FIRST RESPONDER TECHNOLOGIES INC.

Management's Discussion and Analysis
For the three months ended September 30, 2019

Prepared as of November 27, 2019

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The following management's discussion and analysis ("MD&A") has been prepared by Management. The following discussion of performance, financial condition and future prospects should be read in conjunction with the audited annual financial statements for the year ended June 30, 2019 and the unaudited condensed interim financial statements for the three months ended September 30, 2019 and notes thereto of First Responder Technologies Inc. ("First Responder" or the "Company"). The information provided herein supplements but does not form part of the financial statements. This discussion covers the three months ended September 30, 2019 and the subsequent period up to the date of issue of this MD&A. Unless otherwise noted, all dollar amounts are stated in Canadian dollars.

The Company's audited annual financial statements for the year ended June 30, 2019 and unaudited condensed interim financial statements for the three months ended September 30, 2019, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

This MD&A is intended to help the reader understand First Responder, its operations, financial performance, current and future business environment and opportunities and risks facing the Company. Certain statements in this report incorporate forward looking information and readers are advised to review the cautionary note regarding such statements in Appendix 1 of this MD&A.

Description of Business and Overview

First Responder was incorporated under the *BC Business Corporations Act* on January 27, 2017. The Company has not commenced commercial operations. At present, the Company has no current operating income. Without additional financing, the Company may not be able to fund its ongoing operations and complete its development activities. 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 favourable terms. These uncertainties may cast significant doubt on the Company's ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations.

General Development of the Business

On November 19, 2019, The Company filed its final long-form prospectus with the securities regulatory authorities in the Provinces of Ontario, Alberta and British Columbia and with the Canadian Securities Exchange (the "CSE"), offering a minimum of 10,000,000 Units and a maximum of 20,000,000 Units at $0.35 per Unit as an initial public offering (the "Offering"). Each unit consists of one common share and one-half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one common share of the Company at $0.50 per share for a period of 24 months from the completion of the Offering. Pursuant to an Agency Agreement between the Company and PI Financial Corp. (the "Agent"), the Agent will receive a cash commission equal to 8% of the gross proceeds, be paid a corporate finance fee of $25,000, be reimbursed for reasonable expenses, and will be granted non-transferable agent warrants equal to 8% of the Units sold in the Offering to purchase common shares at a price of $0.50 per common share, exercisable for a period of 24 months from the date the common shares commence trading on the CSE. The Agent will also be reimbursed by the Company for the Agent's expenses, including legal fees, incurred pursuant to the Offering.

General Description of the Business

The Company is a technology development company that commercializes academic and internally developed intellectual property for the purpose of developing new products for use in the public safety market.

The Company has two areas of product development focus:

(i) Detection – which involves commercializing a new threat detection technology based on academic research developed by Rutgers, The State University of New Jersey ("Rutgers"), and ongoing research and development efforts by its in-house and outsourced development team; and

(ii) Response – which involves commercializing a less harmful pepper spray and antidote developed by the National Institutes of Health ("NIH").

The principal business of the Company is the development of detection products and services by commercializing WiFi technology developed by Rutgers that can be used to detect dangerous concealed weapons. In the Company's view, WiFi-based threat detection technology may be utilized by a wide range of industries to not only make their premises secure but also reduce their cost of security detection.

The Company will in part be relying on a patent application which forms the basis of the Rutgers Technology, and also plans to file for additional patent protection in the future in the ordinary course of business for its Detection line of business.

The secondary business of the Company is to develop and sell its patented short acting pepper spray product, as well as a separate first aid treatment product, to both the police and military market and emergency response markets globally. The Company has various distribution options, which include, for example: (i) direct sales through a future sales force hired by the Company, to the police, military and emergency response markets; or (ii) indirect sales through reseller channel partners who serve the same market. The Company intends to engage in either the direct manufacturing of its products to develop its own brand, or to license its formulations to existing global brands, as available. In addition, it may also white label the products in order to serve the maximum number of global brands possible, or a combination of all of the above.

