MedXtractor Corp.

Management Discussion and Analysis

For the three and nine months ended November 30, 2019

Unaudited

This management's discussion and analysis ("**MD&A**") of **MedXtractor Corp.** (the "**Company**" or **"MedX"**) contains an analysis of the Company's operational and financial results for the three and nine months ended November 30, 2019. This MD&A has been prepared by management as of January 9, 2020 and has been approved by the Company's Board of Directors. This MD&A should be read in conjunction with the Company's audited financial statements and related notes for the period from January 24, 2018 to February 28, 2019 and the unaudited interim condensed financial statements for the three and nine months ended November 30, 2019 and notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise. The Company's most recent filings are available under the Company's profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and can be accessed through the internet at www.sedar.com.

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains "forward-looking information" within the meaning of Canadian securities legislation concerning the business, operations and financial performance and condition of the Company. Statements containing forward-looking information include, but are not limited to, statements with respect to anticipated developments in the Company's operations in future periods; planned activities; the adequacy of the Company's financial resources and other events or conditions that may occur in the future; the ability of the Company to create value for its shareholders; the ability of the Company to meet expected financing requirements. Generally, statements containing forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved". Statements containing forward-looking information are based on the opinions and estimates of management as of the date such statements are made, and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such statements, including but not limited to risks related to: current global financial conditions; the need for additional financing and its availability on acceptable terms; the speculative nature of the cannabis industry; the ability to satisfy the financial needs required to maintain the Company's status as a going concern; the early stage of the Company's operations; the Company's need to rely on technical experts, which may not be available; future dilution to existing shareholders; certain uninsured or uninsurable risks; adverse effects on share prices from factors beyond the Company's control; as well as other factors discussed herein. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those expected in statements containing forward-looking information, 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 information. The Company does not undertake to update any forward-looking information that is included herein, except in accordance with applicable securities laws.

The Business

MedX is a technology and marketing public company, incorporated on January 24, 2018 and has its head office in Calgary, Alberta, Canada. MedX is focused on the commercialization of its line of general purpose essential oil extractors. There are three capacities of extractor currently available; 2oz, 5oz and 16oz. MedX began sales in June 2018 and has installations in four countries worldwide. The extractors are designed and built in Calgary, Canada for which MedX holds a US patent as well as a Canadian patent-pending. MedX's technology allows for the extraction of essential oils and other compounds from a variety of botanical feedstock using carbon dioxide ("CO2") as the extraction solvent. MedX believes that CO2-based extraction provides the purest raw extracts available. Current demand is from the medical cannabis grower as consumption methods move away from smoking flower toward vaping, tinctures and edibles - all of which require extracts as a base. MedX technology is 100% owned by MedX and there are no royalties or payments of any kind payable to any party anywhere in the world.

The Company's first public trading date was October 24, 2019, listed on the Canadian Securities Exchange (CSE:MXT).

Recent Corporate Developments, Business Initiative

On October 8, 2019 MedX filed a non-offering Prospectus ("Prospectus") with the Alberta Securities Commission ("ASC") and the British Columbia Securities Commissions for the purpose of allowing MedX to become eligible for listing pursuant to Section 1.2(a) of Policy 2 of the Policies and Procedures of the Canadian Securities Exchange (the "CSE") and to become a reporting issuer in those jurisdictions and to enable the Company to develop an additional organized market for its shares of common shares ("Common Shares" or "Shares") and to qualify for distribution of the Special Warrants (defined hereafter) and the securities underlying them.

On October 9, 2019 4,590,250 Special Warrants and 93,575 Special Finders Warrants converted to Units (as described below). MedX received from the ASC a receipt for the Prospectus, which under the terms of the Private Placement triggers the conversion of Special Warrants into Units (as described below).

