

EESTOR CORPORATION
INTERIM MANAGEMENT'S DISCUSSION & ANALYSIS – QUARTERLY HIGHLIGHTS
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2020
DISCUSSION DATED: AUGUST 31, 2020

Introduction

The following interim Management Discussion & Analysis (“Interim MD&A”) of EESstor Corporation (the “Company” or “EESstor”) for the three and nine months ended June 30, 2020 has been prepared to provide material updates to the business, operations, liquidity and capital resources of the Company since its last annual management discussion & analysis, being the Management Discussion & Analysis for the fiscal year ended September 30, 2019 (“Annual MD&A”). This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This Interim MD&A has been prepared in accordance with section 2.2.1 of Form 51-102F1 of the National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company’s Annual MD&A, audited annual consolidated financial statements for the years ended September 30, 2019 and 2018, together with the notes thereto, and unaudited condensed interim consolidated financial statements for the three and nine months ended June 30, 2020, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company’s unaudited condensed interim consolidated financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Information contained herein is prepared by management of the Company and approved by the Board of Directors on August 31, 2020, unless otherwise indicated.

Management is responsible for ensuring that processes are in place to provide sufficient knowledge to support the representations made in these filings. The audit committee and Board of Directors (the “Board”) provide an oversight role with respect to all public financial disclosures by the Company and have reviewed this Interim MD&A and the accompanying unaudited condensed interim consolidated financial statements.

The Chief Executive Officer (CEO), and the Chief Financial Officer (CFO), in accordance with National Instrument 52-109, have both certified that they have reviewed the audited consolidated financial statements and this MD&A (the “filings”) and that, based on their knowledge having exercised reasonable diligence, that (a) the filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the filings; and (b) the audited consolidated annual financial statements together with the other financial information included in the filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the period presented in the filings.

For the purposes of preparing this MD&A, management, in conjunction with the Board, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from the offices of the Company or on SEDAR at www.sedar.com.

Caution Regarding Forward-Looking Statements

Certain statements contained in this Interim MD&A and in certain documents incorporated by reference in this Interim MD&A, constitute forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as “forward-looking statements”). These statements relate to future events or the Company’s future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this Interim MD&A speak only as of the date of (i) this Interim MD&A or (ii) as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this Interim MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
The Company intends to complete additional equity financing, debt borrowing or a combination of both.	The funds are intended to be used towards continued third party testing and ongoing enhancement to the current technology, third party partnering, licensing diligence and negotiations, as well as working capital.	The Company may not be able to complete the desired financing due to market conditions or other factors needed to increase its cash on hand and continue to operate and support the Company.
Management believes that its technology, if proven successful, will allow the Company to successfully manufacture, license and/or joint venture with known third party companies that require energy solutions with substantial advantages over currently available technologies.	The technology will be successfully commercially developed and will possess and demonstrate the performance and economic attributes anticipated.	The technology may not be successfully commercialized for financial, technical or other reasons, or in a manner providing the features and benefits expected or on a timely basis. The technology, even if successfully developed, may not be readily demonstrated or gain market acceptance. Also see “Risks and Uncertainties” section of the Company’s most recently filed AIF.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company’s ability to predict or control. Please also make reference to those risk factors referenced in the “Risks and Uncertainties” section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A.

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Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. As a result, the Company cannot guarantee that any forward-looking statements will materialize. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

EEStor is a developer of high energy density solid-state capacitor technology utilizing the Company's patented Composition Modified Barium Titanate (CMBT) material. The Company is focused on joint venture and licensing opportunities for its technology across a broad spectrum of industries and applications. EEStor is also focused on the acquisition of other sustainable energy storage and generation technologies through licensing and/or purchase of qualifying assets.

The Company's success depends on the commercialization of its technology. There is no assurance that EEStor will be successful in the licensing or manufacturing of the technology. Readers are directed to the "Risk Factors" disclosed in the Company's public filings.

