FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: **Exro Technologies Inc.** (the "**Issuer**").

Trading Symbol: **XRO**

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

All related party transactions have been disclosed in the Issuer's financial statements for the interim period ended March 31, 2019.

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
(b) A description of the transaction(s), including those for which no amount has been recorded.
(c) The recorded amount of the transactions classified by financial statement category.
(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
(e) Contractual obligations with Related Persons, separate from other contractual obligations.
(f) Contingencies involving Related Persons, separate from other contingencies.

2. Summary of securities issued and options granted during the period.

All securities issued and options granted by the Issuer have been disclosed in the Issuer's financial statement notes for the interim period ended March 31, 2019.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

3. Summary of securities as at the end of the reporting period.

A summary of securities has been provided in the financial statements for the interim period ended March 31, 2019.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

(b) number and recorded value for shares issued and outstanding,

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

4. **List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.**

Name of Director	Position(s) Held
Mark Godsy	Director and CEO
Jonathan Ritchey	Director
Jill Bodkin	Director
Frank Borowicz	Director
Daniel McGahn	Director
Eamonn Percy	Director
Ari Berger	CTO
John Meekison	CFO
Dianne Szigety	Corporate Secretary

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

See Management's Discussion & Analysis attached.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated May 30, 2019

John Meekison
Name of Director or Senior Officer

"John Meekison"
Signature

CFO
Official Capacity

Issuer Details		
Name of Issuer: **Exro Technologies Inc.**	For Quarter Ended **March 31, 2019**	Date of Report: YYYYMMDD **2019/05/30**
Issuer Address: **2300 – 1177 West Hastings Street**		
City/Province/Postal Code: **Vancouver, BC V6E 4X3**	Issuer Fax No.: **N/A**	Issuer Telephone No. **604 808 9221**
Contact Name: **John Meekison**	Contact Position: **CFO**	Contact Telephone No. **604 649 8778**
Contact Email Address: **jmeekison@exro.com**	Web Site Address: **www.exro.com**	

Schedule “A”

Financial Statements

EXRO TECHNOLOGIES INC.

Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2019

(Unaudited)
(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, continuous disclosure requirement, if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the unaudited condensed consolidated interim financial statements have not been reviewed by an auditor. The Company's independent auditor has not performed a review of these unaudited condensed consolidated Interim financial statements in accordance with standards established by the Chartered Professional Accountants for a review of unaudited condensed interim financial statements by an entity's auditor.

Exro Technologies Inc.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian dollars - Unaudited)

As at		March 31, 2019		December 31, 2018
ASSETS				
CURRENT ASSETS				
Cash	$	1,850,107	$	751,928
Amounts receivable (note 4)		69,033		66,510
Prepaid expense		65,280		115,910
		1,984,420		934,348
Deposits		11,586		11,586
Investments (note 5)		1,884		1,884
Intangibles (note 6)		69,135		63,049
Property, furniture and equipment (note 5)		168,356		105,453
TOTAL ASSETS	**$**	**2,235,381**	**$**	**1,116,320**
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities (note 6)	$	204,543	$	181,346
Due to related parties (note 7)		41,442		45,347
Lease liability		31,410		-
		277,395		226,693
Lease Liability		30,616		-
TOTAL LIABILITIES		308,011		226,693
SHAREHOLDERS' EQUITY				
Share capital (note 8)		22,228,240		20,345,930
Reserves		1,327,059		1,146,930
Deficit		(21,627,929)		(20,603,233)
TOTAL SHAREHOLDERS' EQUITY		1,927,370		889,627
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**2,235,381**	**$**	**1,116,320**

These condensed consolidated Interim financial statements were authorized for issue by the Board of Directors on May 30, 2019. They are signed on the Company's behalf by:

“Mark Godsy” ______________________________, Director

“Jill Bodkin” ______________________________, Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements

(Expressed in Canadian dollars – Unaudited)

	For the three months ended March 31, 2019	For the three months ended March 31, 2018
EXPENSES		
Advertising and marketing	$ 51,983	$ 95,085
Amortization expense (note 5)	8,217	7,496
Investor relations	22,891	3,187
Office and rent	58,738	49,095
Payroll and consulting fees (note 7)	457,306	299,944
Professional fees	38,813	60,191
Research and development	155,439	44,599
Share-based payments (note 7 and 8)	140,473	104,923
Regulatory fees	21,960	10,362
Travel and entertainment	59,908	28,772
Interest expense related to lease liability	912	-
TOTAL EXPENSES	(1,016,640)	(703,654)
OTHER INCOME (EXPENSES)		
Foreign exchange gain (loss)	(8,056)	(3,329)
Interest income	-	4,488
TOTAL OTHER INCOME (EXPENSES)	(8,056)	1,159
NET AND COMPREHENSIVE LOSS	$ (1,024,696)	$ (702,495)
Loss per share - basic and diluted	$ (0.02)	$ (0.02)
Weighted average number of common shares outstanding	55,440,192	46,131,577

The accompanying notes are an integral part of these condensed consolidated interim financial statements

Exro Technologies Inc.
Condensed Consolidated Interim Statements of Shareholders' Equity
(Expressed in Canadian dollars - Unaudited)

	Number of outstanding shares		Share capital		Reserves		Deficit		Total shareholders ' equity (deficiency)
Balance, December 31, 2017	**46,115,344**	**$**	**18,399,540**	**$**	**691,679**	**$**	**(17,475,888)**	**$**	**1,615,331**
Shares issued on exercise of warrants	35,000		10,649		(3,649)		-		7,000
Shares issued on exercise of options	50,000		17,895		(7,895)		-		10,000
Share-based payments	-		-		104,923		-		104,923
Net Loss	-		-		-		(702,495)		(702,495)
Balance, March 31, 2018	46,200,344		18,428,084		785,058		(18,178,383)		1,034,759
Private placement, net of issuance cost	8,310,000		1,887,833		58,492				1,946,325
Shares issued on exercise of options	41,250		14,763		(6,513)				8,250
Shares issued and shares contingently issuable on acquisition of Adaptive	50,000		15,250		66,750				82,000
Share-based payments					243,143				243,143
Net Loss							(2,424,850)		(2,424,850)
Balance, December 31, 2018	**54,601,594**		**20,345,930**		**1,146,930**		**(20,603,233)**		**889,627**
Private placement, net of issuance cost	8,180,500		1,846,521		55,445				1,901,966
Shares issued on exercise of warrants	100,000		35,789		(15,789)				20,000
Share-based payments					140,473				140,473
Net Loss	-		-		-		(1,024,696)		(1,024,696)
Balance, March 31, 2019	62,882,094		22,228,240		1,327,059		(21,627,929)		1,927,370

