

PUDO INC.

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS

QUARTERLY HIGHLIGHTS

FOR THE THREE AND SIX MONTH PERIODS ENDED

August 31, 2020 and 2019

(EXPRESSED IN CANADIAN DOLLARS)

Prepared by:

PUDO Inc.

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PUDO Inc.
Interim Management's Discussion & Analysis - Quarterly Highlights
Three and six month periods ended August 31, 2020
Discussion dated: September 21, 2020

Introduction

The following interim Management's Discussion and Analysis – Quarterly Highlights (the “Quarterly Highlights”) of the financial condition and results of the operations of PUDO Inc. (“PUDO” or the “Company”) constitutes management's review of the factors that affected the Company's financial and operating performance for the three and six month periods ended August 31, 2020 (“Q2 FY 2021”), together with certain trends and factors that are expected to have an impact in the future.

These Quarterly Highlights have been prepared in compliance with the requirements of section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 - Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and six month periods ended August 31, 2020, the audited annual consolidated financial statements of the Company for the years ended February 29, 2020 and February 28, 2019, together with the notes thereto, and the Management's Discussion and Analysis (“Annual MD&A”) Report of the Company for the year ended February 29, 2020. All dollar amounts are expressed in Canadian dollars unless otherwise noted.

The Company's condensed interim unaudited financial statements and financial information contained in these Quarterly Highlights were prepared in compliance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”) using the accounting policies the Company adopted in its annual consolidated financial statements as at and for the year ended February 29, 2020, except for the adoption of new standards effective as of March 1, 2020 and interpretations issued by the IFRS Interpretations Committee (“IFRIC”).

The Company's fiscal year end is February 28.

Further information regarding the Company and its operations are available on the Company's website at www.pudopoint.com and under the Company's SEDAR issuer profile at www.sedar.com, or upon request to the Company at 6600 Goreway Drive Unit D, Mississauga, Ontario, Canada, L4V 1S6.

Description of Business

PUDO is listed on the Canadian Securities Exchange (“CSE”) under the symbol “PDO” and on the OTCQB exchange under the symbol “PDPTF”.

PUDO's purpose is to improve the connection between e-commerce and consumers. PUDO deploys their technology to provide consumers with convenient locations to Pick-Up or Drop-Off (“PUDO” or “Network”) e-commerce parcels. Through collaboration with online retailers, third party logistics companies (“3PL”), Software as a Service (“SaaS”) providers, and courier companies, consumers can take secure delivery of their parcels or drop-off returns where, and when, it's convenient for them.

Existing businesses, such as convenience stores or gas stations, provide services as a PUDOpoint™ (a “PUDOpoint”). PUDOpoints are typically open extended hours, seven days a week to make it convenient for busy consumers to quickly and efficiently collect what they've ordered online or drop off what they need to return. The Company deploys its technology to provide consumers with convenient PUDOpoints (the “Network”) to pick-up or drop-off (“PUDO”) e-commerce parcels.

PUDO's services provide courier companies and retailers with a presence in a broad variety of locations to better serve their customers. Not only convenient, these services can also save money. Couriers don't have to attempt delivery a second or third time or make other arrangements with customers who aren't home. Retailers can ship directly to PUDOpoints saving residential delivery costs and reducing the risk of theft or spoilage. PUDO also helps retailers reduce the cost and increase the convenience of their returns program. Consumers can drop off pre-labeled parcels at any PUDOpoint for processing back to the retailer.

PUDO Inc.
Interim Management's Discussion & Analysis - Quarterly Highlights
Three and six month periods ended August 31, 2020
Discussion dated: September 21, 2020

Cautionary Note Regarding Forward-Looking Information

These Quarterly Highlights contain certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements related 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 state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements address possible future events, conditions and financial performance based upon management's current expectations, estimates, projections and assumptions.

Management of the Company considers the assumptions on which the forward-looking information contained herein are based to be reasonable. However, by its very nature, forward-looking statements inherently involve known and unknown risks and uncertainties that may cause actual results to differ materially from those expressed or implied by such forward-looking statements. Such risks include, without limitation those risks discussed in the "Risk Factors" section of PUDO's Annual MD&A dated May 28, 2020.

All forward-looking statements herein are expressly qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in these Quarterly Highlights are made only as of the date of these Quarterly Highlights or as of the date specified in such statement. 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.

