



TINKERINE STUDIOS LTD.

Management Discussion and Analysis Report

For the nine months ended September 30, 2022

(prepared by management)



Ditto™ Pro 3D Printer & Tinkerine U online 3D content

MANAGEMENT DISCUSSION AND ANALYSIS

FOR

Tinkerine Studios Ltd. (“the Company”)

Management’s Discussion and Analysis of the Financial Position and Results of Operations

November 23, 2022

The following discussion and analysis regarding the financial position and results of operations provides information of the operations and financial results of Tinkerine Studios Ltd. (“the Company”) that the management believes is relevant for the review, assessment and understanding the Company’s unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2022 (“2022”). The Management’s Discussion and Analysis (MD&A) should be read in conjunction with the unaudited consolidated interim financial statements. Readers may want to refer to the December 31, 2021 audited financial statements and the accompanying notes which are available at www.sedar.com.

Background and Description of the Business

Tinkerine Studios Ltd is one of Canada’s largest enterprises that designs, produces and distributes of 3D printers, and with its innovative software that has been developed by their in-house team and TinkerineU education and learning tools, it supports the growing demand for online educational course content and resources for 3D programs in the design market.

Tinkerine designs, manufactures and distributes 3D printers in Canada, USA and the APAC region. The Company’s product offering is the Ditto Pro and Ditto Pro R which are well priced in each segment of the market, where it has developed a reputation for quality 3D printers and innovative and high quality, educational support for educators and design professionals and small to medium size enterprises (“SME”). As a result of the Covid-19 pandemic that impacted the world in 2020, the Company added personal protective equipment (“PPE”) to its product offering. Tinkerine recently announced the live release of its first module on the Skills Development Platform and Tinkerine cloud program to support all 3D users, from beginners to design professionals. Production of Things 2.0 (“Pot2.0”) provides a singular platform to skill up businesses with 21st century tools needed to compete in a fast-paced world together with a powerful workflow system to optimize additive manufacturing.

At the beginning of this fiscal year, the Company decided to leverage its software development and business advisory resources to expand its consulting services by offering its services in areas of hardware review and analysis, software development and business advisory to clients seeking services and expertise in these areas. As a result, the Company has generated revenues of \$288,115 in fees to date. The Company continues to be a 3D hardware manufacturer and a supplier of filament.

The financial information in this MD&A is based on the Company’s unaudited consolidated interim financial statements which have been prepared in Canadian dollars by management, in accordance with International Financial Reporting Standards (“IFRS”) and International Accounting Standard 34 – *Interim Financial Reporting*, in Canadian dollars

Non-IFRS Measures

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standard 34 – *Interim Financial Reporting*, in Canadian dollars. Certain supplementary information and measures not recognized under IFRS are also provided in this MD&A where management believes they assist the reader in understanding Tinkerine’s results. These measures are calculated by Tinkerine on a consistent basis unless otherwise specifically explained. These measures are further explained as follows:

EBITDA – EBITDA and EBITDA margin means net earnings or losses before interest, taxes, depreciation, amortization. EBITDA and EBITDA margins are not recognized as measures under IFRS and do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures reported by other corporations. Management believes that this metric assists in determining the ability of the Corporation to generate cash from operations and is calculated on a consistent basis.

Cash flow from operations – means cash flow from operations before changes in non-cash operating working capital. This measure is not intended to be an alternative to cash provided by operating activities as provided in the consolidated statements of cash flows, comprehensive income or other measures of financial performance calculated in accordance with IFRS. Cash flow from operations assists management and investors in analyzing operating performance and leverage.

Q3 2022 Overview and Highlights

The Company's principal business is the design, manufacture and distribution of 3D printers, software and related online educational content and is the exclusive supplier of the filament that is used in the printer. In March of 2020 PPEs were added to its product offering and this year the Company rolled out Tinkerine skills development platform and Tinkerine cloud program.