The accompanying notes are an integral part of these condensed consolidated interim financial statements

Exro Technologies Inc.
Condensed Consolidated Interim Statements of Cash Flows
For the three months ended March 31, 2019 and 2018
(Expressed in Canadian dollars - Unaudited)

	2019	2018
OPERATING ACTIVITIES		
Net loss for the period	$ (1,024,696)	$ (702,495)
Items not involving cash:		
Amortization	8,217	7,496
Share-based payments	140,473	104,923
	(876,006)	(590,076)
Net changes in non-cash working capital items:		
Amounts receivable	(2,523)	7,410
Prepaid expenses	50,630	54,044
Accounts payable and accrued liabilities	23,197	(15,404)
Due to related parties	(3,905)	-
Cash used in operating activities	**(808,607)**	**(544,026)**
INVESTING ACTIVITIES		
Acquisition of patents	(6,086)	-
Purchase of equipment	-	(17,182)
Cash used in investing activities	(6,086)	**(17,182)**
FINANCING ACTIVITIES		
Proceeds from private placement	2,045,125	-
Share issue costs	(143,159)	-
Proceeds from promissory notes payable	-	-
Proceeds from exercise of options	20,000	10,000
Proceeds from exercise of warrants	-	7,000
Principal repayments of capital lease liability	(9,094)	-
Cash provided by financing activities	**1,912,872**	**17,000**
Change in cash	1,098,179	(544,208)
Cash, beginning of the period	738,380	1,426,191
Cash, end of the period	**$ 1,850,107**	**$ 881,983**

1 NATURE OF OPERATIONS

BioDE Ventures Ltd. ("BioDE") was incorporated under the British Columbia Business Corporations Act on February 11, 2014. On July 26, 2017, BioDE and its wholly owned subsidiary 10889001 BC Ltd. ("10889001") completed a transaction with Exro Technologies Inc. ("Exro" or the "Company") whereby, pursuant to an amalgamation agreement (the "Amalgamation Agreement"), 10889001 amalgamated with Exro and became the legal subsidiary of BioDE. The transaction was accounted for as an acquisition of BioDE by Exro. On completion of the transaction, BioDE changed its name to Exro Technologies Inc.

The Company's shares are listed on the Canadian Securities Exchange and trades under the symbol "XRO".

The Company's head office is located at 2820-200 Granville Street, Vancouver, British Columbia, V6C 1S4. These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. These condensed consolidated interim financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Corporation is working towards commercializing its patented Dynamic Power Management ("DPM") technology and proprietary system architecture for rotating electrical machines.

2 BASIS OF PREPARATION

(a) Statement of compliance

These condensed consolidated Interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". They do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited annual financial statements of Exro for the fiscal year ended December 31, 2018, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). These condensed consolidated interim financial statements follow the same accounting policies and methods of application as the annual financial statements of Exro for the year ended December 31, 2018.

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiary, DPM Technologies Inc. and Exro Europe AS ("Adaptive"). All inter-company balances and transactions have been eliminated on consolidation.

(b) Basis of preparation

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. In addition, these condensed consolidated Interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Going concern of operation

These condensed consolidated Interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. The Company's ability to continue as a going concern and realize the carrying value of its assets is dependent on its ability to raise capital through equity and debt financing, the outcome of which cannot be predicted at this time. These matters indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These condensed consolidated Interim financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2 BASIS OF PREPARATION (CONTINUED)

(d) Functional and presentation currency

These condensed consolidated Interim financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency.

3 SIGNIFICANT ACCOUNTING POLICIES

(a) Significant accounting policies

With the exception of the significant accounting policies disclosed below, these consolidated condensed interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's audited annual financial statement for the fiscal year ended December 31, 2018.

(b) Significant accounting estimates and judgments

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of expenses during the reporting period. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated interim financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes could differ from these estimates.

Significant assumptions about the future that management has made and other sources of estimation uncertainty at the reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical accounting estimates

i. The fair value of accrued liabilities at the time of initial recognition is made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors.

ii. Equipment and intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Amortization is calculated using management' best estimate on the useful life of the assets. Determination of impairment loss is subject to management's assessment if there is any indication of a possible write-down; and if so, the determination of recoverable value based on discounted future cash flows of the intangible assets. The carrying amount of nil for intangible does not necessarily reflect present or future value and the ultimate amount recoverable will be dependent upon the successful commercialization of products based on these underlying technologies.

iii. The inputs used in valuing share-based payments; and

Critical accounting judgments

i. Management is required to assess the functional currency of the Company. In concluding that the Canadian dollar is the functional currency of the Company, management considered the currency that mainly influences the operating expenditures in the jurisdiction in which the Company operates.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting estimates and judgments (continued)

ii. The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

iii. Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets.

iv. Management is required to determine whether or not the going concern assumption is appropriate for the Company at the end of each reporting period. Considerations taken into account include available information about the future including the availability of financing and revenue projection, as well as current working capital balance and future commitments of the Company.

v. Judgements are made in determining the fair value of share-based payments including shares issued or contingently issuable in connection with the acquisition of Adaptive (Note 15), which included making estimates of the likelihood of certain milestones being met.

(c) Changes in accounting policies

These condensed consolidated interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's audited annual financial statement for the fiscal year ended December 31, 2018, with the exception of the following:

Adoption of new standards - Leases

The Company adopted the requirements of IFRS 16 effective January 1, 2019. This new standard replaces IAS 17 Leases and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset. Control is considered to exist if the customer has the right to obtain substantially all of the economic benefits from the use of an identified asset and the right to direct the use of that asset. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to the current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. The Company applied IFRS 16 retrospectively, with the cumulative effect of initially applying the standard as an adjustment to retained earnings and no restatement of comparative information. The Company has elected to measure its right of use assets at amounts equal to the associated lease liabilities; as such, the adjustment to retained earnings will be nil.

Upon adoption, the Company has elected to apply the available exemptions as permitted by IFRS 16 to recognize a lease expense on a straight-line basis for short term leases (lease term of 12 months or less) and low value assets. The Company has also elected to apply the practical expedient whereby leases whose term ends within 12 months of the date of initial application would be accounted for in the same way as short-term leases.

