ADURO CLEAN TECHNOLOGIES INC.

Management Discussion & Analysis

For the three and six months ended November 30, 2022 and 2021

(Expressed in Canadian Dollars)

Management's Discussion and Analysis of Financial Condition and Results of Operations for the six months ended November 30, 2022

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") of Aduro Clean Technologies Inc. (the "Company") should be read in conjunction with the Company's interim condensed consolidated financial statements and notes thereto for the three and six months ended November 30, 2022 (the "Financial Statements") and the audited financial statements for the year ended May 31, 2022 and the accompanying notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The MD&A has been prepared as of January 30, 2023, pursuant to the disclosure requirements under National Instrument 51-102 – Continuous Disclosure Obligations ("NI 51-102") of the Canadian Securities Administrators ("CSA").

All dollar amounts are expressed in Canadian dollars. This MD&A contains forward-looking information within the meaning of Canadian securities laws, and the use of non-IFRS measures (the "Non-IFRS Measures"). Refer to "Cautionary Statement Regarding Forward-Looking Statements" and "Cautionary Statement Regarding Certain Non-IFRS Performance Measures" included within this MD&A. This MD&A and the Company's annual audited financial statements and other disclosure documents required to be filed by applicable securities laws have been filed in Canada on SEDAR at www.sedar.com. Additional information can also be found on the Company's website at http://aduroenergy.com.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking statements" that reflect the Company's current expectations and projections about its future results. Forward-looking statements are statements that are not historical facts, and include, but are not limited to: estimates and their underlying assumptions; statements regarding plans, objectives and expectations with respect to future operations, capital raising initiatives, the impact of industry and macroeconomic factors on the Company's operations, and market opportunities; and statements regarding future performance. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements, including those identified by the expressions "considers", "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" or "will be taken", "occur" or "be achieved", or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "will", "intends", and "estimates". By their very nature 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. The Company provides 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.

The global pandemic related to an outbreak of the novel coronavirus disease ("COVID-19") has cast uncertainty on each of the underlying assumptions. There can be no assurance that they continue to be valid. The situation is dynamic and the ultimate duration and magnitude of the impact of COVID-19 on the economy and the financial effect on the Company's business remain unknown at this time. These impacts could include, amongst others, an impact on our ability to obtain debt or equity financing, increased credit risk on receivables, and potential future decreases in revenue or profitability of the Company's ongoing operations.

Forward-looking statements used in this MD&A are subject to various risks, uncertainties, and other factors, most of which are difficult to predict and are generally beyond the control of the Company. These risks, uncertainties and other factors may include, but are not limited to, those set forth under "Risks and Uncertainties" below. Forward looking statements in this MD&A include, but are not limited to, the plans of the Company to implement a business model of licensing, royalties and research and development ("R&D"); the intention of the Company to achieve monetization of its clean energy platform by implementation of its business model, thereby reducing its need for cash while enabling an expedient path to commercialization; the Company's plan to develop commercial partnerships by means of demonstration projects; the Company's plans to capitalize on significant growth potential in the clean energy technology sector through the advancement and commercialization of the Company's proprietary technology; the Company's plans to continue to raise equity financing in order to execute its business plan, maintain a strong capital base and safeguard the Company's ability to continue as a going concern such that it can provide future returns for shareholders and benefits for other stakeholders; the Company's plan to engage potential partners and customers through demonstration projects; and the Company's plan to develop, build and supply a pre-commercial pilot plant as a necessary step in it's commercialisation program.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks, uncertainties and other factors, including the risks, uncertainties and other factors identified above and elsewhere in this MD&A, actual events may differ materially from current expectations and projections. In particular, risk that could change or prevent these statements from coming to fruition include, but are not limited to, that the Company may be unable to implement its business model as anticipated or at all due to a variety of reasons, including lack of future financing and capital, changes in technology or due to competition; the Company may be unable to achieve commercialization of its technology for various reasons; the Company may fail to develop significant commercial partnerships and competitors may offer more attractive products or alternatives; the Company may be unable to engage any potential partners or customers through demonstration projects; the Company may be unable to develop, build and supply a pre-commercial pilot plant; the clean energy technology sector may not develop as anticipated or the Company's technology may otherwise become obsolete; and the Company may be unable to raise additional financing in order to advance its business or continue operations until it can generate significant revenues.

The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by securities law.

The forward-looking statements contained herein are based on information available as of January 30, 2023.

Cautionary Statement Regarding Non-IFRS Performance Measures

This MD&A makes reference to certain Non-IFRS financial measures that are used by management to evaluate the Company's performance which are commonly used by financial analysts in evaluating the financial performance of companies, including companies in the medical and technology industry. Accordingly, we believe that the Non-IFRS Financial Measures may be useful metrics for evaluating the Company's financial performance, as they are measures that we use internally to assess the Company's performance, in addition to IFRS measures. Readers are cautioned that the Non-IFRS Financial Measures do not have a standardized meaning and should not be used in isolation or as a substitute for net (loss) income, cash flows from operating activities or other income or cash flow statement data prepared in accordance with IFRS.

ACHIEVEMENT OF FIRST MILESTONE

On January 18, 2022, Aduro Energy Inc. ("Aduro"), the Company's wholly owned subsidiary, achieved the first milestone defined in the securities exchange agreement dated October 22, 2021, as amended (the "**SEA**") (the "**First Milestone**"). It occurred upon receipt of a report covering Aduro's patented chemical conversion technology, issued by Dr. Paul Charpentier, an expert in chemistry and alternative energy applications. Developed and already proven using lab-scale batch reactors, the objective of the First Milestone was to demonstrate that Aduro Hydrochemolytic™ Technology **("HCT")** also works in a continuous-flow lab reactor operating as envisioned for commercial systems. In the demonstration, Alberta bitumen with an "API gravity" (density) of 14.6 ºAPI was upgraded to lighter petroleum with a density of 19.5 ºAPI, the higher ºAPI corresponding to lower density and higher market value.