Highlights

The World Health Organization declared a global emergency on January 30, 2020 as a result of the 2019 novel coronavirus ("COVID-19"), then characterized it as a pandemic on March 11, 2020. The outbreak spread globally causing companies and various jurisdictions, including Canada and the United States, to impose restrictions, such as quarantines, closures, cancellations, and travel restrictions including closing the Canada – United States border. While these effects were expected to be temporary, the duration of the business disruptions and related financial impact cannot be reasonably estimated at this time. At this point, the extent to which COVID-19 may impact the Company's results and business for fiscal year 2021, including parcel volumes, is unclear, PUDO's consolidated results in Q2 FY 2021 have been negatively impacted by this event. The impacts of the outbreak continues to be unknown. The extent of the impact will depend on future developments.

Below are a few Company highlights during Q2 FY 2021:

- Revenue was up 17.3% compared to the same quarter in the prior fiscal year as a result of increased For Pickup ("FPU") drop-offs and returns parcel volume that utilized the PUDOpoint Counter network along with other new services provided by PUDO and integrated by partners into their delivery / pickup services. This revenue increase was offset, as compared to the prior fiscal year, by decreased Failed First Attempt ("FFA") parcel volume and border member decreased shipments as member US parcel shipments were directly impact by COVID-19 and the Canada-US border closure for the entire quarter.
- The Company launched a new pilot program with a large e-commerce retailer providing 107 Canadian PUDOpoint Counter locations that are displayed as available alternative delivery locations for the retailer's Canadian customer checkout process.

PUDO Inc.
Interim Management's Discussion & Analysis - Quarterly Highlights
Three and six month periods ended August 31, 2020
Discussion dated: September 21, 2020

- 📍 The Company continued to add PUDOpoint Counter locations in the USA for a large USA e-commerce retailer, bringing the total to 446 PUDOpoint Counters that are displayed as available alternative delivery locations for the retailer's USA customer checkout process. With these locations, PUDO will eventually add their own PUDO services for additional parcel volume, resulting in additional revenue for both the Company and the PUDOpoint Counter locations.
- 📍 The Company and a large nationally recognized Canadian courier partner continued a phased launch process that onboarded an additional 125 PUDOpoint Counter locations available for Failed First Attempt and Direct to PUDO parcels for the courier's customers. Additional locations will continue to be added during the next quarter in strategic regional locations.
- 📍 In July 2020, the Company granted a total of 685,000 stock options that expire July 17, 2025. These stock options vest in 25% increments annually, with the first 25% having vested on July 17, 2020. 225,000 of the stock options were granted to directors of the Company at an exercise price of \$1.14 per common share. 135,000 of the stock options were granted to employees and consultants of the Company at a price of \$1.75 per common share. 325,000 of the granted stock options were issued to a consultant of the Company exercisable at a price of \$1.20 per common share.
- 📍 In August 2020, 35,000 options previously granted to an employee and consultants were exercised at \$1.20 per share. An option exercise payment for 20,000 options, was settled against \$24,000 in accounts payable that was owed to the option holder. For the remaining 15,000 options, the exercise payment was received in cash.
- 📍 Also in August 2020, 74,279 options previously granted to a director and a consultant were exercised at \$1.30 per share. An option exercise payment for 44,279 options, was settled against \$57,563 in accounts payable that was owed to the option holder. For the remaining 30,000 options, the exercise payment was received in cash. 11,250 options previously granted to a director were exercised at \$1.14 per share and received in cash. On August 31, 2020, 140,000 stock options previously granted expired.
- 📍 The Company retained the services of Renmark Financial Communications Inc. to assist with managing PUDO's investor relations and media activities. In consideration of the services to be provided, the monthly fees incurred by the Company is cash consideration of up to \$8,500 monthly, effective August 1, 2020 for a period of six months ending on February 28, 2021 and monthly thereafter if mutually agreed.
- 📍 PUDO CEO Frank Coccia presented at the OTCQB Venture Company Virtual Investor Conference on August 6, 2020. Click the below link to view other interviews and presentations during Q2 FY 2021 <https://www.pudopoint.com/investors/presentations/>.
- 📍 The Company launched a newly designed website including an enhanced [Investor section](#). The Company will continue to update content with helpful information, articles, newsletters, and Issuer announcements. Visit www.pudopoint.com.