- Q3 2022 revenue of \$175,085 was a decrease of 39% versus Q3 2021 revenue of \$288,726. For Q3 2022, we sold 9 printers versus 91 printers in 2021, a 90% decrease in the number of printers sold in 2022 versus 2021. The revenue of \$175,085 in Q3 2022 was derived by geographic segment as follows: Canada - \$175,085, US - nil versus Q3 2021 revenue of \$24,716 derived by Canada, and US - \$264,010. Canadian revenue saw an increase of 608% in 2022 compared to 2021, while there was no US revenue in 2022 compared to 2021. The United States revenue in 2021 is the result of partnering with a US based distributor, whose business is tendering for US state government tenders to supply schools in their state districts with technology including 3D printers.
- Revenue for the 9 months ended September 30, 2022 of \$373,870, year to date, a decrease of 12% compared to 2021 revenue of \$422,630. The increase in revenue for the year was the result of the strong third quarter as mentioned in the preceding paragraph.
- In the first 9 months of 2022 revenue of \$373,870 is derived by geographic segment as follows: Canada – \$363,433 and United States – \$10,437 versus 2021 revenue of \$422,630 derived by geographic segmented revenue as follows: Canada – \$108,320, and United States – \$314,310. While we saw revenues from consulting services increase, we have seen a slowdown of 3D printer sales to the education market.

Q3 2022 earnings before interest, taxes, depreciation, amortization, and losses (EBITDA) decrease in earnings of \$25,689 on a loss of \$12,923 in Q3 2022, from EBITDA of \$32,439 in 2021. EBITDA is a metric used by management to assess the financial performance of an entity and is a non - IFRS measure, calculated by Tinkerine on a consistent basis, and may not be comparable to other companies.

The Company's net and comprehensive loss for Q3 2022 was \$12,923 compared to the net and comprehensive profit of \$184 in Q3 2021, a change of \$13,107. This difference is attributable to the significant reduction in United States revenue that we generated in the same quarter of 2021. In this quarter we also saw a decrease in our expenses to \$166,411 from \$176,477 in Q3 2021, in our amortization, bank and credit card charges, Insurance, interest and accretion and remuneration and benefits. Our controllable expenses and our total cash expenses were reduced to a total \$129,754 in Q3 2022 versus \$144,222 in Q3 2021, a decrease of \$14,468 for the period. In addition to the lower expenses, the total of non-cash expenses like amortization, and stock compensation expenses, were lower in the calculation of the controllable expense in 2022.

Summary of Quarterly Information

	Quarter ended:			
	"Q3 2022"	"Q2 2022"	"Q1 2022"	"Q4 2021"
	Sept 30 2022	June 30 2022	March 31 2022	December 31 2021
Revenue	\$175,085	\$150,947	\$47,838	\$47,332
Net Income (Loss)	(\$12,923)	(\$35,869)	(\$144,683)	(\$226,855)
Net Comprehensive Income (Loss)	(\$12,923)	(\$35,869)	(\$73,934)	(\$226,855)
Basic and Diluted Loss per share	(\$0)	(\$0)	(\$0)	(\$0)
Number of shares outstanding (w. avg.)	49,675,849	49,675,849	49,675,849	49,670,301
	Quarter ended:			
	"Q3 2021"	"Q2 2021"	"Q1 2021"	"Q4 2020"
	September 30 2021	June 30 2021	March 31 2021	December 31 2020
Revenue	\$288,726	\$59,381	\$74,523	\$57,978
Net Income (Loss)	\$184	(\$112,943)	(\$181,413)	(\$225,423)
Net Comprehensive Income (Loss)	\$184	(\$112,943)	(\$181,413)	(\$177,229)
Basic and Diluted Loss per share	(\$0)	(\$0)	(\$0)	(\$0)
Number of shares outstanding (w. avg.)	49,651,397	49,634,069	49,604,069	49,501,534