Upon the adoption of IFRS 16, the Company did not require to recognize any additional right of use assets and lease liabilities related to the Company's leased premises as the only lease outstanding at December 31, 2019 expires during the year ended December 31, 2019.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies (continued)

The following is a reconciliation of total operating lease commitments at December 31, 2018 to the lease liabilities recognized at January 1, 2019:

Total operating lease commitments disclosed at December 31, 2018	$	38,900
Recognition exemptions:		
Leases of low value assets		-
Leases with remaining lease terms of less than 12 months		(38,900)
Variable lease payments not recognized		-
Operating lease liabilities before discounting	$	-

For any new contracts entered into on or after January 1, 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

i. the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
ii. the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
iii. the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available. If the interest rate implicit in the lease is not readily available, the Company discounts using the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets have been included under non-current assets and lease liabilities have been included under current and non-current liabilities.

(Expressed in Canadian dollars - Unaudited)

4 AMOUNTS RECEIVABLE

		March 31, 2019		December 31, 2018
Research and development tax credit receivable	$	44,766	$	41,075
GST and other sales tax receivable		24,093		25,729
	$	69,033	$	66,804

6 INTANGIBLE ASSETS

		Patents and intellectual property
Cost		
Balance, December 31, 2018	$	63,049
Additions – Patented technology		6,086
Balance, December 31, 2018	$	69,135

The technology is in development and not ready for its intended use. Therefore, no amortization has been recorded.

5 PROPERTY, FUNITURE AND EQUIPMENT

		Right of Use Asset		Research and Developme nt Equipment		Furniture and Office Equipment		Furniture and Equipment
Cost								
Balance, December 31, 2018	$	-	$	101,985	$	21,605	$	123,590
Additions		71,119		-		-		71,119
Balance, March 31, 2019		71,119	$	101,985	$	21,605	$	194,709
Accumulated amortization								
Balance, December 31, 2018		-	$	13,957	$	4,180	$	18,137
Amortization for the period		2,944		4,401		871		8,216
Balance, March 31, 2019		2,944	$	18,358	$	5,051	$	26,353
Carrying amounts								
At December 31, 2018		-	$	88,028	$	17,425	$	105,453
At March 31, 2019	$	68,175	$	83,627	$	16,554	$	168,356

(Expressed in Canadian dollars - Unaudited)

5 PROPRTY, FUNITURE AND EQUIPMENT (continued)

The Company's right-of-use asset relates to the lease of office space.

On adoption of IFRS 16, the Company did not recognize any lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases as the company used one of the exemptions permitted under the standard. During the period ended March 31, 2019 the Company entered into a new lease agreement for its Vancouver office which meets the definition of a lease under IFRS 16. The liability has measured at the present value of the lease payments, discounted using the lessee's incremental borrowing rate as of the date of the agreement. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 8%.

6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		March 31, 2019		December 31, 2018
Accounts payable	$	174,840	$	131,107
Accrued liabilities		29,702		50,238
	$	204,542	$	181,345

7. LEASE LIABILITY

		March 31, 2019
Balance at January 1, 2019, on adoption of IFRS 16	$	-
Additions for the period		71,119
Deduct:		
Lease payments		(9,525)
Add:		
Interest		432
Balance, March 31, 2019		62,026
Which consist of:		
Current lease liability		31,410
Non-current lease liability		30,616
	$	62,026

On March 1, 2019, the Company entered into a new lease agreement for its Vancouver head office premise for two years expiring February 28, 2020. Pursuant to this renewal, the Company is obligated to pay basic rent of $3,175 and pay-per-use services and fees to pay for operating costs including electricity and related taxes, on a monthly basis. The lease is automatically renewable for additional successive terms of one year each.

8. RELATED PARTY TRANSACTIONS

Key management compensation

Key management consists of the Officers and Directors who are responsible for planning, directing and controlling the activities of the Company. For the three months ended March 31, 2019 and 2018, the following expenses were incurred to the Company's key management:

		March 31, 2019		March 31, 2018
Management and consulting fees	$	171,076	$	147,000
Share based compensation		73,943		73,825
	$	245,019	$	220,825

8. RELATED PARTY TRANSACTIONS (continued)

As at March 31, 2019, the Company was indebted to 0711626 BC Ltd., a company controlled by the CEO of the Company for management services in the amount of $15,944 (December 31, 2018 – $16,222). During the three months ended March 31, 2019, the Company incurred $45,000 (2018 - $45,000) consulting expense from 0711626 BC Ltd. This expense is included in the payroll and consulting fees expense on the Statement of Comprehensive Loss.

As at March 31, 2019, the Company was indebted to a company controlled by the Company's founder, director and former Chief Technology Officer and to him personally, for consulting services provided in the amount of $9,975 (December 31, 2018 - $10,699). During the three months ended March 31, 2019, the Company incurred $28,000 (2018 - $26,000) in consulting expense to this company.

As at March 31, 2019, the Company was indebted to a company controlled by the Vice President, Engineering of the Company for services provided and expense reimbursements in the amount of $nil (December 31, 2018 - $18,485). During the three months ended March 31, 2019, the Company incurred $41,538 in consulting expenses to this company. This expense is included in the payroll & consulting fees expense on the Statement of Comprehensive Loss.

As at March 31, 2019, the Company was indebted to the CFO of the Company for services provided and expense reimbursements in the amount of $6,661 (December 31, 2018 - $8,360). During the three months ended March 31, 2019, the Company incurred $41,538 (2018 - $16,000) in consulting expense from the CFO. This expense is included in the payroll and consulting fees expense on the Statement of Comprehensive Loss.

As at March 31, 2019, the Company was indebted to a company controlled by a director of the Company, for consulting services provided in the amount of $nil (December 31, 2018 - $nil). For the three months ended March 31, 2019, The Company incurred $15,000 (2018 - $15,000) in consulting expense from this company. This expense is included in the payroll and consulting fees expense on the Statement of Comprehensive Loss.

All due to related party payable amounts are unsecured, non-interest bearing, and due on demand.

9 SHARE CAPITAL

(a) Authorized common shares

There are an unlimited number of common shares without par value authorized for issue.

(b) Issued

At March 31, 2019, the Company had 62,882,094 common shares issued and outstanding (December 31, 2018 – 54,601,594).