Operations

PUDOpoint Network

The Company continued to develop the PUDOpoint Counter network within Canada and the United States while working closely with current partners, identifying strategic areas where they required locations to support their various programs to customers. New locations have been activated where partners have indicated a need for PUDO's services, including Failed First Attempts, returns, 3PL parcel shipments, and Hub Counters. This has been minimally offset by PUDOpoint Counter locations that have had operations suspended due to COVID-19. As well, PUDO continues to expand and develop its database of registered

PUDO Inc.
Interim Management's Discussion & Analysis - Quarterly Highlights
Three and six month periods ended August 31, 2020
Discussion dated: September 21, 2020

PUDOpoint Counter locations that are ready to be activated in support of PUDO partners as they expand into those services and regions.

Parcel Volume Analysis

Parcel volume and other factors within the e-commerce ecosystem can affect PUDO's goals and performance during its continued growth and evolution. During Q2 FY 2021 the COVID-19 pandemic impacted overall parcel volume being delivered within the PUDO Network. With most businesses shut down and employees working from home, first time delivery failures decreased as someone was at home to accept packages, reducing the requirement for an alternative delivery location. PUDO's Network is comprised mainly of convenience stores that were deemed essential services. This allowed PUDO's partners to successfully utilize alternative delivery locations when they did require the Network. During Q2 FY 2021, the PUDOpoint Counter network continued to be available during COVID-19 due to convenience stores being recognized as an essential service location. The PUDOpoint Counters supported their local communities as a safe haven for parcel deliveries, returns, or donations. Additionally, during August 2020, one of the Company's courier partners experienced a severe technology operational issue that impacted their delivery operations for almost two weeks, which impacted PUDO's Failed First Attempt parcel volume.

While the Company continued to strategically manage the growth and development of the PUDOpoint Counter network throughout Q2 FY 2021, overall parcel volume decreased by 24.5% compared to the three month period ended August 31, 2019 ("Q2 FY 2020"). In sequential quarters, overall parcel volume volumes in Q2 FY 2021 as compared to Q1 FY 2021 decreased by 5.1% as COVID-19 continued to impact some services. During this quarter, Q2 FY 2021, partner shipments increased 11.1% over the same quarter in the previous year. During the same three month period, border member shipment volumes were down 79.2% as a result of the Canada USA border being closed to non-essential travel due to the COVID-19 pandemic. In Q2 FY 2021, partner shipments represented 89.1% of the Company's total volumes, up from 60.6% in the same quarter in the prior fiscal year.

During the six months ended August 31, 2020 overall parcel volumes decreased by 18.6% relative to the six months ended August 31, 2019 in the prior year, primarily as a result of the 70.9% decrease in border member shipments due to the Canada USA border being closed to non essential travel.

Below is a summary of PUDO's current parcel services being utilized by partners and customers:

- 📍 ***Courier Pickup Parcels:*** During Q2 FY 2021, PUDO courier pickup service at PUDOpoint locations continued to see growth with parcel volume increasing by 337.8% compared to Q2 FY 2020. This is a result of a large customer continuing to expand their use of PUDOpoint Counter locations as drop off locations for courier and customer pickups. In sequential quarters, courier pickup parcel volumes in Q2 FY 2021 as compared to Q1 FY 2021 increased by 26.8% as this service continues to expand.
- 📍 ***Third Party Logistics ("3PL") Parcels:*** During Q2 FY 2021, 3PL parcel shipments increased 100% relative to the prior year, Q2 FY 2020. In sequential quarters, 3PL parcel shipments in Q2 FY 2021 as compared to Q1 FY 2021 decreased by 24.6%. The decrease was a result of a PUDO partner experiencing a severe technology issue that curtailed their delivery operations for approximately a two week period in August 2020.
- 📍 ***Failed First Attempts ("FFA") Parcels:*** During Q2 FY 2021 total FFA parcel volume decreased by 27.5% relative to Q2 FY 2020. In sequential quarters, parcel volumes in Q2 FY 2021 compared to Q1 FY 2021 decreased by 3.5%. This decrease between these sequential quarters is related to the ongoing impact of COVID-19 and customers being home to accept their parcels, reducing the requirement of redirects to PUDOpoint locations.
- 📍 ***Returns Parcels:*** During Q2 FY 2021 returns parcels increased by 202% as compared to the prior year, Q2 FY 2020. In sequential quarters, returns parcel volume in Q2 FY 2021 as compared to Q1 FY 2021 increased by 200.4%. These increases resulted from a PUDO partner adding new clients to the PUDO returns service, thereby reducing returns costs for their clients.