On July 24, 2019, MedX closed a Private Placement for gross proceeds of $367,220 and issued 4,590,250 Special Warrants at a price of $0.08 per Special Warrant. The Special Warrants automatically converted into units ("Units") of MedX and will be deemed to have been exercised and converted without any further action on the part of the Holder or the payment of additional consideration on the earliest of: (i) the first business day following the date on which a receipt for a final prospectus has been issued to the Company by the securities regulatory authorities in a Province of Canada; or (ii) the 365th day following the date of issuance of the Special Warrants. On conversion, each Unit shall consist of one Common Share of the Company and one warrant ("Warrant"). Each Warrant is exercisable into one Common Share of the Company upon payment to the Company of $0.20 on or before the date that is 12 months from the conversion date of the Special Warrants. In addition, the Company issued 93,575 Special Warrants to certain finders who assisted the Company in raising funds under the Private Placement. The terms of the Special Finders Warrants are identical to the Special Warrants. The Special Warrants, Special Finder Warrants and the Common Shares underlying them are qualified for distribution by the Prospectus.

On October 10, 2019, the Special Warrants issued on July 24, 2019 automatically converted into units ("Units") of MedX and will be deemed to have been exercised and converted without any further action on the part of the Holder or the payment of additional consideration on October 10, 2019, the first business day following the ASC receipt for a final Prospectus. On conversion, each Unit consists of one Common Share of the Company and one warrant ("Warrant"). Each Warrant is exercisable into one Common Share of the Company upon payment to the Company of $0.20 on or before the date that is 12 months from the conversion date of the Special Warrants. In addition, the Company issued 93,575 Special Warrants to certain finders who assisted the Company in raising funds under the Private Placement. The terms of the Special Finders Warrants are identical to the Special Warrants. The Special Warrants, Special Finder Warrants and the Common Shares underlying them are qualified for distribution by the Prospectus.

On October 9, 2019, the Company granted 375,000 common share purchase options to a director of the Corporation with an exercise price of $0.08 per option and an expiry in 5 years.

Short Term Objectives and How We Intend to Achieve Them

To accomplish the Corporation's short-term goals, we need to:

1) Connect with Craft-scale growers. The Corporation has developed and tested a marketing/advertising program. The Corporation believes that it knows what to do and how much it will cost to do it.

2) Provide and manufacture small-scale extractors. The Corporation believes it owns the only patented small-scale CO2-based ("CO2") extraction technology suitable for Craft-sized growers. The Corporation has significant inventory and sales began in the latter half of 2018.

There is no guarantee that any of the above objectives will be accomplished. The Corporation expects to achieve the above objectives within 12 months following the date of listing on the CSE of October 24, 2019.

Results of Operations

The following table outlines the details of operations for the three and nine months ended November 30, 2019 and 2018.

	Three months ended November 30, 2019	Three months ended November 30, 2018	Nine months ended November 30, 2019	Nine months ended November 30, 2018
Revenues				
Sales	$ 191,806	$ 50,932	$ 392,111	$ 89,810
Cost of Sales	71,489	13,623	158,370	27,230
Gross margin	120,317	37,309	233,741	62,580
Expenses				
Depreciation and amortization	79		79	
Advertising and promotion	25,958	21,085	43,171	34,835
Interest and bank charges	3,039	567	7,686	854
Contractors	7,393	2,000	20,387	2,000
Dues and subscriptions	-	-	-	17,944
Legal audit, and professional	43,911	42,177	116,027	74,771
Travel, meals and entertainment	2,420	3,743	7,033	6,421
Research and development	1,327	-	7,543	-
Office expenses	944	2,059	2,661	7,603
Accounting	1,787	910	5,882	3,628
Rent	2,100	700	6,300	700
Referral fees	-	3,733	1,450	4,021
Stock based compensation	19,400	-	48,692	132,000
Total expenses	108,358	76,974	266,911	284,777
Other Income				
Interest Income	1,499	407	2,391	1,042
Total other income	1,499	407	2,391	1,042
Net operating income (loss) and comprehensive income (loss)	$ 13,458	$ (39,258)	$ (30,779)	$ (221,152)

Revenue - For the nine months ended November 30, 2019 revenues are $127,319 (November 30, 2018 $74,939) to Canadian customers and $ 264,792 (November 30, 2018 $14,971) to customers in the USA, Australia, and the UK.