Business Objectives and Milestones

Detection Line of Business

The Company maintains the following business objectives for its Detection line of business:

1. to develop a prototype for its Detection line of business, and to begin alpha testing the prototype with first responders at the local, state/provincial and federal levels; systems integrators and wholesalers; and telecommunications partners, within seven months after completion of the Company's Offering;
2. to develop and release a version alpha minimum viable Detection product ("MVP") and recognize the Company's first revenue within 12 months after completion of the Offering;
3. to develop and release a beta detection product, which can be deployed on a small scale, and begin generating both antenna and service revenue within 18 months after completion of the Offering; and

4. to develop and release a version 1.0 product, which the Company expects will be the basis for a sustainable business model within 24 months after completion of the Offering.

Development of the MVP

The Company's primary use of proceeds from the Offering will be to accelerate its current Detection product offering.

On May 2, 2019, the Company entered into a professional services agreement with MistyWest Energy and Transport Ltd. ("Misty West"), a Vancouver, BC based high technology product development firm, pursuant to which MistyWest agreed to provide product development services to the Company for a period of approximately 22 weeks.

On October 16, 2019, the Company entered into a second professional services agreement with MistyWest pursuant to which MistyWest agreed to provide product development services to the Company for a period of approximately 6 weeks.

A rotating team of between three and four full time equivalent ("FTE") engineers are working to develop the Company's detection MVP at MistyWest, led by Principal Scientist, Dr. Kevin Robbie, who holds a BSc degree in Engineering Physics, and a PhD degree in electrical and computer engineering, and formerly served as a professor at Queen's University in Kingston, ON. The FTE's on the Misty West team developing the Company's MVP, hold advanced degrees in mathematics, physics and computer science.

In addition to development costs expended at MistyWest, the Company has engaged Rutgers University to complete further research and development for the Company's detection MVP pursuant to the terms of a sponsored research agreement, effective as of September 15, 2019 (the "Rutgers SRA"). The Company has also engaged Rutgers' Dr. Yingying (Jennifer) Chen and Temple University's Dr. Yan Wang, co-inventors of the Company's WiFi-based threat detection technology, and Dr. Steve Dipaola, an expert on artificial intelligence at Simon Fraser University in Surrey, BC to act as technology advisors. Each is called upon to solve specific engineering problems and tasks.

The development of an MVP version of the Company's WiFi-based threat detection technology is anticipated to be the Company's first, significant business deliverable.

Market Development Costs

Currently, the Company's primary outsourced marketing firm, Blink Ventures, based in Vancouver, BC, develops and manages the Corporate Website, creative design, corporate communications, video, industry trade show and event management, and customer relationship management. Blink Ventures has assigned approximately three to four FTE's to the Company's business and provides the Company with those functions normally provided by an in-house Chief Marketing Officer, on an outsourced basis.

Stage of Development

The Company's WiFi-based threat detection products are currently in the research and development stage. The Company has not currently developed a working prototype for its products and there is no guarantee the Company will be able to develop such working prototype.

No market for the Company's detection product may materialize, or the Company's research and development efforts may not be successful. A full-featured general WiFi-based threat detection product may thus not be scientifically or commercially viable. In such a scenario, the Company may require a pivot of the business.

Response Line of Business

The Company maintains the following business objectives for its Response line of business:

1. to complete animal testing for the Company's short acting pepper spray products within twelve months after completion of the Offering;
2. To generate its first revenue from the Company's short acting pepper spray products within 24 months after completion of the Offering.

The Company has secured statements of work with Charles River Laboratories Inc. ("Charles River") for the testing and development its Capsaicin Antagonist Formula (the "Charles River SOW"). Charles River is an American corporation specializing in a variety of preclinical and clinical laboratory services for the pharmaceutical, medical device and biotechnology industries. Pursuant to the terms of the Charles River SOW, Charles River is conducting a study titled "A GLP Acute Irritation Study of Capsazepine by Ocular Administration in Rabbits", which examines the effects of the Capsaicin Antagonist Formula on rabbits in a laboratory setting in Charles Rivers' Spencerville, Ohio testing facilities. By measuring corneal opacity, iris lesion, conjunctival redness and conjunctival edema, the study examines the levels of ocular irritation after exposure to the Capsaicin Antagonist Formula.

