



Management Discussion and Analysis

For the year ended May 31, 2020

Prepared as of August 24, 2020

General

The following is a discussion and analysis of the operations, results, and financial position of Dimension Five Technologies Inc. (the "Company") for the year ended May 31, 2020, and should be read in conjunction with the financial statements for the year ended May 31, 2020, all of which are prepared in Canadian dollars and in accordance with International Financial Reporting Standards ("IFRS").

Forward-Looking Statements

All statements made in this MD&A, other than statements of historical fact, are forward-looking statements. The Company's actual results may differ significantly from those anticipated in the forward-looking statements and readers are cautioned not to place undue reliance on these forward-looking statements. Except as required by law, the Company undertakes no obligation to release the results of any revisions to forward-looking statements that may be made to reflect events or circumstances after the date of this MD&A or to reflect the occurrence of unanticipated events. Forward-looking statements include, but are not limited to, statements with respect to future price levels, success of technology development, success of marketing and product adoption, development time lines, currency fluctuations, requirements for additional capital, unanticipated expenses, trademark or patent disputes or claims, limitations on insurance coverage and the timing and possible outcome of pending litigation.

In certain cases, forward-looking statements can be identified by the use of words 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 state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking 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 the forward-looking statements. Such factors include, among others, risks related to the integration of acquisitions; future price levels; accidents, labor disputes and other risks of the technology industry; delays in obtaining approvals or financing. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking 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.

History of the Company

Dimension Five Technologies Inc. (the "Company") was incorporated in the Province of British Columbia on January 10, 2018, under the Business Corporations Act of British Columbia. The Company's original primary business was the development and monetization of its online software application Investorbases ("the App"). The App is currently inactive. On July 14, 2020 the Company entered into a binding letter of intent with Aduro Energy Inc. ("Aduro") to acquire 100% of the issued and outstanding shares of Aduro from the shareholders of Aduro (the "Transaction"). If the transaction closes Aduro's primary business will become the Company's new primary business (see section titled "Proposed Transactions and Subsequent Events for more information). On February 12, 2019, the Company's shares commenced trading on the Canadian Securities Exchange ("CSE") under the symbol "DFT." The Company's shares are currently halted.

The head office and principal address are located at Suite 1450, 789 West Pender Street, Vancouver, BC, Canada V6C 1H2 and the registered and records office of the Company is located at 885 West Georgia Street, Suite 900, Vancouver, BC, Canada V6C 3H1.

Year-to-date Highlights

During the year ended May 31, 2020, the Company earned \$80,000 in licensing revenues.

On September 3, 2019 the Company entered into a non-binding letter of intent with Emergent Waste Solutions Inc. ("EWS") regarding a proposed transaction to acquire all of the issued and outstanding securities of EWS. After a period of due diligence, the Company abandoned plans to acquire the EWS securities.

On November 30, 2019, an impairment charge to the App of \$300,000 was reported due to the uncertainty of any recovery related to the subsequent termination of the App license agreement with Zimtu. The App is currently inactive and the Company is seeking to change its main business activities and is currently seeking new opportunities.

On December 11, 2019, the Company entered into a share exchange agreement (the "SEA") with Digital Cavalier Technology Services Inc. doing business as Youneeq ("Youneeq") to acquire all of the issued and outstanding securities of Youneeq (the "Transaction"). On April 28, 2020, upon further due diligence and considering current economic conditions, the Company abandoned the transaction with Digital Cavalier Technology Services Inc.

Business of the Company

The Company's original business was the development and monetization of its online software application Investorbases ("the App"). The App is currently inactive and the Company is seeking to change its main business activities and is currently seeking new opportunities.

Selected Annual Information

The following table provides selected audited financial information that should be read in conjunction with the audited financial statements and notes:

	For the year ended May 31, 2020	For the year ended May 31, 2019	For the period from incorporation on January 10, 2018 to May 31, 2018
	\$	\$	\$
Total revenues	80,000	110,000	-
Net loss and comprehensive loss	(510,514)	(244,919)	(18,339)
Net loss per share and diluted share	(0.02)	(0.01)	(18,339)
Total assets	132,036	621,868	304,562
Total short-term financial liabilities	51,980	2,924	2,600
Total long-term financial liabilities	-	-	-
Cash dividend declared per share	-	-	-

Results of Operations

Year Ended May 31, 2020

The Company recorded a loss of \$510,514 during the year ended May 31, 2020 compared to a loss of \$244,919 during the year ended May 31, 2019 for a difference of \$265,595.

