FACEDRIVE INC.
(formerly High Mountain Capital Corporation)

Management's Discussion and Analysis of Financial Condition and Results of Operations for the Years Ended December 31, 2019 and 2018

FACEDRIVE INC. (formerly High Mountain Capital Corporation)
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2019 and 2018

April 23, 2020

The following Management's Discussion and Analysis ("**MD&A**") provides information concerning the financial conditions and results of operations of Facedrive Inc. (the "**Company**", "**Facedrive**", "**we**", "**us**" or "**our**"). This MD&A should be read in conjunction with our audited consolidated financial statements, including the related notes thereto, for the fiscal years ended December 31, 2019 and 2018.

Our audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**") and interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**"). Our fiscal year is the 12-month period ending December 31.

All amounts in this MD&A are in Canadian dollars, unless otherwise indicated. All information presented has been rounded to the nearest hundred dollars, unless otherwise indicated.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking information or forward-looking statements (collectively referred to as "**forward-looking information**") which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Facedrive or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. When used in this MD&A, such information uses such words as "may", "would", "could", "will", "intend", "predict", "aim", "seek", "potential", "expect", "believe", "plan", "anticipate", "estimate" or the negative of these terms, or other similar expressions intended to identify forward-looking statements. This information reflects Facedrive's current expectations regarding future events and operating performance and speaks only as of the date of this MD&A. Forward-looking information involves significant risks and uncertainties, should not be read as a guarantee of future performance or results, and will not necessarily be an accurate indication of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking information, including, but not limited to, the factors discussed below. Facedrive believes the material factors, expectations and assumptions reflected in the forward-looking information are reasonable but no assurance can be given that these factors, expectations and assumptions will prove to be correct. Facedrive assumes no obligation to publicly update or revise forward-looking information to reflect new events or circumstances, except as may be required pursuant to applicable securities laws or regulations. These forward-looking statements include, among other things, statements relating to Facedrive's revenue streams and financial performance, future growth and profitability of the Company, the Company's ability to maintain or adjust its capital, the Company's ability to finance its future cash requirements through debt and/or equity and the ability of the Company to manage its credit risk through financially stable institutions and payment collection platforms.

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements of Facedrive to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information, including those factors discussed under the heading "Financial Risk Management Objectives and Policies" in this MD&A. Additional risks and uncertainties are discussed in the Company's materials filed with the Canadian securities regulatory authorities from time to time.

Although Facedrive has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. As such, there can be no assurance that forward-looking information will prove to be accurate. Accordingly, readers should not place undue reliance on forward-looking information due to the inherent uncertainty in them. Furthermore, unless otherwise stated, the forward-looking information contained in this MD&A is made as of the date of this MD&A and we have no intention and undertake no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities law.

The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

COMPANY OVERVIEW

Facedrive Inc. (formerly High Mountain Capital Corporation) was incorporated on January 18, 2018 under the *Business Corporations Act* (Alberta). The Company's corporate headquarters is located at 44 East Beaver Creek, Suite 16, Richmond Hill, Ontario L4B 1G8.

The Company was previously classified as a Capital Pool Company ("**CPC**") as defined in Policy 2.4 of the TSX Venture Exchange ("**TSX-V**"). The principal business of the Company as a CPC was to identify and evaluate assets or businesses with a view to potentially acquiring such assets or businesses, or an interest therein, by completing a transaction, the purpose of which was to satisfy the related conditions of a "qualifying transaction" under the applicable rules of the TSX-V.

On May 17, 2019, the Company, 2696170 Ontario Inc. ("**Subco**"), a wholly-owned subsidiary of the Company, and Facedrive Inc. (the "**Private Company**"), a private company, entered into an amalgamation agreement (the "**Amalgamation Agreement**") pursuant to which, among other things, the Private Company amalgamated with Subco to form 5021780 Ontario Inc., a wholly-owned subsidiary of the Company, and each shareholder of the Private Company received 0.473538 common shares of the Company (each, a "**Share**") for every one share of the Private Company held (the "**Transaction**" or the "**RTO**"). Immediately prior to the Transaction, the Company effected a consolidation of the Shares on a 50-to-1 basis. As part of the Transaction, the Company changed its name from "High Mountain Capital Corporation" to "Facedrive Inc.". The Transaction was completed on September 16, 2019 and the Shares resumed trading on the TSX-V under the trading symbol "FD" on September 19, 2019. The Transaction resulted in the issuance of 8,886,578 Shares and constituted a "reverse take-over" of the Company as the former Private Company shareholders acquired a majority of the outstanding Shares. All Share numbers in this paragraph are presented on a pre-Forward Split (as defined below) basis.

