

**FUELPOSITIVE CORPORATION (FORMERLY EESTOR CORPORATION)  
INTERIM MANAGEMENT'S DISCUSSION & ANALYSIS – QUARTERLY HIGHLIGHTS  
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2022  
DATED: AUGUST 30, 2022**

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## **Introduction**

The following interim Management Discussion & Analysis (“Interim MD&A”) of FuelPositive Corporation (formerly EESstor Corporation) (the “Company” or “FuelPositive”) for the three and nine months ended June 30, 2022 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, 2021 (“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, 2021 and 2020, together with the notes thereto, and unaudited condensed interim consolidated financial statements for the three and nine months ended June 30, 2022, 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 30, 2022, 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 provide an oversight role with respect to all public financial disclosures by the Company and have reviewed this Interim MD&A and the accompanying 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 Interim 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 Interim 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](http://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.

<b>Forward-looking statements</b>	<b>Assumptions</b>	<b>Risk factors</b>
The Company intends to complete additional equity financing, debt borrowing or a combination of both.	The funds are intended to be used towards 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 below.

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**

FuelPositive is a growth-stage technology company committed to providing commercially viable and sustainable "cradle to cradle" clean technology solutions, including an onsite, containerized Green Ammonia (NH<sub>3</sub>) production system, for use across a broad spectrum of industries and applications.

The Company's core technology, a modular and scalable Green Ammonia system, takes air, water and sustainable electricity and synthesizes it into a non-polluting chemical for multiple applications, including fertilizer for farming, a fuel for grain drying, a fuel for internal combustion engines, a fuel for fuel cells, and a solution for grid storage. Green Ammonia is being considered as a replacement for fossil fuels and as a key enabler of the hydrogen economy.

The Company also holds certain technology rights to solid-state capacitor and related energy storage technologies currently under further advancements with strategic third parties.

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

FuelPositive owns 50.1% of the common shares of EES<sub>tor</sub> Inc., a US-based subsidiary (referred to as "EES<sub>tor</sub>"). FuelPositive also owns 100% of the preference shares of EES<sub>tor</sub>, 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 EES<sub>tor</sub>.

### **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. Global equity markets have experienced significant volatility as a result. 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.

### **Russian War in Ukraine**

The continued escalation of the Russian War in the Ukraine has resulted in significant volatility in commodity prices and global markets and an increased risk of cybersecurity and information technology

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attacks. The ongoing war has caused foreign governments, including Canada and the United States, to impose economic sanctions on Russia. While the Company does not operate in Russia and its operational activities are not currently impacted by sanctions, continued volatility could impact the Company's ability to obtain necessary financing and market liquidity. Expansion of the war outside of the Ukraine may adversely impact global markets and commodity prices as well as the ability of the Company to secure the necessary employees and resources to sustain planned operations.

## **Operational Highlights**

### **Financings**

- On October 27, 2021, the Company announced the closing of a financing with certain U.S. institutional investors for gross proceeds of approximately \$7 million in a private placement in the United States, comprised of 30,434,784 common shares and warrants to purchase an aggregate of up to 30,434,784 common shares at a purchase price of \$0.23 per common share and associated warrant. The warrants have an exercise price of \$0.255 per common share and are exercisable until October 28, 2024.

H.C. Wainwright & Co. acted as the exclusive placement agent for the private placement in the United States. In consideration for coordinating the placement, the Company has paid a cash commission of \$560,000 and issued 2,434,783 broker warrants, each of which have an exercise price of \$0.23 per common share and are exercisable until October 28, 2024.

- On October 20, 2021, the Company issued 6,000,000 common shares pursuant to the conversion of the \$300,000 convertible debt. The value of the shares issued was recorded at \$1,616,875 as per the fair market value of the Company's shares on the date of the conversion. A loss on conversion of convertible debenture of \$1,278,794 was recorded in the unaudited condensed interim consolidated statements of loss and comprehensive loss for the six months ended March 31, 2022.