During the year ended May 31, 2020:

- License fee revenues (2020: \$80,000, 2019: \$110,000) decreased due to termination of the license agreement with Zimtu on January 31, 2020. The Company has not earned license fee revenue since the termination of the agreement and does not expect to in the foreseeable future.
- App maintenance expenses (2020: \$51,744, 2019: \$120,437) decreased due to the App becoming inactive in the year ended May 31, 2020.
- General and administrative expenses (2020: \$267,963, 2019: \$236,015) increased as detailed below.
- Other income and interest (2020: \$29,193, 2019: \$1,533) increased due to recording other income of \$26,079 related to the termination of the App further development agreement with Zimtu.
- Impairment of intangible assets (2020: \$300,000, 2019: \$nil) was reported due to the uncertainty of any recovery after the termination of the App license agreement with Zimtu.

General and administrative expenses

The Company incurred the following general and administrative expenses for the year ended May 31, 2020 and 2019:

	For the year ended May 31, 2020	For the year ended May 31, 2019
	\$	\$
Advertising and promotion	5,887	2,420
Filing fees and transfer agent expenses	19,807	29,615
Office, rent and general	49,726	20,208
Professional services	116,125	117,355
Salaries and benefits	76,418	51,417
Share-based payments	-	15,000
	267,963	236,015

When compared to the prior year:

- Overall general and administrative expenses (2020: \$267,963, 2019: \$236,015) increased.
- Advertising and promotion expenses (2020: \$5,887, 2019: \$2,420) increased.

- Office, rent and general expenses (2020: \$49,726, 2019: \$20,208) increased as the management services agreement with Zimtu was in place for more months in 2020 compared to 2019. The management services agreement was terminated January 31, 2020.
- Professional services expenses (2020: \$116,125, 2019: \$117,355) increased slightly. Accounting fees (2020: \$38,697, 2019: \$52,415) decreased due to lower audit fees, consulting fees (2020: \$25,000, 2019: \$3,450) increased due to \$25,000 consulting fees paid to Zimtu and legal fees (2020: \$52,428, 2019: 61,490) decreased slightly.
- Salaries and benefits (2020: \$76,418, 2019: \$51,417) increased as the CEO earned wages for more months in 2020.
- Share-based payments (2020: \$nil, 2019: \$15,000) decreased due to options being issued in 2019 but not in 2020.

Summary of Quarterly Results

Three Months Ended May 31, 2020

The following is a summary of the results from the eight most recent financial quarters ending:

	May 31, 2020 \$	February 29, 2020 \$	November 30, 2019 \$	August 31, 2019 \$
Revenue	863	46,482	30,701	31,147
Net loss	(31,580)	(57,492)	(345,403)	(76,039)
Loss per share	(0.00)	(0.00)	(0.01)	(0.00)

	May 31, 2019 \$	February 28, 2019 \$	November 30, 2018 \$	August 31, 2018 \$
Revenue	9,694	50,306	30,000	20,000
Net loss	(77,814)	(46,367)	(80,303)	(40,435)
Loss per share	(0.00)	(0.00)	(0.00)	(0.00)

During the three months ended May 31, 2020:

- Net loss for the three months ended May 31, 2020 was \$31,580 compared to a net loss of \$77,814 for the three months ended May 31, 2019.
- License fee revenues for the three months ended May 31, 2020 was \$nil compared to \$30,000 for the three months ended May 31, 2019. The decrease was due to termination of the license agreement with Zimtu on January 31, 2020. Other income and interest for the three months ended May 31, 2020 was \$863 compared to (\$18,974) for the three months ended May 31, 2019. During the three months ended May 31, 2019, App development revenue of \$21,626 was reclassified as intangible assets resulting in a negative other income.
- App maintenance expenses for the three months ended May 31, 2020 was \$504 compared to \$28,453 for the three months ended May 31, 2019 decreased due to the App becoming inactive in the year ended May 31, 2020.
- General and administrative expenses decreased as detailed below.