The fluctuation in sales, cost of sales and gross margin is primarily due to the startup nature of the Issuer. During the startup period many marketing approaches were tested and numerous mechanical design configuration changes were done to increase extractor performance. The configuration changes resulted in additional components with additional costs resulting in lower gross margins. Additionally, while the 16oz version provides the highest margin and sells the most units, it is also the version that has been most exposed to sales discounts, which may include free shipping and/or outright sales discounts. Gross margins have varied, influenced as well by foreign currency changes, discounting and sales mix changes.

Each consecutive quarter since November 2018, MedX has experienced sales growth and expects this trend to continue, particularly with the marketing and advertising planned which was financed by the Special Warrant private placement. During the quarter ended November 30, 2019 MedX had its highest revenue levels of $191,806 which represents approximately 35% of cumulate sales throughout the Company's history. The significant increase in sales revenues are primarily due to seasonal harvest demand and the trend has subsequently normalized in Q4 2020. This said, the combination of USFederal Hemp/CBD legalization, medical demand for extract purity due to the vape diluent issue and general demand for small-scale CO2-based extractors from the craft medical horizontal, is expected to support increasing organic growth going forward. With greater than 70% of sales now originating internationally, our growth prospects are worldwide and independent of the Canadian market.

Advertising and promotion – During the quarter ended November 30, 2019 MedX incurred $25,958 ($43,171 year to date November 30, 2019) in its efforts to continue to develop prospective customer awareness.

Legal, audit, and professional – $116,027 on a year to date basis, includes costs of independent auditor review engagement for the quarter ended May 31, 2019 as well as legal costs associated with the Special Warrant private placement and Prospectus filing, conversion of Special Warrants, issuance of Common Shares and Warrants, and public listing. For 2018 included incorporation legal costs.

Stock based compensation – On March 14, 2018, the Company granted 1,500,000 common share purchase options to directors of the Corporation. The stock options are exercisable at a price of $0.10 per share, expire in five years and the options will vest immediately at the date of grant. The $132,000 fair value of the 1,500,000 stock options granted on March 14, 2018 is $0.088 per option, calculated at the grant date using the Black-Scholes option pricing model. The assumptions for this calculation were a risk-free interest rate of 1.99%, expected life of 5 years and expected volatility of 137%.

On March 21, 2019, the Company and optionees agreed to cancel the 1,500,000 common shares purchase options. The Company granted 1,725,000 common share purchase options to directors of the Corporation. The stock options are exercisable at a price of $0.08 per share, expire in five years and the options will vest immediately at the date of grant. The fair value of the 1,725,000 stock options granted on March 21, 2019 is $0.01 per option, calculated at the grant date using the Black-Scholes option pricing model. The assumptions for this calculation were a risk-free interest rate of 1.56%, expected life of 5 years and expected volatility of 128%.

On April 1, 2019, the Company granted 375,000 common share purchase options to an officer of the Corporation. The stock options are exercisable at a price of $0.08 per share, expire in five years and the options will vest immediately at the date of grant. The fair value of the 375,000 stock options granted on April 1, 2019 is $0.8 per option, calculated at the grant date using the Black-Scholes option pricing model. The assumptions for this calculation were a risk-free interest rate of 1.58%, expected life of 5 years and expected volatility of 128%.

On October 9, 2019, the Company granted 375,000 common share purchase options to a director of the Corporation. The stock options are exercisable at a price of $0.08 per share, expire in five years and the options will vest immediately at the date of grant. The fair value of the 375,000 stock options granted on October 9, 2019 is $0.6 per option, calculated at the grant date using the Black-Scholes option pricing model. The assumptions for this calculation were a risk-free interest rate of 1.49%, expected life of 5 years and expected volatility of 137%.