On October 9, 2019, the Company completed a forward split of its Shares on the basis of 10 new Shares for each one Share outstanding (the "**Forward Split**"). Prior to the Forward Split, the Company had 9,016,453 Shares issued and outstanding. Immediately following the Forward Split, the Company had 90,164,530 Shares issued and outstanding.

On December 31, 2019, the Company completed an amalgamation and continuance from a company incorporated under *the Business Corporations Act (Alberta) to a company continued under the Business Corporations Act (Ontario) under the name "Facedrive Inc."*.

Facedrive is a unique "people-and-planet first" ridesharing platform and is the first Canadian peer-to-peer, eco-friendly ride-sharing network. Facedrive is committed to doing business fairly, equitably and sustainably, by giving riders a choice between electric vehicles, hybrid vehicles and conventional gas-powered vehicles, and then offsetting the CO_2 emissions generated from each ride through various environmental sustainability practices, including the planting of thousands of trees. As a community platform, drivers are real partners in the Company, benefitting from uniquely customized incentives and rewards that reflect a dedication to shared success. Facedrive is currently operational in the following cities and municipalities of Ontario: The Greater Toronto Area, Hamilton, London, Guelph, Kitchener, Waterloo, Cambridge, Orillia and Ottawa.

Facedrive's development of its business and operations over the three most recently completed financial years and the current financial year to date consist of the following:

- Facedrive was founded in January 2016 by Imran Khan and Junaid Razvi, Canadian entrepreneurs with a successful track record of running businesses in various industries and who share a passion for environmental causes.

- In April 2017, Facedrive became the second ridesharing platform to secure licensing to operate within the municipality of Toronto, Ontario.

- In September 2017, Facedrive and Northbridge Insurance received approval from the Financial Services Commission of Ontario to implement and offer a commercial ridesharing insurance program for its drivers across the Province of Ontario.

- In November 2017, Facedrive became the second licensed ridesharing platform to become operational in the Greater Toronto Area.

- In March 2018, Facedrive partnered with DependableIT Group Inc. ("**DependableIT**"), a call center with a potential for considerable rapid scaling, located in Hamilton, Ontario, to provide extended hours support to Facedrive's drivers and riders.

- In July 2018, Facedrive opened a walk-in driver hub in Scarborough, Ontario, to facilitate driver registration, onboarding and issue resolution.

- In October 2018, Facedrive became operational in Hamilton, Ontario.

- On May 17, 2019, Facedrive entered into the Amalgamation Agreement in connection with the Transaction.

- On August 27, 2019, Facedrive completed a private placement of 4,428,700 subscription receipts, each exchangeable for one Class B share in the capital of Facedrive, for aggregate gross proceeds of $7,015,005.

- In September 2019, Facedrive became operational in London and Guelph, Ontario.

- On September 16, 2019, the Company completed the Transaction.

- In October 2019, Facedrive became operational in Kitchener, Waterloo and Cambridge, Ontario.

- In October 2019, the Company entered into a strategic partnership with, and made an investment into, Westbrook Global Inc. ("**Westbrook**"), the content creation company founded by Will Smith, Jada Pinkett Smith, Miguel Melendez, and Kosaku Yada. The investment included the purchase by the Company of US$1 million principal amount of 3.00% unsecured convertible notes of Westbrook due December 31, 2022, with an option to purchase up to an additional US$4 million principal amount of convertible notes.

- On February 21, 2020, the Company completed a non-brokered private placement of 361,010 Shares issued at a price of $2.77 per Share for aggregate gross proceeds of $1,000,000. See "Subsequent Events".

- In March 2020, Facedrive became the first ridesharing platform to secure licensing to operate within the city of Orillia, Ontario. Facedrive became operational in Orillia, Ontario in March 2020.