Stage of Development

The Company's pepper spray products are currently in the research and development stage. The Company anticipates outsourcing all research and development efforts for the pepper spray product. The Company's investment in research and development over the next 12-24 months will be minimal and limited largely to maintaining the terms of the NIH License. As the Response line of business is the Company's secondary line of business, the Company anticipates that the Company's Detection line of business will command the largest share of the Company's research and development activities and budget over the next 24 months. It is possible that the Company may not bring a short acting pepper spray product to market in the 24 months following the Offering, as development funds the Company anticipates it may spend on the development of its Response line of business may be diverted to the Company's Detection line of business in order to meet the Company's business objectives and milestones for its Detection line of business.

Summary of Business Objectives for the Next 12 Months Following the Offering

The Company anticipates expending funds in product development costs (its Detection line of business and Response lines of business) and on market development costs, for the next 12 months following the Offering in order to achieve the following Business Objectives and Milestones:

1. bring an alpha MVP Detection product to market within 12 months after completion of the Offering;
2. complete animal testing on the Response product within 12 months after completion of the Offering; and
3. generate the Company's first revenue from its Detection product from alpha test customers.

If the Company is successful in meeting its business objectives and milestones in the 12 months following the completion of IPO, the Company anticipates it will be well positioned to release a version 1.0 product, and successfully capture its first significant, sustainable revenue for its Detection business in the 24 months following the completion of the IPO, while in parallel realizing its first revenue from its secondary Response business during the same timeframe.

Trends

Management is not aware of any trend, commitments, events or uncertainties that could reasonably be expected to have a material adverse effect on the Company's business, financial condition or results of operations.

Financial Results of Operations

Selected Financial Information

Quarterly Financial Results

The following selected financial data is derived from the financial statements prepared in accordance with IFRS:

Quarter ended	Sep 30, 2019[(3)]	Jun 30, 2019[(2)]	Mar 31, 2019[(1)]	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017
Cash	$1,859,219	$1,216,210	$1,129,726	348,641	$430,130	$440,565	$53,000	$1
Net loss	$961,213	$173,439	$195,795	$75,666	$76,051	$45,866	$nil	$nil
Shares outstanding	40,955,210	33,967,600	19,605,100	9,810,100	9,810,100	100	100	100
Loss per share	$0.03	$0.01	$0.01	$0.01	$0.01	$458	$nil	$nil

(1) The increase of shares outstanding to 19,605,100 for the quarter ended March 31, 2019, was mainly due to the issuance of 10,000,000 shares of the Company to Bullrun Capital for the NIH License Assignment Agreement. The increase of cash to $1,129,726 for the quarter ended March 31, 2019 was mainly due to subscriptions received in anticipation of private placements completed in April, May and August 2019.

(2) The increase of shares outstanding to 33,967,600 for the quarter ended June 30, 2019, was mainly due to the issuance of 10,675,000 shares of the Company to Bullrun Capital for the Rutgers License Assignment Agreement.

(3) The increase of shares outstanding to 40,955,210 and cash to $1.859.219 for the quarter ended September 30, 2019, was mainly due to the issuance of 6,977,610 shares from the Company's private placement completed on August 9, 2019. The net loss of $961,213 for the quarter ended September 30, 2019, was mainly due to advertising and promotion expenses, advisory fees, amortization, investor relations expense, management fees, regulatory filing fees, research and development costs, stock based compensation and travel.

Results of Operations

Three months ended September 30, 2019 and 2018

The Company incurred a net loss of $961,213 for the three months ended September 30, 2019 compared to a net of loss of $76,051 for the comparable period in 2018. The loss in 2019 can be attributed mainly to advertising and promotion expenses, advisory fees, amortization, investor relations expense, management fees, regulatory filing fees, research and development costs, stock based compensation and travel.

For the three months ended September 30, 2019, the Company incurred advertising and promotion expenses of $134,872 compared to $nil for the comparable period in 2018. Expenses in 2019 were mostly due to costs associated with developing a market for the Company's products and services.