Summary of Quarterly Results

	Nov. 30, 2019	Aug. 31, 2019	May 31, 2019	Feb. 28, 2019	Nov. 30, 2018	Aug. 31, 2018	May 31, 2018
Revenue	191,806	106,069	94,237	72,582	50,932	38,818	60
Cost of Sales	71,489	39,958	46,924	27,713	13,623	13,577	30
Gross Profit	120,317	66,111	47,313	44,869	37,309	25,241	30
Expenses (cash)	88,958	91,413	37,848	80,491	76,974	32,686	43,117
Expenses (non Cash)	19,400	-	29,292	459	-	-	132,000
Other income (interest)	1,499	667	225	277	407	247	388
Other income (loss)	13,458	(24,635)	(19,602)	(35,804)	(39,258)	(7,202)	(174,699)
Net loss per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	-0.01
Total assets	640,513	630,057	271,315	269,172	281,331	195,900	195,214
Total long term liabilities	-	-	-	-	-	-	-
Cash dividends per share	-	-	-	-	-	-	-
Shares Outstanding	25,746,425	21,062,600	20,700,100	20,700,100	20,700,100	15,000,100	15,000,100

Liquidity and Capital Resources

At November 30, 2019, MedX had working capital of $629,350 including cash of $550,973 as compared to working capital of $235,377 including cash of $143,489 as at February 28, 2019. On July 24, 2019, MedX closed a Private Placement for gross proceeds of $367,220 and issued 4,590,250 Special Warrants at a price of $0.08 per Special Warrant.

The Company's objective when managing capital is to maintain the confidence of shareholders and investors in the implementation of its business plans by maintaining sufficient levels of liquidity to fund and support its development as well as other corporate activities. The Company's capital historically has been derived from the issuance of equity. Management monitors its financial position on an ongoing basis.

Financial statements have been prepared on a going concern basis which assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The company expects that it may need to raise additional funds in the short-term to finance additional growth initiatives. There is no certainty that the Company will be able to obtain the financing required to continue development activities.

The Company is authorized to issue an unlimited number of common shares without par value.

Off Balance Sheet Arrangements

The Company is not a party to any off-balance sheet arrangements or transactions.

Changes in Accounting Policies

In January 2016, the IASB issued IFRS 16 Leases, which requires lessees to recognize all leases on the statement of Financial Position. IFRS 16 is effective for annual periods beginning on or after January 1, 2019 with earlier application permitted for companies that also applies IFRS 15 Revenue from Contracts with Customers. The Company has adopted IFRS 16 which has not had a material impact.

Financial Instruments

The Company, as part of its operations, carries financial instruments consisting of cash, accounts receivable, and accounts payable and accruals. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments.

Other MD&A Requirements

Outstanding Share Data

The Company's authorized share capital consists of an unlimited number of common shares without par value.

Equity instruments issued and outstanding:

	January 9, 2020	November 30, 2019	February 28 2019
Common shares	25,746,425	25,746,425	20,700,100
Warrants and Finders Warrants[(1)]	4,683,825	4,683,825	-
Stock Options	2,850,000	2,850,000	1,500,000
Fully Diluted	33,280,250	33,280,250	22,200,100

(1) Warrants and Finders Warrants are exercisable into one Common Share upon payment to the Company of $0.20 on or before October 9, 2020.

Related Party transactions

On March 21, 2019, the Company and optionees agreed to cancel the 1,500,000 common shares purchase options. The Company granted 1,725,000 common share purchase options to directors of the Corporation. The stock options are exercisable at a price of $0.08 per share, expire in five years and the options will vest immediately at the date of grant. On April 1, 2019, the Company granted 375,000 common share purchase options to an officer of the Corporation. The stock options are exercisable at a price of $0.08 per share, expire in five years and the options will vest immediately at the date of grant. On October 9, 2019, the Company granted 375,000 common share purchase options to a director of the Corporation with an exercise price of $0.08 per option and an expiry in 5 years.

Proposed Transactions

None.

Subsequent Events

None.

Risk Factors

Industry Risks

The Corporation faces competition in the market from larger more established companies in the cannabis technology industry that offer a wider array of products. These competitors will make it difficult for us to offer competing products and grow our business.