During the three months ended March 31, 2018, the Company:

- Completed a private placement of 8,180,500 shares at a price of $0.25 per share for proceeds of $2,045,125. The Company paid finders fees of $143,159 issued 555,135 broker warrants with an exercise price of $$0.35 per share with a twelve-month expiry. The fair value of the broker warrants was estimated to be $55,458.
- issued 85,000 shares on exercise of 100,000 options at an exercise price of $0.20 for total proceeds of $20,000.

(c) Stock options

The Company's incentive stock option plan (the "Option Plan") provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange's requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares.

(Expressed in Canadian dollars - Unaudited)

9 SHARE CAPITAL (CONTINUED)

(c) Stock options (continued)

On December 15, 2015, BioDE adopted a stock option plan (the "Stock Option Plan") which was assumed by the Company upon Amalgamation. The Stock Option Plan provided for the granting of options to employees, officers, directors, consultants and scientific advisory board members. The Stock Option Plan was subsequently amended on September 20, 2017 to a fixed plan from a 10% rolling plan (the "Amended and Restated Stock Option Plan").

The maximum number of common shares issuable under the Amended and Restated Stock Option Plan is fixed at 8,400,000 common shares. Under the Amended and Restated Stock Option Plan, the maximum number of common shares that may be optioned in favour of any single individual will not exceed 5% of the issued and outstanding common shares at the date of grant. The maximum number of common shares that may be optioned in favour of directors and senior officers under the Stock Option Plan is 10% of the issued and outstanding common shares at the date of grant.

During the three months ended March 31, 2019 and 2018, the Company recorded share-based payments of $140,473 and $95,923, respectively. No options were granted during the periods ended March 31, 2019 or 2018. The expense recognized during the period ended March 31, 2019 is as a result of the amortization of unvested options granted in prior periods.

Stock option transactions and the number of stock options outstanding are summarized below:

	Number	**Weighted Average Exercise Price** $
Balance, December 31, 2017	**6,600,000**	**0.29**
Exercised	(100,000)	0.20
Balance, March 31, 2018	**6,500,000**	0.28

Date of Expiry	**Exercise Price**	**Number of Options Outstanding**	**Number of Options Exercisable**
August 22, 2022	$0.20	3,500,000	3,172,050
October 26, 2022	$0.26	300,000	165,000
December 18, 2022	$0.58	300,000	-
April 16, 2019	$0.27	75,000	75,000
April 16, 2023	$0.27	50,000	16,500
July 18, 2023	$0.29	300,000	100,000
November 8, 2023	$0.41	1,975,000	-
Balance, March 31, 2019		**6,500,000**	**3,626,450**

As of March 31, 2019, the weighted average remaining life for outstanding options was 4.3 years.

(Expressed in Canadian dollars - Unaudited)

9 SHARE CAPITAL (CONTINUED)

(d) Brokers' warrants

During the three months ended March 31, 2019 and 2018, the Company recorded share-based payments of $nil and $9,000, respectively related to 65,000 warrants issued. The fair values of share options granted during the three months ended March 31, 2018 are estimated using the Black-Scholes option pricing model with the following weighted-average assumptions:

	2019	2018
Risk-free interest rate	N/A	1.49%
Estimated annualized volatility based on comparable companies	N/A	106%
Expected life	N/A	2.0 years
Expected dividend yield	N/A	0%
Exercise price	N/A	$ 0.25
Fair value	N/A	$ 0.14
Share price	N/A	$ 0.25

	Number	Weighted Average Exercise Price
		$
Balance, December 31, 2018	**1,815,090**	**0.36**
Issued	555,135	0.35
Balance, March 31, 2019	**2,370,225**	**0.36**

		Number of Warrants	
Expiry Date	Exercise Price	March 31, 2019	December 31, 2018
August 29, 2019	$1.24	190,890	190,890
July 26, 2019	$0.20	984,900	984,900
March 20, 2020	$0.25	65,000	65,000
July 26, 2019	$0.35	524,300	524,300
August 28, 2021	$0.40	50,000	50,000
March 22, 2020	$0.35	555,135	-
Balance, March 31, 2019		**2,370,225**	**1,815,090**

(e) Shares in escrow

During the year ended December 31, 2017, the Company entered into an escrow agreement with certain insiders and shareholders. Pursuant to the escrow agreement, 7,576,556 common shares were to be held in escrow, of which 10% were released on August 29, 2017, which was the date the common shares of the Company were listed and posted for trading on the exchange, and 15% will be released every six months thereafter to August 29, 2020. As at March 31, 2019, 3,409,450 common shares remain held in escrow.

10 FINANCIAL INSTRUMENTS

The Company has designated its cash as fair value through profit or loss, finders' fees receivable as loans and receivables and accounts payable and accrued liabilities, related party payable and notes payable as other financial liabilities.

(a) Fair value

At March 31, 2019 and December 31, 2018, the carrying values of cash, finder's fees receivable, accounts payable and accrued liabilities, related party payable and loan payable approximate their fair values due to the relatively short period to maturity of those financial instruments.

The Company uses a fair value hierarchy to reflect the significance of the inputs used in making the measurements. The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3: Inputs that are not based on observable market data.

There were no transfers between Level 1, 2 and 3 during the period. At March 31, 2019 and December 31, 2018, the Company has designated its financial instruments as level 1.

The following table summarizes the classification and carrying values of the Company's financial instruments at March 31, 2019 and December 31, 2018:

The Company's activities potentially expose it to a variety of financial risks, including credit risk, liquidity risk, and market risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As at March 31, 2019, the Company's exposure to credit risk is the carrying value of cash. The Company reduces its credit risk by holding its cash at a major Canadian financial institution.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through equity or debt financing.

March 31, 2019, the Company had cash of $1,850,107, accounts payable and accrued liabilities of 204,542 and related party payable of $41,442. All accounts payable and accrued liabilities are due within 90 days. The Company assesses the liquidity risk as low.

Market risk

Market risk consists of currency risk, interest rate risk and other price risk. These are discussed further below.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate due to changes in foreign exchange rates. The Company has financial assets and financial liabilities denoted in US dollars and Norwegian Krone and is therefore exposed to exchange rate fluctuations. At December 31, 2018, the value of the Company's financial assets denominated in US dollars is not significant. At December 31, 2018, the Company had net financial assets of $146,650 denominated in Norwegian Krones (Can$ 23,259).

