

mobio technologies

Mobio Technologies Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED

OCTOBER 31, 2018 AND 2017

TO OUR SHAREHOLDERS**December 21, 2018****MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following is management's discussion and analysis ("MD&A") of Mobio Technologies Inc.'s ("Mobio" or the "Company") operating and financial results for the three months ended October 31, 2018 and 2017, as well as information and expectations concerning the Company's outlook based on currently available information. This report is dated December 21, 2018.

This MD&A should be read in conjunction with the Company's condensed consolidated interim financial statements for the three months ended October 31, 2018 and 2017, and the Company's audited annual financial statements for the years ended July 31, 2018 and 2017. Additional information is available at www.sedar.com.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the condensed consolidated interim financial statements and MD&A, is complete and reliable. The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board's audit committee meets with management no less than quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking information including the Company's future plans. The use of any of the words "target", "plans", "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. Such forward looking information, including but not limited to statements pertaining to Company's future plans and management's belief as to the Company's potential involve known and unknown risks uncertainties, which could be significant, and other factors which may cause the actual results of the Company and its operations to be materially different from estimated costs or results expressed or implied by such forward-looking statements. Forward looking information is based on management's expectations regarding future growth, results of operations, future capital and other expenditures (including the amount, nature and sources of funding for such expenditures), business prospects and opportunities. These risks related to forward looking information include, but are not limited to: the risks associated with the commercial viability of any technologies the Company is in the process of developing or deploying, delays or changes in plans with respect to any technologies, costs and expenses, the risk of foreign exchange rate fluctuations, risks associated with securing the necessary regulatory approvals and financing to proceed with any planned business venture, product development or deployment, and risks and uncertainties regarding the potential to economically scale and bring to profitability any of the Company's current or planned endeavors. Although the Company has attempted to take into account important factors that could cause actual costs or results to differ materially, there may be other factors that cause the results of the Company's business to not to be as anticipated, estimated or intended.

There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. See the Risk Management section of this MD&A for a further description of these risks. The forward-looking information included in this MD&A

is expressly qualified in its entirety by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking information.

1. SUMMARY OF OPERATIONS AND EVENTS

The Company was originally incorporated under the Business Corporations Act (Alberta) on November 19, 1998. On December 6, 2012, the Company changed its name to LX Ventures Inc. and was continued into British Columbia under the Business Corporations Act (British Columbia). On July 7, 2014, the Company again changed its name to Mobio Technologies Inc.

Development of the Company's Business

On November 7, 2018, the company purchased 100% of the issued and outstanding common shares of Exahash Cryptomining Corp. for \$50,000.

Over the past several years, Mobio has completed a series of acquisitions that give it a footprint in the social media space. The Company is now focused primarily on one of these acquired assets, Strutta.com Media Inc. ("Strutta"). Strutta is a social promotions platform that allows brands to run contests and sweepstakes across multiple social web channels.

Share Consolidation

During the year ended July 31, 2018, the Company consolidated its common shares on the basis of 1 new share for every 2 old shares (the "Consolidation"). Prior to the Consolidation, the Company had 36,838,907 common shares issued and outstanding. No fractional shares were issued pursuant to the Consolidation, and subsequent to the Consolidation, the Company had 18,419,453 common shares issued and outstanding.

All comparative references herein to the number of shares, options, warrants, weighted average number of common shares and loss per share have been restated for the Consolidations, including all such numbers presented for the prior year.

Proposed Transaction

The Company has proposed a plan of arrangement with its wholly-owned subsidiary, Plank Ventures Ltd. (formerly 0968998 B.C. LTD.) ("Plank") whereby the Company will transfer certain of its investments to Plank. If approved, the plan of arrangement will result in the shareholders of the Company receiving one common share of Plank with respect to every one common share of the Company as of the share distribution record date to be determined by the Board of Directors of the Company. There will be no change in the shareholders' holdings in the Company as a result of the plan of arrangement. Plank will become a reporting issuer in British Columbia and Alberta.

Financing Activities

On November 9, 2018, the Company issued 3,994,779 common shares to settle loans of \$359,530. Of this amount, \$99,051 was owing to the CEO of the Company.

On November 8, 2018, the Company received a loan in the amount of USD\$50,000 from a company with a common director and officer. The loan is unsecured, bears interest at 10% and is payable on demand.

On August 30, 2018, the Company received a loan in the amount of \$379,828 from a company with a common director and officer. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on August 30, 2020.