- In March 2020, Facedrive secured permission to operate at Toronto Pearson International Airport in Toronto, Ontario.

- On March 31, 2020, the Company completed the acquisition of 100% of the issued and outstanding common shares of HiRide Share Ltd, a socially responsible ride-sharing and car-pooling business. See "Subsequent Events".

- In April 2020, Facedrive secured a license to operate in Ottawa, Ontario.

SELECTED FINANCIAL INFORMATION

The following table summarizes our recent results of operations for the periods indicated. The selected consolidated financial information set out below have been derived from our audited consolidated financial statements and related notes.

	Year ended December 31, 2019 (2) ($)	Year ended December 31, 2018 (3) ($)	Year ended December 31, 2017 ($)
Net revenue (1)	599,104	13,579	-
Income (loss) from operations (2)	(4,556,729)	(1,933,548)	(661,866)
Net income (loss)	(6,942,357)	(1,933,548)	(661,866)
Income (loss) per share	(0.08)	(0.03)	(0.02)
Total assets	5,842,021	200,497	143,519
Total non-current liabilities	472,038	334,028	322,487
Cash dividends declared	-	-	-

Notes:

(1) As the Company was not operational prior to September 30, 2018, there was minimal revenue recorded in prior periods.

(2) On September 16, 2019, the Company completed the Transaction. The loss from operations was primarily due to listing expenses of $2,376,100 attributable to the Transaction. The total non-cash portion of the listing expenses was $1,853,200. Excluding the listing expenses associated with the Transaction, net loss for the year ended December 31, 2019 would have been $4,566,300. Total assets increased was attributable to the issuance of Shares during the year ended December 31, 2019.

(3) The Company became operational in the Greater Toronto Area and Hamilton in October 2018.

ANALYSIS OF RESULTS OF OPERATIONS – YEAR ENDED DECEMBER 31, 2019 AND 2018

The following section provides an overview of our financial performance during the year ended December 31, 2019 ("**Fiscal 2019**") compared to the year ended December 31, 2018 ("**Fiscal 2018**").

Revenue

Revenue for Fiscal 2019 was $599,100, an increase of $585,500 as compared to $13,600 in Fiscal 2018. The Company generates substantially all of its revenue from its ridesharing marketplace that connects drivers and riders. Accordingly, the increase in revenue was primarily attributable to expansion by the Company into additional geographic regions in Fiscal 2019 and the growth in drivers and riders utilizing the Company's platform.

The Company's gross fees from rides was $1,386,800 in Fiscal 2019, representing an increase from $58,500 in Fiscal 2018. This increase is primarily attributable to expansion by the Company into additional geographic regions in Fiscal 2019 and the growth in drivers and riders utilizing the Company's platform.

In addition, total revenue from licensing arrangements was $250,000 in Fiscal 2019, as compared to $nil in Fiscal 2018. This increase is attributable to the securing of licensing arrangements with third parties in Fiscal 2019.

Cost of Revenue

Cost of revenue for Fiscal 2019 was $270,600, representing an increase from $53,400 in Fiscal 2018. Cost of revenue consists largely of payment processing charges, direct costs associated with drivers and other credit card losses. The increase in cost of revenue was primarily due to an increase of $103,000 in payment processing fees and $60,100 in insurance expenses due to the increase in ride volume in Fiscal 2019. In addition, expenses associated with onboarding drivers increased by $34,000 as a result of the increase in the number of drivers using our platform.

General and Administration Expenses

General and administration expenses for Fiscal 2019 were $848,800, up from $40,100 in Fiscal 2018. General and administration expenses, consisting of primarily professional fees, were higher in Fiscal 2019 due to higher legal and accounting fees incurred of $282,200 as compared to $31,800 in Fiscal 2018.

Total share-based compensation expenses related to stock options and restricted share units granted to directors and officers of Facedrive were $392,800 for Fiscal 2019, as compared to $nil in Fiscal 2018. In addition, total expenses for fees payable to TSX-V and our transfer agent were $85,600 for Fiscal 2019, as compared to $nil in Fiscal 2018. These increases are primarily attributable to the fact that the Transaction was completed in September 2019 and such expenses became payable by the Company from that point forward. We anticipate an increase to accounting, legal and professional fees associated with operating as a public company that will be reflected in our general and administration expenses.

