



## **AURORA SOLAR TECHNOLOGIES INC.**

**REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS  
OF THE FINANCIAL POSITION AND RESULTS OF OPERATIONS**

**FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2020**

Stated in Canadian Dollars

**DATE: 26 NOVEMBER 2020**

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**TO OUR SHAREHOLDERS**

The following information should be read in conjunction with the condensed interim consolidated financial statements of Aurora Solar Technologies Inc. (“the Company”, or “Aurora”) for the six months ended 30 September 2020 and the related notes attached thereto, which were prepared in accordance with International Financial Reporting Standards (“IFRS”). All amounts are expressed in Canadian dollars, unless otherwise indicated.

Additional information about the Company, including the audited consolidated financial statements, and the notes thereto, for the year ended 31 March 2020, prepared in accordance with IFRS, can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

Discussion of the Company, its operations and associated risks are further described in the Company’s filings, available for viewing at [www.sedar.com](http://www.sedar.com). A copy of this Management Discussion and Analysis (“MD&A”) will be provided to any applicant upon request.

**FORWARD-LOOKING STATEMENTS**

Certain statements contained in this MD&A may be deemed to be “forward-looking statements”. All statements in this discussion other than statements of historical facts, that address future events or developments that the Company expects, are forward-looking statements. Forward-looking statements reflect current expectations of management regarding future events and operating performance as of the date of the MD&A. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, investors are cautioned that such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Such information involves significant risks and uncertainties and will not necessarily be accurate indications of whether such results will be achieved. A number of factors that could cause actual results to differ materially from those in forward-looking statements, including but not limited to market prices, regulatory approvals, continued availability of capital and financing, and the risks related to general economic, market or business conditions.

<b>Forward-Looking Information</b>	<b>Key Assumptions</b>	<b>Most Relevant Risk Factors</b>
Future funding for ongoing operations	The Company will be able to generate or raise these funds	The Company will be unable to raise these funds, which will materially impact the Company’s ability to continue as a going concern.
Favourable economic conditions	The economy, including geopolitical tensions with tariffs and national government policies in Canada, the United States, Europe, and China will move in a direction that will support the worldwide PV solar market	Economic conditions, including impact from the Covid 19 pandemic move in a negative direction causing changes to supply and demand, affecting customer sales and future production decisions
Product Acceptance	The risk that the Company’s current products and next generation of technology might not be successful.	Impact of Covid-19 pandemic or incremental technical development maybe required before customer adoption of its products or customer -specific risks for product acceptance



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## GENERAL

Aurora Solar Technologies Inc. (“Aurora” or the Company), was incorporated under the laws of the Province of British Columbia, Canada on 26 October 2006 as Pulse Capital Corp, a capital pool company. On 7 November 2011, it acquired Aurora Control Technologies Inc. through a reverse takeover and initiated its current business operations. The Company, together with its subsidiary, develops and markets inline quality control systems for the solar cell manufacturing industry. These products measure and display the results of critical cell fabrication processes, revealing material properties and the performance of manufacturing tools and processes. They allow process engineers and production-line operators to rapidly detect and correct process excursions, material faults and optimize processes, with the goal to aid our customers’ efforts to increase throughput, yield, and profit in their manufacturing operations.

Solar cells are the electricity-generating elements within solar panels, which are seen on rooftops, streetlights and large-scale “solar farms” throughout the world. The Company provides solar cell manufacturers with products to characterize, control and optimize the quality-critical steps in their manufacturing processes. Aurora directly markets these products to its customers.

Solar cells are made from silicon wafers. Certain chemicals, applied to create layers in or on a silicon wafer during manufacturing, transform the wafer from an inert substrate to an energy-generating cell. The concentration, uniformity and other properties of these layers are critical to the finished cell’s performance. To achieve their high electrical efficiencies, advanced solar cells require strict control of variations in these and other critical-to-quality treatments during manufacturing. Aurora’s products provide the means to measure these variations, understand their impact on production yield and throughout, and control or optimize production processes to reduce negative effects.