General and administrative expenses

The Company incurred the following general and administrative expenses during the three months ended May 31, 2020 and 2019:

	May 31, 2020	May 31, 2019
	\$	\$
Advertising and promotion	1,388	1,228
Filing fees and transfer agent expenses	3,455	8,283
Office, rent and general	893	16,859
Professional services	7,151	15,140
Salaries and benefits	19,052	19,765
	31,939	61,275

All operating expenses decreased in the three months ended May 31, 2020 compared to the three months ended May 31, 2019.

- Advertising and promotion expenses (2020: \$1,388, 2019: \$1,228) were consistent with the prior period.
- Filing fees and transfer agent expenses (2020: \$3,455, 2019: \$8,283) decreased as the Company incurred lower transfer agent fees compared to the prior period.
- Office, rent and general expenses (2020: \$893, 2019: \$16,859) decreased due to the termination of the management services agreement with Zimtu on January 31, 2020.
- Professional services expenses (2020: 7,151, 2019: \$15,140) decreased due to less legal work compared with the prior period.
- Salaries and benefits (2020: \$19,052, 2019: \$19,765) was consistent with the prior period.

Liquidity and Capital Resources

Total assets of the Company at May 31, 2020 were \$132,036 compared to \$621,868 at May 31, 2019. At May 31, 2020, the primary assets consisted of cash of \$93,861 (May 31, 2019: \$36,081), guaranteed investment certificates (“GICs”) of \$28,750 (May 31, 2019: \$278,750), and intangible assets of \$nil (May 31, 2019 \$300,000). The Company has no long-term debt.

At May 31, 2020, the Company had a working capital of \$80,056 compared to \$290,570 at May 31, 2019. Working capital includes cash of \$93,861 (May 31, 2019: \$36,081) available to meet current financial liabilities of \$51,980 (May 31, 2019: \$2,924) and other short term business requirements. The Company’s accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Cash used in operating activities during the year ended May 31, 2020 was \$189,925 compared to \$234,164 during the year ended May 31, 2019. Cash was mostly spent on app maintenance fees, rent, management services, filing fees and transfer agent expenses, professional fees and salaries and benefits and adjusted for items not involving cash.

Cash provided by investing activities during the year ended May 31, 2020 was \$247,705 compared to \$300,376 of cash used during the year ended May 31, 2019. Cash that was used in operations was provided by the redemption of a GIC in the current year.

Cash provided by financing activities during the year ended May 31, 2020 was \$nil compared to \$268, 527 of cash provided by financing activities during the year ended May 31, 2019. In the year ended May 31, 2019, cash was mainly provided from the issuance of common shares and App improvement and development funds received from Zimtu.

During the period ended May 31, 2020, the Company raised \$nil (May 31, 2019: \$545,900) through the issuance of common shares. In the year ended May 31, 2019 \$320,300 in subscriptions were received during the previous year.

The Company has financed its operations to date primarily through the issuance of common shares and App license revenue. The Company ceased earning App license revenue at January 31, 2020 and must generate additional capital for future operations. The Company will seek capital through various means including the issuance of equity and/or debt.

In management's view, the Company's financial success will be dependent upon finding new business opportunities and obtaining capital through the issuance of equity and/or debt which may take longer than expected.

Off balance sheet arrangements

As at May 31, 2020, the Company had no material off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

Related Party Transactions

During the year ended May 31, 2020, compensation of related parties was as follows:

	For the year ended May 31, 2020	For the year ended May 31, 2019
Key management and related party compensation	\$	\$
Fees*	24,000	28,748
Salaries and benefits	72,837	48,000
Share-based payments	-	15,000
	96,837	91,748

* The fees were allocated to professional fees of \$24,000 (May 31, 2019: \$24,000) and share issuance costs of \$nil (May 31, 2019: \$4,748).

During the year ended May 31, 2020, the Company incurred finder's fees of \$nil (May 31, 2019: \$4,748) to Zimtu.

During the year ended May 31, 2020, the Company incurred professional fees of \$24,000 (May 31, 2019: \$24,000) to a company controlled by the CFO of the Company. As at May 31, 2020, the Company owed \$8,000 (May 31, 2019: \$nil) to the related company. The amount due is unsecured, non-interest bearing, due on demand and to be settled in cash.