PUDO Inc.
Interim Management's Discussion & Analysis - Quarterly Highlights
Three and six month periods ended August 31, 2020
Discussion dated: September 21, 2020

- 📍 **Member Parcels:** During Q2 FY 2021 total member parcel volume decreased by 79.2% relative to Q2 FY 2020. Again, this decrease is a direct result of COVID-19 and the closure of the Canada – USA border to non-essential travel during the quarter. In sequential quarters, parcel volumes in Q2 FY 2021 compared to Q2 FY 2020 decreased by 37%, again due to COVID-19 and the border closure.
- 📍 **Hub Counter Parcels:** As a result of a successful program with a large USA e-commerce retailer, that began in Q4 FY 2020, with access currently at 446 USA PUDOpoint Counter locations and expanding daily, the retailer made the decision to launch a pilot program within their Canadian e-commerce division. In July 2020, 107 Canadian PUDOpoints were approved for the retailer's Canadian customers. As a result of this combined parcel volume during Q2 FY 2021 Hub Counter parcel volume increased by 301.7% over the prior quarter, Q1 FY 2021.

As PUDO continues to maintain and expand its services, a greater number of stakeholder partners and consumer members should minimize parcel losses and reduce dependence on specific carriers as PUDO provides a courier agnostic network of locations.

Outlook

Notwithstanding the three factors affecting e-commerce logistics during the six month period ending August 31, 2020 i.e.: the force majeure grade global COVID-19 pandemic, the Canada-US border closure, and the technology-triggered near total shut-down of a major partner's operations for two weeks, the Company maintained its PUDOpoint Counters Network expansion trajectory in both Canada and the United States, and grew its North American Network by 21.4%

This growth demonstrated both critical resilience within the e-commerce ecosystem, and essentially, confirmation of major partner dependence on the agnostic parcel pick-up and drop-off Network model itself. As e-commerce continues to grow beyond forecasts both in popularity and on necessity, the greater PUDOpoint Counters Network, itself activated on partner volume, is attracting the attention of new major players within the ecosystem.

The performance metrics as reported in Q1 and Q2 FY 2021 indicate that, as the Network expands in tandem, in numbers of PUDOpoint Counters, number of stakeholder partners, and associated parcel volumes, the potential negative impacts experienced by any individual partner or of the industry or economy, should be mitigated, allowing the Company to attain and increase profitability as it continues to scale quickly, growing its core asset of networked agnostic PUDOpoint Counters.

“As a Company, we maintain focus on growth and conservative spending as we continue to pursue our end goal of activating 15,000 to 18,000 PUDOpoint Counters by the end of 2023,” says PUDO CEO Frank Coccia. “I am supremely confident, having successfully negotiated these past six months, that our business plan is sound and that we are on the right path.”

PUDO Inc.
Interim Management's Discussion & Analysis - Quarterly Highlights
Three and six month periods ended August 31, 2020
Discussion dated: September 21, 2020

Financial Condition and Performance

Financial Performance

A summary of selected financial information for the three and six month periods ended August 31, 2020 and 2019 is included below:

PUDO Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended August 31,		Six Months Ended August 31,	
	2020	2019	2020	2019
Revenue	\$ 269,685	\$ 229,971	\$ 583,318	\$ 444,950
Cost of sales	(169,796)	(86,223)	(378,953)	(156,600)
Gross profit	99,889	143,748	204,365	288,350
Administrative expenses	(355,214)	(512,730)	(743,253)	(1,072,665)
Share-based compensation*	(78,223)	(153,789)	(117,574)	(307,578)
Operating loss	(333,548)	(522,771)	(656,462)	(1,091,893)
Finance costs	(2,720)	(60,198)	(8,985)	(90,686)
Net loss and comprehensive loss for the period	\$ (336,268)	\$(582,969)	\$ (665,447)	\$(1,182,579)
Loss per share - basic and diluted	\$ (0.01)	\$(0.03)	\$ (0.02)	\$(0.06)

*non-cash expense related to the amortization of performance options for directors, management, and employees.

