**Management Discussion and Analysis**
For the Six Months Ended November 30, 2020
Prepared as of January 29, 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 six months ended November 30, 2020, and should be read in conjunction with the financial statements for the six months ended November 30, 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.

**Company Overview**

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. On February 12, 2019, the Company's shares commenced trading on the Canadian Securities Exchange ("CSE") under the symbol "DFT." In accordance with the rules and policies of the CSE, trading in the Company's shares was halted and will remain halted until either the proposed Aduro Energy Inc. ("Aduro") acquisition is completed (see section titled "Transaction with Aduro Energy Inc." for additional details).

The Company's primary business was the development and monetization of Investorbase (the "App"). The App is currently inactive and due to the uncertainty of any recovery, the Company recorded an impairment loss on the App of $300,000 (a value equal to 100% of the asset) at November 30, 2019.

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.

**Second Quarter 2021 Highlights**

During the three months ended November 30, 2020, the Company completed a non-brokered private placement for gross proceeds of $502,222.

On October 22, 2020, the Company entered into the SEA with Aduro's security holders and Aduro whereby the LOI entered into on July 13, 2020 was superseded and replaced.

**Transaction with Aduro Energy Inc.**

<u>Transactions with Aduro Energy Inc. prior to the Securities Exchange Agreement</u>

On July 13, 2020, the Company entered into a binding letter of intent (the "LOI") with Aduro Energy Inc. ("Aduro") whereby the Company would acquire 100% of the issued and outstanding shares of Aduro from Aduro's shareholders (the "Acquisition"). On July 29, 2020, the Company received consent from the Canadian Securities Exchange (the "CSE") to complete the Acquisition and to loan $150,000 to Aduro to fund its working capital requirements until closing. On October 22, 2020, the LOI was replaced and superseded by a securities exchange agreement.

On August 7, 2020, the Company agreed to lend $150,000 to Aduro on the following conditions:

- $50,000 upon signing a promissory note ("PN1") and a general security agreement (the "GSA") on all of Aduro's assets to be registered in Ontario; and
- $100,000 upon signing a promissory note ("PN2") and such number of Aduro's convertible note lenders signing amendment agreements to their NPAs as is acceptable to the Company.

On August 7, 2020, the Company entered into PN1 with Aduro and $50,000 was advanced to Aduro. The loan is secured by the GSA, bears interest at 6% per annum, matures in 12 months and may be prepaid in whole or in part without penalty together with all accrued and unpaid interest. Pursuant to the GSA, the Company was granted a security interest in all of Aduro's current and after-acquired property and any related proceeds as security for up to $150,000 to be borrowed under PN1 and PNs to be issued for further advances. The GSA may be terminated at any time by written agreement and will terminate upon completion of all payments due under the PNs or provided that the Acquisition is completed, achievement of the first milestone (see below).

For PN2, the Company advanced $50,000, $15,000 and $15,000 on August 28, 2020, October 26, 2020 and November 18 respectively, bringing the aggregate advances to $130,000 as at November 30, 2020. The terms and conditions of the advances are as described for PN1 above.

<u>Securities Exchange Agreement with Aduro Energy Inc.</u>

On October 22, 2020, the Company entered into a securities exchange agreement (the "SEA") with Aduro's security holders and Aduro whereby the LOI entered into on July 13, 2020 was superseded and replaced. Pursuant to the SEA, Aduro's security holders (the "TVs") agreed to sell their shares (the "TSs") to the Company, the Company irrevocably agreed to acquire all of the issued and outstanding TSs from the TVs and the TVs irrevocably agreed to acquire all of the issued and outstanding TSs from the TVs and the TVs irrevocably agreed to exchange, assign and transfer their TSs to the Company in consideration for the payment of the purchase price by the Company to the TVs and Aduro's special warrant trustee (the "Trustee") on behalf of the TVs and the TN holders such that following closing, all of the issued and outstanding TSs will be owned by the Company.

i. *Purchase Price*

As consideration for the acquisition of the TSs at closing the Company will:

- Issue 40 million shares of the Company at a deemed price of $0.05 per share to the TVs in the specified amounts;
- Create and issue 80 million special warrants (the "SWs"), consisting of 40 million Class A special warrants (the "ASWs") and 40 million Class B special warrants (the "BSWs") at a deemed price equal to the Company's discounted share price (as defined), to the Trustee to be held in trust until distributed on the first milestone ("FM") achievement date to the:

  - TN holders, with the actual number of ASWs to be distributed being determined by application of the specified formula on the FM achievement date; and
  - TVs pro rata as specified, with the actual number of ASWs being determined after calculating the number of ASWs to be distributed to the TN holders and the actual number of BSWs to be distributed to each TV as specified.

with the SWs being convertible for no additional consideration into the Company's shares on a one-for-one basis upon the later of the achievement of the FM in the case of the ASWs or the achievement of the second milestone ("SM") in the case of the BSWs, as applicable, and the distribution of the SWs by the Trustee.