The successful operation of HCT in continuous-flow mode provides the foundation for current engineering activities directed towards process scaleup to larger pilot reactors, pre-commercial demonstration systems, and full-scale commercial operations. Additionally, results from the First Milestone efforts are also being applied to expanding the HCT platform to make higher-value products from post-consumer plastics in a continuous-flow mode, which also has been proven in lab batch reactors. Together, these advances further validate the Aduro strategy of engaging potential partners and customers through demonstration projects.

OPERATIONS PROGRESS AND OUTLOOK

The information in this section is forward-looking and should be read in conjunction with the sections entitled "Cautionary statement regarding forward-looking statements" and "Risk Factors".

Aduro's operations plan for calendar year 2022 was to enable a significant uplift for its Hydrochemolytic technology development by moving the technology from lab-scale batch reactors into bench-scale, continuous-flow processing units. These new units support the Company's commercialisation program and provide the necessary tools to accelerate stakeholder engagement and the building of a commercial pipeline.

To accommodate its growth, the Company also commenced an expansion of its laboratory facilities. The expanded lab space will increase the Company's pilot space, accelerate its research and scale-up capabilities, host the new continuous flow units, and increase its capacity to host potential customer trials and demonstrations.

As of the date of this MD&A, the status of the continuous flow units and supporting equipment is as follows:

- Continuous-flow unit for processing end-of-life plastics: Design, procurement, fabrication, and assembly are complete, and the unit is ready to be commissioned.
- The bitumen Flash Drum unit, a vapor-liquid separator and a necessary pre-processing component for the continuous-flow bitumen upgrading unit to enable a higher degree of variation in product samples accepted from potential customers: Design, procurement, fabrication, and assembly are complete, and the unit is ready to be commissioned.
- Continuous-flow unit for upgrading bitumen : Design, procurement, and fabrication are complete, with the mechanical assembly of the unit expected to be completed in February 2023.

With the above key building blocks in place, the Company is well positioned with the necessary tools to accomplish its calendar year 2023 plans with a focus on expanding stakeholder engagement while advancing the Company's commercialisation interests.

The Company's outlook and main goals for calendar year 2023 are as follows:

- Continue to progress the existing discussions and projects currently ongoing.
- Accelerate and expand its stakeholder engagement by providing demonstration, analysis, and customer trials.
- Complete the design, procurement, and fabrication of the Company's planned continuous-flow, tons-per-day pilot for end-of-life plastic, with assembly and commissioning expected in early calendar year 2024. The development phase for this unit has already started with preliminary design and materials and component scoping for the unit now completed.

BUSINESS PARTNERS AND AGREEMENTS

As part of its strategic planning, the Company has set stakeholder engagement, through technology demonstration, customer trials, and research projects, as one of its key goals to support and advance its commercialisation program.

As of the date of this MD&A, the ongoing stakeholder engagements were as follows:

On November 2, 2021, the Company announced that it has entered into discussions with Brightlands Chemelot Campus (“Brightlands”), an international shared innovation community located in Limburg, the Netherlands, to partner and develop the Hydrochemolytic™ technology for the chemical recycling of waste plastic.

The partnership’s likely objective will be to initiate a project to complete an installation that applies the HCT to demonstrate, on a tons-per-day scale, the conversion of polyethylene (“PE”) waste to useful feedstock for chemical processes. Interest in this project by Brightlands is a result of its comprehensive review of Aduro HCT, which concluded that HCT seems to offer distinct advantages over traditional pyrolysis for bringing PE into the circular economy through chemical recycling that generates valuable, high-purity products, such as value-added chemicals or feedstock for the production of new virgin PE.

Aduro and Brightlands continue to engage in discussions and Aduro is providing regular updates on its operational progress. Both organisations continue to evaluate the optimal strategy and timeline for the potential partnership and related project based on the stage in the development by Aduro of its pilot plant plans.

On March 29, 2022, the Company announced that it has entered a letter of intent with Switch Energy Corp. (“Switch”) with the purpose of developing, building, and supplying a pre-commercial pilot plant to convert waste agricultural polyethylene into high-value products. Switch is a recycler and operator participating in Canada’s agricultural and industrial film recycling program by owning and operating the largest collection program for agricultural waste in the province of Ontario.

The project is a stage-gated plan with three main phases. Phase one, includes the design and development of a pre-treatment process and unit to handle agricultural waste plastics, test runs, and process optimization, and the provision of the feedstock required. Phase two includes the design, building, and commissioning of the pilot plant. Phase three will detail the framework for expanding the pilot project into a post-pilot commercial phase. Aduro has successfully conducted the necessary laboratory testing on polyethylene and the project is now moving into the continuous flow testing phase on the Company’s continuous flow plastic upcycling unit.

On September 13, 2022, the Company announced that it has entered into a Letter of Intent (“LOI”) with Prospera Energy Inc. (“Prospera”) to collaborate on a pilot plant for the partial upgrading of bitumen. Prospera is a Canadian heavy oil operator active in the exploration, development, and production of crude oil and natural gas in Western Canada.

The LOI outlines an 18-month plan with three phases. Phase one, includes the testing of bitumen feedstocks and the evaluation of the economics. Phase two includes preliminary engineering, identification of the pilot plant site, and reviewing of licenses and permits, as well as detailed budgeting and agreement to proceed with construction. Phase three includes the procurement, fabrication, construction, commissioning, and operation of a 50 bbl./day pilot plant. After completion of phase three, Aduro and Prospera will define a roadmap to commissioning a 3,000 bbl./day commercial facility. In consideration for the services provided in phase one, Prospera will pay Aduro a monthly fee of $25,000 CAD, with the total fees for the completion and delivery of phase one scope capped at $125,000 plus applicable taxes.

On October 27, 2022, the Company announced that its joint research project in partnership with the University of Western Ontario (“Western”) has been awarded $1.15 million in non-repayable funds by the National Sciences and Engineering Research Council ("NSERC") Alliance and Mitacs Accelerate Grants Program (“Mitacs”). Additionally, over the duration of the project, Aduro will contribute an additional amount of $382,500, for a total project budget of $1.53 million.