Within the overall solar cell manufacturing industry, Aurora’s customers are those who fabricate *advanced* solar cells. These advanced cells lead the industry in the efficient conversion of light into electrical energy. They include those using Passivated Emitter and Rear Contact (PERC) technology, which have a specialized chemical layer on the back to increase light absorption, bifacial technology, using light collected from both sides of the cell, and heterojunction technology (HJT) that involves multiple nano-scale chemical layer depositions on the top and bottom of the cell. These higher-power solar cells command a premium in the market compared to commodity-grade solar cells, providing their manufacturers with better profitability in this highly competitive industry.

Control and optimization of solar cell production starts with measurement. Aurora’s DM™ products use proprietary patented technology, based on the principles of infrared spectroscopy, to measure the properties of the aforementioned solar cell chemical layers as they are deposited and annealed.

Our Visualize™ software then uses the real-time data provided by our DM measurement products to show the relationship between the per-wafer measurements and the changing spatial variations in chemical layer properties induced by variations in the behaviour of manufacturing equipment used to create these layers. This spatial view of process tool performance provides the means to perform diagnostics, control, and equipment optimization quickly and effectively.

Our newest product, Insight™, is a “data science” package that extends our product portfolio, from measurement and characterization of equipment variation, to provide a deep understanding of the effects of these variations on

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**MANAGEMENT DISCUSSION AND ANALYSIS**



finished cell efficiency. This proprietary product analyses the large volume of data available from the sequence of finished solar cells in a production line and reveals the links between unwanted variations in their efficiency and the causes in production. These analyses allow advanced cell manufacturers to know precisely when and how to control their production for optimal yield and throughput, allowing them to increase their profits.

The address of the Company's corporate and administrative office and principal place of business is #100 – 788 Harborside Drive, North Vancouver, BC, V7P 3R7.



## **MARKET POSITION AND DEVELOPMENT AND IMPACT OF THE COVID-19 PANDEMIC**

Aurora focuses on top-tier solar cell manufacturers that value the benefits of its in-line measurement and control systems and have known capacity expansion plans. More than 70 percent of the world's solar cell manufacturing is conducted by Chinese companies. In fiscal 2019 Aurora therefore initiated actions to assertively develop business in China. The Company established a sales and service facility in Shanghai, developed a variant of our DM measurement system that is focused on unique Chinese market needs, increased the number of field trials (a necessary precursor to sales), and recruited successful and respected market partners in China to increase order flow.

On March 11, 2020, the coronavirus outbreak ("Covid-19") was declared a pandemic by the World Health Organization. Since then global government responses to contain and prevent the further spread of the virus have evolved rapidly over the course of this current quarter and until the date of this report. This has resulted in mandating various restrictions including, travel restrictions, stay-at-home advisories and quarantining of persons who may have been exposed to the virus and has had a dramatic impact on the global economy.

Aurora's priority is the health and safety of its employees and their families. We have modified our work environment and planned to ensure we are in compliance with all provincial and federal health authority regulations. These include, but are not limited to, maintaining minimum physical distancing requirements, working from home when possible, restricting non-essential business activities and mandating the use of personal protective equipment. To date, Aurora has not had to assume additional debt or financing and has applied for available government stimulus programs for mitigation of the impact of Covid-19.

International travel restrictions to contain the spread of Covid-19 have had a material impact on the Company's operations including business development to secure new business, and activities to complete the installation, commissioning and customer training for systems that have been delivered to its international customers. While Aurora has staff residing in China, the Company has been prevented from sending senior technical staff to customer sites as required to complete installations, conduct diagnostic analysis for variable customer-specific operating issues and to commission DM systems. In addition, the Company has also been impacted with longer than normal lead times with its international supply chain due to the Covid-19 pandemic. This has significantly affected the ability to timely train and provide technical expertise to customers to identify and resolve operating issues across the scope of new installations and to introduce the Insight product. Aurora has final payment obligations tied to the successful installation and commissioning of systems and expects this situation to negatively impact its results of operations and financial position in Q3 and Q4 of the current fiscal year. This impact could lead to potential product returns and cannot be reasonably estimated at this time, and there can be no assurance that Aurora's business will not be impacted by Covid-19.