Operational Support Expenses

Operational support expenses increased to $1,542,800 in Fiscal 2019, from $417,500 in Fiscal 2018. The increase was primarily due to the increase in employee headcount and fees paid to third parties providing operations support and driver background checks to support the growth of local operations. Total salaries and benefits were $331,900 in Fiscal 2019, an increase of $266,600 compared to $65,300 in Fiscal 2018 primarily due to the increase in employee headcount described above.

Total licencing fees were $103,600 in Fiscal 2019, as compared to $38,800 in Fiscal 2018, primarily due to our geographic expansion during Fiscal 2019. Total fees paid to third parties providing operations support, driver background checks and onboarding procedures were $766,200 in Fiscal 2019, as compared to $286,300 in Fiscal 2018. Total operations support expenses payable to Dynalync 2000 Inc., a related company ("**Dynalync**"), was $527,700 in Fiscal 2019, as compared to $184,300 in Fiscal 2018. This increase is primarily attributable to additional resources required for the expansion by the Company into additional geographic regions in Fiscal 2019 and the growth in drivers and riders utilizing the Company's platform. See "Related Party Transactions".

Research and Development Expenses

Research and development expenses increased to $917,200 in Fiscal 2019, as compared to $383,300 in Fiscal 2018. The expenses were primarily related to fees paid to third parties providing services and product development to the Company, and the increase in expenses was primarily driven by our efforts in Fiscal 2019 to increase functionality on the Facedrive platform and improving efficiencies in attracting and retaining drivers and riders. Total fees payable to Dynalync, was $739,000 for Fiscal 2019, as compared to $383,300 in Fiscal 2018. This increase is primarily attributable to improvements made to the Facedrive platform. See "Related Party Transactions".

Sales and Marketing Expenses

Sales and marketing expenses for Fiscal 2019 were $1,560,000, as compared to $1,052,900 in Fiscal 2018. The expenses were primarily for marketing programs, driven by an increase in driver and rider advertising costs as the Company continues to expand its driver and rider pool. Total expenses for advertising and marketing programs were $481,600 for Fiscal 2019 compared to $1,024,900 for Fiscal 2018. The decrease in advertising and marketing program expenses was primarily attributable to reduced share-based compensation paid to advertising and marketing service providers in Fiscal 2019 as compared to Fiscal 2018.

In Fiscal 2018, the Company incurred share-based compensation expenses related to compensation for services provided by a consultant to the Company in the aggregate amount of $739,300 (Fiscal 2019: $nil).

Total expenses for driver and rider incentive programs were $1,078,300 for Fiscal 2019, as compared to $28,000 in Fiscal 2018. The increase was primarily attributable to the increase in number of riders and drivers during Fiscal 2019. The Company plans to continue to invest in sales and marketing to grow the number of platform users and increase our brand awareness.

Listing Expenses

Listing expenses were $2,376,000 in Fiscal 2019 (Fiscal 2018: $nil). The increase was directly attributable to the Transaction whereby the former shareholders of the Private Company acquired control of the Company, thereby constituting a "reverse take-over" of the Company under applicable securities laws. The listing expenses were determined based on the difference between the consideration paid less the fair value of net assets of the Company acquired.

Net Loss

The Company incurred a net loss of $6,942,400 in Fiscal 2019 compared to a net loss of $1,933,500 in Fiscal 2018. The increase in net loss is primarily attributable to the factors described above.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes the results of our operations for the eight most recently completed fiscal quarters:

(Unaudited)	Q4 2019 ($)	Q3 2019 ($)	Q2 2019 ($)	Q1 2019 ($)	Q4 2018 ($)	Q3 2018 ($)	Q2 2018 ($)	Q1 2018 ($)
Revenue [1]	234,525	195,738	132,814	36,027	13,579	-	-	-
Net loss	(1,525,810)[2]	(3,527,753)[3]	(1,060,242)[4]	(828,552)[5]	(388,041)[6]	(277,740)[7]	(1,101,342)[8]	(166,425)
Basic and diluted loss per Share	(0.02)	(0.04)	(0.01)	(0.01)	(0.01)	(0.00)	(0.02)	(0.00)

Notes:

(1) As the Company was not operational prior to September 30, 2018, there was no revenue recorded in prior periods.

