign currency risk on fluctuations related to cash, due from related parties and accounts payable and accrued liabilities that are denominated in US dollars. 10% fluctuations in the US dollar against the Canadian dollar have affected comprehensive loss for the nine-month period by approximately $7,110.

CAPITAL STOCK

The authorized capital of the Company consists of an unlimited number of common shares without par value.

During the year ended November 30, 2019:

During the year ended November 30, 2019, the Company issued a total of 910,300 common shares for gross proceeds of $187,120 for 7,500 warrants exercised at a price of $0.60 per share, 307,800 warrants exercised at a price of $0.40 per share and 595,000 warrants exercised at a price of $0.10 per share. The Company also issued a total of 125,000 common shares for gross proceeds of $37,500 for 125,000 options exercised at a price of $0.30 per share.

During the year ended November 30, 2018:

During the year ended November 30, 2018, the Company issued a total of 2,045,000 common shares for gross proceeds of $204,500 for warrants exercised at a price of $0.10 per share.

On April 25, 2018, the Company closed the first tranche of its previously announced non-brokered private placement. The Company issued 4,475,000 units at a price of $0.40 per unit for gross proceeds of $1,790,000. Each unit consists of one common share and one-half share purchase warrant with each whole warrant entitling the holder to purchase one common share of the Company at a price of $0.60 for 1 year from closing. On April 15, 2019, the share purchase warrants were extended to six months. The new expiry date of the warrants is October 25, 2019. Finder's fees of cash equal to 6% of proceeds and finder's warrants equal to 6% of the number of units issued were paid to five finders. Each finder's warrant will be exercisable to acquire one common share for a period of one year from closing at a price of $0.40. All securities issued are subject to a four month hold period expiring August 25, 2018. 266,850 finder's warrants were granted at an estimated fair value of $110,574, which has been included in contributed surplus. The fair value of the warrants was estimated using the Black-Scholes option pricing model with the following assumptions: expected life 1 year, volatility 166%, risk-free rate 1.88%, dividend yield 0%.

On May 18, 2018, the Company closed the second and final tranche of its previously announced non-brokered private placement. The Company issued 2,035,550 units at a price of $0.40 per unit for gross proceeds of $814,220. Each unit consists of one common share and one-half share purchase warrant with each whole warrant entitling the holder to purchase one common share of the Company at a price of $0.60 for 1 year from closing. On April 15, 2019, the share purchase warrants were extended to six months. The new expiry date of the warrants is November 18, 2019. Finder's fees of cash in an amount equal to 6% of proceeds and finder's warrants equal to 6% of the number of units issued were paid to four finders. Each finder's warrant will be exercisable to acquire one common share for a period of one year from closing at a price of $0.40. All securities issued are subject to a four month hold period expiring September 18, 2018. 45,150 finder's warrants were granted at an estimated fair value of $18,420, which has been included in contributed surplus. The fair value of the warrants was estimated using the Black-Scholes option pricing model with the following assumptions: expected life 1 year, volatility 168%, risk-free rate 1.99%, dividend yield 0%. With the closure of the second and final tranche of its previously announced non-brokered private placement, the subscription received of $38,646 has been reclassified to accounts payable and accrued liabilities since investors overpaid for their subscription.

On May 29, 2018, the Company issued a total of 125,000 common shares at $0.30 per share, for gross proceeds of $37,500, for options exercised by a former director of the Company.

On August 23, 2018, the Company issued 500,000 common shares at a price of $0.10 per share, for gross proceeds of $50,000, for options exercised by a former director of the Company.

On October 30, 2018, the Company issued 3,000,000 common shares at $0.41 per share for the acquisition of Plymouth Rock USA (Note 12). In addition, on November 1, 2018, the Company issued 231,250 common shares at $0.69 per share as finder's fees to complete the acquisition.

During the year ended November 30, 2017:

On February 15, 2017, the Company issued 300,000 common shares valued at $6,000 for the acquisition of exploration and evaluation assets.

On November 28, 2017, the Company issued a total of 125,000 common shares at a price of $0.15 per share, for gross proceeds of $18,750, for options exercised by a former director of the Company.

On November 30, 2017, the Company issued 5,500,000 common shares at a price of $0.10 per share for total gross proceeds of $550,000, pursuant to the private placement previously announced on November 10, 2017. The Company also issued 490,500 common shares at a price of $0.10 per share valued at $49,050 as finder's fees.

As of November 30, 2017, the Company had subscription receivable balance of $428,000 (2016: Nil) for the common shares issued for the private placement on November 30, 2017 and $18,750 for commons share issued for options exercised by a former director on November 28, 2017 recorded in due from related party.

As at November 30, 2019, the Company has 810,000 common shares (November 30, 2018 – 3,000,000) held in escrow.