*ii. First Milestone Protection Plan*

If, within three months of completing the FM, the Company has not completed the first financing resulting in gross proceeds of at least $2.5 million or has completed the first financing resulting in gross proceeds of at least $2.5 million having occurred at less than or equal to $0.18 per share, then the outstanding common shares of the Company and/or options to acquire common shares of the Company held by the Zimtu Group representing a total of 9,708,000 common shares will be purchased by the Company for an aggregate amount of $1 three months following the date the Company achieved the FM. If, prior to this date, the Company has:

- Completed the first financing of greater than $1.25 million, this date will be extended by three months and if within this additional three-month period the Company completes one or more additional closings of the first financing such that the aggregate gross proceeds of the first financing are at least $2.5 million and the per share price is greater than $0.18, no shares will be repurchased;
- Closed the first financing for gross proceeds of less than $2.5 million but greater than $1.25 million prior to the three-month period (as may have been extended) and the per share price of the first financing is greater than $0.18, the number of shares to be repurchased for an aggregate amount of $1 will be reduced by the ratio of the gross proceeds raised divided by $2.5 million; and
- Determined that it does not need to raise additional capital through the issuance of securities requiring Zimtu to act as a finder or a broker for a financing following the achievement of the FM, so shares will be repurchased.

*iii. Second Milestone Protection Plan*

If, within three months of achieving item 1, 2 or 3 of the SM, the Company has not completed the second financing resulting in gross proceeds of at least $4.5 million or has completed the second financing resulting in gross proceeds of at least $4.5 million having occurred at less than or equal to $0.30 per share, then if: (i) any of the common shares have been previously purchased for cancellation by the Company, outstanding common shares of the Company and/or options to acquire common shares of the Company held by the Zimtu Group representing a total of 907,150 common shares and (ii) if no common shares have not been purchased for cancellation, outstanding common shares of the Company and/or options to acquire common shares of the Company held by the Zimtu Group representing a total of 6,307,000 common shares will be purchased by the Company for an aggregate amount of $1 three months following the date the Company achieved the SM. If, prior to this date, the Company has:

- Completed the second financing of at least $2.25 million, this date will be extended by three months and if within this additional three-month period the Company completes one or more additional closings of the second financing such that the aggregate gross proceeds of the second financing are at least $4.5 million and the per share price is greater than $0.30, no shares will be repurchased;
- Closed the second financing for gross proceeds of less than $4.5 million but greater than $2.25 million prior to the three-month period (as may have been extended) and the per share price of the second financing is greater than $0.30, the number of shares to be repurchased for an aggregate amount of $1.00 will be reduced by the ratio of the gross proceeds raised divided by $4.5 million; and

- Determined that it does not need to raise additional capital through the issuance of securities requiring Zimtu to act as a finder or a broker for a financing following the achievement of item 1, 2 or 3 of the SM, no shares will be repurchased.

The transaction will close on the date mutually agreed to by the Company, Aduro and the CEO of Aduro and will not be later than December 31, 2020 or such other date as may be mutually agreed to in writing.

In connection with the closing, the Company's Board will be reconstituted to consist of five directors, two being current directors of the Company as nominees of the Company and three being nominees of Aduro, including the CEO of Aduro. On closing, the Company's loan to Aduro will be deemed to be an intercompany loan and the Company will grant a total of 10 million stock options to directors, officers and consultants of the Company as determined by the Company prior to closing. These options will have a term of three years and will vest and become exercisable as follows:

- One-third on closing and exercisable at a price of $0.10 per share;
- One-third on closing of the first financing of at least $2.5 million completed by the Company after the closing (the "Qualified First Financing") with the exercise price being equal to the share or unit price of the Qualified First Financing, and
- One-third on closing of the first financing of at least $4.5 million completed by the Company after the Qualified First Financing (the "Qualified Second Financing") with the exercise price being equal to the share or unit price of the Qualified Second Financing.

The SEA may be terminated at any time prior to closing by the mutual written agreement of the Company and Aduro and either the Company or Aduro if:

- The transaction has not closed prior to December 31, 2020, unless otherwise extended by written agreement;
- The transaction is rejected by the CSE and all recourse or rights of appeal have been exhausted;
- Any order of a governmental body preventing the completion of the transaction has become final and non-appealable;
- Their respective Boards authorize them to enter into a legally binding agreement relating to a superior proposal (as defined); or
- There has been a material breach by the other party that is not cured within 10 business days after receiving notice of such breach.

