MedXtractor Corp.

Management Discussion and Analysis

For the year ended February 28, 2021

This management's discussion and analysis ("**MD&A**") of **MedXtractor Corp.** (the "Company" or the "Corporation" or "MedX") contains an analysis of the Company's operational and financial results for the year ended February 28, 2021. This MD&A has been prepared by management as of May 10, 2021 and has been approved by the Company's Board of Directors. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and related notes for the years ended February 28, 2021 and February 29, 2020 which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). Additional information about MedX is available on the Company's website (www.medxtractor.com)

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 sale of its CO2-based and alcohol-based essential oil extractors and the development of Shaman-AI, a proprietary machine-learning development initially targeting the potential of psychedelics in mental health affliction treatment.

CO2 and Alcohol Extractors

MedX's technology allows for the extraction of essential oils and other compounds from a variety of botanical feedstock using carbon dioxide ("CO2") or alcohol as the extraction solvent. There are three capacities of CO2 extractors currently available; 2oz, 5oz and 16oz; and one alcohol-based extractor called the "Essential". All extractors are designed and built in Calgary, Canada and MedX holds both US and Canadian patents on its CO2-based technology. MedX began sales in June 2018 and has installations in multiple countries worldwide. MedX believes that CO2-based extraction provides the purest non-polar raw extracts available and that alcohol-based extractors are better for the extraction of polar compounds. 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 technologies are 100% owned by MedX and there are no royalties or payments of any kind payable to any party anywhere in the world.

SHAMAN

SHAMAN (www.shaman-ai.com) is a machine learning-based intelligence system designed to remove human limitations and bias while generating high-value predictions. SHAMAN is part of the rapidly-growing mobile health ("mHealth") revolution, a phenomenon that is disrupting the way healthcare is provided worldwide. While SHAMAN's initial application focuses on mental health afflictions and treatment thereto, SHAMAN is not limited to this application. SHAMAN's fact-based, biometric reference database is now being built with general public release expected in late 2021.

SHAMAN is a large-scale multi-phase database development and commercialization project focusing on the application of psychedelics and psychotropics to mental health afflictions.

SHAMAN is designed to use artificial intelligence ("AI") to predict the impact of psychedelics and psychotropics on mental health afflictions. Records containing a large set of factual variables (collectively, the "metadata") are AI-correlated with specially-stimulated electroencephalographic ("EEG") data with the overall objective to generate high-probability predictions of future afflictions as well as to report the most common treatments thereto. The more records added, the higher the resolution of the predictive opinions. While SHAMAN will contain information that can be used to form opinions on a large variety of afflictions, the initial validation phase will focus on mental health afflictions and the effect thereon of psychedelic and psychotropic compounds. The name SHAMAN is a reference to trance healers who use psychedelics/psychotropics in their rituals.

The Company's first public trading date was October 24, 2019, listed on the Canadian Securities Exchange (CSE:MXT). The consolidated financial statements include the accounts of MedXtractor Corp. and its wholly-owned subsidiary, 2273670 Alberta Ltd.

Corporate Developments, Business Initiative

On September 10, 2020, the Company announced receipt of its Canadian patent for it's CO2-based extraction process.

In July 2020, the Company added it's new "Essential" alcohol-based essential oil extractor. The extractor was designed internally and MedX owns it 100%. On July 13, 2020 MedX incorporated its wholly-owned subsidiary, 2273670 Alberta Ltd., for the alcohol-based business. The results of the subsidiary incorporated during the year are included in the consolidated statement of income and comprehensive income from the date of incorporation.

Within the craft-scale horizontal our CO2-based extractors experience competition from alcohol-based (mainly ethanol) extractors. In our opinion, while CO2-based extracts constitute the highest purity and highest quality products, alcohol-based extracts can be used for other product sectors, primarily edibles, topicals and tinctures. Alcohol-based extractors are significantly less complex and less expensive to manufacture and can offer the craft grower a lower cost entry into the extract/concentrates market. Our strategy is to establish market share in the alcohol-based sector by offering a leading-edge product with higher functionality, and at a cheaper price than the competition. An additional competitive advantage is that we can offer a trade-in-based upgrade path from our new alcohol-based extractors to our premium Craft-scale CO2-based extractors, something our competitors cannot offer. We will also accept our competitor's products for trade-in. We believe that the introduction of this new product opens a new market segment to MedX; one that has the potential to not only increase sales overall, but to also drive our CO2 extractor sales to new heights worldwide.

In March 2020 there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

We have experienced reduced customer inquiries and demand, supply chain disruptions, and increased government regulations, all of which have negatively impacted the Company’s business and tempered our sales growth curve. We had temporary reductions in staff in response to these changes.