10 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management

Interest rate risk

Interest rate risk consists of two components:

i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature and maturity.

Other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or currency risk. The Company is not exposed to other price risk.

11. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to ensure its ability to continue as a going concern in order to pursue the acquisition and development technology. 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.

The Company is largely dependent upon external financings to fund activities. In order to carry out planned development and pay for administrative costs, the Company will spend its existing working and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes to the Company's approach to capital management during the three months ended March 31, 2019. The Company is not subject to externally imposed capital restrictions.

12 SUBSEQUENT EVENTS

The Company has evaluated its activities subsequent to March 31, 2019 and has determined that there are no material events to be reported.

Schedule "B"

Management's Discussion & Analysis

EXRO TECHNOLOGIES INC.

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED MARCH 31, 2019

The following is a discussion of the financial condition and results of operations of Exro Technologies Inc. ("Exro", the "Company", "we", "our") during the three months ended March 31, 2019, and to the date of this report. The following management discussion and analysis ("MD&A") should be read in conjunction with the Company's condensed consolidated interim financial statements for three months ended March 31, 2019, which have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". They do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the fiscal year ended December 31, 2018, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

This MD&A contains forward-looking statements. All forward-looking statements, including those not specifically identified herein, are made subject to cautionary language on page 14. Readers are advised to refer to the cautionary language when reading any forward-looking statements.

All dollar amounts contained herein are expressed in Canadian dollars unless otherwise indicated. This MD&A has been prepared as of May 30, 2019.

BUSINESS OVERVIEW

Variable energy sources including solar, wind and wave have had a limited impact on overall power generation until this decade. Hydroelectric power generation aside, technologies used to capture energy from clean renewable sources have found it difficult to compete with the fossil fuel industry without subsidies and other forms of support.

Exro offers the potential to accelerate the transition to clean energy by improving the efficiency and reliability of electric motors and generators, which make up about half the worldwide market for electric power. Exro's patented Dynamic Power Management ("DPM") technology works on both input and output in electric motors and generators, dynamically sensing and adapting variable inputs and optimally matching them to desired outputs, which Exro expects will result in specific and measurable performance gains. The applications of the technology can apply to both capturing the energy from wind and tides and optimizing the performance of electric cars, UAVs, pumps, ship drives, industrial motors, vacuums and anything else powered by an electric motor or generator. By isolating individual coils, Exro's DPM technology also offers electrical system redundancy, which can prevent catastrophic failures for mission critical applications such as flight.

Exro's first product derived from the DPM system is the "Electric Gearbox". The Electric Gearbox allows a variable motor to switch configurations to permit increased torque or increased speed, negating the need for a separate gear box. This product could have utility in many applications, particularly in transportation sectors.

Exro is also now utilizing artificial intelligence capabilities to develop a new battery management software ("BMS") technology called the "intelligent battery management system" ("IEMS"). Exro expects the IEMS to provide an improvement over existing BMS applications. For example, the new IEMS when fully commercialized, will allow for constant monitoring and manipulation of energy inflows and outflows, at rates of up to 100k manipulations per second. The goal is total control of the flow of energy; allowing better, more balanced storage of energy, especially under changing conditions, while also making battery banks of any size inherently electrically safe. In June 2018 the Company signed a collaboration with LithiumWerks to develop its IEMS for lithium ion batteries.

Exro's business model is to develop strategic partnerships with companies that are established in their respective markets, specifically those that welcome innovation in their product lines and have adequate internal engineering capacity, growing sales and an existing customer base. In particular, companies that manufacture power systems such as batteries and/or companies that manufacture generator or motors make ideal partners, as Exro's technology and engineering skillset act as the "intelligence" to enhance performance characteristics of overall power systems. Exro's partnerships with Potencia, a motor/generator manufacturer and LithiumWerks are a case in point.

It is Exro's intent to either license its technology if applicable, or where commercial electronics manufacturing is required, outsource this activity to third parties. This business model is scalable, requiring much lower capital investment than building a manufacturing business. This approach offers the opportunity to address several market segments concurrently, incrementally and in rapid succession by building on earlier success.

TECHNOLOGY

The Exro DPM technology is a control system that integrates wiring of the rotating machine coils into the power electronics. This gives the power electronics control of the machine coil wiring configuration in real time, providing a range of options in place of a fixed machine configuration.

The control system will select the best configuration for a given operating condition using an application-specific algorithm. Exro's breakthrough approach to generator and motor design and control improves efficiency across highly variable input and output applications. Until today electric machine coils have been wired in a single configuration and the designer had to select the configuration that was the best compromise over the range of operating conditions. DPM senses input energy and load, and seamlessly switches coil wiring in any combination from full parallel to full series. The technology is intended to make electric motors and generators used in variable settings "intelligent", leading to more efficient operation.

In essence, DPM provides voltage control with multiple performance curves corresponding to the coil configurations in the electric machine. Exro's technology is designed and built into our partner's electric machine and power electronics for the application. DPM may be fully integrated with the power electronics design; no separate hardware package is required.

Exro is also developing software with artificial intelligence capabilities for BMS products as described above.

Exro has built an intellectual property base and intends to protect and commercialize new innovations. By licensing its technology, Exro will focus on its core competency in a field dominated by large players and allow its partners to do what they do best in manufacturing and commercializing products. Exro will work closely with development partners and customers to integrate its technology into their products and develop new intellectual property for Exro.

Exro's technology and intellectual property is wholly-owned in seven patent families providing or seeking global protection in strategically important countries. There are twenty issued patents and seven pending applications. Exro also uses trade secrets to protect proprietary software and algorithms.

OUTLOOK

Exro's goal is to become profitable as quickly as possible without stunting growth. This will take place primarily through revenue generated from strategic partnerships which may include: licensing the Company's technology, hardware/software sales and service revenue.

Exro's future will be focused on securing and processing strategic partnership arrangements. It is the Company's goal to evolve every collaboration into a commercial licensing arrangement. The central purpose of a collaboration will be to determine the economic benefits when the Company's technology is integrated into an electric motor or a generator for a particular application. This process will become more systematized as third-party commercial case studies demonstrate efficiencies in target applications.

To this end, management continues to progress development of its BMS and DPM technologies for Exro's strategic partners. Potencia has provided Exro with a pilot purchase order for delivery of a prototype IEMS for a 50KW battery which will be tested in Potencia's battery laboratory prior to integration in electric vehicle applications. In this project, Potencia will study how the Exro IEMS performs; evaluate improvements delivered in operational range, costs, efficiency and battery longevity; and provide feedback and data for any functional adjustments. After successful testing, the IEMS will be integrated into Potencia's motor applications.