On August 20, 2018, the Company received a loan in the amount of \$50,000 from a company with a common director and officer. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on August 20, 2020.

On August 17, 2018, the Company received a loan in the amount of \$200,000. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on August 17, 2020.

2. EARNINGS AND EXPENSES

Following is a discussion of the Company's condensed consolidated interim financial results for the three months ended October 31, 2018, and 2017. The condensed consolidated interim financial statements of the Company for the three months ended October 31, 2018, and 2017 have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All inter-company balances and transactions have been eliminated upon consolidation.

Revenue

The Company's revenues primarily consist of software licensing fees and usage fees generated by Strutta.

The Company's revenues for the three-month period ended October 31, 2018, were \$12,145 compared to \$26,680 for the three months ended October 31, 2017, a decrease of \$14,535. The decreases in revenue are primarily due to a decrease in Strutta services income.

Expenses

The Company's expenses for the three-month period ended October 31, 2018, were \$206,873 compared to \$208,806 for the three-month period ended October 31, 2017, a decrease of \$1,933. The decrease is largely related to the following:

- A decrease of \$33,126 in personnel due to a decrease in amounts paid to staff and consultants related to the decrease in Strutta services revenue during the current period;

This decrease was largely offset by the following:

- An increase of \$21,080 in professional fees related to legal fees for the proposed plan of arrangement.
- An increase of \$6,312 in regulatory and filing costs related to an increase in shareholder communications for the proposed plan of arrangement.
- An increase of \$5,861 in bank charges and foreign exchange due to the receipt of a US dollar denominated loan from a related party in the amount of USD \$300,000 and an unrealized foreign exchange loss related to the increase in value of the US dollar compared to the Canadian dollar in the current quarter.

Other items for the three months ended October 31, 2018 were \$24,831 compared to \$1,118 for the three months ended October 31, 2017. The increase is related to the interest and accretion on loans received by the Company during the last twelve months partially offset by accrued interest income on investments made by the Company during that same period.

Loss and Loss Per Share

The Company's net and comprehensive loss for the three-month period ended October 31, 2018, was \$219,559 compared to a net and comprehensive loss of \$183,244 for the same period in the prior year.

Loss per share for the three-month period ended October 31, 2018, was \$0.01 compared to \$0.01 for the three-month period ended October 31, 2017.

The Company's loss per share is illustrated in the following table:

Loss Per Share Calculation	Weighted Average		Net Loss	Loss Per Share
	Shares Outstanding			
Three months ended October 31, 2018	18,419,453	\$	(219,559)	\$ (0.01)
Three months ended October 31, 2017	14,545,278	\$	(183,244)	\$ (0.01)

3. LIQUIDITY AND CAPITAL RESOURCES

At October 31, 2018, the Company had a working capital deficit of \$986,662, compared to \$956,338 at July 31, 2018. Management has been actively engaged in developing new business, curtailing costs and in securing the resources necessary from internal and external sources to fulfill all of the Company's planned activities.

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On August 17, 2018, the Company received a loan in the amount of \$200,000. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on August 17, 2020.

The Company's continued activities over the long term are dependent upon the Company's ability to raise additional capital in the future, achieve profitability, monetize one or more of its proprietary technologies, or reduce discretionary expenditures.

4. SELECTED QUARTERLY INFORMATION

The following table provides a brief summary of the Company's financial results for each of the eight most recent quarters. For additional information pertaining to the Company's quarterly results, please refer to the Company's audited annual consolidated financial statements for the years ended July 31, 2018, and

2017, to the Company's condensed consolidated interim financial statements for corresponding periods, and to the MD&A for each period presented, which are available at www.sedar.com.

SUMMARY OF QUARTERLY RESULTS

	Oct. 31	Jul. 31	Apr. 30	Jan. 31	Oct. 31	Jul. 31	Apr. 30	Jan. 31
Quarter ended	2018	2018	2018	2018	2017	2017	2017	2017
Revenue	\$ 12,145	\$ 12,691	\$ 7,435	\$ 24,394	\$ 26,680	\$ 117,585	\$ 35,302	\$ 98,288
Expenses	206,873	192,520	209,799	244,346	208,806	261,749	334,117	849,463
Net loss	(219,559)	(333,701)	(207,485)	(227,363)	(183,244)	(126,596)	(295,702)	(745,014)
Loss per share, basic and diluted	(0.01)	(0.02)	(0.01)	(0.02)	(0.01)	(0.01)	(0.02)	(0.05)
Cash	122,928	76,883	232,694	32,374	11,202	118,305	191,838	505,154
Working Capital	(986,662)	(956,338)	(760,699)	(991,028)	(626,701)	(447,591)	(281,686)	87,093
Total assets	1,609,514	1,090,282	1,381,539	1,047,372	772,348	879,342	932,532	1,248,430
Shareholders' equity (deficiency)	(126,850)	(2,499)	328,368	(22,746)	87,362	254,901	381,495	677,197