## **Green Ammonia Production Technology**

The world has discovered the potential of Green Ammonia to significantly reduce carbon emissions and potentially surpass our international greenhouse gas reduction commitments. FuelPositive has the technology to make it happen economically and efficiently, in the short term.

The Company's lead product, a novel onsite, containerized Green Ammonia production system, will revolutionize clean energy through a patent-pending, first-of-its-kind technology invented in Canada. Its onsite, decentralized model will give end users control over their ammonia supply and will stabilize the price they pay – for the first time in history. Adoption will dramatically support global targets to reduce greenhouse gas emissions. And the traditional ammonia industry will die out because it will be too expensive, too unreliable, and too damaging to the environment.

FuelPositive's onsite, containerized Green Ammonia production system will:

- Eliminate fertilizer production-related carbon emissions in the agriculture sector;
- Replace fossil fuels used for transportation;
- Provide an affordable, convenient, sustainable supply of hydrogen or ammonia for fuel cells;
- Offer storage of excess electricity for energy grids;
- Enable the shift to the hydrogen economy for end users seeking onsite production;
- Produce significant carbon credits as a result of emission reductions; and

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- Reduce the need for the current massive, highly polluting ammonia production facilities and the accompanying unreliable supply chains:
  - No need for massive refineries, supertankers, pipelines leaking toxic fossil fuels
  - No CO2 emissions from the production of the Green Ammonia
  - No wild fluctuations in price
  - No shortages

The production of FuelPositive's Green Ammonia will not contribute to pollution. When used properly, in agriculture or as a fossil fuel replacement, the only discernible emissions will be water vapor, or in the case of agriculture, some hydrogen emissions which are completely inert. Emissions of Nitrous Oxides (NOx), associated with traditional ammonia, will be mitigated by using a catalytic converter in engines and by injecting the liquid fertilizer deep into the ground and utilizing inhibitors (already standard practice) in farming. The Company is actively pursuing a number of technologies to reduce and ultimately eliminate Nitrous Oxide emissions related to the use of anhydrous ammonia across multiple applications.

The world needs sustainable, clean energy and fertilizers to reduce carbon emissions. FuelPositive is ready to deploy its technology in the short term, bringing measurable results quickly.

## **Results of Operations**

### **Three months ended June 30, 2022 compared to the three months ended June 30, 2021**

The Company's net loss totaled \$1,452,704 for the three months ended June 30, 2022, 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 \$146,979. This compares with a net loss of \$1,400,514 with basic and diluted loss per share of \$0.01 for the three months ended June 30, 2021, of which the share of the income by the non-controlling interest in EESTor was \$62,018. The increase in net loss of \$52,190 was principally due to increased corporate activity focused on the acquisition and development of the Company's Green Ammonia technology.

General and administrative expenses are summarized for the three months ended June 30, 2022 and 2021 as follows:

	Three months ended June 30, 2022 (\$)	Three months ended June 30, 2021 (\$)
Salaries and benefits	209,802	179,510
Stock based compensation	178,620	575,233
Investor relations	95,342	nil
Professional fees	250,671	111,654
Consulting fees	16,879	346,460
Regulatory and filing fees	13,504	nil
Office and general	203,834	7,874
Accretion	nil	11,488
Foreign exchange gain	45,912	2,177
Gain on settlement of debt	nil	(9,107)

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<b>Total General and Administrative</b>	<b>1,014,564</b>	<b>1,225,289</b>
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For the three months ended June 30, 2022, stock-based compensation decreased by \$396,613 over the prior period. nil stock options were granted during the three months ended June 30, 2022 and 3,012,500 stock options were granted during the three months ended June 30, 2021. 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, 2022, investor relations increased by \$95,342 over the comparative period to assist the Company to communicate and support its acquisition ventures.

For the three months ended June 30, 2022, salaries and wages increased by \$30,292 over the comparative period as a result of the Company hiring additional strategic employees.

