



PROSTAR HOLDINGS INC.

**FORM 51-102F1
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021**

(Expressed in United States Dollars)

General

This Management's Discussion and Analysis ("**MD&A**") of ProStar Holdings, Inc. (formerly Doxa Energy Ltd.) ("**ProStar,**" or the "**Company**") is the responsibility of management and covers the nine-month period ended September 30, 2021. The MD&A takes into account information up to and including November 26, 2021.

The following information should be read in conjunction with the Company's condensed consolidated interim financial statements for the period ended September 30, 2021 and with the audited consolidated financial statements and the accompanying notes for the years ended December 31, 2020 and 2019, which were prepared in accordance with International Financial Reporting Standards ("**IFRS**").

All dollar figures are expressed in United States dollars unless otherwise stated. These documents and additional information on the Company are available on the SEDAR website at www.sedar.com.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate" and "believe", are intended to identify forward-looking statements. Such statements reflect the Company's "forecast", "estimate", "expectation" and similar expressions as they relate to the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions.

The forward-looking statements contained in this MD&A are made as of the date hereof and represent the Company's views as of the date of this document. While the Company believes that the expectations reflected in the forward-looking statements and information contained herein are reasonable, no assurance can be given that these expectations, or the assumptions underlying these expectations, will prove to be correct. The Company acknowledges that subsequent events and developments may cause the views expressed herein to change, however, the Company has no intention and undertakes no obligation to update, revise or correct such forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities law. Therefore, there can be no assurance that forward-looking statements contained herein will prove to be accurate as actual results and future events could differ materially from those expected or estimated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Description of Business

ProStar was incorporated under the Business Corporations Act (British Columbia) on February 13, 2007. On December 29, 2020 the Company completed a Reverse Take-Over ("**RTO**") whereby the Company was the target and acquired all the issued and outstanding securities of ProStar GeoCorp Inc ("**ProStar GeoCorp**"), changed its name to ProStar Holdings Inc, and completed a change of business ("**the RTO Transaction**").

The principal business of the Company is a developer of Software-as-a-Service ("**SaaS**")-based solutions, providing patented Geospatial Intelligence Software designed to enhance the management and maintenance of the asset lifecycle for asset centric industries. The Company is listed on the Toronto Stock Exchange Venture ("**TSXV**"), as a Tier 2 technology issuer on the TSXV and trades under the symbol MAPS. The Company also trades on the OTCQB, a US trading platform under the ticker symbol MAPPF.

The Company maintains its registered office at 1000-595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5 and keeps its records at 488-1090 West Georgia Street, Vancouver, British Columbia, Canada, V6E 3V7.

ProStar specializes in the development of precision mapping solutions and software designed to precisely capture, record, and provide visualization of utility and pipelines that are placed below the Earth's surface. ProStar's precision mapping solutions provide geospatial intelligence, location precision, and transparency. ProStar's cloud and mobile solutions are Transparent Earth and its native mobile application PointMan® both of which are deployed as SaaS. Transparent Earth is designed to improve the construction, maintenance and repair of underground infrastructure and to better protect the worker, the public and the environment. This unique and patented system integrates open standards, advances in GPS technology, cloud computing and mobile technology to provide a real time view of location data with precision. The result is that all phases of the asset management lifecycle from initial planning & engineering, through the construction and maintenance are enhanced. This conflated geospatial data view provides field workers with the information that they need during construction and maintenance activities, to avoid damage to assets as well as personal injury and pollution.

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ProStar has several high-profile clients that include the Colorado Department of Transportation, Kiewit Corporation (a Fortune 500 contractor based in Omaha, Nebraska), and some of the largest subsurface utility engineering organizations in North America that include T2 Engineering & Surveying, WSB Engineering & Surveying and KCI Engineering & Surveying.

Merger

ProStar with Doxa Merger Corp. (a wholly owned subsidiary of PHI created for the purposes of completing the transaction) (PHI SubCo) entered into a definitive merger agreement (the "Merger Agreement") with ProStar GeoCorp on May 22, 2019 as amended on February 11, 2020, May 29, 2020, August 17, 2020 and September 30, 2020. On December 29, 2020, under the terms of the Merger Agreement, the RTO Transaction completed by way of a merger under the laws of Delaware and the shareholders of ProStar GeoCorp exchanged each common share they held in that Company for common shares of PHI on the basis of 4 common shares of PHI for each common share of ProStar GeoCorp, resulting in the issuance of 62,618,300 common shares.

Upon closing of the transaction, and immediately prior to the conversion of the subscription receipts, PHI had an aggregate of 75,676,813 common shares issued and outstanding. At the time of exchange the shareholders of PHI held 13,058,431 PHI shares, representing approximately 17.3% and the former shareholders of ProStar GeoCorp held 62,618,380 PHI shares, representing approximately 82.7% of the common shares issued and outstanding.

Under the terms of the Merger Agreement, immediately prior to the closing of the transaction:

- a) PHI settled all outstanding loans through the issuance of 11,059,601 post consolidation common shares and through the forgiveness of interest.
- b) PHI disposed of its wholly owned subsidiary, Doxa Energy US, Inc.
- c) The outstanding common shares of PHI were consolidated on the basis of one new PHI share for every 17 existing PHI shares, resulting in 13,058,431 common shares outstanding.
- d) ProStar GeoCorp converted notes payable of \$1,693,918 to Class B preferred shares.
- e) All preferred shares of ProStar GeoCorp were converted to common shares of ProStar GeoCorp.
- f) PHI SubCo merged with and into ProStar GeoCorp, with ProStar GeoCorp surviving as a wholly owned subsidiary of PHI.
- g) Each outstanding share of ProStar GeoCorp was exchanged into four post-consolidation PHI shares.

Although the transaction resulted in a legal business combination, from an accounting perspective, the transaction is considered to be a reverse take-over. In accordance with reverse acquisition accounting:

- i. The assets and liabilities of ProStar GeoCorp are included at their historic value.
- ii. The net assets of PHI are included at fair value, assumed to be equal to their carrying value as at December 29, 2020.
- iii. Share capital, reserves, accumulated other comprehensive loss and deficit of PHI up to the RTO on December 29, 2020 were eliminated.