For the three months ended September 30, 2019, the Company incurred advisory fees of $56,555 compared to $nil for the comparable period in 2018. Expenses in 2019 were associated with the addition of advisors to assist in the strategic development of the Company.

For the three months ended September 30, 2019, the Company incurred investor relations expenses of $63,830 compared to $nil for the comparable period in 2018. Expenses in 2019 were associated with increased activity to promote existing and potential investment in the Company.

For the three months ended September 30, 2019, the Company incurred management fees of $166,109 compared to $57,999 for the comparable period in 2018. Expenses incurred in 2019 were for fees accrued or paid to related parties of the Company for additional time spent on the operations of the Company compared to 2018.

For the three months ended September 30, 2019, the Company incurred regulatory filing fees of $15,169 compared to $nil for the comparable period in 2018. Expenses in 2019 were for costs associated with the Company's Offering.

For the three months ended September 30, 2019, the Company incurred research and development costs of $366,912 compared to $nil for the comparable period in 2018. Expenses incurred in 2019 were for costs associated with initiating the development of the Company's pepper spray and detection products and services.

For the three months ended September 30, 2019, the Company incurred stock based compensation of $51,270 compared to $nil for the comparable period in 2018. Expenses incurred in 2019 were associated with the granting of stock options to certain officers of the Company.

Liquidity and Capital Resources

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 maintain sufficient readily available reserves in order to meet its liquidity requirements.
At September 30, 2019 the Company had working capital(1) of $1,524,353 (June 30, 2019 – $814,186) which included cash of $1,859,219 (June 30, 2019 – $1,216,210) available to meet short-term business requirements and liabilities of $852,986 (June 30, 2019 – $625,093). The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company has no long term debt. Included in the Company's short-term business liabilities is an obligation to issue shares. On November 19, 2019, The Company filed its final long-form prospectus offering a minimum of 10,000,000 Units and a maximum of 20,000,000 Units at $0.35 per Unit as an initial public offering – see below. As such, the Company determined that it is likely the initial public offering will be completed and recorded an obligation to issue shares of $316,220 which was capitalized to intangible assets. This amount was determined based on an estimated 6,324,401 common shares with a fair value of $0.05 per share to be issued to Rutgers, representing 10% of the estimated shares outstanding on a fully-diluted basis following the minimum expected initial public offering.

(1) Non-GAAP Financial Measure:
The Company uses "working capital" to assess liquidity and general financial strength and is calculated as current assets less current liabilities. Working capital does not have any standardized meaning prescribed by IFRS and is referred to as a "Non-GAAP Financial Measure." It is unlikely for Non-GAAP Financial Measures to be comparable to similar measures presented by other companies. Working capital is calculated as current assets (September 30, 2019 – $2,377,339; June 30, 2019 – $1,439,279), less current liabilities (September 30, 2019 – $852,986; June 30, 2019 – $625,093).

<u>Three months ended September 30, 2018</u>

On July 5, 2018, the Company completed the first tranche of a non-brokered private placement financing (the "July 2018 Private Placement") raising aggregate gross proceeds of $460,250 through the issuance of 9,205,000 common shares at $0.05 per share.

On July 24, 2018, the Company completed the second tranche of the July 2018 Private Placement raising aggregate gross proceeds of $30,250 through the issuance of 605,000 common shares at $0.05 per share. Associated with the July 2018 Private Placement, the Company incurred share issue costs of $23,075.

<u>Three months ended September 30, 2019</u>

On August 9, 2019, the Company completed a non-brokered private placement of 6,977,610 units at a price of $0.35 per unit for gross proceeds of $2,442,164. Each unit consists of one common share and one half common share purchase warrant entitling the holder to purchase one additional common share at an exercise price of $0.50 per common share for a full warrant for two years from the date of issue.

At present, the Company has no current operating income. The Company's resources are currently focused on completing its Offering. There is no assurance that the Company will be able to complete its Offering at all or on favourable terms. Without funding from its Offering, the Company may not be able to fund its current operations and development activities.