EEStor Corporation owns 50.1% of the common shares of EEStor Inc. EEStor Corporation also owns 100% of the preference shares of EEStor Inc., which can be converted to common shares on a 1 to 1 basis. This would result in an as converted basis control of 71.3% of EEStor Inc.

The Company holds certain technology rights to solid-state capacitor and related energy storage technologies currently under development by EEStor Inc. The acquisition of the controlling interest in EEStor on January 27, 2014 aligned the businesses of both companies and now allows the Company to benefit from other potential product opportunities that may be available to EEStor Inc.

COVID-19

Since March 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 social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 pandemic 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 and its operating subsidiaries in future periods.

Operational Highlights

Corporate

- On January 20, 2020, the Company announced that it has terminated negotiations with FWG Ltd. (“FWG”) and will not be proceeding with the acquisition. The parties have been unable to reach agreement surrounding the structure of the proposed acquisition, and as a result have elected not to move forward. No funds were advanced by the Company to FWG, and the Company has not assumed any contingent liabilities arising from the proposed acquisition.
- In December 2019, the Company announced it has reached an agreement with Robert Tocchio, a director of the Company, to restructure an outstanding bridge loan (the “Bridge Loan”) previously provided by Mr. Tocchio. Including accrued but unpaid interest, \$318,000 is currently owing by the Company under the Bridge Loan. The Bridge Loan was scheduled to mature on January 21, 2020 and is secured by a pledge of all of the outstanding share capital of ZENN Capital Inc., a wholly-owned subsidiary of the Company.

In full and final settlement of the Bridge Loan, Mr. Tocchio has agreed to accept a cash payment in the amount of \$18,000 and an unsecured convertible debenture (the “Debenture”) in the principal amount of \$300,000. The Debenture will bear interest at a rate of twelve percent per annum, payable annually, and will have a term of sixty months. At the option of Mr. Tocchio, all or any portion of the principal amount of the Debenture may be converted into common shares of the Company, at a price of \$0.05 per share during the initial twelve months of the term, and at a price of \$0.10 per share for the remainder of the term.

Following issuance of the Debenture Mr. Tocchio will release all obligations due and owing by the Company in respect of the Bridge Loan, as well as all collateral securing the Bridge Loan. The Debenture will be subject to a four-month-and-one-day statutory hold period in accordance with applicable securities laws and the policies of the TSX Venture Exchange.

On March 2, 2020, the Company announced that it has elected not to proceed with the proposed cash payment component of the settlement of the bridge loan. The Company and Mr. Tocchio, have determined that it is in the best interest of the Company to preserve available cash at this time. The Company intends to revisit the settlement with Mr. Tocchio once additional capital is available, and in the interim the bridge loan will continue to be governed by the terms of the loan agreement previously entered into between the Company and Mr. Tocchio.

- On December 31, 2019, the Company announced the completion of the initial tranche of 4,570,000 Units for gross proceeds of \$228,500.
- On February 20, 2020, the Company entered into a loan agreement with an arms-length third party for a bridge loan of \$50,000 which matures on August 20, 2020. The loan does not bear interest, but the Company will pay a one-time financing fee of \$3,000. In addition, the Company granted to the lender 1,000,000 common shares, each warrant exercisable until February 20, 2021 at a price of \$0.05 per share.
- On February 20, 2020, the Company entered into a letter of intent pursuant to which it proposes to acquire all of the outstanding share capital of Infinium Generation Ltd. (“INFINIUM”). Based in Montreal, Canada, INFINIUM is an arms-length private company involved in research and development and commercial activities related to zero-emission NH₃ fuel, generated from a patented and scalable process.

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On April 27, 2020, the Company announced that negotiations with INFINIUM have discontinued and the parties have decided not to proceed with the acquisition.