On December 28, 2020, the Company and Aduro mutually agreed to extend the closing date to March 31, 2021. To date the Company has incurred $79,069 in respect of the transaction and this amount is recognized as deferred acquisition costs on the statement of financial position as at November 30, 2020.

**Selected Annual Information**

The following is a summary of the financial data of the Company for the fiscal years ended November 30, 2020 and 2019. The following information is derived from the audited financial statements of the Company:

| | For the year ended May 31, 2020 $ | For the year ended May 31, 2019 $ | For the period from incorporation on January 10, 2019 to May 31, 2018 $ |
|---|---|---|---|
| Total revenue | 80,000 | 110,000 | - |
| Net loss and comprehensive loss | (510,514) | (244,919) | (18,339) |
| Not loss per share and diluted share | (0.02) | (0.01) | (18,339) |
| Total assets | (132,036) | 621,868 | 304,562 |

The Company has recorded losses in each three most recent fiscal years and expects to continue to record losses until such time as an economic business acquisition has been completed and profits generated. The increased net loss and comprehensive loss in 2020 was due to a $300,000 impairment loss recorded on the App – the Company's intangible asset.

**Results of Operations for the six months ended November 30, 2020 and 2019.**

**Revenues**

The Company recorded total revenue of $1,860 (2019: $61,848) in the period. The revenue consisted of license fees of $nil (2019: $60,000) and interest and other income of $1,860 (2018: $1,848) in the period. The license fee revenue was related to the License Agreement with Zimtu Capital Corp. ("Zimtu") terminated during fiscal 2020.

**Expenses**

Expenses in the period: App maintenance expenses of $nil (2019: $45,155) and general and administrative expenses of $92,862 (2019: $138,136). App maintenance expenses consist of stock market exchange data fees of $nil (2019: $44,158) and website hosting fees of $nil (2019: $997).

The Company incurred the following general and administrative expenses in the period:

| | Six months ended November 30, 2019 | Six months ended November 30, 2019 |
|---|---|---|
| | $ | $ |
| Advertising and promotion | 4,162 | 1,846 |
| Filing fees, transfer agent expenses and other listing expenses | 12,854 | 12,376 |
| Office and general | 1,203 | 38,057 |
| Professional services | 36,754 | 48,030 |
| Salaries and benefits | 37,889 | 37,827 |
| Total | 92,862 | 138,136 |

The overall operating expenses of the Company increased as follows when compared to the prior year period:

- Advertising and promotion expenses (2020: $4,162, 2019: $1,846) increased as the Company engaged in additional news releases.
- Filing fees, transfer agent expenses and other listing expenses (2020: $12,854, 2019: $12,376) were fairly consistent with the same period in the prior year.
- Office and general expenses (2020: $1,203, 2019: $38,057) decreased due to the termination of the Management Services Agreement (the "MSA") with Zimtu on January 1, 2020. The agreement included services for rent, management and other services.
- Professional services expenses (2020: $36,754, 2019: $48,030) decreased as the Company incurred higher legal and accounting fees in fiscal 2019.
- Salaries and benefits expenses (2020: $37,889, 2019: $37,827) which relate to the CEO's wages were consistent with the prior year period.

**Summary of Quarterly Results**

The following table presents selected audited and unaudited financial information from the completed financial quarters since the incorporation of the Company:

| | November 30, 2020 $ | August 31, 2020 $ | May 31, 2020 $ | February 28, 2020 $ |
|---|---|---|---|---|
| Revenue | - | - | - | 20,000 |
| Expenses | 48,871 | 43,991 | 33,461 | 102,956 |
| Impairment of intangible asset | - | - | - | - |
| Net loss and comprehensive loss | (47,011) | (43,973) | (32,598) | (56,474) |
| Total assets | 631,409 | 348,916 | 132,036 | 143,570 |
| Working Capital | 488,594 | 263,305 | 80,056 | 112,653 |
| Total liabilities | 142,815 | 85,611 | 51,980 | 30,917 |
| Equity | 488,594 | 263,305 | 80,056 | 112,653 |

| | November 30, 2019 $ | August 31, 2019 $ | May 31, 2019 $ | February 28, 2019 $ |
|---|---|---|---|---|
| Revenue | 30,701 | 31,147 | 9,694 | 50,306 |
| Expenses | 76,104 | 107,186 | 88,840 | 96,874 |
| Impairment of intangible asset | (300,000) | - | - | - |
| Net loss and comprehensive loss | (345,403) | (76,039) | (77,814) | (46,367) |
| Total assets | 219,956 | 570,867 | 621,868 | 717,648 |
| Working Capital | 169,127 | 214,531 | 290,570 | 348,078 |
| Total liabilities | 50,829 | 56,336 | 31,298 | 49,264 |
| Equity | 169,127 | 570,867 | 590,570 | 668,387 |

The quarterly fluctuations shown above were generally related to legal and audit fees related to the Transaction with Aduro and auditing of the annual financial statements. Liabilities increased in recent quarters due to the CEO and CFO deferring a portion of their wages and fees since October 2019. In recent quarters, no license fee revenue or maintenance expenses related to the App have been received or incurred dur to the termination of the App licensing agreement on January 31, 2020. The Company reported an impairment loss of $300,000 on the App in the quarter ended November 30, 2019 which resulted in an increased net loss and decrease of total assets.