The Company is also working on establishing further potential customers and partners and recently signed a strategic partnership with Exarge AS to deliver Exro's BMS technology for mobile energy storage batteries which Exarge will use to create battery container units for sale or lease.

HIGHLIGHTS FOR Q1 2019

During the three months ended March 31, 2019, the Company completed a private placement of 8,180,500 shares at a price of $0.25 per share for proceeds of $2,045,125. The Company paid finders fees of $143,159 issued 555,135 broker warrants with an exercise price of $0.35 per share with a twelve-month expiry.

RESULTS OF OPERATIONS AND SELECTED FINANCIAL DATA

Selected quarterly financial data

	Quarter ended	Revenue $	Net loss and comprehensive loss $	Basic and diluted loss per common share $	Weighted average number of common shares
Q1/19	March 31, 2019	-	(1,024,696)	(0.02)	55,440,192
Q4/18	December 31, 2018	-	(913,634)	(0.02)	54,601,594
Q3/18	September 30, 2018	-	(824,557)	(0.02)	52,213,421
Q2/18	June 30, 2018	-	(686,659)	(0.01)	46,200,344
Q1/18	March 31, 2018	-	(702,495)	(0.02)	46,131,577
Q4/17	December 31, 2017	-	(660,973)	(0.01)	46,095,105
Q3/17	September 30, 2017	-	(1,624,390)	(0.04)	36,914,640
Q2/17	June 30, 2017	-	(345,007)	(0.01)	32,878,321

For the three months ended March 31, 2019, compared to the three months ended March 31, 2018

During the three months ended March 31, 2019, the Company incurred a comprehensive loss of $1,024,696 (2018 – $702,495).

Professional fees decreased from $60,191 to $38,813 during the three months ended March 31, 2019. The $21,378 decrease was primarily fees incurred related to acquisition of patents as well as some expenses still related to the amalgamation and listing application activities incurred in the first quarter of 2018 which were no longer present in 2019. Legal fees also increased somewhat as a result of an increase in patent related work relative to the same period last year.

Share based payments expense was $140,473 for the three months ended March 31, 2019 (2018 – $104,923). This relates to amortization of unvested options issued during the year ended December 31, 2018. There were no options issued or vested in the same period last year.

Investor relations expense of $22,891 (2018 – $3,187) and regulatory fees of $21,960 (2018 – $10,362) were incurred during the quarter ended March 31, 2019. The increase is due to Exro now having regular expenditures as a public company as it began trading on the CSE August 29, 2017.

Payroll and consulting fees increased by $157,362 from $299,944 to $457,306. The increase was a result of increased engineering and business development work. A significant portion of this amount relates to remuneration paid to key management.

Research and development of $155,439 (2018 - $44,599) was incurred during the period which represents mainly materials used for development of its technology. The increase is due to additional expenditures incurred as the Company continues to improve its technology in order to achieve its goals for commercialization.

Marketing expense of $51,983 (2018 - $95,085) decreased and travel expense of $59,908 (2018 – $28,772) increased as the Company focuses on the agreements related to implementation of its technology.

OUTSTANDING SHARE DATA

As of May 30, 2019, there were 62,882,094 Common Shares issued and outstanding, and other securities convertible into Common Shares as summarized in the following table:

	Number Outstanding as of May 29, 2019[(1)]	Number Outstanding as of March 31, 2019
Common Shares issued and outstanding	62,882,094	62,882,094
Options	6,500,000	6,500,000
Warrants	-	-
Broker Warrants	2,370,225	2,370,225

(1) As at March 31, 2019 and May 30, 2019, 3,409,450 common shares are held in escrow.

SOURCES AND USES OF CASH

	Three months ended March 31,	
	2019	2018
	$	$
Cash used in operating activities	(808,607)	(544,026)
Cash used in investing activities	(6,086)	(17,182)
Cash provided by financing activities	1,912,872	17,000
Net increase in cash and cash equivalents	1,098,179	544,208
Ending cash balance	1,850,107	881,983

Cash used in operating activities is comprised of net loss, add-back of non-cash expenses, and net change in non-cash working capital items. Cash used in operating activities increased to $808,607 for the three months ended March 31, 2019 compared to $544,026 during the same period in 2018. This increase of $264,581 is primarily due to an operating loss for the period ended March 31, 2019 compared to a smaller loss in 2018 and a significant out flow related to accounts payable.

Cash used in investing activities during for the three months ended March 31, 2019 was primarily related to the application of patents for $6,086 while $17,182 was spent in the corresponding period in the acquisition of equipment.

Cash provided by financing activities for the three months ended March 31, 2019 increased to $1,912,875 compared to $17,000 for the same period of fiscal 2018. During the three months ended March 31, 2019 the Company received funds as a result of a private placement raising a total of $2,045,125 with related cost of issuing shares of $143,159 and the exercise of options for total proceeds of $20,000. Additionally, as a result of adopting IFRS 16, the Company now includes payments related to the principal portion of its lease liability as a use of cash. This lease liability is the result of Company's capitalizing its lease on a Vancouver office. During the same period in 2018, the Company received $17,000 on exercise of options and warrants.

SUBSEQUENT EVENTS

The Company has evaluated its activities subsequent to March 31, 2019 and has determined that there are no material events to be reported.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2019, the Company had cash of $1,850,107, accounts payable and accrued liabilities of $204,542, and a related party payable of $41,442. All accounts payable and accrued liabilities are due within 90 days. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. These uncertainties cast doubt on the Company's ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements for the three months ended March 31, 2019.

CRITICAL ACCOUNTING ESTIMATES

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the current and next fiscal financial years:

i. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted. The Company has not recorded any deferred tax assets.

ii. Management uses the Black-Scholes Option Pricing Model for valuation of share-based compensation and brokers' warrants, which requires the input of subjective assumptions including expected price volatility, risk-free interest rates and forfeiture rates. Changes in the input assumptions can materially affect the fair value estimate and the Company's results of operations and equity reserves.

iii. The fair value of accrued liabilities at the time of initial recognition is made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors.

iv. Intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Amortization is calculated using management's best estimate on the useful life of the intangible assets. Determination of impairment loss is subject to management's assessment if there is any indication of a possible write-down; and if so, the determination of recoverable value based on discounted future cash flows of the intangible assets. The carrying amount of nil for intangible does not necessarily reflect present or future value and the ultimate amount recoverable will be dependent upon the successful commercialization of products based on these underlying technologies. The Company has not recorded a value for its intangible asset as this value cannot be reliably measured.