- On March 2, 2020, the Company received approval from the TSXV to reprice and extend the expiry date of 4,055,000 and 2,743,000 outstanding common share purchase warrants originally issued on March 16, 2020 and April 12, 2020, respectively. This amendment changes the exercise price of the warrants from \$0.45 to \$0.10 and the expiry dates to March 16, 2021 and April 12, 2021, respectively. The amendment also provides that the exercise period of the warrants be reduced to thirty days if, for any ten consecutive trading days, the closing price of the common shares of the Company on the TSXV is \$0.125 or greater. The reduced thirty-day period will begin seven calendar days after such ten-consecutive-trading-day period. None of the March Warrants or the April Warrants, are held by directors, officers or control persons of the Company.
- On March 19, 2020, the Company announced that it will offer (the "Offering") up to 16,666,667 units (each, a "Unit") by way of non-brokered private placement at a price of \$0.03 per Unit to raise gross proceeds of up to \$500,000. Each "Unit" will consist of one common share of the Company, and one share purchase warrant entitling the holder to acquire an additional common share at a price of \$0.05 for a period of twenty-four months.
- On April 8, 2020, the Company announced that it will extend the term of an aggregate of 7,240,000 share purchase warrants exercisable at a price of \$0.60 and scheduled to expire on April 24, 2020 to April 24, 2021.
- On June 3, 2020, the Company announced that it will extend the term of an aggregate of 19,480,000 share purchase warrants by an additional twelve months. The warrants are exercisable at a price of \$0.30. Included in the extension are 16,501,667 warrants previously scheduled to expire on June 16, 2020, which will now expire on June 16, 2021, and 2,978,333 warrants previously scheduled to expire on July 11, 2020, which will now expire on July 11, 2021.
- On August 6, 2020, the Company announced it has entered into a letter of intent, pursuant to which it proposes to acquire all of the outstanding share capital of Green NH3 Inc. ("GREEN NH3"). Based in Georgetown, Ontario, Canada, GREEN NH3 is a private company involved in research, development and commercialization of zero-emission NH3 fuel, generated from its patented and scalable process.

Proposed terms of the Acquisition

Subject to customary due diligence, negotiation of definitive documentation, board and regulatory approvals, in consideration for all of the outstanding share capital of GREEN NH3, the shareholders of GREEN NH3 are entitled to receive common shares of EESor which will represent 25% of the outstanding share capital of EESor following completion of the acquisition. Based on its current outstanding share capital, EESor anticipates issuing approximately 48,300,000 common shares to the shareholders of GREEN NH3. Following completion of the acquisition, GREEN NH3 will continue as a wholly owned subsidiary of EESor. Additional non-voting performance related shares will be available to GREEN NH3 shareholders once key performance and commercial milestones are met.

The acquisition of GREEN NH3 is not expected to result in a "change of control" of EESor, as that term is defined by the policies of the TSX Venture Exchange. All securities to be issued to the shareholders of GREEN NH3 in connection with the acquisition will be subject to a four-month-and-one-day statutory hold period in accordance with applicable securities laws. No finders fees or commissions are payable in connection with the acquisition of GREEN NH3.

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Following completion of the acquisition, EESstor intends to reconstitute its board of directors to consist of five members, of which two will initially be nominated by GREEN NH3. EESstor anticipates that the reconstituted board and the performance based, non-voting share class will be presented to shareholders for approval at its annual general and special meeting which is anticipated to be held in the fourth quarter of 2020.

Prior to completion of the acquisition of GREEN NH3, EESstor intends to pursue private placement financing to rapidly advance third-party certification of technologies, investor and stakeholder relations activities and for general working capital purposes. The acquisition is not contingent on completion of the financing, but EESstor does anticipate requiring additional working capital prior to completion of the acquisition.

Operations

On January 23, 2019, the Company announced an update to shareholders from Ian Clifford, CEO.