During the year ended May 31, 2020, the Company incurred wages and benefits to the Company's CEO of \$72,837 (May 31, 2019: \$48,000). As at May 31, 2020, the Company owed \$24,000 (May 31, 2019: \$nil) to the CEO of the Company related to wages payable. The amount due is unsecured, non-interest bearing, due on demand and to be settled in cash.

During the year ended May 31, 2020, the Company incurred share-based compensation of \$nil (May 31, 2019: \$15,000) to directors of the Company.

During the year ended May 31, 2020, the Company had the following related party transactions with Zimtu: The Company earned licencing revenues of \$80,000 (May 31, 2019: \$110,000) pursuant to the License Agreement, earned App development fees and other income of \$28,374 (May 31, 2019: \$21,626) related to the App Further Development Agreement and incurred rent and other expenses of \$44,000 (May 31, 2019: \$16,500) pursuant to the Management Services Agreement. See below for details of the agreements.

On June 15, 2018, the Company issued 3,600,000 common shares at \$0.02 per share to certain directors and officers of the Company for proceeds of \$72,000.

On July 1, 2018, the Company purchased the App including the source code, website and other intellectual property rights from Zimtu for 10,000,000 common shares valued at \$0.03 per share for total consideration of \$300,000. Of

this amount, 4,300,000 common shares were issued to officers of the Company and 4,000,000 common shares were issued to Zimtu.

On July 1, 2018, the Company entered into a License Agreement (the "LA") with Zimtu, whereby the Company has granted a non-exclusive, non-transferable, non-sublicensable and revocable app user license to Zimtu for a fee of \$10,000 per month. The LA is for a term of 18 months and may be renewed for an additional 18 months if mutually agreed upon. The LA may be terminated by Zimtu by providing 30 days' notice to the Company. Pursuant to the LA, Zimtu has agreed to fund the Company's improvement, development and marketing costs for the App up to a maximum of \$100,000. On November 1, 2018, Zimtu agreed that the minimum term of the license will be to October 31, 2019 and that 30 days' notice of termination would not be provided prior to October 1, 2019.

On September 11, 2018, the Company entered into an App Further Development Agreement (the "AFDA") with Zimtu whereby Zimtu agreed to provide the Company with up to \$100,000 in funding to further improve and re-develop the App for its use in accordance with a to be agreed upon payment schedule.

On January 2, 2019, the Company received a payment of \$50,000 from Zimtu pursuant to the AFDA. See Notes 5 and 7.

On March 1, 2019, the Company entered into a Management Services Agreement (the "MSA") with Zimtu. Pursuant to the MSA, Zimtu will provide the Company with administrative and managerial services for a fee of \$5,500 per month plus GST, including office space and equipment, for a term of nine months ending on November 30, 2019. The Company can renew the MSA for further 12 month term provided that it hasn't been terminated by either party upon giving one month notice to the other. On October 31, 2019 the agreement was renewed for another year with the renewal agreement ending February 29, 2020.

On December 9, 2019 the Company paid \$25,000 to Zimtu for consulting fees.

On January 17, 2020, the Company terminated the License Agreement, AFDA and MSA with Zimtu. The date of termination is effective as at January 31, 2020.

Other MD&A Requirements

Disclosure of Outstanding Share Capital

The Company has an authorized share capital of:

- i. Unlimited common shares without par value
- ii. Unlimited preferred shares without par value

The following table describes the issued and outstanding share capital of the Company:

	August 24, 2020	May 31, 2020	May 31, 2019	May 31, 2018
Common Shares	23,078,001	23,078,001	23,078,001	1
Preferred Shares	-	-	-	-
Stock Options	400,000	400,000	400,000	-
Fully Diluted Shares	23,478,001	23,478,001	23,478,001	1

On February 12, 2019, there were 14,300,001 common shares held in escrow. At the date of this report, the balance of common shares remaining in escrow is 8,580,002.

For additional details of outstanding share capital, refer to the financial statements for the year ended May 31, 2020.