The breakdown of the listing expense in the consolidated statement of loss and comprehensive loss, is as follows:

Purchase Price	
13,058,431 shares at \$0.31	\$ 4,078,848
Less: Net assets of PHI	
Cash	(4,382,603)
Accounts and other receivables	(2,868)
Accounts payable and accrued liabilities	51,865
Subscription receipt liability	4,372,950
Listing costs expensed	\$ 4,118,192

The fair value of the 13,058,431 shares retained by the PHI shareholders was determined to be \$4,078,848, which was based on the subscription receipt financing completed by PHI of 14,000,000 units at a price of CDN\$0.40 (USD \$0.31).

The Opportunity and the Market

North America is laced with a network of tens of millions of miles of buried infrastructure that are in danger of being damaged every time a ground-breaking activity occurs. Every year in the US alone, over 30 million excavations are performed. On average there is a subsurface utility damage event every sixty seconds of every workday. When these events occur, lights go out, traffic is

disrupted, pollution is released into the atmosphere, hundreds of millions of dollars of repairs are required and unfortunately, injuries may occur.

The problem is that many of the underground corridors that hold the buried infrastructure are overcrowded and with more and more demands on the infrastructure to support an ever-growing population these underground corridors are becoming increasingly congested. Combine aging utilities, lack of accurate location data, fragmented processes, and increasing demands to expand the congested corridors in which they lie and you have a potential disaster on your hands every time any form of maintenance, repair or construction is performed. A vast amount of this infrastructure is over 50 years old, much is aging beyond repair and some are just abandoned. At the heart of the issue, is the fact that in many cases, the exact locations of below ground infrastructure is not known with any real certainty. If the location information was recorded - the information is usually in a GIS designed for storing, analyzing and reporting location data. GIS usage has been constrained to a select group of users by factors that include excessive cost, user complexity and lack of accessibility. The technology itself has also been prohibitive in providing location intelligence into enterprise business applications due to the existing client-server GIS systems offered by the major GIS solution providers. Recent catastrophic incidents affecting workers, the public and the environment confirm the need to use a more modern geospatial solution to improve current damage prevention and asset management practices.

ProStar has identified demand for a precision mapping solution that provides immediate and measurable benefits to the utility and pipeline sectors as well as the associated verticals. In order to successfully address the anticipated and growing demand, a model that addresses the current issues of the traditional systems including that of cost, complexity and accessibility is needed. The answers lay within the SaaS model and leveraging cloud and mobile technologies. As with online retail and banking, it is only natural that these same technologies be adopted as the dominant delivery methods for a precision mapping solution. The demand for open cloud and mobile computing is the factor that has created an enormous opportunity for ProStar and its natively cloud and mobile precision mapping solution offered as a SaaS. By using ProStar's precision mapping solutions, government agencies and private businesses will be able to improve the efficiency of their organizations without the financial and technical burdens of creating and maintaining internal systems. Ultimately, all processes will improve and the serious damage caused to the infrastructure, the environment and to the public during construction will be significantly reduced.

ProStar's SaaS platform is commercially available and its flagship solution, PointMan®, is generating sales revenue. Recent developments include the launch of our new application PointMan® PRO, which works globally and will operate on the Android and iOS platforms. Further development and improvements are planned.

ProStar's Solution

ProStar designed and developed an open geospatial solution to address these issues and reduce the risk of damage to these buried assets due to the lack of timely and precise information being available during maintenance and construction activities. Using unique and patented processes, ProStar's solution provides a unique view of subsurface infrastructure relative to the user's location resulting in real-time situational awareness and to a precision, which, until now, was unachievable. ProStar's solution leverages open data standards combined with cloud and mobile technologies, to deliver critical information into the hands of project personnel where and when it is most needed. When relevant geospatial information is delivered to the field in a timely manner, the risk of damage to buried assets often caused by construction and maintenance activities is significantly reduced.

The use of ProStar's solution significantly reduces the risks associated with damage currently plaguing the utility and pipeline industries and streamlines business processes throughout the enterprise and asset lifecycle. ProStar offers immediate cost savings, improves worker and public safety, and minimizes environmental risk all the while bringing added value, consistency, and time savings to the asset management and damage prevention processes. This challenge is not limited to the US market and in fact, the concerns in other parts of the world are far greater.

The real issue facing the industry is directly related to the quality of the data that is being provided and limitations on getting meaningful information into the hands of the field workers in a timely manner. These limitations arise from current GIS systems, imprecise data collection practices, disparate data standards, fragmented data management processes, and poor data distribution methods, all of which hinder attempts to prevent damage to subsurface utilities during construction activities.

Operating Activities and Plans

ProStar's SaaS platform expanded in March 2021, with the addition of PointMan® PRO, which works globally and will operate on the Android and iOS platforms. ProStar is actively targeting new clients, with a focus on key verticals while also looking to expand into new verticals. With the completion of the proposed merger and concurrent financing the Company plans to invest significantly in market awareness with a focus on sales growth.

Going Concern

The Company's financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as recorded in these audited financial statements. The Company's financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. As at September 30, 2021, the Company had not achieved profitable operations, had accumulated a deficit of \$27,866,359 since inception and expects to incur further operating losses in the development of its business. The Company's ability to continue as a going concern is dependent upon the ability to develop its business units, develop marketable software, potentially find, acquire, and develop various other business segments with growth potential, its ability to obtain the necessary financing to carry out this strategy, and to meet its corporate overhead needs and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These matters indicate material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Recent Events & Overall Performance

During the period ended September 30, 2021 the Company:

- a) Resumed trading on the TSX Venture exchange, the Company's common shares resumed trading under the symbol MAPS on January 11, 2021.
- b) Announced on January 14, 2021 that the Colorado Department of Transportation (CDOT) mandate that requires use of the Company's PointMan software is effective today. The new mandate requires that over 150 utility companies and more than 1,000 utility installation stakeholders use Prostar's PointMan mobile software platform to capture and record the precise location of underground utilities
- c) Announced on January 21, 2021 that it has entered into an educational partnership program with Louisiana Tech University (LTU). This new partnership program is integrating Prostar's precision mapping solutions into the university's engineering department at both the undergraduate-level and graduate-level curriculums.
- d) Announced on January 26, 2021 that KCI, one of the top-ranked engineering firms in the United States, has entered into a service-level agreement (SLA) with Prostar Holdings Inc.'s wholly owned subsidiary, Prostar Geocorp Inc., to integrate PointMan into its business operations.
- e) Formed a technical advisory board and completed the following appointments:
 - a. On January 29, 2021, the Company announced the appointment of Jim Anspach, a global expert in subsurface utility engineering (SUE), who will serve as chair on the technical advisory Board, as well as a subject matter expert on the development of Prostar's solution. Mr. Anspach has been instrumental in the utility engineering industry with more than 40 years of global experience, including in the United States, Canada, United Kingdom and Australia. Mr. Anspach was a founding governor and president of The American Society of Civil Engineer's Utility Engineering & Surveying Institute (UESI). Additionally, he was elected as a distinguished member of the American Society of Civil Engineers for his life-long eminence in utility engineering and utility damage prevention development, knowledge and experience.
 - b. On February 10, 2021, the Company announced the appointment of Rob Martindale. Mr. Martindale serves as program manager of utilities and railroads at the Colorado Department of Transportation and the rules, policies and procedures administrator. He also serves as technical council chair on utility mapping, GIS and data management for the American Association of State Highway Transportation Officials.
 - c. On February 18, 2021, the Company announced the appointment of Rick Pevarski, founder and former chief executive officer of Virginia Utility Protection Service (VA811). VA811, which provides the one-call notification services for the Commonwealth of Virginia, was founded by Mr. Pevarski in 2001. The centre notifies utilities of upcoming excavation work so they can locate and mark the underground facilities to prevent possible damage to underground utility lines in order to prevent injury, property damage and service outages.
- f) Announced on February 3, 2021 that its shares have been accepted for listing on the Frankfurt Stock Exchange (FSE) under the symbol 5D00.

- g) Announced on February 16, 2021 that it has integrated Bluetooth Low Energy technology into its flagship product, PointMan. The integration of Bluetooth Low Energy expands both Android and iOS compatibility and Prostar's global network of cable and pipe locate tool manufacturers, including: Vivax-Metrotech, Radiodetection and Subsite Electronics. Prostar worked very closely with Apple and the major cable and pipe locate tool manufacturers to integrate PointMan iOS via the Bluetooth Low Energy protocol. This recent integration with iOS also means the app adheres to Apple user interface guidelines for a more user-friendly experience and passes Apple's security reviews. With this development, PointMan now offers its field users more options, including connecting their tools with Android devices and Apple's iPhones and iPads.
- h) Announced on February 26, 2021 that it has launched the PointMan Dealer Program. The program enhances the sales and marketing of PointMan with world-leading GPS/GNSS (global positioning system/global navigation satellite system) and electromagnetic (EM) equipment manufacturers, including Trimble, Vivax-Metrotech, Radiodetection and Subsite Electronics. After a successful pilot with a select group of Trimble dealers in the United States, the PointMan Dealer Program is now being expanded to multiple industry-leading equipment distributors across North America.
- i) Announced on March 10, 2021 that it has received an order and agreed with a sole subscriber to complete a non-brokered private placement of \$1,001,000, through the issuance of 1.43 million units, at a price of 70 cents per unit, to a European investment group. The Company intends to use the net proceeds of the private placement to expand its global sales network, add additional sales and marketing resources, and for working capital.

Each unit consists of one common share of the company and one-half of one non-transferable common share purchase warrant. Each warrant will entitle the holder to purchase one additional share at an exercise price of \$1 per share for a period of 24 months from the date of issue.

All securities issued in connection with the offering are subject to a four-month hold period under applicable securities legislation. The Company paid a cash finder's fee in the amount of \$70,070 and issued 100,100 finder's warrants, with each finder's warrant exercisable into a common share of the company at a price of 70 cents for 24 months.

- j) Announced on March 11, 2021 that it had partnered with Bad Elf to produce an affordable, lightweight and intuitive solution designed to gather the precise location of surface and subsurface utility data.
- k) Announced on March 15, 2021 that it has appointed Jason Martschuk as vice-president of sales for Canada. Mr. Martschuk will be responsible for overseeing the sales of the Company's patented flagship mobile software application PointMan for all of Canada. Mr. Martschuk's responsibilities will be to utilize his extensive experience in sales, engineering and geospatial technology to increase Prostar's market awareness and footprint in Canada. Mr. Martschuk brings over 20 years of sales, GIS and project management experience to Prostar Canada. As executive management for Oracle's construction and engineering global business unit for Western Canada, a senior sales executive with Hexagon PPM, and as a GIS specialist and project manager with AMEC.
- l) Announced on March 31, 2021 the release of PointMan Pro, the most modern natively cloud and mobile precision mapping solution specifically designed for the infrastructure industry. PointMan Pro is a patented mobile and cloud application that seamlessly connects the field with the office and provides the ability to precisely capture, record, display and manage critical infrastructure data necessary for the maintenance and management of roads, railways, pipelines and utilities from a standard mobile device.

The commercial release of PointMan Pro comes after two years in development, a significant allocation of resources and several months of rigorous beta testing with select trusted testers that included some of the largest construction and subsurface utility engineering (SUE) firms in North America. Prostar selected firms that specialize in the construction and maintenance of critical infrastructure to implement the new application and provide valuable feedback and requirements in order to replace many current inefficient, antiquated and fragmented business practices. In addition to the trusted testers, many PointMan Pro key feature and functionality requirements were provided by government agencies, the world's leading equipment manufacturers, 811 call centres, departments of transportation, lawmakers, and other state and federal agencies.

PointMan Pro eliminates and streamlines outdated workflow processes and legacy equipment to deliver mission-critical data in real-time to all field and office personnel. Prior to the release of PointMan Pro, the processes for collecting and sharing data were very onerous, requiring a substantial investment in software, hardware and dedicated resources. In addition, the data workflows could take days, if not weeks, creating significant delays and hindering the ability to make timely, mission-critical business decisions. These delays are costly and place the public, the worker and the environment at risk.

- m) Announced on April 19, 2021 that it has achieved another major development milestone with the completion of the integration of Subsite Electronics Pipe & Cable locators into the company's flagship application, PointMan, running on iOS. This allows for more expanded use of PointMan on iOS-compliant devices.