Without funding from additional financing, the Company may not be able to fund its ongoing operations and complete development activities. 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 favourable terms. These uncertainties cast significant doubt on the Company's ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain current and ongoing operations.

Outstanding Share Data

As at September 30, 2019 and the date of this MD&A, the Company had 40,955,210 common shares issued and outstanding, 3,488,802 warrants outstanding and 3,000,000 option outstanding.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements.

Transactions with Related Parties

The Company's related parties consist of key management personnel and companies owned directly or indirectly by key management personnel.

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers.

During the three months ended September 30, 2019, the Company paid or accrued management fees of $121,109 (2018 – $21,999) to key management personnel of the Company.

During the three months ended September 30, 2019, the Company paid or accrued management fees of $45,000 (2018 – $36,000) to companies owned directly or indirectly by key management personnel of the Company.

As at September 30, 2019, accounts payable and accrued liabilities includes $15,750 (June 30, 2019 – $3,500) payable to key management personnel and companies owned directly or indirectly by key management personnel.

Amounts due to related parties included in accounts payable and accrued liabilities are unsecured, non-interest-bearing and are without fixed terms of repayment.

Financial Instruments

The Company's financial instruments as at September 30, 2019 include cash and accounts payable and accrued liabilities.

The Company's financial assets and financial liabilities are classified and measured as follows:

Financial instrument	Category
Cash	Fair value through profit or loss
Accounts payable and accrued liabilities	Amortized cost

The carrying values of financial assets and liabilities approximate their fair values due to the short-term maturity of these financial instruments.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(a) 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. Credit risk for the Company is associated with its cash. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.

(b) Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company is not exposed to significant liquidity risk.

As at September 30, 2019, the Company had a cash balance of $1,859,219 (June 30, 2019 – $1,216,210) available to apply against short-term business requirements and current liabilities of $852,986 (June 30, 2019 – $625,093). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of September 30, 2019.

(c) Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is not exposed to significant market risk.

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 judgements and have been properly reflected in the accompanying financial statements.

November 27, 2019

On behalf of Management and the Board of Directors,

"Robert Delamar"
Chief Executive Officer and Director

APPENDIX 1

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this MD&A that are not based on historical facts constitute forward-looking information, as defined in securities laws. Forward-looking information is not a promise or guarantee of future performance but is only a prediction that relates to future events, conditions or circumstances or the Company's future results, performance, achievements or developments and is subject to substantial known and unknown risks, assumptions, uncertainties and other factors that could cause the Company's actual results, performance, achievements or developments in its business or industry to differ materially from those expressed, anticipated or implied by such forward-looking information. Forward-looking statements in this MD&A include all disclosure regarding possible events, conditions, circumstances or results of operations that are based on assumptions about future economic conditions, courses of action and other future events. Readers are cautioned not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. These forward-looking statements appear in a number of different places in this MD&A and can be identified by words such as "may", "estimates", "projects", "expects", "intends", "believes", "plans", "anticipates", "continue", "growing", "expanding", or their negatives or other comparable words. Forward-looking statements include statements regarding the outlook for the Company's future operations, plans and timing for the introduction or enhancement of its services and products, statements concerning strategies or developments, statements about future market conditions, supply conditions, end customer demand conditions, channel inventory and sell through, revenue, gross margin, operating expenses, profits, forecasts of future costs and expenditures, and other expectations, intentions and plans that are not historical fact. The forward looking statements in this MD&A are based on certain factors and assumptions regarding expected growth, results of operations, performance and business prospects and opportunities. Specifically, management has assumed that the Company's performance will meet management's internal projections. While management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. The risk factors and uncertainties that may affect the Company's actual results, performance, achievements or developments are many and include the matters described in Appendix 1. Consequently, all forward-looking statements in this report are qualified by this cautionary statement and the Company cannot assure investors that actual results, performance, achievements or developments that the Company anticipates will be realized. Forward-looking statements are based on management's current plans, estimates, projections, beliefs and opinions and the Company does not undertake any obligation to update forward-looking statements should the assumptions related to these plans, estimates, projections, beliefs and opinions change, except as required by law.