All but one of the orders received by the Company in the last twelve months are from large Chinese manufacturers or automation system providers, and most of them were for the new DM-110 series for China. These orders followed field trials initiated during fiscal 2018 and came from a mixture of sales developed directly by Aurora and in cooperation with our market partners in China, most notably Saratoga Technology International. The Company has delivered a large quantity of DM measurement systems from these past orders to numerous different customers in China for the first time in Q1 and Q2 of this fiscal year. As the Company completes the installation and commissioning of these systems, it expects the benefits of its DM technology will be recognized and adopted to strengthen the foundation for continued sales and the introduction of its Insight data science product for solar cell production yield, quality and cost optimization.



## **Highlights, Significant Events and Transactions During the Period**

The Company received two DM systems (10 DM 110 Units) acceptance certificates from Chinese customers during the current period.

Aurora has a number of delivered systems that have experienced delays associated with travel restrictions due to the Covid-19 pandemic. This restriction of sending qualified experts to assist with the installation, customer site analysis and troubleshooting has delayed the commissioning of these systems to achieve formal acceptance during this period.

During the current fiscal quarter (2020 Q2), and during the ongoing Covid 19 Pandemic, the Company shipped 12 DM Measurement Systems.

Insight Product. Since the last reported milestones, the company had completed these additional steps to product completion and release:

- Customer verification of Insight’s proprietary data mining algorithms using actual production line data from one of our trial sites has been completed.
- Development of an improved User Interface that is focused on the key use cases of production line yield optimization and fault identification
- To initiate market visibility, completed publication of a joint paper with a lead customer and industry technology partners, outlining how the use of Insight’s algorithms can aid continuous improvement and yield optimization in high-volume solar cell fabrication. (“Statistical Insights from Inline Solar Cell Metrology Data in a PERC Production Environment”, Photovoltaics International Vol. 44, May 2020)



**SIGNIFICANT EVENTS AND TRANSACTIONS SUBSEQUENT TO THE PERIOD END**

The Company has developed additional analytical tools and work from remote customer specific strategies to support DM 110 product enhancements for installation and commissioning purposes.

Subsequent to the period end, the Company has applied for and received wage subsidies under the Canada Emergency Wage Subsidy program, In addition, warrant and option exercises have provided an additional \$915,000 in additional financial liquidity for the Company to support its operations during the Covid-19 pandemic.

The Company received an order from an existing customer for a DM\_110h unit for expected use in the solar cell and module research and development

The Company has also been granted two patents, one in Taiwan and one in China, which follow the original patent grant issued in the US.

**RESULTS OF OPERATIONS**

The comprehensive loss attributable to the shareholders for the six months ended 30 September 2020 was \$414,162 compared to the comprehensive loss of \$72,270 during the six months ended 30 September 2019. The reasons for the fluctuations are as follows:

<b>Product sales</b> Rounded (000's)	<b>6 Months</b> <b>2021</b>	<b>6 Months</b> <b>2020</b>
	<b>\$ 2,128,000</b>	<b>\$ 1,910,000</b>
Variance increase (decrease)	<b>218,000</b>	

During the six months ended 30 September 2019, the Company shipped orders and recognized sales revenue in line with the Company's accounting policy.

<b>Cost of sales</b> Rounded (000's)	<b>6 Months</b> <b>2021</b>	<b>6 Months</b> <b>2020</b>
	<b>\$ 1,185,000</b>	<b>\$ 853,000</b>
Variance increase (decrease)	<b>332,000</b>	

Cost of sales increased for the six months ended 30 September 2020 due to increased production from sales. The Company also accrues sales commission expenses in line with the Company's revenue recognition.