Risk Factors

Liquidity Concerns and Future Financing Requirements: The Company is in the development phase and has not generated any revenue. It will likely operate at a loss until its business becomes established and may require additional financing to fund future operations and expansion plans. The Company's ability to secure any required financing to

sustain its operations will depend in part upon prevailing capital market conditions, as well as the Company's business success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to it. If additional financing is raised by issuing Shares from treasury, control of the Company may change, and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, the Company may be required to scale back its business plan or cease operating.

Limited Operating History and No Assurance of Profitability: The Company is a start-up business with a limited operating history and no established brand recognition. The Company will be subject to all the business risks and uncertainties associated with any new business enterprise, including the risks that it will not establish a market for its services, achieve its growth objectives or become profitable. The Company anticipates that it may take several years to achieve positive cash flow from operations. There can be no assurance that there will be demand for the Company's services or that the Company will become profitable.

Need for funds: In the short term, the continued operation of the Company will be dependent upon its ability to procure additional financing. The Company must obtain such financing through equity financing and there can be no assurance that the Company can raise the required capital it needs to build and expand the Company's business. Without this additional financing, the Company may be unable to advance the Company's business model, and the Company will likely fail. There can be no certainty that the Company can obtain these funds, in which case any investment in the Company may be lost. The raising of equity funding will also result in dilution of the equity position held by the Company's shareholders.

Uncertainty of Use of Proceeds: Although the Company has set out its intended use of available funds in this Prospectus, the uses and figures provided are estimates only and are subject to change. While management does not contemplate any material variation from such estimates, management retains broad discretion in the application of such proceeds. See "Use of Proceeds".

Operational Risks: The Company will be affected by several operational risks against which it may not be adequately insured or for which insurance is not available, including: catastrophic accidents; fires; changes in the regulatory environment; impact of non-compliance with laws and regulations; labor disputes; natural phenomena such as inclement weather conditions, floods, earthquakes and ground movements. There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the Company's premises, personal injury or death, environmental damage, resulting in adverse impacts on the Company's operations, costs, monetary losses, potential legal liability and future cash flows, earnings and financial condition. Also, the Company may be subject to or affected by liability or sustain loss for certain risks and hazards against which it cannot insure or which it may elect not to insure because of the cost. This lack of insurance coverage could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Technology Risk: The Company's products and services are dependent upon advanced technologies which are susceptible to rapid technological change. There can be no assurance that the Company's products and services will not be seriously affected by, or become obsolete as a result of, such technological changes. Further, some of the Company's services are currently under development and there can be no assurance that these development efforts will result in a viable service as conceived by the Company or at all.

Unforeseen Competition: There can be no assurance that significant competition will not enter the market and offer any number of similar services to those provided by the Company. Such competition could have a significant adverse effect on the growth potential of the Company's business by effectively dividing the existing market for such products and services.

Trends: The Company's success depends on the continuation of stock trading and the ability of products to add new users, sell licensing and generate revenue. Future revenues will be largely dependent on the company's ability to generate revenue from third parties advertising within the Company's products. Changes in media trends which affect user adoption and marketing habits may significantly affect the Company's ability to collect revenue in the future. If third party marketers decide that the Company's products are experimental or unproven, or if third party policies limit our ability to deliver or target advertising on mobile devices and desktop, or if adverse legal developments arise relating to advertising, including legislative and regulatory developments and developments in litigation, or if our products are unable to sustain or increase the value of our ads or marketers' ability to analyze and measure the value

of our ads, or if trends for advertising on mobile devices or on personal computers changes, our advertising revenue could be adversely affected.

Dependence on Personnel: The Company's future success depends substantially on the continued services of its executive officers and its key development personnel. If one or more of its executive officers or key development personnel were unable or unwilling to continue in their present positions, the Company might not be able to replace them easily or at all. In addition, if any of its executive officers or key employees joins a competitor or forms a competing company, the Company may lose know-how, key professionals and staff members.

Management of Growth: The Company may experience a period of significant growth that will place a strain upon its management systems and resources. Its future will depend in part on the ability of its officers and other key employees to implement and improve financial and management controls, reporting systems and procedures on a timely basis and to expand, train, motivate and manage the workforce. The Company's current and planned personnel, systems, procedures and controls may be inadequate to support its future operations.