In summary, the main advantages that EESstor materials bring to potential partners (as highlighted in detail in our published white papers and market reports) are:

- High energy density: EESstor's CMBT has achieved energy densities that are 5 to 100's of times higher than various materials currently used in existing high voltage capacitor industries.
- Lower cost: EESstor's higher energy density means less material, which is both cheaper and more abundant and can be used in manufacturing equivalent capacitors significantly lowering the final production costs for similar performance.
- Long product life: EESstor's pure solid-state ceramic solutions have significant lifespan advantages over existing technologies in many of its target capacitor submarkets (e.g., Aluminum Electrolytic Capacitors typically fail over time due to leaking electrolytes).
- Green footprint: EESstor's CMBT can help the capacitor industry reduce its environmental footprint by reducing raw material requirements, using abundantly available feed stocks, and by eliminating the use of toxic materials. CMBT is environmentally friendly, as no toxic liquids or raw materials are used in its production.

Focus on Acquisition Opportunities

During the last three months of calendar 2019, the Company decided to focus on the acquisition of complementary technologies related to sustainable energy storage and generation. The Company continues these acquisition-related discussions and negotiations with a number of potential candidate companies.

The Company is very excited about these potential opportunities, and will announce progress as the discussions become material in nature.

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Financial Highlights

Three months ended June 30, 2020 compared to the three months ended June 30, 2019

The Company's net loss totaled \$263,276 for the three months ended June 30, 2020, with basic and diluted loss per share of \$0.00, of which the share of the loss by the non-controlling interest in EESTor was \$165,227. This compares with a net loss of \$84,357 with basic and diluted loss per share of \$0.00 for the three months ended June 30, 2019, of which the share of the loss by the non-controlling interest in EESTor was \$113,959. There was an increase in net loss of \$178,919 in the current period compared to the prior period.

General and administrative expenses are summarized for the three months ended June 30, 2020 and 2019 as follows:

	Three Months ended June 30, 2020 (\$)	Three Months ended June 30, 2019 (\$)
Salaries and benefits	115,509	nil
Stock based compensation	640	30,307
Consulting fees	28,125	20,750
Insurance	nil	(16,274)
Legal, audit, regulatory costs	44,377	(42,136)
Occupancy costs	48	75,875
Other costs	(6,086)	(4,150)
Accretion	4,825	nil
Amortization	45,927	nil
Total General and Administrative	233,365	64,372

For the three months ended June 30, 2020, stock-based compensation decreased by \$29,667 over the prior period. Stock-based compensation expense will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date.

For the three months ended June 30, 2020, salaries and benefits increased by \$115,509 over the comparative period as a result of the reallocation of salaries from engineering and development based on the temporary scale back in the current period.

For the three months ended June 30, 2020, occupancy costs decreased by \$75,827 and amortization increased by \$45,927 over the comparative period as a result of the Company's adoption of IFRS 16 for its lease. The Company has recorded right-of-use assets which is amortized over its useful life and lease liabilities which is reduced by lease payments.

For the three months ended June 30, 2020, legal, audit, regulatory costs increased by \$86,513 over the comparative period as a result of the reversal of over accrued costs during the prior period.

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Financing costs

For the three months ended June 30, 2020, financing costs decreased by \$4,012 over the comparative period.

Engineering and research expenses are summarized for the three months ended June 30, 2020 and 2019 as follows:

	Three Months ended June 30, 2020 (\$)	Three Months ended June 30, 2019 (\$)
Salaries and benefits	nil	27,035
Service and materials	nil	(39,791)
Amortization	23,560	22,378
Total Engineering and Development	23,560	9,622

Engineering and research includes all costs related to product research, engineering and development. For the three months ended June 30, 2020, salaries and benefits decreased by \$27,035. During the 2020 period, due to the Company's liquidity challenges, operational activities at the plant in Cedar Park have been scaled back dramatically, with key employees focused exclusively on acquisition and joint venture mandates.