The objective of this research project is to evaluate the effects of intrinsic and extrinsic contaminants present in plastic feedstocks including food, organic waste, plasticizers, and fillers, under varying conditions to maximize output, quality, and yield. The project also aims to improve pre-and post-processing techniques. The commercial goal is to be able to develop optimal strategies that will minimize the need for expensive sorting and separation systems for pre-processing treatment. The project is expected to advance and further augment the implementation of Hydrochemolytic technology for chemical recycling of mixed post-consumer industrial and consumer plastics. All intellectual property generated from the project will be owned by Aduro and the project will employ 18 talented individuals all dedicated to Aduro's commercialisation program with Aduro communicating on a bi-weekly basis with the Western University team.

On November 3, 2022, the Company announced its successful selection and acceptance into the Shell GameChanger Program to apply Aduro Hydrochemolytic technology for producing sustainable naphtha cracker feedstock from polyethylene, polypropylene, and polystyrene, individually or on a mixed-feed basis. Shell GameChanger is an accelerator program designed to partner with businesses to deliver innovative solutions that have the potential to drastically impact the future of energy and the transition to net-zero emissions.

To support the project, Shell will contribute non-dilutive funding with the contribution payments being spread over six project phases, each phase and associated payment is contingent on meeting the objectives set for the previous phase. In addition, Shell will provide technical expertise to help Aduro develop reliable process designs and optimize the Hydrochemolytic technology for commercial implementation. Shell GameChanger will also mentor Aduro in developing its commercial strategy and market position.

PRIVATE PLACEMENT

On July 19, 2022, the Company closed a non-brokered private placement offering of units. The Company issued 2,599,579 units at a price of $0.72 per unit for aggregate gross proceeds of $1,871,697. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each full warrant entitles the holder to acquire one common share at a price of $1.00 per share, for a period of two years from the date the units are issued. If during the exercise period of the warrants, but after the resale restrictions on the shares have expired, the Company's shares trade at or above a closing price of $1.25 per share for ten (10) consecutive trading days, the Company may accelerate the expiry time of the Warrants by giving written notice to warrant holders by dissemination of a news release that the Warrants will expire 30 days from the date of providing such notice. No finders' fees were paid in connection with the closing. The proceeds of the Offering will be used for general working capital purposes.

BUSINESS OVERVIEW AND DESCRIPTION

The Company was incorporated in the Province of British Columbia on January 10, 2018, under the *Business Corporations Act* (British Columbia). On February 12, 2019, the Company's shares commenced trading on the Canadian Securities Exchange ("CSE") under the symbol "DFT". On April 27, 2021, in connection with the Transaction (as defined below), the Company's shares were re-listed on the CSE under the symbol "ACT". On July 20, 2021, the Company's shares commenced trading on the OTCQB in the United States under the symbol "ACTHF" and on July 28, 2021, on the Frankfurt Exchange in Germany under the symbol "9D50". On April 23, 2021, the Company closed the transaction with Aduro and Aduro's security holders whereby the Aduro's security holders sold their shares to the Company such that all of the issued and outstanding common shares of Aduro are now wholly owned by the Company (the "**Transaction**"). As part of the closing of the Transaction, the Company changed its name to "Aduro Clean Technologies Inc." from Dimension Five Technologies Inc. From April 23, 2021, the Company's only activity was as a holding company and its only holding is the investment in Aduro. For additional information on the Transaction, please see the section of this MD&A entitled "Reverse Takeover" below.

Aduro is an early-stage, Ontario-based clean technology company that has developed a highly flexible chemical recycling platform featuring three water-based technologies: Hydrochemolytic™ Plastics Upcycling ("HPU"), Hydrochemolytic™ Bitumen Upgrading ("HBU"), and Hydrochemolytic™ Renewables Upgrading ("HRU"). As at of today, the Company owns through acquisition and development, eight patents, seven granted and one pending.

Aduro's future business model is based principally on licensing, royalties, and research and development. However, the Company is still investigating different business models that may be a better fit to its operations. Monetization of the Aduro Clean Technologies platform through licensing model reduces the Company's need for capital while enabling a pathway to commercialization that management of the Company believes is relatively straightforward, timely, and capital efficient.

Aduro is developing commercial partnerships by means of demonstration projects. Management believes the effectiveness of this strategy has been demonstrated to be very effective for building a pipeline of customer interests and agreements. Among the intended business benefits are developing long term customer and partner relationships, a better understanding of geographical territories behaviors and characteristics and the potential impact of the technology from an environmental, social, and governance (ESG) criteria. Additional benefits are in gaining direct marketing information and guidelines that helps the Company shape its value proposition and tailor its offering to be most competitive in the market.

In addition to commercial partnerships, partnering with organisations such as research partners enable significant leveraging of the dollar value shareholders are committing into Aduro while advancing the Company's commercialisation interests.

For the founders of Aduro, Ofer Vicus, Chief Executive Officer ("CEO"), and Marcus Trygstad, Chief Technology Officer, the impetus for the formation of Aduro was the vision to develop hydrothermal upgrading technology ("HTU") for upgrading heavy oils. But through scientific research & development efforts, Aduro's management found that HTU also could be applied beneficially in the seemingly unrelated fields of plastic and tire rubber upcycling and renewable oil upgrading. Moreover, discoveries made while pursuing those new applications provided management with deeper insights into fundamental chemistry, including operating in connection with the original work on heavy oil. From this work, developed the current, versatile Aduro HCT platform, which is protected by eight patents (seven granted and one pending) (the "Intellectual Property").

Aduro directs its commercialization and technology development efforts toward these three principal application areas. Aduro technology transforms lower-value feedstocks into useful, higher-value chemical feedstocks and fuels. Although Aduro technology can be implemented in stand-alone operations, management believes its greatest economic relevance and impact is achieved through integration into thermal operation infrastructure at existing plants. Accordingly, Aduro aims to create strategic partnerships to demonstrate and implement the technology through licensing arrangements.