<b>Sales and marketing</b> Rounded (000's)	<b>6 Months</b> <b>2021</b>	<b>6 Months</b> <b>2020</b>
	<b>\$ 401,000</b>	<b>\$ 347,000</b>
Variance increase (decrease)	<b>54,000</b>	

Sales and marketing expenses have increased due to higher sales.

<b>General and administrative</b> Rounded (000's)	<b>6 Months</b> <b>2021</b>	<b>6 Months</b> <b>2020</b>
	<b>\$ 538,000</b>	<b>\$ 347,000</b>
Variance increase (decrease)	<b>191,000</b>	

The increase in general and administrative expense were attributed to the Company's higher overall costs associated with implementing and maintaining Covid 19 preventative measures along with increased project management and operational support.

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Research and development Rounded (000's)	6 Months 2021	6 Months 2020
	\$ 308,000	\$ 335,000
Variance increase (decrease)	(27,000)	

Research and development are a key component of the Company's ongoing success. Since the 2017 fiscal year, the Company has been heavily focused on bifacial designs, key upgrades to current software systems and promising new measurement modalities. The decrease in research and development during current year was in-line with management's focus and attributed to new contracts hired as well as the new employees.

### FINANCIAL DATA FOR LAST EIGHT QUARTERS

The following table sets out selected unaudited quarterly financial information of the Company and is derived from the unaudited condensed interim consolidated financial statements prepared by management. The Company's interim financial statements are prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars.

Six Months Ended	Sep-20	Jun-20	Mar-20	Dec-19	Sept-19	Sept-19	Jun-19	Jun-19
Total Revenues	546,143	1,581,665	374,299	1,013,763	1,496,892	1,496,892	412,906	412,906
Gain (Loss) from continuing operations	(428,523)	149,559	(331,423)	(100,311)	326,495	326,495	(398,765)	(398,765)
Gain (Loss) for the period	(428,523)	149,559	(331,423)	(100,311)	326,495	326,495	(398,765)	(398,765)
Gain (Loss) per share (Basic and diluted)	(0.004)	0.001	(0.004)	(0.001)	0.003	0.003	(0.00)	(0.00)
Total assets	3,325,18	3,904,167	3,550,651	2,243,130	1,905,573	1,905,573	2,157,288	2,157,288
Working capital	2,068,226	2,609,692	2,428,328	989,005	1,104,709	1,104,709	781,633	781,633

Management has allowed working capital to remain greater than expected outflows in each quarter, despite variations in timing of sales orders.

### OUTSTANDING SHARES

As of 30 September 2020, the Company had 107,537,625 common shares issued and outstanding (30 September 2019 – 88,176,925). The fully diluted amount of 136,034,725 represents warrants of 20,937,100 and options of 7,560,000.

As at the date of this MD&A, the Company had 115,179,225 common shares issued and outstanding. The fully diluted amount of 136,034,725 represents warrants of 14,220,500, and options of 6,635,000.

### LIQUIDITY AND FINANCIAL CONDITION OF THE COMPANY

The Company's working capital surplus on 30 September 2020, was \$2,068,226 compared with \$1,104,709 on 30 September 2019.

Cash (used) in investing activities during the period ended 30 September 2020 totalled (\$24,021) (30 September 2019 – used (\$167,485)).

Cash provided by (used) in financing activities during the period ended 30 September 2020 totalled \$37,913 (30 September 2019 – used (\$38,860)).

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Actual future funding requirements may vary from those planned due to several factors, including timing of sales and changes in the pace of research and development with respect to current and future products.

Management believes it will be able to raise equity capital as required in the long-term, but recognizes the risks attached thereto. Historically the capital requirements of the Company have been met by equity subscriptions. Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing may be favourable.