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- n) Announced on April 23, 2021 that it has successfully completed a service organization control (SOC 2 Type 2) examination. The audit found that the Company's subsidiary, ProStar GeoCorp meets the SOC 2 Type 2 standards for security and availability trust services principles with zero exceptions listed. This is the third consecutive year that Prostar has received this SOC 2 Type 2 certification.
- o) Announced on May 31, 2021 that Kraemar® North America, a top-ranked U.S. national heavy civil contractor with operations throughout the U.S., has signed a service-level agreement ("SLA") for ProStar's newest cloud and mobile Precision Mapping Solution, PointMan Pro.
- p) Announced on June 3, 2021 that WSB, a national and award winning US-based design and consulting firm that specializes in providing infrastructure services, has signed a SLA for ProStar's cloud and mobile solution PointMan®.
- q) Announced on June 24, 2021 that Canadian Patent No. 3,034,837, prepared and prosecuted by Lewis Roca Rothgerber Christie LLP, one of the United States leading intellectual property law firms, has been granted to ProStar. The patent is a pioneer patent and directed to mobile devices used for the data collection processes that capture information about utility assets, create data records, and transmit the information to the cloud from the mobile device. The patented device and method provide critical utility asset data in a more timely and efficient manner which helps to prevent damages to utilities and the environment during infrastructure construction, repair, and groundbreaking activities.
- r) Announced on June 29, 2021 that the Company has entered into a commercial partnership agreement with Condux International/PRISUM Technologies, the premier manufacturer of underground and overhead cable installation tools and equipment for the fiber and electric power markets. Together, the companies' products and services will create the most advanced installation and management services for the fiber optic and electric power industries.
- s) Issued 94,523 common shares on exercise share purchase warrants for proceeds of \$55,424 (CDN\$40,309).
- t) Announced on July 5, 2021 that it has retained Hybrid Financial Ltd. ("Hybrid") to provide marketing services to the Company. Hybrid has been engaged to heighten market and brand awareness for ProStar and to broaden the Company's reach within the investment community
- u) Announced on July 8, 2021 that it has retained Integral Wealth Securities Limited ("Integral") to provide market-making services in accordance with the policies of the TSXV. Integral will trade shares of the Company on the Exchange for the purposes of maintaining orderly market and improving the liquidity of the Company's shares.
- v) Announced on August 3, 2021 the signing of the City of New Hampton, Iowa. New Hampton becomes the first municipality to adopt ProStar's PointMan® cloud and mobile solution as its primary system of record (SOR) to manage its critical infrastructure.
- w) Announced on August 4, 2021 that its common shares received approval from The Depository Trust Company ("DTC") of New York, NY and are now DTC eligible. DTC eligibility allows ProStar shares to be more easily and economically transferred between brokerage accounts electronically within the United States. DTC is the largest securities depository in the world, providing clearing and settlement efficiencies for brokers, as well as various other services.
- x) Announced on August 5, 2021 that it has obtained approval for trading on the OTCQB, a United States trading platform that is operated by the OTC Markets Group in New York. The company's common stock has officially commenced trading on the OTCQB under the ticker symbol MAPPF. Investors can find quotes for the company's common stock on the OTC Markets's website.
- y) Announced on September 13, 2021 that it has retained RB Milestone Group LLC (RBMG) to provide the following investor relations services to the company: corporate communications, non-deal road shows, market intelligence and business referrals to the management team of the company. RBMG has been engaged for the remainder of 2021 and will be paid a fee of \$44,000 (U.S.) for this term. RBMG is at arm's length to the company.

Subsequent Events

Subsequent to September 30, 2021, the Company:

- a) Announced on October 5, 2021 that it has engaged Lytham Partners LLC to expand its United States-based investor outreach program. Lytham Partners has been engaged to provide investor conference non-deal meetings, market intelligence and investor relations services.
- b) Announced on October 7, 2021 that it has signed the Township of Aberdeen, N.J. Aberdeen adopts Prostar's solution, PointMan, as its system of record (SOR) to meet the New Jersey Department of Environmental Protection (NJDEP) mandate for mapping and digital data standards.
- c) Announced on October 19, 2021 that Bad Elf LLC will bundle current and future Bad Elf Flex purchases with a one-year paid subscription to Prostar Holdings Inc.'s software, PointMan Plus, to provide a complete data collection system.
- d) On November 24, 2021 the Company announced the closing of an upsized brokered private placement for gross proceeds of CDN\$5,750,000 and an upsized non-brokered financing of CDN\$4,450,000.

The Company issued 14,375,000 units, at a price of CDN\$0.40 per unit in the brokered financing. Each unit consists of one common share of the Company and one-half of one non-transferable common share purchase warrant. Each warrant will entitle the holder to purchase one additional share at an exercise price of CDN\$0.56 per share for a period of 24 months from the date of issue.

Concurrently, the Company completed a non-brokered private placement for gross proceeds of CDN\$4,450,000 through the issuance of 11,125,000 units on the same terms as the brokered private placement.

The Company paid cash commission to the agent of CDN\$402,500 (7% of the aggregate gross proceeds of the brokered financing) and issued 1,006,250 broker warrants. Each broker warrant is exercisable at a price of CDN\$0.40 for a period of two years. In addition, the Company issued 143,750 units (1% of the aggregate gross proceeds) to the agent, having the same terms as the units sold in the brokered offering.

Summary of Quarterly Results

Prior to becoming a reporting issuer on January 11, 2021, the Company did not prepare quarterly financial statements.

Discussion of Operations – Three- and Nine-month period ended September 30, 2021

The condensed consolidated financial statements reflect the financial condition of the Company's business for the three- and nine-month period ended September 30, 2021. The significant events during the period which impacted the financial results of the Company, which are discussed in more detail above in the performance summary section and merger section, are:

- The completion of the RTO Transaction, as discussed in the merger section above. On January 11, 2021, the Company commenced trading on the TSXV under the symbol MAPS
- The ongoing development of the ProStar PointMan SaaS solutions, including PointMan Pro, which was released on March 31, 2021.
- Increasing the sales and marketing to raise awareness of the Company and its products, which included adding additional salesmen.
- The completion of a non-brokered private placement of \$1,001,000, through the issuance of 1.43 million units, at a price of 70 cents per unit, and
- Continued project delays and travel restrictions due to COVID-19.