We will be competing with the producers of other products and competition in the cannabis technology industry that will limit the availability of channels required for the successful distribution of our products. Our products may be competing directly with other products and indirectly with other forms of CO2 extractors and other types of extractors. We may not be able to compete successfully against our future competitors and competition could have a material adverse effect on our business, results of operations and financial condition. Our potential competitors may develop superior products and services that achieve greater market acceptance than ours. Accordingly, failure of our marketing campaign will result in the failure of the business.

Industry changes may have a negative impact on our operations

The extraction business, in general, is undergoing significant changes, primarily due to technological developments. These developments have resulted in the availability of alternative forms of extractors. It is impossible to accurately predict the effect that these and other new technological developments may have on the extraction industry. These uncertainties as well as others outlined herein may have a negative impact on our operations and could result in the complete failure of our business.

Our success depends on our ability to develop products and sell them directly through our website and indirectly through distribution channels. The inability to establish an effective website and distribution channels, may severely limit our growth prospects.

Our business success is completely dependent on our ability to develop products and secure direct and indirect distribution channels. Revenues derived therefrom represent vital funds for our continued operations. The loss or damage of any of our business relationships and or revenues derived therefore will result in the inability to market and produce our products.

Our success may be dependent on foreign markets

Foreign and ancillary markets are expected to generate the majority of our revenues from the medical and recreational cannabis industries. Neither foreign nor ancillary markets provide a guarantee of revenue. Many markets may never legalize the consumption of recreational cannabis, which limits the demand for our CO2 Extractors. Also, licensing in foreign markets may be dependent upon performance in home markets and if one of our CO2 Extractor is not a success or if, for any reason, it is not well-received by the public, it may be a financial failure.

Foreign rules and regulations may have an adverse impact on our operations

Some foreign countries may impose government regulations on the distribution of our products. Also revenues derived from the distribution of our products in foreign countries, if any, may be subject to currency controls and other restrictions that may temporarily or permanently prevent our ability to receive or account for such revenue. To the extent that we have made the economic decision to pursue a particular project based upon foreign distribution, our operations may suffer.

US Related Risk Factors

Marijuana remains illegal under U.S. federal law and the approach to enforcement of U.S. federal laws against marijuana is subject to change. Management is not aware of any State or Federal laws or regulation specifically related to the use of the Corporation's CO2 extractors for the extraction of cannabinoids from marijuana. Furthermore, purchasers of the Corporation's extractors are required to confirm they are of legal age in their jurisdiction, will not use the purchased product(s) for illegal activities, and will comply with local laws and regulations. However, notwithstanding such approach, it could be that federal and/or State laws could be interpreted in a way that results in adverse enforcement action resulting in a direct negative effect on the Corporation's sales in the U.S. and such negative effect could cause the Corporation to fail and investors could lose all of their investment. The Corporation's marijuana-related activities (i.e., selling extractors that could be used to extract cannabinoids from marijuana) target the medical segment of the overall marijuana market. Unlike in Canada which has federal legislation uniformly governing the cultivation, distribution, sale, and possession of medical cannabis under the ACMPR, investors are cautioned that in the United States, cannabis is largely regulated at the state level. But it should be noted that in spite of the permissive regulatory environment of medical cannabis in many states within the United States, cannabis continues to be categorized as a controlled substance under the US federal Controlled Substances Act and as such, violates federal law in the United States. The United States Congress has passed appropriation bills each of the last three years that have not appropriated funds for prosecution of cannabis offenses of individuals who are in compliance with state medical cannabis laws. American courts have construed these appropriations bills to prevent the federal government from prosecuting individuals when those parties comply with state law. However, because this conduct continues to violate federal law, American courts have observed that should Congress, at any time, choose to appropriate funds to fully prosecute the Controlled Substances Act, any individual or business, even those who have fully complied with state law, could be prosecuted for violations of federal law. Violations of federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities, or divestiture. The Corporation is not aware of any non-compliance with U.S. federal law; however, if the Corporation was found to be non-compliant, this could have a material adverse effect on the Corporation, including its reputation and ability to conduct business, its financial position, operating results, profitability or liquidity or the market price of its publicly traded shares. In addition, it is difficult for the Corporation to estimate the time or resources that would be needed for the investigation of such matters or its final resolution. The Corporation plans to sell extractors into the US and these sales will be subject to US federal and state laws. Given the illegality of marijuana under U.S. federal law the issuer's access to capital could be negatively affected by public and/or private capital not being available to support continuing operations. At present, management believes that both private and public capital is available to the Corporation on terms acceptable to the Corporation but management also believes that this capital availability could change without notice, requiring the Corporation to operate solely on internally-generated funds. In the event that the Corporation has insufficient internally-generated funds the Corporation could fail and you could lose all of your investment. Management is not currently aware of any specific US federal or state initiatives that would lessen the Corporation's capital access. Management has reviewed US federal and state requirements related to the sale of its extractors and believes that there are no federal laws pertaining to the use of its extractors for extracting marijuana. States typically have regulation related to mechanical aspects of equipment such as the Corporation's extractors with compliance required by the operator of the subject equipment in that operator's jurisdiction. The Corporation sells its extractors F.O.B Alberta and management believes that because of this, the compliance requirement transfers to the buyer in