Q3 2022 Financial Highlights

- **Q3 2022 revenue decreased to \$175,085 compared to Q3 2021 revenue of \$288,729**
- **Q3 net and comprehensive loss was \$12,923 versus Q3 2021 net comprehensive profit of \$184**
- **Expenses decreased in Q3 2022 to \$166,411 versus Q3 2021 expense of \$176,477**
- **Improvement in Q3 2022 gross margin to 88% compared to Q3 2021 gross margin of 61%**
- **EBITDA in Q3 2022 recorded earnings of \$25,689 versus a earnings of \$32,439 in Q3 2021.**
- **Working capital deficit reduced in Q3 2022 to deficit of \$548,740 from adjusted WC deficit \$697,128 in December 31, 2021**
- **In Q3 2022 net cash used by operating activities was \$8,686 versus net cash provided by operating activities of \$130,579 in Q3 2021.**

Detailed Discussion and Analysis of Operating Results for the Periods Ended September 30, 2022 and September 30, 2021

1. Revenue

Revenue for Q3 was \$175,085 for the three months ended September 30, 2022 versus \$288,726 for the comparative period Q3 2021, a decrease in revenue of 39%. For the nine months period ended September 30 2022, the revenue was \$373,870 versus \$422,630 in 2021, a year over year decrease of 12%.

For Q3 2022, revenue was represented by 12% hardware printer sales, 1% filament and 87% consulting services/parts. In comparison for Q3 2021, revenue was represented by 94% hardware printer sales, 1% filament and 5% services/miscellaneous. For Q3 2022 revenue from consulting services continued to grow while sales of printers and filament continue to struggle due to the lingering effects experienced by the education channel and the uncertainty of how the budgets and the new school year will roll out. The Company's historical revenue breakdown by product with the largest contribution to sales being the hardware sales has not yet recovered and this is clearly demonstrated by the low percentage of hardware sales in Q3 2022

The number of 3D printers sold in Q3 2022 was represented by the sale of 9 3D printers sold compared to 91 3D printers sold in the third quarter of 2021. For the first nine months of 2022 3D printers sold was 25 printers compared to 132 printers in nine months ending September 30, 2021, a decrease of 107 less printers for the year.

Filament revenue for Q3 2022 was \$2,303 compared to \$4,325 in Q3 2021, lower sales volume over the comparative two years. For the first nine months ending September 30 2022 filament sales were \$11,833 compared to \$23,500 in the nine months ended September 30, 2021, a decrease in filament sales of 50%. Historically schools in BC have been the biggest customers of filament and the lower filament sales reflects the ongoing interrupted school activities as a result of the Covid pandemic.

2. Gross Profit Margins

Gross profit for the three months ended September 30, 2022 is \$153,487 on revenue generated of \$175,085 versus gross profit of \$176,662 on revenue generated of \$288,726 for the three month ended September 30, 2021. Gross profit for the nine months ended September 30, 2022 is \$308,120 on revenue of \$373,870 versus gross profit of \$260,365 on revenue generated of \$422,630 in 2021. The gross profit percentage for Q3 2022 improved to 87% versus 61% for Q3 2021. This improvement in the gross profit percentage is the result of the increase in the consulting revenue that is provided by the existing employees whose cost is captured in remuneration and therefore there is no cost of sales allocated separately to this revenue. The gross profit percentage for the nine months ended September 30, 2022 is 82% versus 62% for the nine months in 2021, a significant improvement due the factors discussed earlier in this paragraph.

3. Expenses

In Q3 2022 the Company incurred \$166,411 of total expenses compared to \$176,477 in Q3 2021, a decrease of \$10,066 or 5% in total expenses. For the nine months ended September 30, 2022 total expenses were \$501,596 versus \$554,537 for the nine months ended September 30, 2021, a decrease of \$52,941 or 10% in total expenses. The Company's controllable expenses and total cash expenses is \$129,754 in Q3 2022 versus \$144,222 in Q3 2021, a decrease in our cash expenses of \$14,468. For the nine months ended September 30, 2022 total cash expenses were \$393,725 versus \$406,775 for the nine months ended September 30, 2021 a decrease of \$13,050. The Company continues to review departmental budgets and corporate spending in all areas and these are further discussed below.