During the three month period ended August 31, 2020, revenue was \$269,685 (August 31, 2019 - \$229,971), representing an increase of 17.3% over the same period last year due to new partner volumes and the successful sale of additional PUDO services to other partners, offset by the decrease in Failed First Attempt parcels to PUDOpoint Counter Locations as a result of a higher number of consumers being at home to accept their parcels during COVID-19 and as a result of the Canada USA border being closed to non-essential travel due to COVID-19. For the six months ended August 31, 2020, revenue increased \$138,368 to \$583,318 representing a 31.1% increase over the same period in the prior year as a result of the increase in returns and 3PL PUDO services.

Gross profit for the three month period ended August 31, 2020 was \$99,889 (August 31, 2019 - \$143,748) representing a decrease of \$43,859 or 30.5% over the same period last year. This is a result of new parcel services for 3PL parcel shipment processing and the fixed costs associated with the shipping fees, which generates a lower gross profit margin than PUDO's FFA, FPU, and border member parcels.

During the three month period ended August 31, 2020, the Company reported a net loss of \$336,268 (\$0.01 basic and diluted loss per share), a decrease of \$246,701 compared with a net loss of \$582,969 (\$0.03 basic and diluted loss per share) in the corresponding quarter in the prior fiscal year. Most of this decreased loss was attributable to a reduction in administrative expenses as a result of the decrease in salaries due to the changes in senior management and the non-cash expense related to share-based compensation.

The net loss for the six months ended August 31, 2020 was \$665,447 (\$0.02 basic and diluted loss per share), a decrease from a net loss of \$1,182,579 (\$0.06 basic and diluted loss per share) in the corresponding quarter in the prior fiscal year, again primarily due to a reduction in salaries and benefits

PUDO Inc.
Interim Management's Discussion & Analysis - Quarterly Highlights
Three and six month periods ended August 31, 2020
Discussion dated: September 21, 2020

costs overall and non-cash share-based compensation relative to the corresponding period of the prior fiscal year.

Administrative expenses for the three and six month periods ended August 31, 2020 were \$355,214 and \$743,253 (August 31, 2019- \$512,730 and \$1,072,665), respectively, representing a decrease relative to the corresponding periods in the prior fiscal year. These cost decreases relate primarily to the impact of the reduction in senior management and salaries and benefits costs overall during the three and six month periods as compared to the prior year.

Non-cash share-based compensation for the three and six month periods ended August 31, 2020 was recorded as \$78,233 and \$117,574 (August 31, 2019 - \$153,789 and \$307,578), respectively, representing a decrease relative to the corresponding periods in the prior fiscal year.

Financial Condition

As at August 31, 2020, the Company had total assets of \$1,657,653 (February 29, 2020 - \$2,468,321). This decrease was primarily attributed to the related costs associated with operations and repayment of debt owing to a company with a common officer and director during the quarter.

The Company had a working capital surplus of \$1,112,383 (February 29, 2020 – \$1,545,969), had not yet achieved profitable operations, had used cash in operating activities of \$586,242 for the six month period ended August 31, 2020 (August 31, 2019 - \$443,235), had a deficit of \$10,780,096 as at August 31, 2020 (February 29, 2020 - \$10,159,033) and had a shareholders' equity of \$1,274,066 (February 29, 2020 – \$1,670,552). The continuing operations of the Company are dependent upon its ability to commence profitable operations and raise adequate financing in the future. While the Company has been successful in raising the necessary funding to continue operations in the past, there is no assurance that it will be able to do so in the future.

Cash Flows

During the six months ended August 31, 2020, cash decreased by \$845,436 to \$1,183,873 (February 29, 2020 – \$2,038,493) due to \$586,242 cash used in operating activities, \$78,403 in cash used in investing activities and a total of \$181,231 in financing opportunities with cash repayments of \$252,364 on a note payable previously provided by a company with a common officer and director, offset by \$71,133 in cash proceeds from the exercise of options.