A key to this approach is the technology's versatility that may confer both economic and operational flexibility to minimize implementation risks and costs, while maximizing implementation speed. The following are examples of specific applications, under consideration or being pursued, which illustrate the technology's adaptability:

1) Plastics Upcycling. HPU may be applied to convert waste plastics or tire rubber into feedstocks for producing new plastics or hydrocarbon fuels. Possible implementations may include at (a) existing oil refineries for mass processing of waste plastic and tire rubber into petroleum streams; and (b) small and large waste disposal sites for direct production of fuels and high-value chemical feedstocks, thereby avoiding the negative impact of transportation emissions and reducing the footprint of the landfill in an advanced material processing ecosystem.

2) Bitumen Upgrading. HBU is principally directed toward upstream bitumen production operations in Alberta but also may be applied in the 130 petroleum refineries in North America (or the 300

refineries globally) to enhance yields from the bottom-of-the-barrel bitumen output from vacuum distillation units.

3) Upgrading of Corn Distillers Corn Oil. A byproduct from ethanol production, this oil may be converted to renewable diesel by a special configuration of HCT. Besides integration into the backend of ethanol plants, the HRU process may also be applied to renewable oils from crushed oil seed operations, beef and poultry processing plants, and existing biodiesel plants to produce renewable diesel and other renewable specialty chemicals.

Aduro is now working to establish a larger laboratory facility in London, Ontario. The new 4000 sq. ft. site will be used to support R&D, the Company's customer engagement program, the demonstration of the technology to potential customers, and the advancement of the Company's commercialization programs.

TECHNOLOGY DESCRIPTION

The Aduro mission is to develop and commercialize applications based on its novel, patent-protected Hydrochemolytic platform that enables the transformation of lower-value feedstocks into higher value chemicals and fuels. In doing so, the Company believes it addresses important and pressing issues faced by the global community. Originally conceived to radically enhance aspects of petroleum processing, the patent protected technology is based on leveraging unique properties of water to achieve two important outcomes. First is the transformation of intractable post-consumer plastics and tire rubber, as well as renewable oils and bitumen, into manageable liquid intermediates. Then follows their stabilization by the generation of a latent form of hydrogen derived from cheap, non-petroleum sources such as biomass ("H-source"). This second step performs the function of decades-old processes that rely on fossil-fuel-derived molecular hydrogen applied at elevated temperatures and pressure in the presence of expensive catalysts. By contrast, HCT activates the renewable H-source under significantly milder conditions without the requirement for such catalysts.

In contrast with traditional approaches designed to process petroleum feedstocks, the Aduro HCT is highly efficient, operating at relatively low temperatures. This makes it significantly more environment-friendly than established alternatives like energy-intensive pyrolysis or gasification. It is also highly configurable, supporting stand-alone, distributed deployment on smaller scales in remote locations or integration with existing operations, from biodiesel and ethanol plants to facilities for waste collection and recycling, to petrochemical plants. Although the conversion of non-petroleum feedstocks could reduce the demand for oil, Aduro technology also offers the possibility for crude oil upgrading that is greener and cleaner. Instead of being a single-purpose technology, Aduro Hydrochemolytic chemical recycling platform solutions can be applied in multiple ways that have a reduced operational and environmental footprint, compared with traditional approaches. Equally important, it also reduces the environmental impact associated with petroleum production and processing, landfilling, waste incineration and gasification, and unscrupulous dumping in the oceans.

The core Hydrochemolytic technology developed by the Company's team of experienced scientists and engineers is highly versatile. Through their ingenuity and knowledge, they have enhanced and tuned it to address problems in three important techno-commercial sectors.

1. Hydrochemolytic Plastics Upcycling (HPU). This important application of HCT represents a new and powerful capability for transforming waste plastics, foam, and tire rubber into resources in the circular economy. This arena is vast and complex, but Aduro scientists are taking aim at a particular category of plastic resins representing 70% of plastic waste, which is highly resistant to chemical recycling (CR). Other CR technologies are constrained in terms of particular resins they can handle, and some have significant limitations in terms of product yields and quality. Not only does HPU relieve the feedstock constraint, but it generates liquid products of high purity in high yield for use in production of new plastics and foams, paints and coatings, and detergents or, when appropriate, fuels.

2. Hydrochemolytic Bitumen Upgrading (HBU). This is a completely new approach that transforms heavy crude oil and bitumen into lighter crude. A key differentiator from traditional upgrading approaches is co-processing of the heavy oil/bitumen with an H-source such as biobased cellulose, glycerol, or ethanol, as well as other materials including methanol or components from a recycled plastic resin. Compared with traditional, decades-old methods, HBU employs lower temperatures and offers the possibility to reduce blending costs and increase value of the crude oil. It also improves the ease and economics of transport by minimizing the requirement for blending with expensive light hydrocarbon diluent from distant reaches in North America, e.g., the U.S. Gulf Coast, and lends to down-scaling and down-scoping to support distributed deployment at/near the wellhead.
3. Hydrochemolytic Renewables Upgrading (HRU). Covered by a patent separate from that for HPU and HBU, HRU technology is a platform for transforming renewable oils into renewable motor fuels, bio-jet fuel (or sustainable aviation fuel, SAF), and specialty chemicals at relatively low temperatures without requirement for molecular hydrogen from external sources.

These applications are directed solving real-world problems by delivering superior performance in respect of economic and environmental considerations.

SELECTED FINANCIAL INFORMATION

The Company prepares its financial statements in accordance with IFRS and the fiscal year end of the Company is May 31.

The financial information and key performance indicators referenced below are used by the Company's management and directors in evaluating the performance of the Company and assessing the business. These indicators, IFRS and the Non-IFRS Financial Measures are typically used by similar companies operating in this technology industry.

FINANCIAL POSITION AND OPERATIONS

The following should be read in conjunction with the Company's interim condensed consolidated financial statements for the three and six months ended November 30, 2022, for a comprehensive overview and understanding of the financial position and operations of the Company.

The following table presents selected financial information of operations for the three and six months ended November 30, 2022, and 2021.