Highlighted quarterly expenses include the following:

- Remuneration and benefits were \$71,763 for Q3 2022 versus \$78,863 for Q3 2021, reflecting a decrease for the third quarter in this expense of \$7,100. For the nine months ended September 30, 2022 remuneration and benefits trended higher at \$210,084 versus \$198,964 for the nine months ended September 30, 2021, a difference of \$11,120. There was no wage subsidy in 2022 hence the higher remuneration but included in this expense in 2021 are the Government of Canada Emergency Wage and Industrial Research Assistance Program subsidies to cover a portion of employees' wages and assist small and medium-sized enterprises where Canadian companies experienced decreased revenue during the Covid-19 pandemic. Other than that, staff responsibilities in 2022 we revised and redistributed to improve efficiencies in key functional areas, and accommodate the creation of inhouse content development for its online platform. The Company also utilizes contract workers where necessary
- The stock-based compensation charge in Q3 2022 was \$1,955. For the nine months period ended September 30 2022, \$11,255 (2021 - \$84,321) was recognized as stock-based compensation. This is a non-cash expense and represents the fair value of stock options granted and outstanding using the Black Scholes calculation. Under IFRS, the expense is recognized as the options vest each quarter with a larger proportion of the expense recognized in earlier quarters. In the nine months of 2022, there was a reversal of \$85,964 from share options reserves to deficit for 1,450,000 share options that had expired, unexercised and were cancelled. For the nine months period 2021, \$5,627 was reversed from share options reserve and credited to share capital for 75,000 share options that had been exercised at \$0.075. Also in the nine months of 2021, there was a reversal of \$47,889 from share options reserves to deficit for 1,147,500 share options that had expired, unexercised and were cancelled.
- Professional and consulting fees for Q3 2022 were \$33,725 versus \$10,813 in Q3 2021, increase of \$22,912 For the nine months ended September 30, 2022 professional and consulting fees was \$115,307 versus \$54,677 for the nine months ended September 30, 2021. The increase of \$60,630 in this expense was partly related to consulting services related to the Transaction. The Company regularly engages independent professional firms for corporate finance, audit and accounting services that includes services for audit, business consulting, bookkeeping, and business development and operations, research & development for services related to design and sourcing of new and existing raw materials, sales and marketing for services related to the development of programs and development of sales and marketing assets and investor relations

for services related to the dissemination of the Company's information and the communication with shareholders. We also regularly engaged legal counsel for intellectual property matters, securities regulatory matters, employment law and general commercial matters.

- Product promotion, trade shows and travel were nil for Q3 2022 versus \$110 in Q3 2021. For the nine months ended September 30, 2022 product promotion, trade shows and travel were nil versus \$1,111 for the nine months ended September 30, 2021. The decrease in product promotion in 2022 compared to 2021 was no funds were spent on digital advertising in 2022, versus the spending on digital advertising in 2021 on different social media platforms to promote the sale of PPEs.
- Rent and utilities expense was \$604 in Q3 2022 versus \$1,411 in 2021. For the nine months ended September 30 2022, rent and utilities were \$3,151 versus \$4,259 for the period ended September 30 2021. This presentation of the lease expense in 2022 reflects the implementation and guidance of applying the modified retrospective method in terms of IFRS 16 to the office lease expense. IFRS 16 establishes the recognition, measurement, presentation and disclosure of all leases (Note 14). As a result, the right-of-use asset has been capitalized for the office lease and will be amortized over the term of the rental agreement. Lease liabilities were discounted at the discount rate of 5% as at January 1st, 2019. As at January 1, 2022 the Company modified its rental agreement, reducing its lease space and exercising its option on the lease term and therefore adjusted the right-of-use asset and the corresponding liability for its office lease. This modification resulted in a loss of \$5,729. Amortization of \$8,602 and interest expense of \$860 are included in expenses For the nine months ended September 30 2022, amortization of \$25,806 and interest expense of \$2,580 are included in expenses. The Delta office is leased from a director and is situated in an area designed for better logistics and the layout of the premises is designed for greater work flow and productivity for both production of the 3D printers and the open design improves collaboration.
- Interest Expense and Accretion Expense was \$28,224 in Q3 2022 versus \$32,409 in Q3 2021. Accretion expense of \$24,647 was recognized in Q3 2022. This is a periodic expense to recognize and update the present value of the promissory notes and the CEBA loan obligation on the balance sheet as at the end of September 30, 2022 and is a non-cash charge.

