

TINKERINE STUDIOS LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended June 30, 2020



Ditto™ Pro & DittoPro-R 3D Printer

MANAGEMENT DISCUSSION AND ANALYSIS
FOR
Tinkerine Studios Ltd. (“the Company”)

Q2 Financial Highlights

	Six Months Ended June 30 2020	Six Months Ended June 30 2019	Q2 Ended June 30 2020	Q2 Ended June 30 2019	Q1 Ended Mar 31 2020	Q1 Ended Mar 31 2019
Revenue	\$ 195,741	\$ 267,062	\$ 154,896	\$ 215,200	\$ 40,845	\$ 51,862
Cost of Goods Sold	104,824	129,208	72,317	88,215	32,507	40,993
Gross Margin	90,917	137,855	82,579	126,986	8,338	10,869
EBITDA	(219,334)	(128,603)	(102,584)	(17,884)	(116,750)	(110,719)
Net Income (Loss)	(303,917)	(138,510)	(174,787)	(21,188)	(129,130)	(117,322)
Net Comprehensive Income (Loss)	(243,464)	(138,510)	(114,334)	(21,188)	(129,130)	(117,322)
Basic and Diluted income(loss) per share	0.00	0.00	0.00	0.00	0.00	0.00
Weighted average number of common shares						
Basic and Diluted	49,320,048	49,238,349	49,320,048	49,238,349	49,238,349	49,238,349

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

August 25, 2020

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 six months ended June 30, 2020. 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, 2019 audited financial statements and the accompanying notes which are available at www.sedar.com.

Background and Description of the Business

Tinkerine Studios Ltd is a Canadian-based, North America leader in design-centric 3D printing solutions.

Tinkerine designs, manufactures and distributes 3D printers in Canada and USA. The Company's product offerings are the DittoPro and DittoPro-R that are well priced in each segment of the market and are gaining a reputation for quality 3D printers and innovative, high quality educational support. In addition, the Company sells high grade filament for its printers and bundles an inhouse developed software package Tinkerine Suite for its 3D printer hardware.

As a result of the Covid-19 pandemic, the Company has put its design-centric approach and manufacturing capabilities to address the shortage in personal protective equipment (PPE) across North America. Tinkerine is bringing to the market a set of PPE products with a focus on best-in-class features and reusability.

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 Standard ("IFRS") and International Accounting Standard 34 – *Interim Financial Reporting*, in Canadian dollars.

Non-IFRS Measures

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, and losses. 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.

Q2 2020 Overview and Highlights

The Company's principal business is the design, manufacture and distribution of 3D printers, software and related online educational content. It is also the exclusive supplier of the filament that is used in the printer.

- Q2 2020 revenue is \$154,896 for the second 3 months of the year, versus Q2 2019 revenue of \$215,200 a decrease in revenue of 28% or \$60,304 compared to a year ago. The lower Q2 2020 revenue was the result of the slow down and uncertainty in school education channel in Canada as a result of Covid-19, compared

to last years' revenue in this channel. This sector historically represents a significant portion of the company's business in this quarter.

- Revenue for the first 6 months ended June 30, 2020 is \$195,741, down by 27% compared to revenue of \$267,062 for the six months ended June 30, 2019. In comparing the revenue for the first six months, all markets were impacted by the economic uncertainty caused by the Covid-19 pandemic.
- Geographic segmented revenue for the first six months of 2020 derived by area was Canada – \$191,346 and United States – \$4,395 versus geographic segmented sales in the first 6 months in 2019 of Canada – \$183,751, United States – \$83,311. Canadian sales improved by 4% due to the sales from personal protective equipment. However, our 2020 United States revenue compared to last year dropped by 95% year to date. We are expecting this market to improve in the third quarter. Tinkerine's education courses have been expanded from K-12, to the college and tertiary education market.
- The Company utilizes its Tinkerine U portal to offer it's 3D courses and 3D certification, that has been made available on-line for educators, students and professionals. In addition, the Company has used this portal for a large part of their sales and marketing initiatives. The Company's strategic focus is to build, expand and strengthen the demand for our Ditto™ Pro and DittoPro-R 3D printers with primary focus on the education market. Tinkerine started developing PPE in Q1 and through Q2 2020 in response to the Covid-19 pandemic, including the Tinkerine Face Shield Pro, Face Shield Lite, Ear relief, and TruSight Anti-fog Solution. Tinkerine has also announced that Face Shield X and Face Mask Clear are in development.
- The Canadian Emergency Business Loan of \$40,000 was received on April 17th 2020, and is an interest free loan provided by the Federal Government of Canada to Canadian companies to assist them through the Covid 19 pandemic. \$10,000 of the loan is forgiven if repaid by the end of 2022. The company also received the Innovation Assistance Program (IAP) grant, which provides a wage subsidy to technology company employers for a 12 week period that were affected by the Covid-19 pandemic. For each qualified employee, the program provided up to \$847 a week for 12 weeks, with the first payment of 80% received in May 2020 and the remaining 20% received in June 2020.

Q2 2020 EBITDA, earnings/loss before interest, taxes, depreciation, amortization, foreign exchange gains and losses and stock-based compensation increase to a deficit of \$102,584 in Q2 2020 compared to a deficit of \$17,884 in Q2 2019. EBITDA is a metric used to assess the financial performance of an entity and is a non - IFRS measure, and is calculated by Tinkerine on a consistent basis and may not be comparable to other companies.