	Three months ended November 30, 2022	**Three months ended November 30, 2021**	**Six months ended November 30, 2022**	**Six months ended November 30, 2021**
Research and development	437,591	254,165	797,787	409,136
Other Operating Expenses	511,003	633,077	1,021,518	1,035,268
Share-based compensation expense	236,830	378,465	599,981	1,074,686
Other income items	-	11,411	-	11,411
Net loss and comprehensive loss	(1,185,424)	(1,254,296)	(2,419,286)	(2,507,679)

As the Company is an early-stage business, it has a limited history of operations and as expected has not generated significant revenue. The Company had no revenue recognized in the three- and six-month period ended November 30, 2022 and 2021. The Company's ability to generate future revenue depends on the ability to attract and retain adopters and users to its technology. The Company's current financial position is reflective of an early-stage business in the process of raising capital for product research and development, business development, advisory, promotions, and operations.

The Company has granted options to purchase common shares of the Company to various employees, officer, directors and advisors of the Company. An expense of $236,830 and $599,981 for the three- and six-month periods ended November 30, 2022, respectively, were recognized to reflect the vesting schedule of these options.

The Company has incurred general operating expenses that are reflective of an early-stage company and of a business that recently has become a listed entity. For the three-month period ended November 30, 2022, the Company's operating expenses were $948,594 of which $437,591 was for research and development, $27,917 for depreciation and amortization, $4,596 for finance and interest costs, $478,259 for general and administrative expenses, and $231 for foreign exchange expense. For the three-month period ended November 30, 2021, the Company's operating expenses were $887,242 of which $254,165 was for research and development, $15,750 for depreciation and amortization, $12,512 for finance and interest costs, $600,544 for general and administrative expenses, and $4,271 for foreign exchange expense.

Depreciation and amortization was $27,917 for the three-month period ended November 30, 2022 compared to $15,750 for the for the three-month period ended November 30, 2021, with the increase due to an increase in property and equipment. Finance costs were $4,596 for the three-month period ended November 30, 2022, compared to $12,512 for the three-month period ended November 30, 2021, with the decrease due to lower interest resulting from the redemption of the convertible notes following the achievement of the First Milestone on January 18, 2022.

General and administrative expenses were $478,259 for the three-month period ended November 30, 2022, compared to $600,544 for the three-month period ended November 30, 2021. Included in general and administrative expenses were investor relation and communication costs that have decreased from $337,648 in the three-month period ended November 30, 2021, to $65,308 for the three-month period ended November 30, 2022. Offsetting this decrease in investor relations, was an increase of $118,374 in salary and related costs, an increase of $16,435 in office and general, an increase of $24,905 in travel expenses, and an increase of $11,768 in professional fees.

Research and development expenses were $437,591 for the three-month period ended November 30, 2022, compared to $254,165 for the three-month period ended November 30, 2021, with the increase due to higher project related costs of $92,644, salary and related costs of $108,725 and legal fees related to patent development costs of $10,879, all of which reflect the increased activity in research and development projects.

For the six-month period ended November 30, 2022, the Company's operating expenses were $1,819,305 of which $797,787 was for research and development, $51,440 for depreciation and amortization, $9,524 for finance and interest costs, $957,405 for general and administrative expenses, and $3,149 for foreign exchange expense. For the six-month period ended November 30, 2021, the Company's operating expenses were $1,444,404 of which $409,136 was for research and development, $28,203 for depreciation and amortization, $28,965 for finance and interest costs, $962,104 for general and administrative expenses, and $15,996 for foreign exchange expense.

Depreciation and amortization was $51,440 for the six-month period ended November 30, 2022 compared to $28,203 for the for the six-month period ended November 30, 2021, with the increase due an increase in property and equipment. Finance costs were $9,524 for the six-month period ended November 30, 2022, compared to $28,965 for the six-month period ended November 30, 2021, with the decrease due to lower interest resulting from the redemption of the convertible notes following the achievement of the First Milestone on January 18, 2022.

General and administrative expenses were $957,405 for the six-month period ended November 30, 2022, compared to $962,104 for the six-month period ended November 30, 2021. Included in general and administrative expenses were investor relation and communication costs that have decreased from $468,465 in the six-month period ended November 30, 2021, to $181,024 for the six-month period ended November 30, 2022. Offsetting this decrease in investor relations, was an increase of $241,079 in salary and related costs, an increase of $31,471 in office and general, an increase of $83,386 in travel expenses, and a decrease of $50,905 in professional fees.

Research and development expenses were $797,787 for the six-month period ended November 30, 2022, compared to $409,136 for the six-month period ended November 30, 2021, with the increase due to higher project related costs of $211,114, salary and related costs of $185,970 and legal fees related to patent development costs of $17,478, all of which reflect the increased activity in research and development projects.

For the three-month and six-month period ended November 30, 2021, the Company recognized a gain of $11,411 following the early redemption of the TD Bank CEBA loan in September 2021.

The summary of the quarterly financial results for the available periods are included in the table below.

	November 30, 2022 **$**	**August 31, 2022** **$**	**May 31, 2022** **$**	**February 28, 2022** **$**	**November 30, 2021** **$**	**August 31, 2021** **$**	**May 31, 2021** **$**	**February 28, 2021** **$**
Revenues	-	-	-	-	-	-	-	37,883
Loss attributable to owners	(1,185,424)	(1,233,862)	(1,334,394)	(1,238,587)	(1,254,296)	(1,253,274)	(2,738,295)	(138,349)
Loss per share basis	(0.02)	(0.02)	(0.03)	(0.05)	(0.07)	(0.07)	(0.20)	(0.01)

The quarterly results are reflective of an early-stage business in the process of raising capital for product research and development, business development, advisory, promotions, and operations. Included in the loss for the three-month period ended May 31, 2021, was an expense of $1,453,593 representing the difference between the fair value of the net assets acquired and the consideration paid in the Transaction and therefore was a non-cash item.