Please note that the Company completed the RTO transaction on December 29, 2020 and the results below include the results of ProStar Holdings Inc from December 29, 2020.

Revenue

For the nine-month period ended September 30, 2021, the Company generated \$548,344 in SaaS sales (2020 - \$882,968) and during the three-month period ended September 30, 2021, the Company generated \$179,165 in SaaS sales (2020 - \$263,299). During the first two quarters of 2021 new construction projects using its SaaS platform remained low due to the delays in starting new projects

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which was related to the COVID-19 pandemic. The Company saw an increase in Q3, which is reflected in the increased deferred revenue balance as at September 30, 2021. The Company expects the projects delayed during 2020 and first half of 2021 to commence during the final quarter of 2021 and into 2022, which we anticipate will see an increase in new clients to its SaaS platform. In addition, after 2 years of development and 6 months of testing the Company released its new solution, PointMan Pro, at the end of the first quarter. Trusted testers included construction, engineering and surveying, and contract locate companies. PointMan Pro is designed to replace Transparent Earth and is a more modern cloud and mobile solution that runs on Amazon Web Services (AWS) as opposed to Microsoft Azure and can be offered at a lower price point. The trusted tester period ended on April 15th and the Company has received significant interest in the new solution from companies in the US as well as Canada, Australia and the UK. The Company has also expanded its sales team and has completed a record number of demos during the first quarter. In addition, the Company has realized a record number of downloads of its free version available on Google Play and the Apple Store which indicates the brand awareness of the Company and its SaaS solutions is increasing. The Company also introduced a dealer program, which it plans to officially complete next month. The ProStar Dealer Program is designed to support leading equipment manufacturers of GPS and Utility locate devices that have partnered with ProStar in order to become a reseller of PointMan.

Operating Expenses and Other Items

Operating expenses and other items with significant variances and balances include:

Depreciation

Depreciation for the nine-month period ended September 30, 2021 was \$104,101 (2020 - \$38,094). Depreciation for the three-month period ended September 30, 2021 was \$38,546 (2020 - \$8,262). The majority of the increase is due to a new lease which the Company entered at the Grand Junction location.

Information technology

Information technology was \$86,585 (2020 - \$48,765) during the nine-month period ended September 30, 2021. Information technology was \$30,436 (2020 - \$26,649) during the three-month period ended September 30, 2021. The increase was due to a focus on development during the period.

Sales and Marketing

Sales and Marketing was \$1,067,587 (2020 - \$257,448) during the nine-month period ended September 30, 2021 and \$251,760 (2020 - \$112,529) during the three-month period ended September 30, 2021. Following the completion of the financings the Company has increased the sales team and the marketing spend to raise awareness of the Company's SaaS solutions. On March 31, 2021, the Company released its PointMan Pro solution and intends to invest further in the sales and marketing during 2021 and 2022.

Product development

Product development was \$814,291 (2020 - \$687,936) during the nine-month period ended September 30, 2021 and \$323,202 (2020 - \$222,538) during the three-month period ended September 30, 2021. The increase was due to additional hires in this area as the Company advanced the PointMan Pro mobile application which it released on March 31, 2021. In addition, the Company continues to improve and advance all its SaaS platforms.

Investor relations

Investor relations was \$56,000 (2020 - \$nil) during the nine-month period ended September 30, 2021 and \$56,000 (2020 - \$nil) during the three-month period ended September 30, 2021. As discussed in the performance summary above, during the period the Company engaged Hybrid Financial Ltd. and RBMG and subsequent to period end engaged Lytham Partners LLC in the US to provide investor relations services.

Management fees

Management fees for the nine-month period ended September 30, 2021 were \$444,250 (2020 - \$324,576) and were \$147,500 (2020 - \$128,229) during the three-month period ended September 30, 2021.

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Professional fees

Professional fees for the nine-month period ended September 30, 2021 were \$394,334 (2020 - \$335,240) and \$96,951 (2020 - \$138,220) during the three-month period ended September 30, 2021. Professional fees include audit and accounting fees and legal fees which remained high due to the costs associated with the completion of the RTO, commencement of trading on January 11, 2021, general corporate and patent activity.

Share-based payments

Share-based payments for the nine-month period ended September 30, 2021 were \$1,049,286 (2020 - \$ nil) and were \$432,237 (2020 - \$nil) during the three-month period ended September 30, 2021. During the nine-month period ended September 30, 2021, the Company granted 1,735,000 stock options to employees and consultants which vest over 2-3 years. The expense relates to the vesting schedule of past stock options granted.

Transfer agent and filing fees

Transfer agent and filings fees for the nine-month period ended September 30, 2021 were \$96,063 (2020 - \$nil) and were \$36,118 (2020 - \$nil) for the three-month period ended September 30, 2021. These fees relate to the Company's listing and ongoing listing requirements which commenced on January 11, 2021.

Travel

Travel expenses for the nine-month period ended September 30, 2021 were \$58,176 (2020 - \$52,369) and for the three-month period ended September 30, 2021 were \$40,284 (2020 - \$4,325). The increase in travel is largely due to the lifting of some travel restrictions imposed due to COVID-19.

Liquidity and Capital Resources

During the nine-month period ended September 30, 2021, the Company's operating activities had cash outflows of \$3,428,448 (2020 - \$1,317,394).

The Company's cash as at September 30, 2021 was \$616,278 (December 31, 2020 - \$3,404,012) and the Company's working capital was \$71,756 (December 31, 2020 - \$2,520,685).

Financing Activities

During the nine-month period ended September 30, 2021, the Company generated \$625,978 from financing activities (2020 - \$1,677,005). Significant inflows included \$790,649 (2020 - \$nil) from the non-brokered private placement and \$32,029 (2020 - \$nil) from the exercise of share purchase warrants. Significant outflows included the payment of share issuance costs of \$55,424 (2020 - \$nil), the repayment of loans of \$50,000 (2020 - \$nil), and lease payments of \$91,276 (2020 - \$15,395).