Alberta. Management believes it is in compliance with Alberta regulation and is not aware of non-compliance with any US federal or state law or regulation.

The Corporation's Risks

We have a limited history of operations and unless we are able to successfully execute our business plan, our business and operating results will suffer resulting in the complete failure of our business

Our operations are subject to all of the risks inherent in the establishment of a new business. The likelihood of our success must be considered in light of the risks, problems, expenses and delays frequently encountered in connection with the formation of a new business in general, as well as the highly competitive environment in which the business is operating. To address these risks, we must, among other things, continue to respond to competitive developments, product failure causing personal injury and property damage, attract, retain and motivate qualified personnel, commercialize products, and implement and successfully execute our marketing strategy and advertising sales strategy. There can be no assurance that we will be successful in addressing such risks.

Going Concern

As at November 30, 2019, the Company had not achieved profitable operations since its inception and had an accumulated deficit of $287,742. Whether and when the Company can attain profitability from operations is uncertain. The lack of profitable operations results in a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

We will incur increased costs and demands upon management as a result of complying with the laws and regulations affecting public companies, which could harm our operating results

As a public company, we will incur significant additional legal, accounting and other expenses that we did not incur as a private company, including costs associated with public company reporting requirements. We expect these rules and regulations to substantially increase our legal and financial compliance costs and to make some activities more time-consuming and costly. We are unable to currently estimate these costs with any degree of certainty. We also expect these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage previously available. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors or as our executive officers. Currently we do not have a system of checks and balances in place covering our financial operations and investors will bear the economic risk associated with the lack of such oversight.

Early failures would impair our ability to attract additional capital

Our business model contemplates continuing sales and we are anticipating revenue from our sales to finance an increased level of operations. In the event that our early operations are not profitable, we will need to raise additional capital from outside investment. There are no guarantees that we will be able to raise such capital, or that if we are able to, that it will be on favorable terms. Early failures are likely to make such additional financing difficult to obtain and we may not be able to raise any additional capital, if required.

Our products may not be accepted by the market and our business may fail as a direct result of such lack of market acceptance

The ultimate profitability of any product depends upon its audience appeal in relation to the cost of its production and distribution. The audience appeal of a given product depends, among other things, on unpredictable critical reviews and changing public tastes and such appeal cannot be anticipated with certainty. If certain segments of the viewing public do not like, are willing to pay for, or otherwise approve of our products, our business may fail.

The premature abandonment of products may result in losses to investors and impair our overall results of operations

The development of our products may be abandoned at any stage if further expenditures do not appear commercially feasible, with the resulting loss of some or all of the funds previously expended on the development of the projects, including funds expended in connection with the development of any products. In the event that we determine that it is in the best interests of our shareholders to abandon a product, it is unlikely that we will be able to recoup any of our costs.