For the three months ended June 30, 2022, amortization and depreciation increased by \$410,620 over the comparative period mainly due to the amortization of the green ammonia technology.

**Nine months ended June 30, 2022 compared to the nine months ended June 30, 2021**

The Company's net loss totaled \$5,698,628 for the nine months ended June 30, 2022, with basic and diluted loss per share of \$0.02, of which the share of the loss by the non-controlling interest in EESTor was \$69,951. This compares with a net loss of \$3,003,597 with basic and diluted loss per share of \$0.02 for the nine months ended June 30, 2021, of which the share of the income by the non-controlling interest in EESTor was \$344,365. The increase in net loss of \$2,695,031 was principally due to increased corporate activity focused on the acquisition and development of the Company's Green Ammonia technology.

General and administrative expenses are summarized for the nine months ended June 30, 2022 and 2021 as follows:

	<b>Nine months ended June 30, 2022 (\$)</b>	<b>Nine months ended Juen 30, 2021 (\$)</b>
Salaries and benefits	848,764	454,984
Stock based compensation	788,760	1,238,237
Investor relations	393,077	nil
Professional fees	472,878	461,369
Consulting fees	86,084	558,722
Regulatory and filing fees	151,241	nil
Office and general	320,817	72,715
Accretion	2,745	23,126
Foreign exchange gain	39,718	(16,124)
Gain on settlement of debt	nil	(45,710)
<b>Total General and Administrative</b>	<b>3,104,084</b>	<b>2,747,319</b>

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For the nine months ended June 30, 2022, stock-based compensation decreased by \$449,477 over the prior period. 1,300,000 stock options were granted during the nine months ended June 30, 2022 and 29,362,500 stock options were granted during the nine months ended June 30, 2021. 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, 2022, investor relations increased by \$393,077 over the comparative period to assist the Company to communicate and support its acquisition ventures.

For the nine months ended June 30, 2022, salaries and wages increased by \$393,780 over the comparative period as a result of the Company hiring additional strategic employees and awarding current management and directors a bonus for the completion of certain transformative milestones.

For the nine months ended June 30, 2022, amortization and depreciation increased by \$1,239,935 over the comparative period mainly due to the amortization of the green ammonia technology.

For the nine months ended June 30, 2022, the Company incurred \$1,278,794 loss on settlement of debt relating to the issuance of 6,000,000 common shares to settle the convertible debenture and in the comparative period, there was no such loss.

#### **Cash Flow**

At June 30, 2022, the Company had cash of \$4,714,610 compared to \$5,257,352 of cash at September 30, 2021. The decrease in cash of \$542,742 resulted from cash inflow of \$7,098,309 from financing activities offset by outflows in operating activities and investing activities of \$5,109,134 and \$2,531,917, respectively.

Operating activities were affected by adjustments of depreciation and amortization of \$1,259,144, amortization of right-of-use assets of \$4,806, stock-based compensation of \$788,760, interest accrual of \$171, accretion of \$2,745, accretion of lease liability of \$909 and loss on conversion of convertible debenture of \$1,278,794. Net change in non-cash working capital balances of \$2,745,835 resulted from an increase in prepaid expenses and sundry assets of \$1,764,851 and a decrease in accounts payable and accrued liabilities of \$980,984.

The Company received \$7,098,309 from financing activities by raising \$6,296,558 from the issuance of units, net of issuance costs and \$635,651 from exercise of warrants and \$242,250 from exercise of stock options offset by repayment of promissory note of \$12,260.

The Company spent \$2,531,917 on investing activities of purchase of Green Ammonia production technology of \$2,486,232 and purchase of property and equipment of \$45,685.