5. RELATED PARTY TRANSACTIONS

Payments to key management and directors, for the three months ended October 31, 2018, and 2017 were as follows:

	2018	2017
Management fees paid to current and former directors and/or officers, or to companies controlled by directors and/or officers	\$ 41,250	\$ 41,250
Total compensation	\$ 41,250	\$ 41,250

Fees paid to directors and officers are included in the line item "Personnel" in the Company's Condensed Consolidated Interim Statements of Comprehensive Loss.

Interest and accretion recorded on related party loans for the three months ended October 31, 2018 and 2017 were as follows:

	2018	2017
Interest and accretion accrued on loans payable to companies with a common director and officer or to companies controlled by directors and/officers	\$ 30,676	\$ 7,693

Included in accrued liabilities at October 31, 2018 is \$270,000 (July 31, 2018 - \$240,000) owing to an officer of the Company and included in trade payables is \$4,263 (July 31, 2018 - \$3,938) owing to an officer of the Company.

On November 9, 2018, the Company issued 3,994,779 common shares to settle loans of \$359,530. Of this amount, \$99,051 was owing to the CEO of the Company.

6. NEW ACCOUNTING STANDARDS AND POLICIES

Financial instruments

The Company adopted all of the requirements of IFRS 9 Financial Instruments ("IFRS 9") as of August 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 utilize a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application.

The change did not impact the carrying value of any financial assets or financial liabilities on the transition date.

The following is the Company's new accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit on August 1, 2018.

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the condensed consolidated interim statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the condensed consolidated interim statements of comprehensive loss in the period in which they arise.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve-month expected credit losses. The Company shall recognize in the

condensed consolidated interim statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the condensed consolidated interim statements of comprehensive loss.

Accounting standards issued but not yet applied

Leases

On January 13, 2016, the IASB published a new standard, IFRS 16, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. The main provision of IFRS 16 is the recognition of lease assets and lease liabilities on the balance sheet by lessees for those leases that were previously classified as operating leases. Under IFRS 16, a lessee is required to do the following: (i) recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, on the balance sheet; and (ii) recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant, as the right-of-use asset is depreciated and the lease liability is accreted using the effective interest method. The new standard also requires qualitative disclosures along with specific quantitative disclosures. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier adoption permitted. The Company continues to assess the impact of adopting this standard on its consolidated financial statements.

7. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, restricted cash, accounts receivable, investments, trade payables, and loans payable. As at October 31, 2018, and July 31, 2018, there were no significant differences between the carrying amounts of these items and their estimated fair values. The carrying value of these items approximates their fair values.

Loans payable are measured at amortized cost using the effective interest rate method and transaction costs associated with the loans are amortized through net loss over the life of the loans.

Fair Value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable.

The three levels of the fair value hierarchy are:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's primary financial instruments are classified as follows:

Cash and restricted cash	Loans and receivables
Investments	Fair value through profit or loss
Accounts receivable	Loans and receivables
Trade payables	Other financial liabilities

As of October 31, 2018, all of the Company's investments are classified as Level 3.

The Board of Directors approves and monitors the risk management processes. The Company has exposure to the following risks from its use of financial instruments:

- Interest rate risk
- Credit risk
- Liquidity risk
- Market risk
- Currency risk

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. All of the Company's loans payable and investments have a fixed interest rate therefore the Company is not currently exposed to interest rate risk.

Credit Risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash, restricted cash, and accounts receivable. Management believes that the credit risk with respect to cash and restricted cash is minimal as balances are held with a high-credit quality financial institution. Accounts receivable have historically been subject to very few bad debts. During the period ended October 31, 2018, the Company did not record any bad debts. All outstanding receivables were collected or are reasonably assured for their collectability. The Company believes that its current credit practices mitigate exposure to bad debts.

Liquidity Risk

The Company's exposure to liquidity risk is dependent on the collection of accounts receivable, purchasing commitments and obligations or raising funds to sustain operations. The Company controls liquidity risk by management of working capital and cash flows.