Investing Activities

During the nine-month period ended September 30, 2021, the Company's investing activities required \$38,543 (2020 - \$13,843) related to the acquisition and disposal of equipment.

Capital Resources

The Company manages its capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the Company's assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

Capital Structure

Common Shares:

As at the date of this MD&A, the Company has 116,845,084 common shares issued outstanding.

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Escrow:

As at the date of this report the Company had 33,731,280 shares subject to escrow or contractual resale restrictions. The escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities.

Stock options:

The following stock options were outstanding as at the date of this report:

Exercise Price	Number	Expiry
CDN\$0.40	6,790,000	December 29, 2025
CDN\$0.73	125,000	January 25, 2026
CDN\$0.73	125,000	January 29, 2026
CDN\$0.73	125,000	February 18, 2026
CDN\$0.65	150,000	March 26, 2026
CDN\$0.70	110,000	April 13, 2026
CDN\$0.70	200,000	May 26, 2026
CDN\$0.65	400,000	July 8, 2026
CDN\$0.48	500,000	August 9, 2026

Warrants:

The following warrants were outstanding as at the date of this report:

Exercise Price	Number	Expiry
Warrants		
CDN\$0.56	10,000,000	December 29, 2022
CDN\$0.60	6,987,500	December 29, 2022
CDN\$1.00	715,000	March 23, 2023
CDN\$0.56	12,750,000	November 24, 2023
Broker Warrants		
CDN\$0.40	796,914	December 29, 2022
CDN\$0.70	100,100	March 23, 2023
CDN\$0.40	1,006,250	November 24, 2023
CDN\$0.56	71,875	November 24, 2023

Financial Instruments and Risk Management

Fair value of financial instruments

The Company measures the fair value of its financial instruments according to a fair value hierarchy based on the significance of observable inputs used to value the instrument as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – Unobservable inputs for the asset or liability.

The Company's financial instruments consist of accounts and other receivables, accounts payable and accrued liabilities, loans payable, and convertible note and are classified as amortized cost. The carrying values of these financial instruments approximate their fair values because of their nature and/or relatively short maturity dates or durations.

Cash is classified as being at fair value through profit or loss. The fair value of cash is measured in accordance with Level 1 of the fair value hierarchy.

Financial and capital risk management

The Company examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include market risk, foreign currency risk, interest rate risk, credit risk, and liquidity risk. These risks are reviewed and monitored by the Board of Directors.

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Discussions of risks associated with financial assets and liabilities are detailed below:

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the fair value or future cash flows of a financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. As at September 30, 2021, the Company was not subject to significant market risk.

Foreign currency risk

The international nature of the Company's operations results in foreign exchange risk. Fluctuations in the exchange rate between the Canadian dollar and US dollar may have an adverse effect on the Company's business and costs to proceed with preferred vendors. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk mainly arises from changes in the interest rates on cash. Cash generates interest based on market interest rates. As at September 30, the Company was not subject to material interest rate risk.

Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash and its accounts receivable. The Company holds cash at a major US chartered bank in a chequing account.

The Company is exposed to credit risk on its trade accounts receivable. Trade receivables totaled \$2,660 as at September 30, 2021 (December 31, 2020 - \$13,000).

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by maintaining adequate cash balances. If necessary, the Company may raise funds through the issuance of preferred shares, debt, or equity. The Company ensures that there is sufficient capital to meet its obligations by continuously monitoring and reviewing actual and forecasted cash flows and matching the maturity profile of financial assets to development, capital and operating needs.

Contractual cash flow requirements as at September 30, 2021 were as follows:

	< 1 year \$	1 – 2 years \$	3 – 5 years \$	Total \$
Accounts payable and accrued liabilities	234,802	-	-	234,802
Lease liabilities	138,287	55,524	11,389	205,200
Total	373,089	55,524	11,389	440,002

Related Party Transactions

During the period ended September 30, 2021, the Company paid or accrued, to key management personnel, directors and their related companies:

	2021	2020
Chief Executive Officer	\$ 187,500	\$ 108,438
Chief Operating Officer	187,500	147,083
Chief Financial Officer	67,500	45,000
Total	\$ 442,500	\$ 300,521

Included in accounts payable is \$7,893 (December 31, 2020 - \$150,000) owing to officers of the Company.

Significant Accounting Judgements, Estimates and Assumptions

The preparation of consolidated financial statements requires management to make estimates about, and apply assumptions or judgment to, future events and other matters that affect the reported amounts of the Company's assets, liabilities, revenues, expenses and related disclosures.

Assumptions, estimates and judgments are based on historical experience, expectations, current trends and other factors that management believes to be relevant at the time at which the Company's consolidated financial statements are prepared. The Company's significant accounting judgements, estimates and assumptions are disclosed in Note 2 of the condensed consolidated interim financial statements for the period ended September 30, 2021.

Significant Accounting Policies

The Company's accounting policies are presented in Note 3 of the audited Consolidated Financial Statements for the year ended December 31, 2020 and have been consistently applied in the preparation of the condensed consolidated interim financial statements for the period ended September 30, 2021.

Proposed Transactions

Except as described in elsewhere herein or in the Company's consolidated financial statements as at September 30, 2021, the Company had no material proposed transactions.

Contractual Obligations

Except as described herein or in the Company's consolidated financial statements as at September 30, 2021, the Company had no material contractual obligations.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Significant accounting judgments, estimates, and assumptions

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. Please refer to the financial statement for a list of the significant judgments and estimates.

Risk Factors

The following are major risk factors management has identified which relate to the Company's business activities. Such risk factors could materially affect the Company's future financial results and could cause events to differ materially from those described in forward-looking statements relating to the Company. Though the following are major risk factors identified by management, they

do not comprise a definitive list of all risk factors related to the Company's business and operations. Other specific risk factors are discussed elsewhere in this MD&A.

Risks Related to the Company's Business

Loss of Proprietary Information

ProStar's currently holds patents on the technology used in its operations and products and it also relies heavily on trade secrets, know-how, expertise, experience, and the marketing ability of its personnel to remain competitive. Although ProStar requires all employees, consultants, and third parties to agree to keep its proprietary information confidential, no assurance can be given that the steps taken by ProStar will be effective in deterring misappropriation of its technologies. Additionally, no assurance can be given that employees or consultants will not challenge the legitimacy or scope of their confidentiality obligations, or that third parties, in time, could not independently develop and deploy equivalent or superior technologies.