LIQUIDITY AND CAPITAL RESOURCES

As at November 30, 2022, the Company's capital resources were $3,567,658 made up as follows;

Share capital	$ 9,507,294
Warrant reserve	2,750,695
Contributed surplus	3,324,853
Accumulated deficit	(12,015,184)
Total capital resources	**3,567,658**

During the six-month period ended November 30, 2022, the Company generated cash of $1,139,303 from capital raised from the exercise of 1,698,790 share purchase warrants at $0.50, the exercise of 118,635 share purchase warrants at $0.80, and the exercise of 300,000 options at $0.65. The non-brokered private placement completed in July 2022, resulted in the issue of 2,599,579 units (common shares and warrants) at a price of $0.72 per unit for gross proceeds of $1,871,697.

During the year ended May 31, 2022, the Company generated cash of $850,201 from capital raised from the exercise of 1,700,401 share purchase warrants at $0.50. The non-brokered private placement completed in April 2022, resulted in the issue of 3,360,952 units (common shares and warrants) at a price of $0.70 per unit for gross proceeds of $2,352,666.

Subsequent to November 30, 2022, 642,007 warrants were exercised at an exercise price of $0.50, and 68,875 agent warrants were exercised at an exercise price of $0.30 for total proceeds of $341,666. Cash generated from the exercise of warrants and options will be an important ongoing source of capital for the Company.

The continuing operations of the Company are dependent upon generating profitable operations and obtaining funding, as required, to allow the Company to achieve its business objectives. The Company intends to continue to raise equity financing in order to execute its business plan, maintain a strong capital base; and safeguard the Company's ability to continue as a going concern, such that it can in the future provide returns for shareholders and benefits for other stakeholders.

WORKING CAPITAL

The following table presents selected financial information of the Company's working capital as at November 30, 2022 and May 31, 2022:

	November 30, 2022	May 31, 2022
Cash and cash equivalents	$ 2,071,600	$ 2,110,785
Deposits and prepaid expenses	314,709	312,644
Trade and other receivables	199,450	158,408
Trade payable and other current liabilities	(396,043)	(585,104)
Lease liability – current portion	(45,903)	(46,126)
Current portion of debt	(31,250)	(30,935)
Working Capital	**2,112,563**	**1,919,672**

The Company defines working capital as current assets less current liabilities and the working capital balance as at November 30, 2022 was $2,112,563 compared to $1,919,672 as at May 31, 2022. Working capital has increased by $192,891 due to $2,992,336 of cash generated by the issue of common shares from a private placement closed in July 2022 net of issuance costs and the exercise of warrants, offset by $1,992,763 of cash used in operating activities and $992,829 used in the acquisition of new equipment during the six-month period ended November 30, 2022.

As at November 30, 2022, the maturity of the Company's obligations are as follows:

		Due prior to			
	Amount $	**2023** $	**2024** $	**2025** $	**2026+** $
Trade payables and other current liabilities	396,043	396,043	-	-	-
Debt	42,989	31,250	11,739	-	-
Lease liability	159,996	45,903	31,890	29,896	52,307
Total expected maturities	599,028	473,196	43,629	29,896	52,307

The Company does not expect to generate positive cash flow from operations for the foreseeable future due to additional R&D expenses and operating expenses associated with supporting these activities. It is expected that negative cash flow from operations will continue until such time, if ever, that the Company achieve the necessary conditions for regulatory approval and as a result commercialize any of its products under development and/or obtains revenue from any such products that exceeds the Company's expenses.

Subsequent to November 30, 2022, 642,007 warrants were exercised at an exercise price of $0.50, and 68,875 agent warrants were exercised at an exercise price of $0.30 for total proceeds of $341,666. Based upon the available cash and cash equivalents balance of $2,112,563 as at November 30, 2022, and the net proceeds of $341,666 from the issuance of shares, the Company believes it has sufficient working capital to meet its obligations for the next twelve months.

SUMMARY OF OUTSTANDING SHARE DATA

As at the date of the MD&A, the following table shows the number of issued and outstanding common shares and exercisable securities:

	Exercise price	**Expiry date**	**Number of securities**
Common shares			57,880,925
Share purchase warrants	$0.50	February 4, 2025	1,591,517
Share purchase warrants	$0.80	May 12, 2023	1,789,798
Share purchase warrants	$0.50	April 23, 2025	2,813,357
Share purchase warrants	$0.30	February 4, 2023	7,070
Share purchase warrants	$0.80	May 14, 2023	126,681
Share purchase warrants	$1.00	April 8, 2024	2,226,036
Share purchase warrants	$1.00	April 27, 2024	1,134,916
Share purchase warrants	$1.00	April 8, 2024	114,720
Share purchase warrants	$1.00	April 27, 2024	38,900
Share purchase warrants	$1.00	July 19, 2024	1,299,788
Class B special warrants	No additional consideration	April 23, 2025	13,333,328
Stock options	Average exercise price of $0.78	Various dates up to June 20, 2032.	7,324,999
Total outstanding			**89,682,035**

Following the achievement of the First Milestone on January 18, 2022, the 13,333,328 Class B special warrants that were previously held by the special warrants trustee were distributed under the terms of the SEA and are convertible when the second milestone under the SEA is achieved for no additional consideration into the Company's common shares on a one-for-one basis.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not currently have any off-balance sheet arrangements that have or are reasonably likely to have a material current or future adverse effect on its financial condition, revenue or expenses, results of operations, liquidity, capital expenditures or capital resources.

SUBSEQUENT EVENTS

Stock Options and Restricted Share Units

On December 29, 2022, the Company granted 2,075,000 stock options (the "Options") to purchase up to 2,075,000 common shares (the "Shares") in the capital of the Company to certain directors, officers, employees, and consultants of the company in accordance with the Company's new omnibus equity incentive plan. The options are exercisable for a period of five years from the date of grant at a price of $1 per common share. A total of 1,775,000 options will vest on a monthly basis over a period of two years from the date of grant, and a total of 300,000 options vested immediately. The Company also awarded 150,000 restricted share units ("RSU") to an officer of the company pursuant to the company's new omnibus equity incentive plan. All of the RSUs vested immediately upon the date of award, at which time the Company issued 150,000 common shares.