Cost overruns will affect our results of operations and may cause the failure of our business

The costs of developing products and marketing/selling said products are often underestimated and may be increased by factors beyond our control. Such factors may include weather conditions, taxation, labor disputes, governmental regulations, equipment breakdowns and other production disruptions. While we intend to engage qualified personnel the risk of running over budget is always significant and may have a substantial adverse impact on our profitability.

We are currently dependent on our officers and directors for our success and our future operations may require that we can attract and retain qualified employees, which we may not be able to do

Our current operations are managed by our officers and directors, should our officers and directors resign, we would have no personnel to undertake the operations of the Corporation and therefore the Corporation would be adversely affected. We have no key-person insurance policy for our President or any other Officers and/or Directors and at this time we have no intention of acquiring same. Our future operations may depend, in part, on our ability to attract, employ and retain additional qualified employees. No assurance can be given that we will be able to attract or retain such personnel, if required.

We will rely on consultants and employees and if we are unable to retain these or other similarly qualified individuals, we may not be able to carry out our business operations

We expect to be dependent upon contract service providers and loss of their services could adversely affect our business and our ability to maintain our operations or develop new products. We have not entered into any employment or non-competition agreements with any individuals and do not plan to in the future. Our success will depend on our ability to attract and retain qualified personnel. If we cannot attract and retain the necessary individuals our operating results will suffer.

Costs associated with our business, including production and input costs are not fixed and might increase, creating uncertainty about our ability to meet our plan of operations.

We have not established long-term contracts with our consultants or other third party suppliers we intend to rely on for the component parts of the CO2 Extractors. The lack of long-term contracts could result in an increase in what we pay these individuals for their services. An increase in the production costs will reduce our margins and might make our projects uneconomical leading to the failure of our business.

There is no guarantee that we will be able to sell enough, or any, of our products to generate a profit and failure to become profitable will result in the failure of our business

The market for our products is limited in scope and there is no assurance that our products will generate market acceptance and result in sales. We have developed the products with limited market research and there is no assurance that we will be able to respond to the rapidly evolving markets in the extraction industry. The inability to sell our CO2 Extractors will result in the failure of our business.

While we have a US patent, litigation arising out of infringement or other commercial disputes could cause us to incur expenses and impair our competitive advantage

We may incur substantial expenses in defending against prospective claims, regardless of their merit. Our success depends in part on our ability to enforce intellectual property protection for our concepts and to preserve our trade secrets. The validity and breadth of claims covered in our patent filed with Canadian and U.S. authorities involve complex legal and factual questions and, therefore, may be subject to challenge. No assurances can be given that any of our patents will be held valid if subsequently challenged, or that others will not claim rights in, or ownership of, the potential copyrights or trademarks or other proprietary rights held by us or that our intellectual property will not infringe, or be alleged to infringe, the proprietary rights of others. Furthermore, there can be no assurance that others have not developed or will not develop similar concepts to our CO2 Extractor. In addition, whether or not additional intellectual property protection is issued to the Corporation, others may hold or receive intellectual protection covering concepts that were subsequently developed by the Corporation; and no assurance can be given that others will not or have not independently developed or otherwise acquired substantially equivalent intellectual property.

Our management has limited experience in producing and selling CO2 extractors and this lack of experience could result in the failure of the business

Our management's lack of experience in producing and selling CO2 extractors could lead to poor decision-making which could result in cost-overruns and/or the inability to produce the desired products. Although management of the Corporation intends to hire experienced and qualified staff, this inexperience could also result in the Corporation's inability to consummate revenue contracts or any contracts at all. Any combination of the aforementioned may result in the failure of the Corporation and a loss of your investment.