Competing Technologies

With respect to ProStar's software applications, several direct and indirect competitors are currently in the market with product offerings that could be considered at least partially competitive to ProStar's products. These potential competitors vary in size and could have greater technical and/or financial resources than the Company, to develop and market their products. The financial performance of ProStar may be adversely affected by such competition. Additionally, no assurances can be given that additional direct competitors to ProStar may not be formed or that ProStar may not lose some or all of its contracts with existing or future customers, thereby decreasing its ability to compete. Also, existing and future customers may have, or may develop, in-house solutions that could take the place of ProStar's software applications. Any adverse change in the business relationships with the ProStar's customers or partners could have a material adverse impact on the ProStar's software applications business and its future prospects.

Internet and System Infrastructure Functionality

The end customers of ProStar's software applications depend on internet service providers, Cloud service providers and ProStar's infrastructure for access to the software applications ProStar provides to its customers. These services are subject to service outages and delays due to system failures, stability or interruption. As a result, ProStar may not be able to meet a satisfactory level of service as agreed to with its customers, which could have a material adverse effect on ProStar's business, revenues, operating results and financial condition.

Information Technology Security

ProStar's software applications are dependent on its ability to protect its computer equipment and the information stored in its data centers against damage that may be caused by fire, power loss, telecommunication failures, unauthorized intrusion, computer viruses, disabling devices and other similar events. A failure in the Company's production systems or a disaster or other event affecting production systems or business operations, both internally and externally, could result in a disruption to ProStar's software services. Such a disruption could also impact ProStar's reputation and cause it to lose customers, revenue, face litigation, or necessitate customer service/repair work that would involve substantial costs and could ultimately have a material impact on ProStar.

ProStar's geospatial database has become a valuable asset to ProStar. While ProStar has invested in database management, information technology security, firewalls, offsite duplicate storage and periodic audits, there is a risk of a loss of data through unauthorized access or a customer violating the terms of ProStar's end user licensing agreements and distributing unauthorized copies of its data. ProStar has, and will continue to invest, in both legal resources to strengthen its licensing agreements with its customers and in overall information technology protection.

Software Functionality

Defects in ProStar's software applications, delays in delivery, and failures or mistakes in the ProStar's software code could materially harm ProStar's business, including customer relationships and operating results.

Global Positioning System Failure

Prostar's software relies on GPS technology for location data. GPS satellites have been available to the commercial market for

many years. The continued unrestricted access to the signals produced by these GPS satellites are helpful in the collection of ProStar's IFSAR data. A loss of GPS would have such a global impact that it is believed that controlling authorities would almost certainly make another system available to GPS receivers in relatively short order.

If the market for analytics products and services fails to grow as we expect, or if businesses fail to adopt our platform, our business, operating results, and financial condition could be adversely affected.

Since 2016, nearly all of ProStar's revenue has come from sales of our subscription-based software platform. ProStar expects these sales to account for a large portion of ProStar's revenue for the foreseeable future. Although demand for GIS mapping products and services has grown in recent years, the market for GIS mapping products and services continues to evolve and the secular shift towards self-service GIS mapping may not be as significant as ProStar expects. ProStar cannot be sure that this market will continue to grow or, even if it does grow, that businesses will adopt our platform. The Company's future success will depend in large part on the Company's ability to further penetrate the existing market for GIS mapping software, as well as the continued growth and expansion of what ProStar believes to be an emerging market for GIS mapping software and services that are faster, easier to adopt, easier to use, and more focused on self-service capabilities. The Company's ability to further penetrate the business analytics market depends on a number of factors, including the cost, performance, and perceived value associated with ProStar's platform, as well as customers' willingness to adopt a different approach to GIS mapping and underground asset locating. ProStar has spent, and intends to keep spending, considerable resources to educate potential customers about GIS mapping software and services in general and our platform in particular. However, ProStar cannot be sure that these expenditures will help ProStar platform achieve any additional market acceptance. Furthermore, potential customers may have made significant investments in legacy GIS mapping software systems and may be unwilling to invest in new products and services. In addition, slower adoption of GIS data collection in the government, department of transportations and construction companies may impact the growth. If the market fails to grow or grows more slowly than ProStar currently expects or businesses fail to adopt ProStar's platform, the Company's business, operating results, and financial condition could be adversely affected.

We derive substantially all of our revenue from our software platform, and our future growth is dependent on its success.

Since 2016, nearly all ProStar's revenue has come from sales of our subscription-based software platform. ProStar expects these sales to account for a large portion of ProStar's revenue for the foreseeable future. As such, the continued growth in market demand for our platform is critical to the Company's continued success. ProStar recently began the development of a new product for ProStar's software platform, PointMan Pro (aka Transparent Earth Lite), but cannot be certain that it will generate significant revenue, if any. In addition, this product is designed to be used with ProStar's PointMan product and will not be sold independently. Accordingly, ProStar's business and financial results will continue to be substantially dependent on our single software platform.

If we are unable to attract new customers and expand sales to existing customers, both domestically and internationally, our revenue growth could be slower than we expect and our business may be harmed.

ProStar's future revenue growth depends in part upon increasing ProStar's customer base. ProStar's ability to achieve significant growth in revenue in the future will depend, in large part, upon the effectiveness of ProStar's marketing efforts, both domestically and internationally, and ProStar's ability to attract new customers. This may be particularly challenging where an organization has already invested substantial personnel and financial resources to integrate traditional GIS mapping software into its business, as such organization may be reluctant or unwilling to invest in new products and services. If the Company fails to attract new customers and maintain and expand those customer relationships, the Company revenue will grow more slowly than expected and the Company's business will be harmed.

If we are unable to develop and release product and service enhancements and new products and services to respond to rapid technological change in a timely and cost-effective manner, our business, operating results, and financial condition could be adversely affected.