Exercise of warrants

Subsequent to November 30, 2022, 642,007 warrants were exercised at an exercise price of $0.50, and 68,875 agent warrants were exercised at an exercise price of $0.30 for total proceeds of $341,666.

TRANSACTIONS BETWEEN RELATED PARTIES

Key management personnel are those persons that have authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly, and by definition include all the directors and officers of the Company.

During the three and six months ended November 30, 2022, and 2021, compensation of key management personnel was as follows:

	Three months ended November 30, 2022 $	**Three months ended November 30, 2021 $**	**Six months ended November 30, 2022 $**	**Six months ended November 30, 2021 $**
Salary and related costs	**109,413**	28,270	**213,643**	47,373
Professional fees	**123,667**	119,500	**245,124**	139,652
Share-based compensation expense	**114,048**	175,257	**291,337**	515,416
	347,128	323,027	**750,104**	702,441

As at November 30, 2022 and May 31, 2022, due to related parties was comprised of the following:

	November 30, 2022 $	**May 31, 2022 $**
Due to key management personnel	**45,181**	44,579
Due from key management personnel	**78,073**	62,057

These amounts are unsecured, non-interest bearing and have no specific terms of repayment.

On January 18, 2022, there was a convertible note with a US$4,200 and interest payable of US$4,896 outstanding to one of the key management personnel that was extinguished following the achievement of the first milestone by the Company issuing 21,054 common shares with a fair value of $16,633. Accrued interest recognized as an expense on this convertible note for the year ended May 31, 2022, was $435.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company's financial instruments are exposed to a variety of financial risks, which periodically include credit risk, liquidity risk, foreign exchange risk and interest rate risk which could impact results of operations and financial position. The financial instruments and the financial risk management of these financial instruments of the Company are described in Note 18 of the interim condensed consolidated financial statements for the three and six months ended November 30, 2022.

The Company has exposure to credit risk, liquidity risk, market risk, foreign exchange rate risk, interest rate risk, and inflation risk. The board of directors has the overall responsibility for the oversight of these risks and reviews the Company's policies on an ongoing basis to ensure that these risks are appropriately managed. The significant financial risk management policies of the Company are described in the interim condensed consolidated financial statements for the three and six months ended November 30, 2022.

CRITICAL ACCOUNTING POLICIES, ESTIMATES, AND JUDGMENTS

The preparation of financial statements requires management to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The critical accounting estimates used by the Company are described in Note 3 in the interim condensed consolidated financial statements for the three and six months ended November 30, 2022. These critical judgments, estimates and assumptions in applying the Company's accounting policies could result in a material effect on actual results and in the next financial year on carrying amounts of assets and liabilities.

NEW STANDARDS, AMENDMENTS, AND INTERPRETATIONS ADOPTED AND UNADOPTED

A number of interpretations are not yet effective and have not been applied by the Company. The following new interpretations and amendments have been issued but are not yet effective until financial years beginning on or after January 1, 2023, and may impact the Company in the future:

IAS 1 – Presentation of Financial Statements; IAS 1 has been amended to clarify the criterion for classifying a liability as non-current relating to the right to defer settlement of a liability for at least 12 months after the reporting period. An entity is required to apply this amendment for annual reporting periods beginning on or after January 1, 2023.

RISKS FACTORS

There are a number of risks that may have a material and adverse impact on the future operating and financial performance of the Company and could cause the Company's operating and financial performance to differ materially from the estimates described in the forward-looking statements relating to the Company. These include widespread risks associated with any form of business and specific risks associated with the Company's business and its involvement in the clean energy technology industry. Management of the Company considers the following risks to be most significant for potential investors in the Company, but such risks do not necessarily comprise all those associated with an investment in the Company.

This section describes risk factors identified as being potentially significant to the Company. Additional risk factors may be included in other documents previously disclosed by the Company.

In addition, other risks and uncertainties not discussed to date or not known to management could have material and adverse effects on the valuation of the Company's securities, existing business activities, financial condition, results of operations, plans and prospects. An investment in securities of the Company involves significant risks, which should be carefully considered by prospective investors before purchasing such securities.

In addition to the other information set forth elsewhere in this MD&A, the following risk factors should be carefully considered when considering risks related to Aduro's business.

The Company Is an Early-Stage Technology Business

The Company's strategy is to focus on developing its clean energy technology platform. The Company's technology platform is an early-stage technology platform developed to upgrade renewable oils as well as waste plastics, rubber, and Bitumen into higher value products. The Company has invested and continues to invest a significant portion of its resources into this segment and will need to raise additional financing to pursue its business strategy. As with other comparable early-stage technology businesses, the Company faces the risks of product and technology failure, unforeseen research and development delays, weak market acceptance, possible change in government regulatory and competition from new entrants. Realization of any of these risks could have a significant negative impact on the Company's anticipated future cash flows and its growth strategy.

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 cash flow from operations. There can be no assurance that there will be demand for the Company's products or services or that the Company will ever become profitable.

Liquidity concerns and future financing requirements

The Company is in the development phase and has not generated any substantial revenue. It will likely operate at a loss until its business becomes established and will require additional financing to fund future development of its technology and operations. 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 common shares from treasury, control of the Company may change, and shareholders will 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.

Uncertainty of use of proceeds

Although the Company has set out its intended use of available funds in its Listing Statement posted on SEDAR on April 28, 2021, 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.

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: pandemics such as COVID-19; 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 developments in its technologies which are susceptible to the impact of 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 product or service as conceived by the Company or at all.

Competition

The clean energy technology industry is highly competitive, and the Company competes with a substantial number of companies that have greater financial, technical and marketing resources. As such, the Company is exposed to competition which could lead to loss of contracts or reduced margins and could have an adverse effect on the Company's business.

The Company's competitors may offer better solutions or value to the Company's prospective customers or substantially increase the resources devoted to the development and marketing of products and services that compete with those of the Company. There can be no assurance that the Company will be able to compete successfully against current or future competitors or that competitive pressures faced by the Company in the markets in which it operates will not have a material adverse effect on the Company's business. If the Company's competitors are successful in offering better pricing, service or products than the Company, this could render the Company's product and services offerings less desirable to merchant customers, resulting in the loss of merchant customers or a reduction in the price it could earn for its offerings.