LIQUIDITY

As at September 30, 2022, the Company had working capital deficit of \$548,740 compared to working capital deficit of \$495,823 at September 30, 2021 (December 31, 2021 – \$697,128). The change at the end of last fiscal was due to an agreement with the employees and directors to postpone salaries accrued to long term debt (Note 16). Our cash position was a balance of \$2,548 at the end of Q3 2022 compared to a balance of \$46,447 at September 30, 2021 (bank balance as at December 31, 2021 – \$14,469).

At the end of the third quarter of 2022 the Company's investment in inventory was \$67,977 with finished goods being \$5,027 and raw material being \$62,950 compared to \$72,217 at December 31, 2021 with inventory of finished goods being \$13,807 and raw materials of \$58,410. The prepaid and deposits were \$18,374 at September 30, 2022 versus \$10,898 at December 31, 2021. These payments are pre-payments and deposits to overseas and local suppliers for parts purchases.

At the time of release of this MD&A, the Company's bank balance of \$43,144 and management believes the Company will require an injection of capital to ensure adequate operating working capital. On February 28th 2020 the Company arranged an interim short-term loan of \$90,000 at an interest rate of 12% pa through friends and family, to continue a steady expansion of its business over the coming months, and as at September 30, 2022, a balance of \$75,000 and to the date of this MD&A, the balance is still outstanding. While we are funding the cash deficit position by managing our payments to suppliers, forecasted sales, and postponement of staff salaries, we believe in order to continue our existing operations, the Company will be required to raise additional funding. In addition, any unforeseen downturn in sales or, alternatively, pursuit of a more aggressive growth strategy would necessitate additional equity investment, debt or promissory note. The Company had signed a definitive agreement on March 15, 2022 with Electrum Charging Solutions that is discussed later in this report under "Proposed Transaction". On execution of the definitive agreement on March 15 2022, it was agreed that Electrum Charging Solutions will make available to the Company an unsecured bridge loan of cumulative advances of up to \$100,000 to pay expenses of the Company, due and payable in the ordinary course of keeping the Company compliant with the requirements of the regulators and convertible into Tinkerine Studio common shares subject to TSX-V approval. As at September 30, 2022 \$100,000 has been received by the Company

CAPITAL RESOURCES

As at September 30, 2022, the Company's share capital was \$4,382,373 representing 49,675,849 issued and outstanding common shares without par value. There were no new issues of common stock for the first nine months of 2022. For the nine months period ended September 30 2021, the Company issued 75,000 common shares to employees on the exercise of the stock options at \$0.075. Reserves, for the nine months period in 2022, represents the fair value of stock options outstanding and vested and warrants issued and is recorded at \$289,955 (2021- \$378,930), Reserves was credited by \$11,255 (2021 - \$84,321) for the recognition of the stock-based compensation for the share options granted and the reversal of \$85,964 (2021 - \$88,392) for the share options cancelled during the nine months. Management believes current cash resources are likely insufficient to fund its business plan over the next twelve months and therefore intend to raise additional capital through a private placement in the future as further capital injection.