#### **CAPITAL MANAGEMENT**

The Company manages its capital structure and makes adjustment to it, based on the funds available to the Company, to support the development of the company's measurement technology. The Company includes components of equity in its managed capital. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Additional funds may be required to finance investments of the Company.

Management reviews its capital management approach on an ongoing basis and believe that this approach, given the size of the Company, is reasonable. The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the six months ended 30 September 2020 however, the Company may take future actions to strengthen its financial position due to the impact of the Covid-10 pandemic on its business including the delays in adopting its products.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company had no off-balance sheet arrangements as of 30 September 2020, and as at the date hereof.



## RELATED PARTY TRANSACTIONS

Key management personnel include the members of the Board of Directors and executive officers of the Company.

Related party transactions are recorded as part of the general and administrative expenses on the consolidated statement of comprehensive loss. These related party transactions and balances are as follows:

## RELATED PARTY DISCLOSURE

Principal Position	Rounded (000's)	Year <sup>(i)</sup>	Remuneration or fees <sup>(ii)</sup>	Share-based Payments	Included in Accounts Payable
CEO		2021	\$ 87,000	\$ -	
		2020	\$ 87,000	\$ -	
CFO		2021	\$ 36,000	\$ -	3,000
		2020	\$ -	\$ -	
Former CFO		2021	\$ 25,000	\$ -	
		2020	\$ -	\$ -	
Former CFO		2021	\$ -	\$ -	
		2020	\$ 24,000	\$ -	
Former CFO's company that provided bookkeeping services		2021	\$ -	\$ -	
		2020	\$ 17,000	\$ -	
Director		2021	\$ 10,000	\$ -	5,000
		2020	\$ 5,000	\$ -	
Director		2021	\$ 10,000	\$ -	5,000
		2020	\$ 5,000	\$ -	
Director		2021	\$ 10,000	\$ -	5,000
		2020	\$ 5,000	\$ -	

(i) For the six months ended 30 September 2020 and 30 September 2019.

(ii) Amounts disclosed were paid or accrued to the related party.

The transactions with related parties were in the normal course of operations, which is the amount of consideration established and agreed to by the related parties. There are no set terms of repayment for the balances owed to the related parties.

## FINANCIAL INSTRUMENTS AND RISK FACTORS

### a) Financial instrument classification and measurement

Financial instruments of the Company carried on the Consolidated Statement of Financial Position are carried at amortized cost except for cash and cash equivalents and restricted cash which are carried at fair value. There are no significant differences between the carrying value of financial instruments and their estimated fair values as of 30 September 2020, due to the immediate or short-term maturities of the financial instruments.

The fair value of the Company's cash is quoted in active markets. The Company classifies the fair value of these transactions according to the following hierarchy:

Level 1 – quoted prices in active markets for identical financial instruments.

Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant and significant value drivers are observable in active markets.



Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The Company’s cash and cash equivalents have been assessed on the fair value hierarchy described above and classified as Level 1.

**b) Fair values of financial assets and liabilities**

The Company’s financial instruments include cash, amounts receivable, and accounts payable and accrued liabilities. As of 30 September 2020, the carrying value of cash is fair value. The remaining financial instruments approximate their fair value due to their short-term nature.

**c) Other risk**

Market risk is the risk that changes in market prices will affect the Company’s earnings or the value of its financial instruments. Market risk is comprised of commodity price risk and interest rate risk. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis and adjusting operations and budgets accordingly.

**d) Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company’s exposure to credit risk is on its bank accounts. The Company is exposed to credit risk by holding cash, which are all held in financial institutions in Canada, and management believes the exposure to credit risk with respect to such institutions is not significant. The credit risk with respect to receivables is remote as receivables are from commercial customers with whom the Company has a successful history of collections and which will eventually require replacement parts from the Company.

**e) Interest rate risk**

Interest rate risk is the risk of losses that arise because of changes in contracted interest rates. The Company is not exposed to interest rate risk.