#### **Liquidity and Financial Position**

The Company is a growth-stage development corporation and accordingly has not generated revenues from its technology. The Company has incurred an accumulated deficit to date of \$88,682,948 (September 30, 2021 – deficit of \$83,054,271). The ability of the Company to continue operations is dependent upon obtaining sufficient funding to sustain operations through the development stage, successfully bringing its technologies to market and achieving profitable operations. During the nine months ended June 30, 2022, the Company was successful in closing a private placement for gross proceeds of \$7 million, which provides the Company with sufficient working capital over the next twelve months to remain a going concern. The Company manages its capital, which consists of cash provided

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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, 2022, the Company is compliant with TSXV Policy 2.5.

During fiscal 2022, the Company's corporate head office costs are estimated to average \$600,000 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 \$600,000 per quarter. Engineering and development costs include professional fees, contract employees, facility costs and general and administrative costs.

As at June 30, 2022, the Company had cash of \$4,714,610 (\$5,257,352 at September 30, 2021) and had sufficient working capital to fund its activities for fiscal 2022 and beyond.

The Company will pursue additional funding through government grants and 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 government funding, 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.

The Company has not obtained profitable operations to date. For the three and nine months ended June 30, 2022, the Company had a net loss and comprehensive loss of \$1,452,704 and \$5,698,628, respectively. 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 complementary 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 government grants, 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 2021, 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, and the ongoing Russian War in Ukraine, are creating an uncertain future.

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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.

### **Off-Balance Sheet Arrangements**

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

### **Proposed Transactions**

There were no proposed transactions as of the date of this MD&A, except for the transaction disclosed in “Operational Highlights”.

### **Segmented information**

As at June 30, 2022, 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.

### **Contingencies**

Pursuant to the intellectual property purchase agreement for Green Ammonia production technology (note 9), the Company is obliged to issue 15 million common shares of the Company to the seller, if the seller and consultants continue to provide consulting services to support the development of the technology. A provision for the remaining obligation has not been recognized as a reliable estimate cannot be determined.

### **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, Chief Operating 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:

	<b>Three months ended June 30, 2022 (\$)</b>	<b>Three months ended June 30, 2021 (\$)</b>	<b>Nine months ended June 30, 2022 (\$)</b>	<b>Nine months ended June 30, 2021 (\$)</b>
Wages and salaries	237,500	137,514	916,423	382,760
Professional fees <sup>(1)</sup>	14,796	4,635	55,414	13,905

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Directors' fees	nil	18,000	nil	35,000
Consulting fees	87,516	140,100	370,820	199,800
Stock based compensation	105,766	308,705	484,031	870,507
<b>Total</b>	<b>445,578</b>	<b>608,954</b>	<b>1,826,688</b>	<b>1,501,972</b>

(1) Mr. Jing Peng was appointed Chief Financial Officer of the Company in July 2019. Mr. Peng is also a senior employee of Marrelli Support Services Inc. ("Marrelli Support"). Marrelli Support also provides accounting services to the Company.

As at June 30, 2022, the outstanding compensation for key management personnel was \$11,977 (September 30, 2021 - \$262,330).

Included in prepaid expense and sundry assets was a repayment of accruals to the Company's CEO of \$1,265,707 (September 30, 2021 -\$126,573).

During the nine months ended June 30, 2022, the Company issued 6,000,000 common shares to one of the directors of the Company in conversion of the \$300,000 convertible debt.

### **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 intangible assets

Management has assessed the Company as one cash-generating unit. Determination of the amount of impairment is based on management's estimate of the fair value less costs to sell 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.

(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

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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.

(v) Contingent liabilities

Management's decision that no provision is needed for the contingency in note 26 represents management estimates and the eventual resolution of the liability may differ based on additional information and the occurrence of future events.

## **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, 2021 available on SEDAR at [www.sedar.com](http://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 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 consolidated financial statements; and (ii) the 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:

**FUELPOSITIVE CORPORATION (FORMERLY EESTOR CORPORATION)  
INTERIM MANAGEMENT'S DISCUSSION & ANALYSIS – QUARTERLY HIGHLIGHTS  
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2022  
DATED: AUGUST 30, 2022**

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- 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 consolidated interim 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](http://www.sedar.com).