(2) Net loss decreased for the three months ended December 31, 2019 as compared to the prior quarter, primarily due to the decrease in listing expenses of $2,376,000 attributable to the Transaction completed in September 2019. The increase in revenue was attributable to an increase in riders. Net loss for the three months ended December 31, 2019 would have been $1,188,100 if we exclude the non-cash portion of share-based compensation. For the three months ended December 31, 2019, the total non-cash portion of share-based compensation was $337,700, and was included in general and administration expenses. In addition, there was an increase in sales and marketing expenses of $148,500 for the three months ended December 31, 2019. Sales and marketing expenses for the three months ended December 31, 2019 consist primarily of rider discounts, advertising, promotions and incentives to drivers. The Company plans to continue to invest in sales and marketing to grow the number of platform users and increase its brand awareness.

(3) Net loss increased for the three months ended September 30, 2019 as compared to the prior quarter, primarily due to the listing expenses of $2,376,000 in connection with the Transaction completed in September 2019. The total non-cash portion of the listing expenses was $1,853,200. The increase in revenue was attributable to an increase in riders. Net loss would have been $1,151,700 if we excluded the listing expenses associated with the Transaction.

(4) Net loss increased for the three months ended June 30, 2019 as compared to the prior quarter, primarily due to the increase in operational support and sales and marketing expenses. The increase was due to increased fees paid to third parties to support the growth of local operations. In addition, the Company increased spending on marketing programs for advertising and incentives to riders and drivers. The increase in revenue was attributable to an increase in riders.

(5) Net loss increased for the three months ended March 31, 2019 as compared to the prior quarter, primarily due to the increase in operational support and sales and marketing expenses. The increase was due to increased fees paid to third parties to support the growth of local operations. In addition, the Company increased spending on marketing programs for advertising and incentives to riders and drivers.

(6) Net loss increased for the three months ended December 31, 2018 as compared to the prior quarter. Increase in overall expenses was a result of increased fees paid to third parties to support the growth of local operations. In addition, the increase was attributable to the increase in research and development expenses.

(7) Net loss decreased for the three months ended September 30, 2018 as compared to the prior quarter, primarily due to the decrease in sales and marketing expenses in the amount of $840,000.

(8) Net loss increased for the three months ended June 30, 2018 as compared to the prior quarter, primarily due to the increase in sales and marketing expenses in the amount of $840,000. Total share-based compensation expense related to the service transaction with an arm's length company was $739,300 for the three months ended June 30, 2018, which was included in sales and marketing expenses.

ANALYSIS OF RESULTS FOR THE THREE MONTHS ENDED DECEMBER 31, 2019 ("Q4 2019")

Net loss was $1,525,800 in Q4 2019 as compared to $3,527,800 in the three months ended September 30, 2019 ("**Q3 2019**") (Q4 2018: $388,000), representing a decrease of $2,002,000. The quarter-over quarter decrease was primarily attributable to the decrease in listing expenses of $2,376,000 related to the Transaction completed in September 2019. Net loss in Q4 2019 would have been $1,188,100 if we had excluded the non-cash portion of share-based compensation in the amount of $337,700, which was included in general and administration expenses.

Revenue was $234,500 in Q4 2019 as compared to $195,700 in Q3 2019, representing a quarter-over-quarter increase of $38,800 (Q4 2018: $13,600). The increase in revenue was primarily attributable to an increase in riders in Q4 2019 as compared to Q3 2019.

Sales and marketing expenses in Q4 2019 was $587,000 as compared to $438,500 in Q3 2019 (Q4 2018: $87,300), representing a quarter-over-quarter increase of $148,500. Sales and marketing expenses in Q4 2019 consisted primarily of rider discounts, advertising, promotions and incentives to drivers. The Company plans to continue to invest in sales and marketing to grow the number of platform users and increase its brand awareness.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Overview

The Company currently manages its capital structure and makes adjustments to it based on cash resources expected to be available to the Company in order to support its future business plans. Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to safeguard its ability to sustain future development of the business. The Company's objective is met by retaining adequate cash reserves to provide for the possibility that cash flows from operations will not be sufficient to meet future cash flow requirements. In order to maintain or adjust its capital structure, the Company may issue Shares through public or private equity financings from time to time.