**f) Currency risk**

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. To manage this risk the Company maintains only the minimum amount of foreign cash required to fund its on-going expenditures. The Company is exposed to foreign currency risk, as it deals with customers and vendors in currencies other than its functional currency. A 5% shift in exchange would impact the financial statements by \$90,000. As of 30 September 2020, the Company held currency totalling the following:

Rounded (000's)	Impact	30 Sept 2020	31 March 2020
Cash in United States dollars	5% \$ (51,000)	\$USD 771,000	\$USD 208,000
Cash in Chinese RMB	5% \$ (4,000)	RMB 388,000	RMB 249,000
Amounts receivable in United States dollars	5% \$ (48,000)	\$USD 723,000	\$USD 629,000
Amounts payable in United States dollars	5% \$ 13,000	\$USD (219,000)	\$USD (120,000)



**g) Liquidity risk**

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing this is to maintain readily available reserves to meet its liquidity requirements at any point in time.

It is management's opinion that the Company is not exposed to significant credit, interest rate, liquidity, or market risks in respect of these financial instruments. The Company's policies and processes of managing all risks associated with its financial instruments have not changed during the period.

**h) Pandemic risk**

The global transmission of COVID-19 and the related global efforts to contain its spread have recently resulted in international border closings, travel restrictions, significant disruptions to border operations, supply chains and customer activity and demand, service cancellations, cybersecurity risks due to working remotely, reductions and other changes, and quarantines, as well as considerable general concern and uncertainty.

The impacts of the COVID-19 crisis that may have an effect on us include: a decrease in short-term and/or long-term demand and/or pricing for our products; reduced sales as a result of travel restrictions (potentially affecting support for our product as well as for technical sales (Insight)); delays in the collectability of accounts receivables as a result of travel restrictions, impacting the ability to send qualified technical personnel, increased costs resulting from our efforts to mitigate the impact of COVID-19, deterioration of worldwide credit and financial markets that could limit our ability to obtain external financing to fund our operations and capital expenditures, result in losses on our holdings of cash due to failures of financial institutions, higher rate of losses on our accounts receivable due to credit default, disruptions to our supply chain, and adverse impacts on our information technology systems and our internal control systems as a result of the need to increase remote work arrangements.

A material adverse effect on our employees, customer, suppliers and/or logistics providers could have a material adverse impact on us.

The Company has partially mitigated this risk through its China office and technical staff.

**i) Geographic Risk**

Geographic risk is the risk that the concentration of the Company's business and financial results may be adversely affected by growing geo-political trade and diplomatic matters. The Company manages this risk through its presence in China with its Chinese representative office and local Chinese staff.

**j) Product Risk**

Product risk is the risk that the Company's current and next generation of technology might not be successful and/or may require further technical development before customer acceptance. The Company's future growth is dependent on the success of its DM systems being adopted in the Chinese market and the new data science Insight product. These products are yet to be widely adopted and may not gain market traction. The DM systems are designed to be optimized within a production line and are a foundation element together with the Insight product for a complete quality control system.

**INVESTOR RELATIONS ACTIVITIES**

With respect to public relations, the Company's policy is to provide information from its corporate offices to investors and brokers directly.

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**MANAGEMENT DISCUSSION AND ANALYSIS**



**MANAGEMENT**

The Company is dependent upon the personal efforts and commitments of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

**APPROVAL**

The Board of Directors of the Company has approved the disclosure contained in this Management Discussion and Analysis.



## **A CAUTIONARY TALE**

This document contains “forward-looking information” which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company, its subsidiaries and its projects, the future supply, demand, inventory, production and price of products, the timing and amount of estimated future production, costs of production, requirements for additional capital, government regulation operations, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters.

Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Respectfully submitted,

On behalf of the Board of Directors,

“Gordon Deans”

Gordon Deans, CEO