During the year ended February 28, 2021, and subsequent there have been some very positive developments in the cannabis legalization and decriminalization movement. First, as recently reported by Forbes, "One thing is clear from the November 2020 US election results: American voters of all parties overwhelmingly support legalizing cannabis!. Not only did cannabis initiatives run the table last night, winning legalization in Arizona, Montana, New Jersey, and South Dakota, and medical marijuana in Mississippi and South Dakota, they passed by massive and historic margins." President Joe Biden has stated that cannabis reform is on the agenda and that decriminalization at a Federal level is a possibility.

SHAMAN

December 31, 2020 the Company announced its plan to develop SHAMAN. Subsequent to the Company’s fiscal year end, on March 15, 2021, the Company completed a private placement and issued 9,075,000 units at a price of $0.20 per unit for gross proceeds of $1,815,000. 2021 year to date activities have been focused on testing and operationalizing SHAMAN.

Operating Performance and Outlook

Selected Annual Information

For the year ended February 28, 2021, the Company had a net loss of $698,527 (year ended February 29, 2020 net loss $36,598) and cash flows provided by operating activities of $20,745 (year ended February 29, 2020 - $92,117).

Results of Operations

The following table sets forth detailed financial information of the Company.

		February 28, 2021		February 29, 2020		February 28, 2019*
Revenue						
Sales	$	662,768	$	531,167	$	162,392
Cost of sales		286,036		214,248		54,944
Gross margin	$	376,732	$	316,919	$	107,448
Expenses						
Depreciation and amortization	$	985	$	404	$	459
Advertising and promotion		90,956		65,841		60,031
Warranty		1,159		-		-
Interest and bank charges		9,034		10,505		3,084
Contractors		48,750		24,365		6,000
Dues and subscriptions		-		275		17,944
Legal audit, and professional		66,210		176,057		112,790
Travel, meals and entertainment		3,723		8,276		9,225
Referral fees		266		1,450		4,811
Research and development		23,389		10,453		2,447
Insurance		13,000		-		-
Investor relations		100,709		-		-
Office expenses		6,246		3,380		9,067
Accounting		6,600		7,150		5,772
Rent		7,000		9,800		2,100
Utilities		536		-		-
Stock based compensation		694,685		54,839		132,000
Total expenses	$	1,073,248	$	372,795	$	365,730
Other Income						
Foreign exchange (loss) gain	$	(3,559)	$	15,523	$	-
Interest		1,548		3,755		1,319
Net operating loss	**$**	**(698,527)**	**$**	**(36,598)**	**$**	**(256,963)**

*Operating results for the period from incorporation January 24, 2018 (date of incorporation to February 28, 2019.

Year over year revenue growth of 25% (2021 versus 2020) was experienced in spite of the impact of the global outbreak of COVID-19. This outbreak has caused reduced customer demand, and increased government regulations, all of which has and may negatively impact the Company’s business and financial condition.

Revenues are predominantly to International customers with 58% or $385,960 for the year ended February 28, 2021 (February 29, 2020 – 69% or $367,124). Management is encouraged by indication of prospective customer demand improvements with increased COVID-19 vaccination programs and international changes in public policy towards cannabis.

Advertising and promotion – includes costs for website development, digital and print advertising and promotion.

Contractors – includes costs for product manufacturing, inventory control and operations.

Legal, audit, and professional – includes year end financial statement independent audit costs as well as legal costs. The year ended February 29, 2020 included significant 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.

Research and development costs – include costs associated with alcohol based product line development and Shaman.

Investor relations – During the year ended February 28, 2021 the Company increased efforts to increase potential investor awareness and engaged a firm to provide market visibility services over an initial four-month period at a cost of $40,000. Since October 2019 the Company has been publicly listed and incurred related ongoing costs.

Stock based compensation – During the year ended February 29, 2020, the Company modified or granted 2,475,000 common shares purchase options exercisable at a price of $0.08 per share, expire in five years and vest immediately at the date of grant. The fair value of stock options modified or granted during the year ended February 29, 2020 of $54,839 averages $0.02 per option.

During the year ended February 28, 2021 the Company granted 2,850,000 common shares purchase options exercisable at an average price of $0.26 per share, expire in five years and vest immediately at the date of grant. The fair value of stock options granted during the year ended February 28, 2021 of $694,685 averages $0.24 per option.