**Liquidity and Capital Resources**

Total assets of the Company as at November 30, 2020 were $631,409 compared to $132,036 for the year ended May 31, 2020. The primary assets are cash of $370,970 (May 31, 2020: $93,861), guaranteed investment certificates ("GIC") of $29,000 (May 31, 2020: $28,750), and loans receivable of $143,142 (May 31, 2020: $nil). The Company has no long-term debt.

At November 30, 2020, the Company had a working capital of $488,594 compared to $80,056 for the year ended May 31, 2020. Working capital includes cash of $370,970 (May 31, 2020: $93,861) and other current assets available to meet current liabilities of $142,815 (May 31, 2020: $51,980). The Company's accounts payable and accrued liabilities have short-term contractual maturities.

Cash used in operating activities during the six months ended November 30, 2020 was $39,808 compared to $117,431 of cash used in operating activities during the six months ended November 30, 2019. Cash was mostly spent on filing fees and transfer agent expenses, professional fees and salaries and benefits and adjusted for items not involving cash.

Cash used in investing activities during the six months ended November 30, 2020 was $182,605 compared to $100,000 of cash provided by investing activities during the six months ended November 30, 2019. Cash was used mainly to advance Aduro loans pursuant to the SEA and legal expenses incurred on the Transaction.

Cash provided by financing activities during the six months ended November 30, 2020 was $499,522 compared to $nil of cash provided by financing activities during the six months ended November 30, 2019. The $499,522 was related to the private placement completed on September 2, 2020.

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

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

**Off balance sheet arrangements**

At November 30, 20120, 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 Six Months Ended November 30, 2020 and 2019 compensation of related parties was as follows:

| Key management and related party compensation | Six months ended November 30, 2019 $ | Six months ended November 30, 2019 $ |
|---|---|---|
| Remuneration and fees | 16,400 | 12,000 |
| Salaries and benefits | 36,000 | 30,000 |
| | 52,400 | 42,000 |

During the Six Months Ended November 30, 2020, the Company incurred professional fees of $8,000 (November 30, 2019: $12,000) to a company controlled by the former CFO of the Company and incurred professional fees of $8,400 (November 30, 2019: $nil) to a company controlled by the new CFO of the Company. As at November 30, 2020, the Company owed $16,485 (May 31, 2020: $8,000) to the related companies. The amount due is unsecured, non-interest bearing, due on demand and to be settled in cash.

Salaries and benefits consist of wages paid to the Company's CEO. During the six months ended November 30, 2020, the Company incurred salaries and benefits of $36,000 (November 30, 2019: $30,000). As at November 30, 2020, the Company owed $48,000 (May 31, 2020: $24,000) 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.

**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:

| | November 30, 2020 | May 31, 2020 | November 30, 2019 | May 31, 2019 |
|---|---|---|---|---|
| Common Shares | 33,122,441 | 23,078,001 | 23,078,001 | 23,078,001 |
| Preferred Shares | - | - | - | - |
| Stock Options | 400,000 | 400,000 | 400,000 | 400,000 |
| Fully Diluted Shares | 33,122,441 | 23,478,001 | 23,478,001 | 23,478,001 |

As at November 30, 2020, 6,435,002 (May 31, 2020: 8,580,002) common shares were being held in escrow. The shares remaining in escrow will be released in instalments of 2,145,000 every six months until February 12, 2022.

For additional details of outstanding share capital, refer to the financial statements for the period ended November 30, 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 to 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 three and six months ended November 30, 2020.

**Financial Instruments and Capital Disclosures**

As at November 30, 2020, the Company's financial instruments consist of cash and cash equivalents, GIC investment, loans 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 GIC included in investment bear interest at a fixed rate, 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 cash equivalents and investments due to its cash and cash equivalents are placed with major financial institutions and investments are placed with a Canadian chartered bank. Management believes that the credit risk with respect to advances and amounts receivables is remote. 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.

e) 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 a GIC held at a major Canadian chartered bank.

f) 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 November 30, 2020 and May 31, 2020. The Company is not subject to externally imposed capital requirements.

**Approval**

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