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 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.

Commodity Prices

The potential profitability of the Company's operations will be significantly affected by changes in the market price of various renewable fuels and other commodity prices. The level of interest rates, the rate of inflation, world supply of these minerals and stability of exchange rates can all cause significant fluctuations in renewable fuel and other commodity prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments. The price of diesel fuel has fluctuated widely in recent years, and future significant price declines could cause continued commercial production to be impracticable. Depending on the price of diesel fuels, potential cash flow from future operations may not be sufficient. Market fluctuations and the price of renewable fuels may render refining uneconomical. Short-term operating factors relating to the production of renewable fuels, such as the increased feed stock costs or drop in renewable fuel prices, could cause a proposed refining operation to be unprofitable in any particular period.

Volatility of common share price

The Company's common shares are listed for trading on the CSE. As such, factors such as announcements of quarterly variations in operating results, revenues, costs and market conditions in the clean energy technology industry may have a significant impact on the market price of the Company's common shares. Global stock markets, including the CSE, 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 Company's common shares.

Dividends

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

Failure to Develop or Market Products or Services

Given the highly competitive and rapidly evolving alternative energy technology environment the Company operates in, where the Company's products and services are subject to rapid technological change and evolving industry standards, it is important for the Company to constantly enhance its existing product offerings, as well as develop new product offerings to meet strategic opportunities as they evolve. The Company's ability to enhance its technologies, products, and services and to develop and introduce new innovative products and services to keep pace with technological developments and industry standards and the increasingly sophisticated needs of its clients and their customers will significantly affect its future success.

The Company's future success depends on its commercialization of the Company's technology, including ability to design and produce new products and services, deliver enhancements to its existing products and services, accurately predict and anticipate evolving technology and respond to technological advances in its industry, and respond to its customer's shifting needs. While the Company anticipates that its research and development experience will allow it to explore additional business opportunities, there is no guarantee that those business opportunities will be realized. If the Company is unable to respond to technological changes, fails to or is delayed in developing products and services in a timely and cost-effective manner, the Company's products and services may become obsolete, which would negatively impact potential sales, profitability and the continued viability of the business.

Since developing new products and services in the alternative energy sector is very expensive, the Company may encounter delays when developing new technology solutions and services, and the investment in technology development may involve a long payback cycle. The Company's future plans include significant investment in technology solutions, research and development and related product opportunities. The failure to properly manage the expanding offering of products and services as well as the failure to develop and successfully market new products and services at favourable margins could have an adverse effect on the Company's business.

The reliability of the Company's technology will be critical to the success of the Company

The Company's reputation and ability to attract, retain and serve its customers are also dependent upon the reliable performance of its technology, products and services. The Company's technology is new, and as such it has no history on which the Company to build or rely. The Company may experience interruptions, outages and other performance problems related to its technology, products or services. 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 the Company's business could increase the risk of such disruptions. In some instances, the Company 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 the Company's 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 the business, results of operations and financial condition of the Company.

If the Company is unable to protect its intellectual property rights, the Company's competitive position could be harmed, or the Company could be required to incur significant expenses to enforce its rights

The Company's ability to protect its intellectual property affects the success of the Company's business. The Company relies 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 the Company has taken to protect its proprietary rights may not be adequate to preclude misappropriation of the Company's proprietary information or infringement of its intellectual property rights, and the Company's ability to police such misappropriation or infringement is uncertain. The intellectual property rights granted to the Company, if any, may not provide it with proprietary protection or competitive advantages, and, as with any technology, competitors may be able to develop similar or superior technologies to the Company, whether now or in the future. There is no guarantee that such parties will abide by the terms of such agreements or that the Company will be able to adequately enforce its rights.

Conflicts of Interest

Certain directors and officers of the Company also serve, or may serve in the future, as directors and/or officers of other companies, or have significant shareholdings in other technology companies, and consequently conflicts of interest may arise between their duties as officers and directors of the Company and as officers and directors of such other companies. There can be no assurance such conflicts of interests will be resolved to the benefit of the Company. However, any decision made by any of these directors and officers involving the Company must be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which these directors may have a conflict of interest in accordance with, and subject to such other procedures and remedies as applicable, under the BCBCA and other applicable laws.

PROPOSED TRANSACTIONS

There are currently no significant proposed transactions except as otherwise disclosed in this MD&A. Confidentiality agreements and non-binding agreements may be entered into from time to time, with independent entities to allow for discussions of the potential acquisition and/or development of potential business relationships.

APPROVAL

The Board of Directors oversees management's responsibility for financial reporting and internal control systems. The Board of Directors of the Company has approved the financial statements and the disclosure contained in this MD&A on January 30, 2023.

INTERNAL CONTROLS OVER FINANCING REPORTING

The Company's Chief Executive Officer and Chief Financial Officer, in accordance with National Instrument 52-109 ("NI 52-109"), have both certified that they have reviewed the financial report and this MD&A (the "Filings") and that, based on their knowledge having exercised reasonable diligence, (a) the Filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made with respect to the period covered by the filings; and (b) the financial report together with the other financial information included in the Filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the Filings. The Company's internal controls over financial reporting ("ICFR") are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's management is responsible for establishing and maintaining adequate ICFR for the Company.

Management, including the CEO and CFO, does not expect that the Company's ICFR will prevent or detect all errors and all fraud or will be effective under all future conditions. A control system is subject to inherent limitations and even those systems determined to be effective can provide only reasonable, but not absolute, assurance that the control objectives will be met with respect to financial statement preparation and presentation.

CSA National Instrument 52-109 requires the CEO and CFO to certify that they are responsible for establishing and maintaining ICFR for the Company and that those internal controls have been designed and are effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. The CEO and CFO are also responsible for disclosing any changes to the Company's internal controls during the most recent period that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

OTHER REQUIREMENTS

Additional disclosure of the Company's material change reports, news releases and other information can be obtained on SEDAR at www.sedar.com.