Nine months ended June 30, 2020 compared to the nine months ended June 30, 2019

The Company's net loss totaled \$938,767 for the nine months ended June 30, 2020, with basic and diluted loss per share of \$0.00, of which the share of the loss by the non-controlling interest in EESTor was \$249,933. This compares with a net loss of \$1,570,980 with basic and diluted loss per share of \$0.01 for the nine months ended June 30, 2019, of which the share of the loss by the non-controlling interest in EESTor was \$312,930. The decrease in net loss of \$632,213 was principally due to the temporary suspension of operations at EESTor in Cedar Park and cost saving initiatives for corporate overheads necessitated by the Company's liquidity challenges.

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General and administrative expenses are summarized for the nine months ended June 30, 2020 and 2019 as follows:

	Nine Months ended June 30, 2020 (\$)	Nine Months ended June 30, 2019 (\$)
Salaries and benefits	328,930	247,993
Stock based compensation	13,752	231,307
Consulting fees	119,995	55,000
Insurance	7,740	125,179
Legal, audit, regulatory costs	199,757	105,008
Occupancy costs	3,660	219,857
Other costs	7,031	94,702
Accretion	17,129	nil
Amortization	134,261	nil
Total General and Administrative	832,255	1,079,046

For the nine months ended June 30, 2020, stock-based compensation decreased by \$217,555 over the prior period. Stock-based compensation expense will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date.

For the nine months ended June 30, 2020, salaries and benefits increased by \$80,937 over the comparative period as a result of the reallocation of salaries from engineering and development based on the temporary scale back in the current period.

For the nine months ended June 30, 2020, occupancy costs decreased by \$216,197 and amortization increased by \$134,261 over the comparative period as a result of the Company's adoption of IFRS 16 for its lease. The Company has recorded right-of-use assets which is amortized over its useful life and lease liabilities which is reduced by lease payments.

For the nine months ended June 30, 2020, other costs and insurance decreased by \$87,670 and \$117,439, respectively over the comparative period as a result of cost saving initiatives implemented for corporate overheads during the current period.

Financing costs

For the nine months ended June 30, 2020, financing costs decreased by \$108,393 over the comparative period as a result of the issuance of warrants for the promissory notes valued at \$136,154 during the 2019 period.

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Engineering and research expenses are summarized for the nine months ended June 30, 2020 and 2019 as follows:

	Nine Months ended June 30, 2020 (\$)	Nine Months ended June 30, 2019 (\$)
Salaries and benefits	nil	285,825
Service and materials	nil	(13,554)
Amortization	68,388	73,146
Total Engineering and Development	68,388	345,417

Engineering and research includes all costs related to product research, engineering and development. For the nine months ended June 30, 2020, salaries and benefits decreased by \$285,825. During the 2020 period, due to the Company's liquidity challenges, operational activities at the plant in Cedar Park have been scaled back dramatically, with key employees focused exclusively on acquisition and joint venture mandates.

Cash Flow

At June 30, 2020, the Company had cash of \$11,743 compared to \$3,115 of cash at September 30, 2019. The increase in cash of \$8,628 resulted from outflows in operating activities and investing activities of \$155,430 and \$798, respectively offset by a cash inflow of \$164,856 from financing activities.

Operating activities were affected by adjustments of depreciation and amortization of \$202,649, stock-based compensation of \$13,752, interest accrual of \$22,124, accretion of \$17,129 and financing cost of \$16,000. Net change in non-cash working capital balances of \$511,683 resulted from a decrease in prepaid expenses and sundry assets of \$239,350 and an increase in accounts payable and accrued liabilities of \$272,333.

The Company received \$164,856 from financing activities by raising \$228,500 from the private placement of units, net of issuance costs and proceeds from loans of \$80,000 offset by \$143,644 of lease payments.

Liquidity and Financial Position

The Company is an early-stage development corporation and accordingly has not generated revenues from its technology. The Company has incurred a significant accumulated deficit to date of \$75,878,406 (September 30, 2019 – deficit of \$75,189,572). The ability of the Company to continue operations is dependent upon obtaining sufficient funding to sustain operations through the development stage, successfully bring its technologies to market and achieving profitable operations. The Company manages its capital, which consists of cash provided from financing, with the primary objective being safeguarding sufficient working capital to sustain operations. The Board has not established capital benchmarks or other targets.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of June 30, 2020, the Company is not compliant with TSXV Policy 2.5 but is currently in the process of raising additional funds through equity financing.