PROPOSED TRANSACTIONS

There are no proposed transactions.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the Financial Statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

APPROVAL

The Company's Board of Directors has approved the Company's financial statements for the three months ended March 31, 2019. The Company's Board of Directors has also approved the disclosures contained in this MD&A.

RELATED PARTY TRANSACTIONS

Key management compensation

Key management consists of the Officers and Directors who are responsible for planning, directing and controlling the activities of the Company. As at December 31, 2018, the following expenses were incurred to the Company's key management:

	March 31, 2019	March 31, 2018
Management fees	$ 171,840	$ 147,000
Share based compensation	73,943	73,825
	$ 204,542	$ 220,825

As at March 31, 2019, the Company was indebted to 0711626 BC Ltd., a company controlled by the CEO of the Company for management services in the amount of $15,944 (December 31, 2018 – $16,222). During the three months ended March 31, 2019, the Company incurred $45,000 (2018 - $45,000) consulting expense from 0711626 BC Ltd. This expense is included in the payroll and consulting fees expense on the Statement of Comprehensive Loss.

As at March 31, 2019, the Company was indebted to Novatron Enterprises Inc., a company controlled by the Company's founder, director and former Chief Technology Officer and to him personally, for consulting services provided in the amount of $9,975 (December 31, 2018 - $10,699). During the three months ended March 31, 2019, the Company incurred $28,000 (2018 - $26,000) in consulting expense to Novatron.

As at March 31, 2019, the Company was indebted to Integratio Consulting Inc., a company controlled by the Vice President, Engineering of the Company for services provided and expense reimbursements in the amount of $nil (December 31, 2018 - $18,485). During the three months ended March 31, 2019, the Company incurred $41,538 in consulting expenses to Integratio. This expense is included in the payroll & consulting fees expense on the Statement of Comprehensive Loss.

As at March 31, 2019, the Company was indebted to the CFO of the Company for services provided and expense reimbursements in the amount of $6,661 (December 31, 2018 - $8,360). During the three months ended March 31, 2019, the Company incurred $41,538 (2018 - $16,000) in consulting expense from the CFO. This expense is included in the payroll and consulting fees expense on the Statement of Comprehensive Loss.

As at March 31, 2019, the Company was indebted to The Ain Group Holdings Ltd., a company controlled by a director of the Company, for consulting services provided in the amount of $nil (December 31, 2018 - $nil). For the three months ended March 31, 2019, The Company incurred $15,000 (2018 - $15,000) in consulting expenses from Ain. This expense is included in the payroll and consulting fees expense on the Statement of Comprehensive Loss.

All due to related party payable amounts are unsecured, non-interest bearing, and due on demand.

RISKS AND UNCERTAINTIES

Current and prospective shareholders should specifically consider various risk factors, including, but not limited to, the risks outlined below and particularly under the heading "*Risk Factors*" in the Company's 2017 non-offering prospectus filed on SEDAR (www.sedar.com) dated July 28, 2017. Should one or more of these risks or uncertainties, including the risks listed below, or a risk that is not currently known to us materialize, or should assumptions underlying those forward-looking statements prove incorrect, actual results may vary materially from those described herein.

Limited Operating History
The Company has changed its business focus from Biotechnology to machine technology. The Company is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

Reliance on Management
The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results or financial condition.

Reliance on Partners
The Company assumes that the collaborating partners will perform and deliver on development targets as agreed and planned, although there is a risk that they won't, and the corporation operates under the constraint that the partner is not under its control.

Reliance on Suppliers
The Company faces a third-party risk, should suppliers for the alternator and power electronics not deliver on one or more dimensions of scope, time and cost. The Company will reduce the probability of occurrence by ensuring that the suppliers have clear statements of work, and comprehensive design specifications to work to that are documented, reviewed and approved with participation of the supplier as well as the partner.

Management of Growth
The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Unexpected challenges during product development are inherent in new technology, in that an early stage technology could present unexpected challenges that exceed the allocated resources. The Company will reduce the probability of occurrence by careful project management.

The Company expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If the Company does not achieve revenues to offset these expected operating expenses, the Company will never be profitable which would limit the Company to grow.

Technology cannot be validated
There is a risk that the technology will not work as expected and therefore, will never be commercialized. This means that the Company may never receive revenues or return on its technology.

Technical Risks
Technical risks are inherent in the development process, in that an immature technology could present unexpected challenges that exceed the planned time or money to overcome. There can be no guarantee that the Company will be able to overcome technical risks.

The Company has not yet delivered a generator control unit (GCU) meeting all of Northwest UAV's requirements because its current knowledge of regulators and controllers for alternators for UAV's is limited. There can be no guarantee the Company will develop a GCU meeting all of Northwest UAV's requirements.
There is a risk that the benefits of DPM will not be optimized by the algorithms, leading to future ambiguity regarding success.

Additional Financing

In order to execute the anticipated growth strategy, the Company may require some additional equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms which are acceptable. The Company's inability to raise financing to support on-going operations or to fund capital expenditures or acquisitions could limit the Company's growth and may have a material adverse effect on the development of the technology and upon future profitability. The Company does not expect commercial revenue until Q4 2019..

Ability to Protect Proprietary Rights

Our success will depend in part on our ability and that of our corporate collaborators to obtain and enforce and protect patents and maintain trade secrets, in Canada, the United States and in other countries. There is a risk that the Company may not be able to obtain and enforce patents and maintain its trade secrets.

Patent law relating to the scope and enforceability of claims in the fields in which we operate is still evolving. There can be no assurance that patents will issue from any of the pending patent applications. In addition, there may be issued patents and pending applications owned by others directed to technologies relevant to our or our corporate collaborators' research, development and commercialization efforts. There can be no assurance that our or our corporate collaborators' technology can be developed and commercialized without a license to such patents or that such patent applications will not be granted priority over patent applications filed by us or one of our corporate collaborators.

Our commercial success depends significantly on our ability to operate without infringing the patents and proprietary rights of third parties, and there can be no assurance that our and our corporate collaborators' technologies and products do not or will not infringe the patents or proprietary rights of others.