Our products operate under pressure and various jurisdictions have regulations around pressured products

Almost all jurisdictions have rules and regulations related to pressurized vessels and without an exemption, our products may be unsaleable without certification. Certification is often a matter of passing operating specification tests and paying fees but there is no guarantee that any relevant authority will not change certification processes and that any such changes would not render our products unsaleable in the applicable jurisdiction. Such changes could cause a material decrease in our sales and profitability and could put the Corporation out of business in which case you could lose your entire investment.

Service and Warranty Risks

The Corporation's products are technical in nature and are sold with a one year limited warranty and a product return policy. There is no certainty the products will operate as expected and this could result in the return of a significant number of CO2 Extractors or result in expensive warranty claims. Any combination of the aforementioned may result in the failure of the Corporation and a loss of your investment.

Insufficient Capital

The Corporation currently has revenue producing operations but may, from time to time, report a working capital deficit. To maintain its activities, the Corporation may require additional funds which may be obtained either by the sale of equity capital or by entering into an option or joint venture agreement with a third party providing such funding. There is no assurance that the Corporation will be successful in obtaining such additional financing; failure to do so could result in failure of the Corporation and total loss of your investment.

Financing Risks

The Corporation has no history of significant earnings and, due to the nature of its business, there can be no assurance that the Corporation will be profitable. The Corporation has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Corporation is through the sale of its equity shares and there is no assurance that any such funds will be available on terms acceptable to the Corporation, or at all. At present it is impossible to determine what amounts of additional funds, if any, may be required.

Limited Operating History

The Corporation has a limited history of revenue.

Negative Operating Cash Flow

Since inception, the Corporation has had cumulative negative operating cash flow. The Corporation has incurred losses since its founding. The losses and cumulative negative operating cash flow may continue for the foreseeable future as funds are expended on the business plan. The Corporation had positive cash flows from operations of $31,503 for the nine months ended November 30, 2019, yet cannot predict when it will reach cumulative positive operating cash flow.

Patent Risks

Although the Corporation has exercised the usual due diligence with respect to determining title to patents and patent applications in which it has a material interest, there is no guarantee that title to such assets will not be challenged or impugned. The Corporation’s patent application interests may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects.

Foreign Currency Risk

Foreign currency fluctuations may affect the cash flow which the Corporation may realize from its operations, since most of its product sales are expected to occur in US dollars whereas the Corporation’s costs are incurred primarily in Canadian dollars.

Conflicts of Interest

Certain of the directors and officers of the Corporation are 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 Corporation may become subject to conflicts of interest. The ABCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under the ABCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the ABCA. To the Corporation’s knowledge, as at the date hereof there are no existing or potential material conflicts of interest between The Corporation and a director or officer of the Corporation except as otherwise disclosed herein.

Employees

The Corporation has no taxable employees at this time and all non-contract tasks are performed by management. This structure was adopted to simplify startup management and financial reporting and is expected to remain this way until Management decides otherwise.

Locations

We have a small warehouse/shop in Calgary for which we pay minimal month-to-month rent. Administrative functions are performed by Mr. James Durward at his Calgary home. Custom parts are machined at third-party machine shops. Additional physical space is available and will be added on an "as-needed" basis.

Intellectual Property

We have a US patent that was granted on May 14, 2019 - US 10,286,336 B2 and the Canadian application is pending.

Insurance

There is no liability insurance at this time but such insurance will be pursued after a public listing.

Additional Information

Additional information regarding the Company and its business and operations is available on the Company's profile at www.sedar.com and on the Company's website at medxtractor.com.

Corporate Information

BOARD OF DIRECTORS:
James Durward [(1)]
G. Steven Price [(1)]
Dusan Kuzma [(1)]
Neil A. Runions

1) Member of Audit Committee

OFFICERS:

James Durward	-	President, Chief Executive Officer, Corporate Secretary
Dwayne A. Vinck	-	Chief Financial Officer

STOCK EXCHANGE LISTING:
CSE:MXT

AUDITORS:
MNP LLP
Calgary, Alberta

LEGAL COUNSEL:
Heighington Law
Calgary, Alberta

REGISTRAR AND TRANSFER AGENT:
TSX Trust Company,
Calgary, Alberta