Cash Flows

The following table presents our cash flows for each of the periods presented:

	Fiscal 2019 ($)	**Fiscal 2018 ($)**
Net cash generated from (used in) operating activities	(4,151,953)	(879,219)
Net cash generated from (used in) investing activities	(1,060,947)	-
Net cash generated from (used in) financing activities	8,994,780	846,889
Increase (decrease) in cash and cash equivalents	**3,781,880**	**(32,330)**

Analysis of Cash Flows

The Company's cash balance as of December 31, 2019 was $3,790,900, as compared to $9,000 as at December 31, 2018, and had working capital of $3,402,500 as at December 31, 2019 as compared to a working deficit of $688,800 at December 31, 2018. The improvement in working capital was a result of proceeds from issuances of Shares and cash acquired in the RTO.

Cash Flows used in Operating Activities

Cash used in operations of the Company was $4,152,000 for the year ended December 31, 2019, as compared to $879,200 for the year ended December 31, 2018. This consisted of a net loss of $6,942,400 and an increase in trade and other receivables of $297,500, an increase in prepaid expenses and deposits of $69,400, an increase in interest receivable of $7,700, partially offset by the movement in accounts payable and accrued liabilities of $640,100 and a decrease in deferred income of $150,000. Total share-based compensation expense related to the service transaction and to the directors and officers of the Company were $489,800 for the year ended December 31, 2019. In addition, total non-cash listing expenses were $1,853,200 for the year ended December 31, 2019.

Cash Flows used in Investing Activities

Cash used in investing activities was $1,060,900 for the year ended December 31, 2019, as compared to $nil for the year ended December 31, 2018. The change is largely driven by the purchase by the Company of US$1 million principal amount of 3.00% unsecured convertible notes of Westbrook due December 31, 2022 in October 2019, partially offset by cash acquired in the RTO.

Cash Flows generated from (used in) Financing Activities

Cash generated from financing activities was $8,994,800 for the year ended December 31, 2019, as compared $846,900 for the year ended December 31, 2018. The increase primarily consists of proceeds from issuances of Shares for aggregate proceeds of $9,320,000, partially offset by the repayments to related parties, repurchases of Shares by the Company and lease liability payments in the aggregate amount of $325,200.

At present, the Company has no earnings from operations. The primary source of cash flows for the Company have been equity financings. The primary uses of cash are operating expenses, including product research and development. The Company intends to finance its future cash requirements through ordinary course revenue generation, together with a combination of debt and/or equity financings. While the Company has historically been successful in raising capital from equity financings, there can be no assurance that the Company will be able to obtain debt and/or such financings on favourable terms, or at all, in the future.

SHARE INFORMATION

The Company is authorized to issue an unlimited number of Shares and an unlimited number of preferred shares, issuable in series. As of the date of this MD&A, there were 90,791,497 Shares and nil preferred shares issued and outstanding. In addition, there were 687,040 stock options, 2,450 warrants and 497,210 restricted share units outstanding, each representing a right to acquire one Share, issued and outstanding. As of the date of this MD&A, assuming exercise and exchange of all outstanding options, warrants and restricted share units, there are 92,638,553 equity securities of the Company issued and outstanding on a fully-diluted basis.

RELATED PARTY TRANSACTIONS

Related parties include key management, the board of directors, close family members and entities which are controlled by these individuals as well as certain persons performing similar functions. Total share-based compensation paid to the board of directors and key management personnel of the Company was $489,755 for the year ended December 31, 2019 (2018 - $Nil). There were no short-term employee benefits, post-employment benefits, other long-term benefits, termination benefits paid to the directors and key management personnel of the Company or the Private Company for the years ended December 31, 2019 and 2018. During the year ended December 31, 2019, the Private Company's former President was granted restricted share units with a fair value of $46,514. The former President resigned from the Private Company in June 2019, the restricted share units were forfeited in connection therewith, and the related share-based payment expense was reversed for unvested instruments.