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During fiscal 2020, the Company's corporate head office costs are estimated to average \$125,000 per quarter. Head office costs include professional fees, reporting issuer costs, business development costs and general and administrative costs. The engineering and development costs of the Company are estimated to average \$15,000 per quarter.

As at June 30, 2020, the Company had cash and cash equivalents of \$11,743 (\$3,115 at September 30, 2019). The Company will need to obtain additional financial resources through operations, additional equity and/or debt financing, or by licensing technology for cash proceeds to fund its activities for the remainder of fiscal 2020 and beyond.

The Company will pursue additional funding through the issuance of additional equity or debt financing. The Company's short-term plans are dependent on its ability to access funding to continue operations and develop its technology. If the Company is unable to obtain funding through the issuance of common shares, warrants or stock options exercised, issuance of debt, or proceeds from a licensing arrangement in a timely manner, then these programs and operations in general could be delayed or cease altogether.

Continued uncertainty in the financial and business markets may impact the Company's ability to raise additional financing proceeds and it may impact the terms and conditions related to any financing.

The Company has not obtained profitable operations to date. For the nine-month period ended June 30, 2020, the Company had a net loss and comprehensive loss of \$938,767. Whether and when the Company can attain profitability and positive cash flow is uncertain. These circumstances cast significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern. Management is actively pursuing the development and commercialization of its technologies, the acquisition of complimentary technologies and businesses and is continuously evaluating the availability of additional debt or equity financing to provide adequate cash resources to carry out its business objectives. Nevertheless, there is no assurance that these ongoing initiatives will continue to be successful.

The Company's ability to continue as a going concern is dependent upon the Company's ability to obtain the ongoing support of its investors, obtain profitable operations, generate significant licensing fees and/or raise additional capital. The consolidated financial statements do not reflect adjustments in the carrying values of assets and liabilities, the reported expenses, and the balance sheet classifications used that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material. See "Risks and Uncertainties" below and "Caution Regarding Forward-Looking Statements" above.

Trends

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. During fiscal 2019, equity markets in Canada showed signs of improvement, with equities increasing moderately during this period. However, the current global market uncertainties associated with the COVID-19 pandemic are creating a very uncertain future. Apart from these and the risk factors noted under the heading "Risks and Uncertainties", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations. See "Risks and Uncertainties" below.

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Proposed Transactions

There were no proposed transactions, other than those disclosed in “Corporate Highlights” above, as of the date of this MD&A.

Segmented information

As at June 30, 2020, the operations and assets of the Company’s wholly-owned subsidiaries are located in Canada. The operations and assets of EEstor are located in Cedar Park, Texas.

Transactions with Related Parties

Key Management Personnel Compensation

Key management personnel are those individuals having authority and responsibility for planning, directing and controlling the activities of the Company, including members of the Company’s Board. The Company considers key management to be the members of the Board, the Chief Executive Officer and the Chief Financial Officer.

Key management personnel may also participate in the Company’s stock-based compensation plans. The remuneration of key management personnel was as follows:

	Three Months ended June 30, 2020 (\$)	Three Months ended June 30, 2019 (\$)	Nine Months ended June 30, 2020 (\$)	Nine Months ended June 30, 2019 (\$)
Wages and salaries ⁽¹⁾	129,730	nil	327,078	246,557
Professional fees ⁽²⁾	13,002	nil	37,883	nil
Stock based compensation	nil	7,192	nil	116,484
Total	142,732	7,192	364,961	363,041

(1) Due to the Company’s liquidity challenges, officer and directors of the Company suspended and accrued salaries for the current period, as applicable.