Data Security Risks: The Company will utilize servers with significant amounts of data stored thereon at the company's physical office and stored on the cloud, on the internet through third party companies. Should the Company be responsible for the loss of any or all the data stored by it, the liability could materially undermine the financial stability of the Company. Also, much of the data stored at the Company's premises or within the servers will be confidential. Anyone who can circumvent the Company's security measures could misappropriate proprietary information or cause interruptions in its operations.

Volatility of Share Price: It is anticipated that the Shares will be listed for trading on the Exchange in the near future. As such, factors such as announcements of quarterly variations in operating results, revenues, costs and market conditions in the digital advertising industry may have a significant impact on the market price of the shares. Global stock markets, including the Exchange, have from time to time experienced extreme price and volume fluctuations that have often been unrelated to the operations of particular companies. The same applies to companies in the technology and marketing sectors. There can be no assurance that an active or liquid market will develop or be sustained for the Shares.

Dividends: The Company has not paid dividends to shareholders in the past and does not anticipate paying dividends in the foreseeable future. The Company expects to retain its earnings to finance growth.

Officer and Director Conflicts: Because directors and officers of the Company and/or the Company are or may become directors or officers of other reporting companies or have significant shareholdings in other technology companies, the directors and officers of the Company may have a conflict of interest in conducting their duties. There can be no assurance such conflicts of interests will be resolved to the benefit of the Company.

Our future growth depends in large part on the success of our partner relationships: In addition to our sales force, we rely on partners to increase our sales and distribution of our software and services. We are dependent on partner relationships to contribute to our growth and to create leverage in our business model. Our future growth will be increasingly dependent on the success of our partner relationships, and if those partnerships do not provide such benefits, our ability to grow our business will be harmed. If we are unable to scale our partner relationships effectively, or if our partners are unable to serve our customers effectively, we may need to expand our services organization, which could adversely affect our results of operations.

We may not be able to respond to rapid technological changes with new offerings: The markets for our software are characterized by constant technological changes, changing open-source software platform technologies and standards, changing customer needs and frequent new software product introductions and improvements. The introduction of third-party solutions embodying new technologies and the emergence of new industry standards, including any open-source projects that have become widely adopted, could make our existing and future software offerings obsolete and unmarketable.

Incorrect or improper implementation or use of our software could result in customer dissatisfaction: Our platform must integrate with a variety of operating systems, software applications and hardware developed by others. If we or our customers are unable to implement our software successfully, or are unable to do so in a timely manner, or if we are unable to devote the necessary resources to ensure that our solutions interoperate with other software, systems and

hardware, customer perceptions of our company may be impaired, our reputation and brand may suffer and customers may choose not to increase their use of our software.

The reliability of our software will be critical to our success: Our reputation and ability to attract, retain and serve our customers are dependent upon the reliable performance of our software and our underlying technical and network infrastructure. We have experienced, and will in the future experience, interruptions, outages and other performance problems. In addition, we rely on third-party service providers to host and deliver certain information, and these third parties may also experience interruptions, outages and other performance problems. Such disruptions may be due to a variety of factors, including infrastructure changes, human or software errors, capacity constraints and inadequate design. A future rapid expansion of our business could increase the risk of such disruptions. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. Any errors, defects or security vulnerabilities discovered in our offerings could result in loss of revenue or delay in revenue recognition, loss of customers and increased service and warranty cost, any of which could adversely affect our business, results of operations and financial condition.

If we are unable to protect our intellectual property rights, our competitive position could be harmed or we could be required to incur significant expenses to enforce our rights: Our ability to protect our intellectual property affects the success of our business. We rely on trade secret, patent, copyright and trademark laws and confidentiality agreements with employees and third parties, all of which offer only limited protection. The steps we have taken to protect our proprietary rights may not be adequate to preclude misappropriation of our proprietary information or infringement of our intellectual property rights, and our ability to police such misappropriation or infringement is uncertain. The intellectual property rights granted to us, if any, may not provide us with proprietary protection or competitive advantages, and, as with any technology, competitors may be able to develop similar or superior technologies to our own now or in the future. In addition, we rely on contractual and license agreements with third parties in connection with their use of our products and technology. There is no guarantee that such parties will abide by the terms of such agreements or that we will be able to adequately enforce our rights.