Stock Options

On November 12, 2014 the Company adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees, and consultants to the Company, nontransferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares in the capital of the Company at the time of granting of options.

On January 16, 2019, the Company granted 2,300,000 stock options, which are exercisable for a period of five years, at a price of $0.60 per share. During the year, 150,000 of these stock options were cancelled. The remaining 2,150,000 stock options vest as follows: (i) 1,075,000 options on January 15, 2020, (ii) 268,750 options on April 15, 2020, (iii) 268,750 options on July 15, 2020, (iv) 268,750 options on October 15, 2020, and (v) 268,750 options on January 15, 2021.

The fair value was estimated using the Black-Scholes pricing model with estimated, stock price of $0.54, volatility 100%, risk-free rate 1.93%, dividend yield 0%, and expected life of 5 years. With these assumptions, the fair value of options was determined to be $913,140, which will be expensed over the vesting period.

On March 21, 2019, the Company granted an aggregate of 350,000 incentive stock options to consultants of the Company with an exercise price of $0.60 per share for a period of five years from the date of grant. The stock options vest as follows: (i) 175,000 options on March 20, 2020, (ii) 43,750 options on June 20, 2020, (iii) 43,750 options on December 20, 2020, (iv) 43,750 options on March 20, 2021, and (v) 43,750 options on June 20, 2021. The fair value was estimated using the Black-Scholes pricing model with estimated, stock price of $0.57, volatility 100%, risk-free rate 1.56%, dividend yield 0%, and expected life of 5 years. With these assumptions, the fair value of options was determined to be $147,613, which will be expensed over the vesting period.

On November 29, 2019, the Company granted an aggregate of 650,000 incentive stock options to consultants and a director of the Company with an exercise price of $0.50 per share for a period of five years from the date of grant. The stock options vest as follows: (i) 325,000 options on November 30, 2020 and (ii) 325,000 options on November 30, 2021. The fair value was estimated using the Black-Scholes pricing model with estimated, stock price of $0.49, volatility 100%, risk-free rate 1.49%, dividend yield 0%, and expected life of 5 years. With these assumptions, the fair value of options was determined to be $236,809, which will be expensed over the vesting period.

During the year ended November 30, 2019, 150,000 options issued to a director and a consultant were cancelled before vested.

Stock-based compensation recognized in profit or loss for the year ended November 30, 2019 amounted to $692,091 (2018 - $Nil).

Stock option transactions and the number of stock options outstanding as at November 30, 2019, 2018 and 2017 are summarized as follows:

Stock option transactions and the number of stock options outstanding as at November 30, 2019 and 2018 are summarized as follows:

	Number of Options	**Weighted Average Exercise Price**
Balance, November 30, 2017	750,000	$0.17
Exercised	(625,000)	$0.14
Balance, November 30, 2018	**125,000**	**$0.30**
Granted	3,300,000	$0.58
Exercised	(125,000)	$0.30
Expired	(150,000)	$0.60
Balance, November 30, 2019	**3,150,000**	**$0.58**

Expiry Date	**Exercise Price**	**Numbers of options outstanding**	**Numbers of options exercisable**	**Weighted average remaining contractual life (year)**	**Weighted average exercise price**
	$				$
January 15, 2024	0.60	2,150,000	-	2.82	0.60
March 20, 2024	0.60	350,000	-	0.48	0.60
November 28, 2024	0.50	650,000	-	1.03	0.50
		3,150,000	-	4.33	0.58

Share Purchase Warrants

As at November 30, 2019, the Company has no outstanding share purchase warrants. Transactions for the year are summarized below:

	Number of Warrants	Weighted Average Exercise Price
Balance, November 30, 2017	2,640,000	$0.10
Warrants granted	3,567,275	$0.58
Warrants exercised	(2,045,000)	$0.10
Balance, November 30, 2018	**4,162,275**	**$0.51**
Warrants expired	(3,251,975)	$0.60
Warrants exercised	(910,300)	$0.21
Balance, November 30, 2019	**-**	**$0.00**

RISKS RELATED TO OUR BUSINESS

The Company believes that the following risks and uncertainties may materially affect its success.

Limited Operating History

The Company has only started generating revenues this period. The Company was incorporated on October 17, 2011 and has yet to generate a profit from its activities. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the establishment of the Company's current and planned operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Revenues, taxes, transportation costs, capital expenditures, operating expenses and development costs are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion and pursue only those development plans that can be funded through cash flows generated from its existing operations.

Regulatory Requirements

The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. There can be no assurance that all permits which the Company may require for the facilities and conduct of operations will be obtainable on reasonable terms or that such laws and regulation would not have an adverse effect on any development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in operations may be required to compensate those suffering losses or damages and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulation and permits governing operations and activities of companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or development costs or require abandonment or delays in the development of new projects.