Terms and Conditions of Transactions with Related Parties

The terms and conditions of transactions with related parties for the year ended December 31, 2019 include:

- As at December 31, 2019, $12,155 (2018 - $356,378) was due to Connex Telecommunications Inc. ("**Connex**"), a related company controlled by our Chairman and Chief Executive Officer. This amount results from the rental of office space leased to the Company by Connex, is unsecured, non-interest bearing, with no specific terms for repayment, and is included in the Company's trade payable. The balance as at December 31, 2018 was due as a result of Connex making payments for certain expenses on the Company's behalf, and is included in amounts due to related parties. The total expenses charged to the Company for the office space for the year ended December 31, 2019 was $50,000 (2018 - $Nil), which were included in operational support expenses. In March 2019, the Company issued 7,399,030 Shares to Connex (1,562,500 Shares on a pre-Share Capital Adjustments basis) at an average price of $0.10 per Share. The Shares were issued to Connex as consideration for payments of expenses made by Connex on behalf of the Company.

- As at December 31, 2019, $443,368 (2018 - $436,626) was due to Dynalync, a related company controlled by our Chairman and Chief Executive Officer. The amount owing is a result of the related company providing consulting and product development services to the Company, is unsecured, non-interest bearing, with no specific terms for repayment, and is included in the Company's trade payable. The total expenses charged to the Company for the year ended December 31, 2019 were $1,266,700 (2018 - $567,600), which were included in research and development in the amount of $739,000 (2018 - $383,300) and operational support expenses in the amount of $527,700 (2018 - $184,300).

- As at December 31, 2019, $Nil (2018 - $36,600) was due to DependableIT, a related company controlled by our Chairman and Chief Executive Officer. These amounts were due as a result of the related company making certain payments on the Company's behalf for which the Company was responsible for reimbursement.

- As at December 31, 2019, $334,028 (2018 - $334,028) was due to the initial founders of the Company. These amounts were due as a result of the founders making certain payments on the Company's behalf. The balance owing is unsecured, non-interest bearing and is not repayable within the next 12 months.

All amounts outstanding to related parties are unsecured and non-interesting bearing. There have been no guarantees provided or received for any related party receivables or payables. All transactions with related parties are carried out in the normal course of operations and are recorded at their exchange amounts as agreed upon by transacting parties.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's primary risk management objective is to protect the Company's balance sheet and cash flow. The Company's principal financial liabilities are comprised of accounts payable and accrued liabilities and amounts due to related parties. The main purpose of these financial liabilities is working capital for the Company's operations. During the normal course of operations, the Company may become exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The Company's senior management is supported by a board of directors that advises on financial risks and the appropriate financial risk governance framework for the Company.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise several types of risk: interest rate risk, currency risk, commodity price risk, and other price risk, such as equity risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at December 31, 2019, the Company is primarily exposed to foreign exchange risk through its cash and cash equivalents denominated in United States dollars. The Company mitigates foreign exchange risk by monitoring foreign exchange rate trends. The Company does not currently hedge its currency risk.

Based on current exposures as at December 31, 2019, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the Canadian dollar relative to the United States dollar would result in a gain or loss of approximately $300 in the Company's consolidated statements of loss and comprehensive loss.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at December 31, 2019, the Company is not exposed to significant interest rate risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

Examples include changes in commodity prices or equity prices. As at December 31, 2019, the Company is not exposed to significant other price risk.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Company's financial instruments that are exposed to credit risk consist primarily of cash and cash equivalents, trade and other receivables and promissory note receivable. The Company reduces its credit risk on cash and cash equivalents by placing these instruments with financially stable and insured institutions. The Company's HST receivable has minimal credit risk as it is collectable from government institutions. The Company mitigates its exposure to credit risk from trade and other receivables through a payment collection platform which processes passengers' pre-authorized credit cards. The Company mitigates exposure to credit risk from its promissory note receivable by performing due diligence on investment opportunities. As payments from passengers are pre-authorized, the risk of credit loss is expected to be minimal. As at December 31, 2019, the Company is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions. The Company manages liquidity risk by reviewing its capital requirements on an ongoing basis. The Company continuously reviews both actual and forecasted cash flows in order to ensure that the Company has appropriate capital capacity.