Market Risk

The Company's exposure to financial market risk is limited, as it presently does not have any investments where value fluctuates as a result of changes in prices quoted in open markets.

Currency risk

The Company is headquartered in Canada and its functional reporting currency is the Canadian dollar. The Company's cash assets, investments, and liabilities are denominated in Canadian dollars and in US dollars. Additionally, a portion of Strutta's revenues are denominated in US dollars. As such, the Company's results of operations are subject to foreign currency fluctuation risks and these fluctuations may adversely affect the financial position and operating results of the Company. As of October 31, 2018, the Company does not use derivative instruments to reduce its exposure to currency risk.

8. RISK MANAGEMENT

Early stage technology companies face many risks. While management is unable to eliminate risks, the Company is intent on identifying and mitigating such risks as much as is reasonably possible.

In evaluating an investment in Mobio, in addition to other information contained in this MD&A, investors should consider the following risk factors associated with Mobio's business of investing in startup companies. These risk factors are not a definitive list of all risk factors associated with the Company and its business.

Risk of Loss of Entire Investment

Investing in startup companies involves a high level of risk. Startup companies may fail completely or Mobio may be unable to resell the shares it owns in the startup or collect upon the debt instrument that the Company has purchased from the startup. In these situations, Mobio may lose the entire amount of the investment.

Return on Investment is Not Guaranteed

The amount of return on investment, if any, is highly variable and not guaranteed. Some startups may be successful and generate significant returns, but many will not be successful and will only generate small returns, if any at all. Investment returns that the Company may receive will be variable in amount, frequency, and timing.

Delay in Return on Investment

Any returns generated by startup companies may take several years to materialize. Most startups take five to seven years to generate any investment return, if at all.

Liquidity Risk

It may be difficult to resell the investment in a startup. Startup investments are privately held companies and are not traded on a public stock exchange. Also, there is currently no readily available secondary market for private buyers to purchase securities of startups. Furthermore, there may be restrictions on the resale of the shares of the startup and the ability to transfer those shares.

Dilution Risk of the Investment

Startup companies may need to raise additional capital in the future through the issue of additional shares. This will dilute the percentage ownership that Mobio has in the company.

Risk of Inaccurate Valuation of the Investment

Unlike publicly traded companies that are valued through market-driven stock prices, the valuation of private companies, especially startups, is difficult to assess. The issuer will set the share price of the investment and there is a risk of overpaying for that investment.

Risk of Failure of the Startup

Investments in startups are speculative and these companies often fail. Unlike an investment in a mature business where there is a track record of revenue and income, the success of a startup often relies on the development of a new product or service that may or may not find a market.

Risk of Profitability of Startup Companies

A startup company is still in an early phase and may be just beginning to implement its business plan. There can be no assurance that it will ever operate profitably. The likelihood of achieving profitability should be considered in light of the problems, expenses, difficulties, complications and delays usually encountered by companies in their early stages of development. The startup company may not be successful in attaining the objectives necessary for it to overcome these risks and uncertainties.

Funding risk

A startup company may require funds in excess of its existing cash resources to fund operating expenses, develop new products, expand its marketing capabilities, and finance general and administrative activities. Due to market conditions at the time the startup company needs additional funding, it is possible that the company will be unable to obtain additional funding when it needs it, or the terms of any available funding may be unfavorable. If the company is unable to obtain additional funding, it may not be able to repay debts when they are due, or the new funding may excessively dilute existing investors. If the company is unable to obtain additional funding as and when needed, it could be forced to delay its development, marketing and expansion efforts and, if it continues to experience losses, potentially cease operations.

Disclosure risks

The startup company is at an early stage and may only be able to provide limited information about its business plan and operations because it does not have fully developed operations or a long trading history. The company is also only obligated to provide limited information regarding its business and financial affairs to investors.

Personnel risks

An investment in a startup is also an investment in the management of the company. Being able to execute on the business plan is often an important factor in whether the business is viable and successful. The startup company's management may not have the necessary expertise and experience to deliver on the company's business plan.

Growth risk

For a startup to succeed, it will need to expand significantly. There can be no assurance that it will achieve this expansion. Expansion may place a significant strain on the company's management, operational and financial resources. To manage growth, the company will be required to implement operational and financial systems, procedures and controls. It also will be required to expand its finance, administrative and operations staff. There can be no assurance that the company's current and planned personnel, systems, procedures and controls will be adequate to support its future operations. The company's failure to manage growth effectively could have a material adverse effect on its business, results of operations, and financial condition.