As at September 30, 2022 the Company has 5,575,000 stock options outstanding with a weighted average exercise price of \$0.118 and an average remaining term of 2.69 years. On October 19 2021, 1,130,000 stock options with an exercise price of \$0.07 was granted to directors and officers of the Company (Note 11)

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements as at September 30, 2022 and to the date of this MD&A.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

On February 17, 2022 a total of \$542,491 promissory notes was issued and extended to May 17, 2023 on the same terms and conditions as the original agreement (Note 16). On December 5 2020, the Company entered into an agreement with employees and directors to settle wages payable to them. Under the agreement, the Company may, subject to TSX Venture Exchange approval, settle the wages payable with common shares without par value, payable in cash or a combination of the aforementioned, no earlier than February 16, 2022. The total amount of wages payable under this agreement was \$599,087

The Company does not have any other instruments as at September 30, 2022 and to the date of this MD&A.

OUTSTANDING SHARE INFORMATION

The Company's authorized capital is unlimited common shares without par value. As at November 23, 2022, the following common shares and share options. There were no share purchase warrants were outstanding as at September 30, 2022 and December 31, 2021:

As as November 23, 2022	Number of issued and outstanding
Common Shares	49,675,849
Stock Options	5,575,000
Total Shares - Fully diluted	55,250,849

TRANSACTIONS WITH RELATED PARTIES

Included in trade payables at September 30, 2022 are amounts due in the normal course of business to officers and directors that are related parties as follows; total amount due is \$51,280 (December 31, 2021 - \$13,923). Balances due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment

Key management personnel compensation

During the nine months ended September 30, 2022 for the officers of the Company, compensation of key management personnel as remuneration, fees was \$178,500 versus December 31, 2021, \$150,000. Stock-based compensation attributable to options held by directors and officers in the nine months ended September 30, 2022 was \$8,480 (December 31, 2021 - \$48,185).

Officers and directors

The following individuals were elected directors at the November 25, 2021 AGM and continue to the date of this MD&A. Their officer positions are also set out below. With regards to changes in management, Bob Longo resigned as a director in January 2022.

- Eugene Suyu -- Chief Executive Officer, President and Director
- Justin Sy – Director and CTO
- Todd Blatt -- Director
- Chris Lee – CFO

PROPOSED TRANSACTION

The Company has announced that it has entered into a Definitive Agreement (“DA”) dated March 15, 2022 with respect to a potential business combination (the “Transaction”) with Electrum Charging Solutions Inc., an arm’s length third party (“Target”, “Electrum” or “ECS”), which would result in a reverse-takeover (“RTO”) of the Company by shareholders of Electrum. The RTO is expected to be completed by way of triangular amalgamation, result in the Target becoming a wholly-owned subsidiary of Company (the “Resulting Issuer”). The Resulting Issuer will carry on the business previously executed by Electrum upon completion of the RTO. The Definitive Agreement was due to expire on September 30, 2022 but has been extended to March 30, 2023

The DA is subject to the receipt of all necessary third-party approvals and the standard terms and conditions concerning the due diligence review of Target, including financial statements, potential liabilities and material contracts. The DA further contemplates that all of the common shares in the capital of Target will be exchanged for common shares of Company at a ratio resulting in the shareholders of Target, owning approximately 95% of the Resulting Issuer and the shareholders of Company owning approximately 5% of the Resulting Issuer on an undiluted basis, not including any shares to be issued pursuant to the private placement financing discussed below. The RTO does not constitute a non-arm’s length transaction.

It is contemplated that various employees of TTD will continue to be employed by ECS.

CHANGES IN ACCOUNTING POLICIES

The preparation of the condensed interim financial statements and related MD&A have been prepared in conformity with IFRS requires estimates and assumptions that affect the amounts reported in these financial statements. Accounting policies for these condensed financial statements have been prepared consistent with those applied and disclosed in the Company’s annual audited financial statements.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A on November 23, 2022

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

The MD&A contains forward-looking statements and forward-looking information (collectively, “forward-looking statements”) within the meaning of applicable Canadian and US securities legislation. These statements relate to future events or the future activities or performance of the Company. All statements, other than statements of historical fact are forward-looking statements. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. These forward looking statements include, but are not limited to, statements concerning:

- the Company's strategies and objectives, both generally and in respect of its existing business and planned business operations;
- the Company's plan to grow sales and expand its distribution network;
- the Company's future cash requirements;
- general business and economic conditions;
- the Company's ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations; and,
- the timing, pricing, completion, regulatory approval of proposed financings if applicable.

Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Inherent in forward looking statements are risks and uncertainties beyond the Company's ability to predict or control, including, but not limited to, risks related to the Company's ability to raise the necessary capital or to be fully able to implement its business strategies, and other risks identified herein under “Risk Factors”.

The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results are likely to differ, and may differ materially, from those expressed or implied by forward looking statements contained in this report. Such statements are based on a number of assumptions, which may prove incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- conditions in the financial markets generally, and with respect to the prospects for small capitalization commercial/technology companies specifically;
- the Company's ability to roll out its business plan which includes new product launches and associated planning in production, sales, distribution and marketing;
- the Company's ability to secure and retain employees and contractors to carry out its business plans;

These forward-looking statements are made as of the date hereof and the Company does not intend and does not assume any obligation, to update these forward-looking statements, except as required by applicable law. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations.

BUSINESS RISK FACTORS

Each of the following factors could have a material adverse effect on the Company's financial condition and results of operations.

3D Printing Industry: The Company operates in the desktop market (alternatively described as the consumer segment) of the 3D printing industry. The desktop market has existed since 2008. Although projected to grow at a high rate, this segment can be viewed as being an early adopter stage market. The ability for the Company to successfully negotiate this market represents a substantial risk

New Product Launch The Company last year announced the launch of its online modular skills development platform and Tinkerine cloud program. Users can discover and learn 3D printing and skills with Tinkerine. The program is

designed with a number of different users in mind including; 1) students seeking to develop 21st century skills through hands-on learning in their school programs, 2) entrepreneurs seeking a cost efficient prototype and seeking to test their design ideas, 3) small businesses seeking to launch new products or create small scale production runs and lastly 4) makers who seek to apply advance manufacturing to enhance their joy and upgrade their skills for their maker projects. All these user types can also explore Tinkerine's 3D printing courses in video at one's own pace. Tinkerine now provides a singular platform to skill up these individuals and businesses with 21st century tools needed to compete in a fast-paced world together with a powerful workflow system to optimize additive manufacturing. In addition, 3D printing has an array of applications across many industries and is critical in the ability of businesses to be agile and innovative in today's manufacturing uncertainty which makes 3D printing a highly desirable and competitive centric technology. Tinkerine's expansion into 3D content development, and the 3D suite of products that the Company is developing will provide the 3D knowledge baseline required by individuals and companies that are seeking manufacturing alternatives closer to their market using advance additive manufacturing. Although there is a need for 3D education in the 3D printer market, and has potential to grow at a high rate there remains significant risk that this platform will require time for adoption and therefore will require a significant investment to ensure its successful implementation

Dependence upon key personnel: The success of the Company's operations will also depend upon its ability to attract and retain talented and qualified personnel. The Company currently has a small management team, several of which can be considered key to expanding the Company's business operation, the loss of which would likely be detrimental to the Company.

Competition: The desktop market of the 3D printing industry is competitive with several direct competitors having much greater financial resources than the Company and operating experience. Furthermore, the desktop market is undergoing a period of rapid innovation with many of the participants striving to improve the technology and the flexibility of the products. These factors combine to make the competitive environment a substantial risk.

Financing risks: The Company's existing financial resources have come from the issue of equity and, may be viewed as limited. Further the Company has negative operating cash flow and a cash balance of \$2,548 as at September 30, 2022. Therefore, without growth in operating cash flow the Company will require further equity capital injection(s) to sustain itself. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable.