Other Business Risks and Uncertainties

There are a number of other risk factors that the Company faces as a participant in the rideshare industry. The reader is referred to Company's Filing Statement dated August 28, 2019 for a description of these risks.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not engaged in any off-balance sheet financing transactions.

PROPOSED TRANSACTIONS

There are no transactions that are currently under negotiation or proposed to be entered into.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual events may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in net loss and/or comprehensive loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both. Significant assumptions regarding the future and other sources of estimation uncertainty that management has made at the financial position reporting date could result in a material adjustment to the carrying amounts of assets and liabilities. Significant accounting policies and significant accounting judgments, estimates, and assumptions are described in Note 4 of the Company's audited consolidated financial statements for the year ended December 31, 2019.

CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

Accounting policies that have been initially adopted or will be adopted subsequent to the most recently completed period are discussed in Notes 3 and 5 or the Company's audited consolidated financial statements for the year ended December 31, 2019.

SUBSEQUENT EVENTS

On February 21, 2020, the Company completed a non-brokered private placement of 361,010 Shares issued at a price of $2.77 per Share for aggregate gross proceeds of $1,000,000. All Shares issued are subject to a four-month statutory hold period from the date of issuance, as well as contractual lock-up and escrow restrictions from the date of issuance. The net proceeds from the private placement are intended to be used for business development, market expansion and driver and rider acquisition purposes.

On March 20, 2020, the Company announced that it had entered into a share exchange agreement (the "**Acquisition Agreement**") to acquire all of the issued and outstanding common shares of HiRide Share Ltd ("**HiRide**"), a socially responsible ride-sharing and car-pooling business (the "**Acquisition**"). The Acquisition closed following the close of business on March 31, 2020. In consideration for the Acquisition, shareholders of HiRide received on closing of the Acquisition an aggregate of $1,000,000, payable in Shares at a price per Share equal to $3.76 (calculated as the 30 day volume weighted average trading price of the Shares on the TSX-V ending four trading days prior to the date of entering into the Acquisition Agreement). In connection with the Acquisition, the shareholders of HiRide may be entitled to receive future conditional payments of up to $2,500,000 (the "**Conditional Payments**") over the course of 2 years following closing of the Acquisition, which payments are contingent upon the achievement of certain financial, technical and business development milestones as set out in the share exchange agreement. The Conditional Payments, if any, will be payable in Shares or a combination of cash and Shares. There are no finder's fees payable in connection with the Acquisition. All Shares issued are subject to a four-month statutory hold period from the date of issuance, as well as contractual lock-up and escrow restrictions from the date of issuance.

On January 30, 2020, the World Health Organization ("**WHO**") declared a Public Health Emergency of International Concern resulting from an outbreak of pneumonia cases from an unknown cause which originated in Wuhan, China. Over a week later, on February 11, 2020, the WHO then announced a name for this new disease called the coronavirus ("**COVID-19**"), and on March 11, 2020, the WHO declared COVID-19 to be a global pandemic and a world-wide health concern to all of humanity. As a result, governing countries and their leaders around the world acted to mitigate the spread of this virus by restricting travel, testing and quarantining symptomatic individuals, enforcing social distancing, closing schools and non-essential businesses and requesting residents to stay inside their homes. These measures have had a direct impact on the global and Canadian economy.

The Canadian government acted by testing and treating symptomatic individuals, enforcing social distancing, closing schools and non-essential businesses and requesting the community to stay inside their homes. Due to these measures taken, many businesses were forced to lay off staff; postpone contracts and work; request financial relief and defer payments to their financial lenders, landlords and stakeholders; and to close their businesses altogether. The Federal government also responded by extending tax filing and payment deadlines and made available a wage subsidy to qualifying businesses to help provide some relief during this challenging time.

It is uncertain how long these COVID-19 conditions will last and what economic impact they will have on the Company's business, financial results, cash flows and its ability to continue as a going concern.

ADDITIONAL INFORMATION

Additional information relating to the Company, including the Company's is available on SEDAR at www.sedar.com. The Company's Shares are listed for trading on the TSX Venture Exchange under the symbol "FD".