Competition risk

The startup may face competition from other companies, some of which might have received more funding than the startup has. One or more of the company's competitors could offer services similar to those offered by the company at significantly lower prices, which would cause downward pressure on the prices the company would be able to charge for its services. If the company is not able to charge the prices it anticipates charging for its services, there may be a material adverse effect on the company's results of operations and financial condition.

Market demand risk

While a startup company believes that there will be customer demand for its products, there is no assurance that there will be broad market acceptance of the company's offerings. There also may not be broad market acceptance of the company's offerings if its competitors offer products which are preferred by prospective customers. In such event, there may be a material adverse effect on the company's results of operations and financial condition, and the company may not be able to achieve its goals.

Control risks

Because the company's founders, directors and executive officers may be among the company's largest stockholders, they can exert significant control over the company's business and affairs and have actual or potential interests that may depart from Mobio's. The company's founders, directors and executive officers may own or control a significant percentage of the startup company. In addition to their board seats, such persons will have significant influence over corporate actions requiring stockholder approval, irrespective of how the company's other shareholders, including Mobio, may vote.

9. ACCOUNTING POLICIES & USE OF CRITICAL ESTIMATES

The preparation of the condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. An area subject to significant estimates is the impairment of financial and non-financial assets. Actual results could differ from those estimates.

The most significant judgement applied in the preparation of these condensed consolidated interim financial statements relates to the carrying value of the Company's investments. The Company invests in start-up technology companies whose products and services are under development. The successful development and commercialization of these products and services is subject to a high degree of risk. Judgement is applied in the consideration of impairment indicators of investments.

The preparation of these condensed consolidated interim financial statements required the use of judgment with respect to assessing whether certain acquisitions meet the definition of a "business" as defined in IFRS 3, Business Combinations. Those acquisitions which meet the definition of a business are accounted for as a business combination using the purchase method and require the purchase price to be allocated to the fair values of the net assets acquired, including any intangible assets that may have arisen as a result of the acquisition, with the remainder of the purchase price allocated to goodwill. Those acquisitions which did not meet the definition of a business are accounted for as a purchase of assets. The judgment applied to making this determination includes assessing whether the acquisition contains inputs, processes, and outputs as described in IFRS 3.

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to asset impairment. The recoverable amount of an asset or a cash generating unit ("CGU") is determined using the greater of fair value less costs to sell and value in use which requires the use of various judgments, estimates, and assumptions. The Company identifies CGUs as identifiable groups of assets that are largely independent of the cash inflows from other assets or groups of assets. Value in use calculations require estimations of discount rates and future cash flows derived from revenue growth, gross margin and operating costs. Fair value less costs to sell calculations require the Company to estimate fair

value of an asset or a CGU using market values of similar assets as well as estimations of the related costs to sell.

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its condensed consolidated interim financial statements for the three months ended October 31, 2018. Management prepares the condensed consolidated interim financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management considered a wide range of factors relating to current and expected profitability, current working capital levels, and potential sources of replacement financing.

As a result of the assessment, management concluded the going concern basis of accounting is appropriate based on its profit and cash flow forecast and expectations with respect to access to financing for the next twelve months.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

10. OUTSTANDING SHARE DATA

As of October 31, 2018, 18,419,453 common shares were issued and outstanding.

As of October 31, 2018, the Company had the following share purchase warrants issued and outstanding:

Number of Warrants	Exercise Price	Expiry Date
4,068,750	\$ 0.30	August 24, 2019
40,475	\$ 0.15	March 26, 2019
1,666,670	\$ 0.30	March 26, 2020
50,000	\$ 0.30	April 23, 2020
5,825,895		

As of October 31, 2018, the Company had the following stock options issued, vested and exercisable:

Outstanding (#)	Exercisable (#)	Exercise Price (\$)	Expiry Date
9,625	9,625	20.00	Dec. 24, 2018
6,250	6,250	10.00	Apr. 2, 2019
96,250	96,250	2.00	Oct. 31, 2019
25,000	25,000	2.00	Dec. 3, 2019
400,000	325,000	0.22	Jan. 19, 2028
537,125	462,125		

As of the date of this MD&A, the fully diluted share capital of the Company is 28,777,232 shares, comprising 22,414,212 common shares, 5,825,895 share purchase warrants, and 537,125 stock options.