Summary of Quarterly Results

	Feb. 28, 2021	**Nov. 30, 2020**	**Aug. 31, 2020**	**May 31, 2020**	**Feb. 29, 2020**	**Nov. 30, 2019**	**Aug. 31, 2019**	**May 31, 2019**
	$	$	$	$	$	$	$	$
Revenue	214,176	185,829	167,270	95,493	139,352	191,509	106,069	94,237
Cost of Sales	89,786	86,857	75,767	33,626	55,877	71,489	39,958	46,924
Gross Profit	124,390	98,972	91,503	61,867	83,475	120,020	66,111	47,313
Expenses (cash)	157,114	101,063	71,071	48,330	99,333	88,958	91,413	37,848
Expenses (non-cash)	678,278	16,877	262	253	6,551	19,400	-	29,292
Other income	(577)	154	(3,614)	2,026	16,887	1,499	667	225
Income (loss)	(711,579)	(18,814)	16,556	15,310	(5,522)	13,161	(24,635)	(19,602)
Net loss per share	(0.03)	0.00	0.00	0.00	(0.00)	0.00	(0.00)	(0.00)
Total assets	872,952	698,889	706,918	688,128	673,843	640,513	630,057	271,315
Total long term liabilities	-	-	-	-	-	-	-	-
Cash dividend per share	-	-	--	-	-	-	-	-
Shares outstanding	27,846,425	25,746,425	25,746,425	25,746,425	25,746,425	21,062,600	20,892,491	20,700,100

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. Gross margins have varied, influenced as well by foreign currency changes, discounting and sales mix changes.

Fall harvest typically would drive peak seasonal revenues in the quarter ended November 30. The global outbreak of COVID-19 (coronavirus) has caused a reduction in potential sales inquiries and sales.

During the quarter ended February 28, 2021 the Company introduced and incurred costs associated with the development of SHAMAN as well as investor relations marketing efforts.

On February 26, 2021, the Company granted 2,650,000 common share purchase options to directors, officers and consultants of the Corporation. The stock options are exercisable at a price of $0.27 per share, expire in five years and the options vested immediately at the date of grant. The fair value of $0.26 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 0.7%, expected life of 5 years and expected volatility of 173%. This resulted in stock based compensation expense of $678,000.

Liquidity and Capital Resources

At February 28, 2021, the company had working capital of $793,208 (February 29, 2020 - $629,909) including cash of $781,393.

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 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

The Company adopted IFRS 16 Leases on March 1, 2019 without impact to its financial statements as manufacturing space is leased on a month-to-month basis.

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:

	February 28, 2021	February 29, 2020
Common shares	27,846,425	25,746,425
Warrants and Finders Warrants	-	4,683,825
Stock Options	2,850,000	2,100,000
Fully Diluted	30,696,425	32,530,250

Related Party transactions

The Company has determined that the key management personnel of the Company consists of its officers and directors. The following table provides information on compensation expense related to officers and directors.

	February 28, 2021		February 29, 2020
Wages, consulting fees and benefits	26,112	$	44,935
Stock based compensation expense	678,000		54,839
Total	**704,112**	**$**	**99,774**

Proposed Transactions

None

Subsequent Events

On March 15, 2021, the Company completed a private placement and issued 9,075,000 units at a price of $0.20 per unit for gross proceeds of $1,815,000. Each unit consists of one common share in the capital of the Company and one common share purchase warrant entitling the holder to acquire one common share at a price of $0.35 per common share for a period of 12 months, subject to the accelerated expiry provision where if, on any 5 consecutive trading days occurring after July 16, 2021, the closing sales price of the common shares (or the closing bid, if no sales were reported on a trading day) as quoted on the Canadian Securities Exchange is greater than $0.60 per common share, the Company may provide notice in writing to the holders of the warrants by issuance of a press release that the expiry date of the warrants will be accelerated to the 30th day after the date on which the Company issues such press release. The Company paid eligible finders aggregate cash finders fees of approximately $111,760 and issued 558,800 finders options to purchase common shares of the Company on the same terms as the warrants.

Risk Factors

Industry Risks

The development of Shaman is relatively recent corporate initiative and while in its early development stage has yet to achieve revenues and commercial application. Shaman represents for the Company new biomedical research, data collection and analysis. Commercialization of such biomedical research has its inherent risk factors. There can be no assurance that future scientific research and database development, findings will generate future revenues and Company profits.

The Company 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.

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 a 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 sale of its extractors and believes that there are no federal laws restricting 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.

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 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 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 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 may 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.

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.

Intellectual Property

We have a US patent that was granted on May 14, 2019 - US 10,286,336 B2 and the Canadian patent received September 10, 2020 for extraction.

On April 13, 2021 the Company announced acquisition all rights to United States Provisional Patent application number 63132186, "Novel Method of Generating Credible Solutions from Non-validated Datasets" (the "Application"). The Application was created by Jim Durward and was accepted for filing by the United States Patent Office on December 30, 2020. A full patent application is being prepared and will be filed in due course. Conditions of the transfer include the Company’s payment of all patent-associated and commercialization expenses and the Company’s continued pursuance of the Application. The SHAMAN project is structured on the Application processes.

Insurance

Directors and Officers liability insurance policy commenced March 15, 2020.

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
G. Steven Price (1)
Dusan Kuzma (1)
Gordon Crawford (1)

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