(2) Mr. Jing Peng, the Chief Financial Officer, is also a senior employee of Marrelli Support Services Inc. (“Marrelli Support”). Marrelli Support provides accounting services to the Company.

As at June 30, 2020, the outstanding accrued compensation payable to key management personnel was \$328,412 (September 30, 2019 - \$197,329).

Change in Accounting Policies

The Company adopted the following new standards issued by the IASB or the IFRIC:

Leases

In January 2016, the IASB issued IFRS 16 - Leases ("IFRS 16"), replacing IAS 17 - Leases. IFRS 16 provides a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases on its statement of financial position, providing the reader with greater transparency of an entity's lease obligations.

The Company adopted IFRS 16, effective October 1, 2019, under the modified retrospective approach. Comparatives for 2019 were not restated. At transition, the Company elected to use the practical expedient available under the standard that allows lease assessments made under IAS 17 and IFRIC 4 to be used for existing contracts. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or modified after October 1, 2019. At October 1, 2019, the Company adopted IFRS 16 and recognized right-of-use assets of \$278,004 and lease liabilities of \$278,004.

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by the incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted if it is reasonably certain to assess that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognized where the Company is contractually required to dismantle, remove or restore the leased asset.

Lease liabilities, on initial measurement, increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term.

EESTOR CORPORATION
INTERIM MANAGEMENT'S DISCUSSION & ANALYSIS – QUARTERLY HIGHLIGHTS
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2020
DISCUSSION DATED: AUGUST 31, 2020

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortized over the remaining (revised) lease term.

Use of Estimates and Judgments

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Significant areas requiring the use of management estimates and judgments relate to:

(i) Impairment of EESstor technology, rights, patents and development costs

Management has assessed the Company as one cash generating unit. Determination of the amount of impairment is based on management's estimate of the higher of fair value less costs to sell and value in use of the intangible assets. The basis of calculation (relief from royalty method) involves many estimates such as projected revenues, growth rates, discount rates and royalty rates. Judgment is also involved as it relates to the Company's ability to secure strategic partnership relationships as a precursor to entering into licensing arrangements to monetize EESstor technology.

(ii) Stock-based transactions

The Company uses an option pricing model to determine the fair value of share-based compensation. Inputs to the model are subject to various estimates relating to volatility, interest rate and expected life of the instrument. Fair value inputs are subject to market factors as well as internal estimates. The Company considers historic trends together with any new information to determine the best estimate of fair value at the date of grant.

Separate from the fair value calculation, the Company is required to estimate the expected forfeiture rate of stock-based compensation.

(iii) Going concern

The Company makes significant judgments with respect to uncertainties in the ability of the Company to continue as a going concern based on estimates of future operations. The ability of the Company to continue as a going concern is dependent on the successful generation of revenue and financing.

(iv) Development costs

Management monitors the progress of the EESstor technology. Significant judgment is required to distinguish between the research and development phases. Development costs are recognized as an asset when the following criteria are met: (i) technical feasibility; (ii) management's intention to complete the project; (iii) the ability to use or sell; (iv) the ability to generate future economic benefits; (v) availability of technical and financial resources; (vi) ability to measure the expenditures reliably. Research costs are expensed as incurred. Management also monitors whether the recognition

requirements for development assets continue to be met and whether there are any indicators that capitalized costs may be impaired.

Risks and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Investors in the Company's securities should consider each of the risks identified under the heading "Risks and Uncertainties" in the Company's Annual MD&A for the fiscal year ended September 30, 2019 available on SEDAR at www.sedar.com. In addition to the risks identified therein, additional risks not presently known to the Company may arise from time to time and may cause a material adverse effect on the Company and any investment in the Company. Investors are cautioned not to rely upon any forward-looking statements in this Interim MD&A as such statements are subject to known and unknown risks.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements; and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of unaudited condensed interim consolidated financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Additional Information

Additional information relating to the Company is available under the Company's profile on SEDAR at www.sedar.com.