Liquidity and Capital Resources

As noted in the Annual MD&A and previous Quarterly Highlights, the Company generates limited cash from operations. The Company's primary source of cash to date has been through convertible debentures, a promissory note and more recently through equity financings. The Company's outstanding loans and borrowings as at August 31, 2020 consist of the following:

	August 31, 2020	February 29, 2020
Loan payable (Atlantic Canada Opportunities Agency)		
9 instalments repayable at \$4,458 per month	\$ 40,122	\$ 66,870
Less: Discount future contractual cash flows	2,400	6,244
	37,722	60,626
Less: Current portion	37,722	47,581
	\$ -	\$ 13,045

PUDO Inc.
Interim Management's Discussion & Analysis - Quarterly Highlights
Three and six month periods ended August 31, 2020
Discussion dated: September 21, 2020

Future repayments on the loan as at August 31, 2020 include the following:

September 1, 2020 to February 28, 2021	\$	26,748
March 1, 2021 to June 22, 2021		13,374
	<u>\$</u>	<u>40,122</u>

During the six month period ended August 31, 2020, the \$232,855 balance of the promissory note including accrued interest from a company with a common officer and director was fully repaid.

Opening balance – February 29, 2019	\$	-
Promissory note		591,000
Interest expense		63,460
Partial settlement of promissory note		(425,000)
Balance – February 29, 2020	\$	229,460
Interest expense		3,395
Total	\$	232,855
Repayment of promissory note		(232,855)
Balance – August 31, 2020	\$	-

The Company has a history of successfully raising the capital needed to operate and believes it can continue to raise any necessary capital. However, the history of losses reflects material uncertainty which may cast significant doubt on the ability of the Company to continue to operate as a going concern.

The unaudited condensed interim consolidated financial statements for the three and six month periods ended August 31, 2020 have been prepared with the assumption that the Company will continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the course of operations. They do not include any adjustments that may be required if it were not able to continue as a going concern. The Company's financial statements for the year ended February 29, 2020 contain an emphasis of matter paragraph in its audit opinion related to its ability to continue as a going concern. Management believes that actions currently being taken, which primarily involve increasing revenues, controlling expenses, and raising additional capital will allow the Company to achieve profitability and allow the Company to continue as a going concern.

PUDO Inc.
Interim Management's Discussion & Analysis - Quarterly Highlights
Three and six month periods ended August 31, 2020
Discussion dated: September 21, 2020

Related Party Transactions

During the three and six month periods ended August 31, 2020 and 2019, the Company had the following transactions with shareholders, management, and directors:

	Three Months Ended August 31,		Six Months Ended August 31,	
	2020	2019	2020	2019
Salaries and benefits	\$ 49,806	\$ 172,938	\$ 83,484	\$ 346,725
Consulting fees	11,676	11,089	23,842	23,117
Share-based compensation	78,223	\$ 153,514	117,574	307,578
	\$ 139,705	\$ 337,816	\$ 224,900	\$ 677,420

During the three and six month periods ended August 31, 2020 and 2019, the Company incurred accounting fees and office rental, which is included in accounting and office expense, of \$29,850 and \$59,700 (August 31, 2019 - \$41,850 and \$83,700), respectively to a company with a common officer and director.

As at August 31, 2020, balances payable to the related parties noted above amounted to \$32,644 (February 29, 2020 - \$315,099) and are included in trade and other payables. These balances are unsecured, non-interest bearing and are due on demand.

All related party transactions were made on terms equivalent to those that would prevail in arm's length transactions.

Subsequent events

The Company evaluated subsequent events through September 21, 2020, the date these Interim Management's Discussion & Analysis - Quarterly Highlights were approved and authorized for issue. There were no material subsequent events that required recognition or additional disclosure in the Interim Management's Discussion & Analysis - Quarterly Highlights.

Risk Factors

The Annual MD&A for the year ended February 29, 2020, dated May 28, 2020 and filed on SEDAR (www.sedar.com), sets out a brief summary of certain risk factors for which adverse occurrences may have a material impact on the Company's future financial performance. We draw our readers' attention to that disclosure of risk factors. No significant changes to those risk factors have occurred in the 2021 fiscal year and to the date of this report, other than the impact of the COVID-19 pandemic on the general North American economy, and more specifically on PUDO's operations. This continues to be monitored by PUDO's management team as their customers, partners and members deal with the impact of the COVID-19 pandemic.