Financing Risks and Dilution to Shareholders

The Company will have limited financial resources, no operations and hardly have revenues. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favorable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

Competition

There is competition within the security screening and threat detection market. The Company will compete with other companies, many of which have greater financial, technical and other resources than the Company, as well as for the recruitment and retention of qualified employees and other personnel.

Intellectual Property

The Company has developed security screening technologies that are adequate to counter various threats. The Company may be unable to prevent competitors from independently developing or selling products similar to or duplicate of the Company, and there can be no assurance that the resources invested by the Company to protect the Intellectual Property will be sufficient. The Company may be unable to secure or retain ownership or rights. In addition, the Company may be the target of aggressive and opportunistic enforcement of patents by third parties, including non-practicing entities. Regardless of the merit of such claims, responding to infringement claims can be expensive and time-consuming. If the Company is found to infringe any third-party rights, it could be required to pay substantial damages, or it could be enjoined from offering some of products and services. Also, there can be no assurances that the Company will be able to obtain or renew from third parties the licenses it needs in the future, and there is no assurance that such licenses can be obtained on reasonable terms.

Reliance on Management and Dependence on Key Personnel

The success of the Company will be largely dependent upon on the performance of the directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers, or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

Governmental Regulations and Processing Licenses and Permits

The activities of the Company are subject to various government approvals, various laws governing prospecting, development, land resumptions, production taxes, labor standards and occupational health, toxic substances and other matters. Although the Company believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner, which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Company. Further, the licenses and permits issued in respect of its projects may be subject to conditions that, if not satisfied, may lead to the revocation of such licenses.

Conflicts of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The British Columbia Business Corporations Act ("BCBCA") provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director must disclose his interest in such contract or agreement and refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Litigation

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

Public Health Crisis

In March 2020, the World Health Organization declared a global pandemic known as COVID-19. The expected impacts on global commerce are expected to be far reaching. This will impact demand for the Company's products and services in the near term and will impact the Company's supply chains. It may also impact expected credit losses on the Company's receivables. The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its subsidiary, in future periods. The management is closely evaluating the impact of COVID-19 on the Company's business.

As certain of the Company's officers have other outside business activities and, thus, may not be in a position to devote all of their professional time to the Company, the Company's operations may be sporadic, which may result in periodic interruptions or suspensions.

FORWARD-LOOKING STATEMENTS

This MD&A may include certain "forward-looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategies competitive strengths, goals, expansion and growth of the Company's businesses, operations, plans and other such matters are forward-looking statements. When used in this MD&A, the words "estimate", "plan", "anticipate", "expect", ''intend'', "believe" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, risks that actual results of current exploration activities will differ, changes in project parameters as plans continue to be refined, unavailability of financing, fluctuations in precious and/or base metals prices and other factors, as outlined in the Company's preliminary long form prospectus filed on SEDAR. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be 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.

CAPITAL MANAGEMENT

The Company considers its capital structure to include net residual equity of all assets, less liabilities. The Company's objectives when managing capital are to (i) maintain financial flexibility in order to preserve its ability to meet financial obligations and continue as a going concern; (ii) maintain a capital structure that allows the Company to pursue the development of its projects and products; and (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders commensurate with risk.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or acquire or dispose of assets.

DIRECTORS

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

On December 22, 2017, the Company announced the election of Jeremy Poirier to the Company's Board of Directors.

On January 15, 2018 The Company announced strategic leadership changes by appointing Vivian Katsuris as President and Zara Kanji as Chief Financial Officer of the Company. Blake Olafson stepped down as a director, president and chief executive officer of the Company.

On October 31, 2018, the Company appointed Dana Wheeler as a director, President and the CEO of the Company. Vivian Katsuris has resigned as President of the Company but remains as the corporate secretary and a director.

On November 27, 2018, the Company appointed Angelos Kostopoulos to its Board of Directors, and Ioannis Tsitos resigned as a director of the Company.

On July 16, 2019, the Company appointed Tim Crowhurst to its Board of Directors.

On October 16, 2019, Jeremy Poirier resigned as a director of the Company.

On November 29, 2019, the Company appointed George Stubos to its Board of Directors.

Current Directors and Officers of the Company are as follows:

Dana Wheeler, President, CEO and Director
Zara Kanji, CFO
Vivian Katsuris, Corporate Secretary and Director
Tim Crowhurst, Director
Angelos Kostopoulos, Director
George Stubos, Director

OUTLOOK

The Company's objective is to maximize the value of the Company for our shareholders, and our strategy to obtain this result is to focus on project evaluations and project generation. To proceed with this strategy, additional financings may be required during the current fiscal year.

ADDITIONAL INFORMATION

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