There can be no assurance that third parties will not independently develop similar or alternative technologies to ours, duplicate any of our technologies or the technologies of our corporate collaborators or our licensors, or design around the patented technologies developed by us, our corporate collaborators or our licensors. The occurrence of any of these events would have a material adverse effect on our business, financial condition and results of operations.

Litigation may also be necessary to enforce patents issued or licensed to us or our corporate collaborators or to determine the scope and validity of a third party's proprietary rights. We could incur substantial costs if litigation is required to defend ourselves in patent suits brought by third parties, if we participate in patent suits brought against or initiated by our corporate collaborators or if we initiate such suits, and there can be no assurance that funds or resources would be available in the event of any such litigation. An adverse outcome in litigation or an interference to determine priority or other proceeding in a court or patent office could subject us to significant liabilities, require disputed rights to be licensed from other parties or require us or our corporate collaborators to cease using certain technology or products, any of which may have a material adverse effect on our business, financial condition and results of operations.

Conflict of Interest

Certain of the Company's directors and officers may, from time to time, serve as directors or officers of other companies involved in similar businesses to the Company and, to the extent that such other companies may participate in the same ventures in which the Company may seek to participate, such directors and officers may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such conflicts of the Company's directors and officers may result in a material and adverse effect on Company's results of operations and financial condition.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in forward-looking statements.

FINANCIAL INSTRUMENTS AND FAIR VALUE

The Company has designated its cash as fair value through profit or loss, finders' fees receivable as loans and receivables and accounts payable and accrued liabilities, related party payable and notes payable as other financial liabilities.

(a) Fair value

At March 31, 2019 and December 31, 2018, the carrying values of cash, finder's fees receivable, accounts payable and accrued liabilities, related party payable and loan payable approximate their fair values due to the relatively short period to maturity of those financial instruments.

The Company uses a fair value hierarchy to reflect the significance of the inputs used in making the measurements. The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3: Inputs that are not based on observable market data.

There were no transfers between Level 1, 2 and 3 during the period. At March 31, 2019 and December 31, 2018, the Company has designated its financial instruments as level 1.

(b) Financial risk management

The Company's activities potentially expose it to a variety of financial risks, including credit risk, liquidity risk, and market risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As at March 31, 2019, the Company's exposure to credit risk is the carrying value of cash. The Company reduces its credit risk by holding its cash at a major Canadian financial institution.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through equity or debt financing.

March 31, 2019, the Company had cash of $1,850,107, accounts payable and accrued liabilities of 204,542 and related party payable of $41,442. All accounts payable and accrued liabilities are due within 90 days. The Company assesses the liquidity risk as low.

Market risk

Market risk consists of currency risk, interest rate risk and other price risk. These are discussed further below.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate due to changes in foreign exchange rates. The Company has financial assets and financial liabilities denoted in US dollars and is therefore exposed to exchange rate fluctuations. The Company determined that it is not exposed to significant foreign exchange risk.

Interest rate risk

Interest rate risk consists of two components:

i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature and maturity.

Other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or currency risk. The Company is not exposed to other price risk.

SIGNIFICANT ACCOUNTING POLICIES

The Company's financial statements have been prepared using accounting policies, judgements and estimates consistent with those used in the financial statements for the years ended December 31, 2018 and 2017. Please refer to the audited financial statements for the years ended December 31, 2018 and 2017 for additional information.

Changes in Accounting Policies

Adoption of IFRS 16 "Leases"

The Company adopted the requirements of IFRS 16 effective January 1, 2019. This new standard replaces IAS 17 Leases and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset. Control is considered to exist if the customer has the right to obtain substantially all of the economic benefits from the use of an identified asset and the right to direct the use of that asset. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to the current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. The Company applied IFRS 16 retrospectively, with the cumulative effect of initially applying the standard as an adjustment to retained earnings and no restatement of comparative information. The Company has elected to measure its right of use assets at amounts equal to the associated lease liabilities; as such, the adjustment to retained earnings will be nil.

Upon adoption, the Company has elected to apply the available exemptions as permitted by IFRS 16 to recognize a lease expense on a straight-line basis for short term leases (lease term of 12 months or less) and low value assets. The Company has also elected to apply the practical expedient whereby leases whose term ends within 12 months of the date of initial application would be accounted for in the same way as short-term leases.

Upon the adoption of IFRS 16, the Company did not require to recognize any additional right of use assets and lease liabilities related to the Company's leased premises as the only lease outstanding at December 31, 2019 expires during the year ended December 31, 2019.

The following is a reconciliation of total operating lease commitments at December 31, 2018 to the lease liabilities recognized at January 1, 2019:

Total operating lease commitments disclosed at December 31, 2018	$	38,900
Recognition exemptions:		
Leases of low value assets		-
Leases with remaining lease terms of less than 12 months		(38,900)
Variable lease payments not recognized		-
Operating lease liabilities before discounting	$	-

For any new contracts entered into on or after January 1, 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

i. the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
ii. the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
iii. the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available. If the interest rate implicit in the lease is not readily available, the Company discounts using the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets have been included under non-current assets and lease liabilities have been included under current and non-current liabilities.

FORWARD-LOOKING INFORMATION OR STATEMENTS AND CAUTIONARY FACTORS THAT MAY AFFECT FUTURE RESULTS

Certain statements contained in the following MD&A constitute forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements may include statements regarding work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not statement of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties involved in disputes and litigation, fluctuations in currency exchange rates; uncertainty of estimates of capital and operating costs;

The need to obtain additional financing and uncertainty as to the availability and terms of future financing; and other risks and uncertainties disclosed in other information released by the Company from time to time and filed with the appropriate regulatory agencies.

It is the Company's policies that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward-looking statements contained herein are as of May 29, 2019 and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Forward-looking information or statements in this MD&A include, but are not limited to, information or statements concerning our expectations regarding the ability to raise additional funds and find additional value in the biotechnology assets held.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and factors including: the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain; dependence on key personnel; dependence on corporate collaborations; potential delays; uncertainties related to early stage of technology and product development; uncertainties as to fluctuation of the stock market; uncertainties as to future expense levels and the possibility of unanticipated costs or expenses or cost overruns; and other risks and uncertainties which may not be described herein. The Company has no policy for updating forward looking information beyond the procedures required under applicable securities laws.

Vancouver, BC May 30, 2019