The market for our platform is characterized by rapid technological change, frequent new product and service introductions and enhancements, changing customer demands, and evolving industry standards. The introduction of products and services embodying new technologies can quickly make existing products and services obsolete and unmarketable. GIS mapping software and services are inherently complex, and it can take a long time and require significant research and development expenditures to develop and test new or enhanced products and services. The success of any enhancements or improvements to our platform or any new products and services depends on several factors, including timely completion, competitive pricing, adequate quality testing, integration with existing technologies and our platform, and overall market acceptance. We cannot be sure that we will succeed in developing, marketing, and delivering on a timely and cost-effective basis enhancements or improvements to our platform or any new products and services that respond to technological change or new customer requirements, nor can we be sure that any enhancements or improvements to our platform or any new products and services will achieve market acceptance. Any new products that we develop

may not be introduced in a timely or cost-effective manner, may contain errors or defects, or may not achieve the broad market acceptance necessary to generate sufficient revenue.

The competitive position of our software platform depends in part on its ability to operate with third-party products and services, and if we are not successful in maintaining and expanding the compatibility of our platform with such third-party products and services, our business, financial position, and operating results could be adversely impacted.

The competitive position of our software platform depends in part on its ability to operate with products and services of third parties, software services and infrastructure. As such, we must continuously modify and enhance our platform to adapt to changes in hardware, software, networking, browser, and database technologies. In the future, one or more technology companies may choose not to support the operation of their hardware, software, or infrastructure, or our platform may not support the capabilities needed to operate with such hardware, software, or infrastructure. In addition, to the extent that a third party were to develop software or services that compete with ours, that provider may choose not to support our platform. We intend to facilitate the compatibility of our software platform with various third-party hardware, software, and infrastructure by maintaining and expanding our business and technical relationships. If we are not successful in achieving this goal, our business, financial condition, and operating results could be adversely impacted.

Our revenue growth and ability to achieve and sustain profitability depends on being able to expand our direct sales force and increase the productivity of our sales force successfully.

To date, most of our revenue has been attributable to the efforts of our direct sales force in the United States. In order to increase our revenue and achieve and sustain profitability, we must increase the size of our direct sales force, both in the United States and internationally, to generate additional revenue from new and existing customers. We intend to substantially further increase our number of direct sales professionals. In addition, we also intend to work via channel partners such as GIS equipment manufacturers.

Management Experience and Dependence on Key Personnel

The Company's success is largely dependent on the performance of the proposed directors and officers. Certain members of the Company's management team have experience in the in the underground utility & energy industries, technology and software development industry, while others have experience in areas including financial management, corporate finance and sales and marketing. The experience of these individuals is a factor which will contribute to the Company's continued success and growth. The Company will initially be relying on its board members, as well as independent consultants and advisory board, for certain aspects of the Company's business. The amount of time and expertise expended on the Company's affairs by each of its management team, consultants, advisory board members and directors will vary according to the Company's needs. The Company does not intend to acquire any key man insurance policies and there is, therefore, a risk that the death or departure of any member of management, the Company's board, or any key employee or consultant, could have a material adverse effect on the Company's future. Investors who are not prepared to rely on the Company's management team should not invest in the Company's securities.

Limited Operating History

As a result of ProStar's limited operating history, its ability to forecast its future results of operations and plan for and model future growth is limited and subject to a number of uncertainties. ProStar has encountered and will continue to encounter risks and uncertainties frequently experienced by growing companies in rapidly changing industries, such as the risks and uncertainties described herein. ProStar may be unable to prepare accurate internal financial forecasts or replace anticipated revenue that it does not receive as a result of delays arising from these factors, and its results of operations in future reporting periods may be below the expectations of investors. If ProStar does not address these risks successfully, its results of operations could differ materially from its estimates and forecasts or the expectations of investors, causing its business to suffer and its stock price to decline.

Uncertainty of Additional Funding

Further development of ProStar applications will require additional capital and the Company will require funds to operate as a public company. There is no assurance that the Company will be successful in obtaining any required financing or that such financing will be available on terms acceptable to the Company's management. Any future financing may also be dilutive to the current shareholders of ProStar and the Company.

Negative Cash Flow

ProStar has a limited history of operations, cash flow or profitability. ProStar has had negative operating cash flow since its inception, and it will continue to have negative operating cash flow for the foreseeable future. No assurance can be given that the Company will ever attain positive cash flow or profitability or that additional funding will be available for operations.

Uninsured or Uninsurable Risks

The Company intends to insure its operations in accordance with technology industry practice. However, the Company may become subject to liability for hazards against which the Company cannot insure or against which the Company may elect not to insure because of high premium costs or for other reasons. The payment of any such liabilities would reduce or eliminate the funds available for operations. Payments of liabilities for which the Company does not carry insurance may have a material adverse effect on the Company's financial position.

Contractual Risk

The Company is party to various contracts and it is always possible that contracts to which they are parties will not be fully performed by other contracting parties.

Unforeseen Expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

Risks related to the Company's marketable securities

Market for Securities and Volatility of Share Price

The market price for the Resulting Issuer's securities could be subject to wide fluctuations. Factors such as government regulation, interest rates, share price movements of peer companies and competitors, announcements of quarterly variations in operating results, revenues and costs, and sentiments toward stocks as well as overall market movements, may have a significant adverse impact on the market price of the securities of the Resulting Issuer. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of a particular company.

Speculative Nature of Investment Risk

An investment in the securities of the Company carries a high degree of risk and should be considered as a speculative investment.

Liquidity and Future Financing Risk

The Company will likely operate at a loss until its business becomes established and it may require additional financing in order to fund future operations and expansion plans. The Company's ability to secure any required financing to sustain operations and expansion plans will depend in part upon prevailing capital market conditions and 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 management. Moreover, future activities may require the Company to alter its capitalization significantly and, if additional financing is raised by issuance of additional shares of the Company from treasury, control may change and shareholders may suffer dilution. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's financial condition and results of operations.

General Business Risks

Conflicts of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest.

Tax Risk

The Company is subject to various taxes including, but not limited to the following: income tax; goods and services tax; sales tax; and payroll tax. The Company's tax filings will be subject to audit by various taxation authorities. While the Company intends to base its tax filings and compliance on the advice of its tax advisors, there can be no assurance that its tax filing positions will never be challenged by a relevant taxation authority resulting in a greater than anticipated tax liability.

COVID-19

Since March 31, 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global markets have experienced significant volatility. The duration and enduring impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.