Dilution to the Company's existing shareholders: Any future equity issues may be dilutive to present and prospective holders of common shares.

Regulatory requirements: The activities of the Company are subject to regulations governing various matters, including but not limited to standards and certifications for electronic devices, employment standards for employees engaged in manufacturing and assembly, export and import regulations and duties, and sales and goods and service tax compliance. While the Company endeavours to remain compliant in all such aspect, the inability to do so could have an adverse effect on its ability to continue to operate.

Foreign currency risk: The Company's functional and reporting currency is the Canadian dollar. The Company incurs foreign currency risk on purchases that are denominated in a currency other than the functional currency of the Company, which will have an impact on the profitability of the Company and may also affect the value of the Company's assets, liabilities and the amount of equity. The Company's main risks are associated with fluctuations in the US dollar as a substantial portion of its parts and materials purchases are denominated in US dollars and a portion of its sales are denominated in US dollars. The Company does not enter into any foreign exchange hedging contracts.

The COVID-19 outbreak and its effect on the Company's business: In an effort to contain and mitigate the spread of COVID-19, many countries including, Canada, have imposed unprecedented restrictions on travel, and there have been business closures and a substantial reduction in economic activity in countries that have had significant outbreaks of COVID-19. While some restrictions have been lifted the lingering effect of the spread of COVID 19 in particular, the current spike in the spread of COVID 19 on the Company's business may be impacted, specifically, disruptions in the Company's supply chain, including disruptions from the Company's suppliers, as a result of industry closures relating to containment of COVID-19 and may result in the declaration by the Company's suppliers of force majeure, which may result in the Company's inability to complete orders in accordance with the agreed order schedule. In addition, the Company's customers may determine to delay their decisions in connection with new orders as they assess the impact of COVID-19 on their businesses. It is currently not possible to predict how long the pandemic will last or the time that it will take for economic activity to return to prior levels. The COVID-19 pandemic has resulted in significant financial market volatility and uncertainty over the past months. A continuation or worsening of the levels of market disruption and volatility seen in the recent past could have an adverse effect on the Company's ability to access capital, business, results of operations and financial condition, and on the market price of the Common Shares. The extent of this potential disruption on the Company's business cannot be assessed as the full extent of the pandemic and its full impact on the global economy cannot be predicted.

The Company's markets are exposed to recessionary risk: A Canadian or global recession may result in lost or delayed sales orders, as many of the Company's existing and targeted customers may cut back their proposed capital spending in the face of economic uncertainty. This would impact the ability of the Company to grow its business and, as a result, sales orders may be lower than expected. Any decrease in sales would negatively impact the Company's cash flows and other financial results.

<p>REGISTERED OFFICE</p> <p>1500-1055 West Georgia Street Vancouver, British Columbia, Canada V6E 4N7</p> <p>HEAD OFFICE and OPERATIONS</p> <p>Tinkerine Studios Ltd. 113A-8725 92nd Street Delta, British Columbia, Canada V4G 0A4</p> <p>OFFICERS & DIRECTORS</p> <p>Eugene Suyu <i>Director and CEO</i></p> <p>Justin Sy <i>Director and CTO</i></p> <p>Todd Blatt <i>Director</i></p> <p>Chris Lee <i>CFO</i></p>	<p>LISTINGS</p> <p>TSX Venture Exchange: TTD.V OTC Pink: TKSTF</p> <p>CAPITALIZATION (as at November 23, 2022)</p> <p>Shares Issued: 49,675,849</p> <p>TRANSFER AGENT Computershare 3rd Floor, 510 Burrard Street Vancouver, British Columbia V6C 3B9</p> <p>AUDITOR Dale Matheson Carr-Hilton LaBonte LLP 1500 – 1140 West Pender Street Vancouver, British Columbia V6E 4G1</p> <p>LEGAL COUNSEL McMillan LLP Royal Centre 1500-1055 West Georgia Street Vancouver, British Columbia V6E 4N7</p>
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