Claims by others that we or our customers infringe the proprietary technology of such other persons could force us to pay damages or prevent us from using certain technology in our products: Third parties could claim that our products or technology infringe their proprietary rights. Any claim of infringement by a third party, even one without merit, could cause us to incur substantial costs defending against the claim, and could distract our management from our business. Furthermore, a party making such a claim, if successful, could secure a judgment that requires us to pay substantial damages. A judgment could also include an injunction or other court order that could prevent us from offering our products. In addition, we might be required to seek a license for the use of such intellectual property, which may not be available on commercially reasonable terms or at all. Alternatively, we may be required to develop non-infringing technology, which could require significant effort and expense and may ultimately not be successful.

Changes in Accounting Policies

There have been no changes in the accounting policies.

Future Accounting Standards, Amendments, and Interpretations Not Yet Effective

For details of the Company's Future Accounting Standards, including accounting standards not yet adopted, new accounting standards adopted, and accounting standards amended but not yet effective, please refer to Note 3 of the Company's financial statements for the year ended May 31, 2020.

Financial Instruments and Capital Disclosures

As at May 31, 2020, the Company's financial instruments consist of cash, GICs, interest receivable, and accounts payable and accrued liabilities. The carrying value of these financial instruments approximate their fair values. The use of financial instruments can expose the Company to several risks, including interest rate, credit, currency, and market risk. A discussion of the Company's use of financial instruments and their associated risk is provided below:

a) Fair value - The Company classifies its financial instruments using a fair value hierarchy as a framework for disclosing fair value of financial instruments based on inputs used to value the Company's investments. The hierarchy of inputs and description of inputs is described as follows:

b) Interest rate risk - The Company is not exposed to significant interest rate risk even though the Company has cash balances, and its current policy is to invest excess cash in certificates of deposit or money market funds of major Canadian chartered banks. The GICs bear interest at a rate of prime minus a percentage and the Company is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations. The sensitivity of the Company to a variation of 1% in the interest rate would not have a significant impact. The Company's other financial assets and financial liabilities do not comprise any interest rate risk since they do not bear interest.

c) Credit risk - The Company is not exposed to significant credit risk on its cash and GICs due to them being placed with a Canadian chartered bank. One customer accounted for 100% of the Company's licensing revenue.

d) Currency risk - The Company is not exposed to significant currency risk on fluctuations considering that its assets and liabilities are stated in Canadian dollars.

f) Market risk - Market risk is the risk that the fair value of or future cash flows from the Company's financial instruments will significantly fluctuate because of changes in market prices. The Company is not exposed to significant market risk as the financial instruments consists mainly of cash and GICs held at a major Canadian chartered bank.

g) Capital management - The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to meet its daily operating expenses. The Company may raise additional capital for additional cash required. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to identify and acquire new investment or business opportunities.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the periods ended May 31, 2020 and May 31, 2019. The Company is not subject to externally imposed capital requirements.

Proposed Transactions and Subsequent Events

On July 14, 2020 the Company entered into a binding letter of intent (the "LOI") with Aduro Energy Inc. ("Aduro" or "Aduro Energy") to acquire 100% of the issued and outstanding shares of Aduro from the shareholders of Aduro (the "Transaction").

Aduro Energy, established in 2012, is an Ontario-based private company that has developed a highly flexible clean energy platform featuring three water-based technologies: Hydrochemolytic Plastics Upgrading ("HPU"); Hydrochemolytic Renewables Upgrading ("HRU"); and Hydrochemolytic Bitumen Upgrading ("HBU").

The Transaction is to be a share exchange or three-cornered amalgamation pursuant to which D5 will purchase all of the Aduro Shares from the Aduro Shareholders, and the Aduro Convertible Notes from their holders, in exchange for an aggregate of 40,000,000 D5 Shares and 80,000,000 Special Warrants. The Special Warrants will automatically convert on a one for one basis into D5 common shares upon the achievement of certain milestones in the development of the Aduro business. The Parties are to negotiate the Definitive Agreement and to use all commercially reasonable efforts to complete ancillary agreements, apply for and obtain CSE approval of the Transaction.

Under CSE rules, trading in the Company's shares will remain halted until the Company either closes the Transaction or terminates the LOI.

Approval

The Board of Directors of Dimension Five Technologies Inc. has approved the disclosure contained in this MD&A.

Additional Information

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