The Company's net loss for Q2 2020 increased to a net loss of \$174,787 compared to the net loss of \$21,188 in Q2 2019, an increased Net Loss for the comparable period of \$153,599. This is attributable to the combination of lower sales in our United States market, and an increase in operating expenses. Our total cash expenses are higher by \$39,275 at \$185,163 in Q2 2020 versus \$145,888 in Q2 2019.

Summary of Quarterly Information

	Quarter ended:			
	"Q2 2020"	"Q1 2020"	"Q4 2019"	"Q3 2019"
	June 30 2020	March 31 2020	December 31 2019	September 30 2019
Revenue	\$154,896	\$40,845	\$39,446	\$127,854
Net Income (Loss)	(\$174,787)	(\$129,130)	(\$157,126)	(\$88,024)
Net Comprehensive Income (Loss)	(\$114,334)	(\$129,130)	(\$157,126)	(\$88,024)
Basic and Diluted Loss per share	(\$0)	(\$0)	(\$0)	(\$0)
Number of shares outstanding (w. avg.)	49,320,048	49,238,349	49,238,349	49,238,349
	Quarter ended:			
	"Q2 2019"	"Q1 2019"	"Q4 2018"	"Q3 2018"
	June 30 2019	March 31 2019	December 31 2018	September 30 2018
Revenue	\$215,200	\$51,862	\$151,170	\$88,991
Net Income (Loss)	(\$21,188)	(\$117,322)	(\$96,869)	(\$104,421)
Net Comprehensive Income (Loss)	(\$21,188)	(\$117,322)	(\$96,869)	(\$104,421)
Basic and Diluted Loss per share	(\$0)	(\$0)	(\$0)	(\$0)
Number of shares outstanding (w. avg.)	49,238,349	49,238,349	49,238,349	49,238,349

Q2 2020 Financial Highlights

- **Canadian sales revenue increased by 4% to \$191,346 in Q2 2020 from \$183,751 in Q2 2019**
- **Personal protective equipment represents 56% of Q2 2020 sales**
- **Expenses increased by 74% to \$257,366 in Q2 2020 from \$148,173 in Q2 2019.**
- **EBITDA increased to a deficit of \$102,584 in Q2 2020 compared to a deficit of \$17,884 in Q2 2019**
- **Working capital was a deficit of \$732,494 in Q2 2020 versus deficit of \$631,779 in Dec. 31, 2019.**
- **A net cash deficit position of \$129,930 from Operating Activities in Q2 2020 versus net cash position of \$45,333 in Q2 2019**

Detailed Discussion and Analysis of Operating Results for the Periods Ended June 30 2020 and June 30 2019

1. Revenue

Revenue for Q2 2020 was \$154,896 for the three months versus \$215,200 for the comparative period Q2 2019, a decrease of 28% in revenue year over year. For the six months period ended June 30, 2020, the revenue was \$195,741 versus \$267,062 in 2019, a decrease of 27% year to date, due primarily to the weaker first quarter and the impact of the Covid 19 pandemic.

For Q2 2020, revenue was represented by 33% hardware sales, 11% filament and 56% personal protective equipment/services/miscellaneous. Comparatively revenue for Q2 2019 was represented by 92% hardware sales, 5% filament and 3% services/miscellaneous. The Q2 2020 revenue by product reflects the addition of the personal protective equipment that the Company started selling at the end of March, whereas the Q2 2019 breakdown reflects the historical revenue breakdown by product with the largest contribution to sales being the hardware sales at 92%, whereas the impact of the pandemic on printer sales is clearly demonstrated by the low percentage of hardware sales in Q2 2020.

The number of 3D printers sold in Q2 2020 was 21 3D printers compared to 104 3D printers sold in the second quarter of 2019.

Filament Revenue for Q2 2020 is \$16,965 compared to \$10,630 in Q2 2019, which is an increase of 60% year over year. The Q2 2020 filament revenue is higher than the 2019 level and percentage that we had expected, which may be driven by more home type project being designed at home during the lock down.

PPE Revenue for Q2 2020 is \$86,741 which is made up of primarily of the Face Shield Pro and Face Shield Lite.

2. Gross Profit Margins

Gross profit for the three months ended June 30, 2020 was \$82,579 or 53% gross margin, lower by \$44,406 or 35% versus \$126,985 or 59% gross margin for the three months ended June 30, 2019. The lower gross profit can be attributable to the change in product mix with the hardware sales contributing a higher gross margin than the personal protective equipment. Gross profit margin for the six months ended June 30, 2020 is lower at \$90,917 or 46% versus \$137,854 or 52% in 2019.

3. Expenses

In Q2 2020 the Company incurred \$257,366 of total expenses compared to \$148,173 in Q2 2019, an increase of \$109,193 in total expenses. For the six months ended June 30, 2020 total expenses were \$394,834 versus \$276,364 for the six months ended June 30, 2019, an increase in total expenses of \$118,470. The Company's RTO occurred in April 2014 and expenditures prior to that time were more limited. The Company continues to manage its controllable expenses and the total cash expenses was \$185,163 in Q2 2020 versus \$145,888 in Q2 2019, an increase of \$39,275, due to higher non-cash expenses booked in Q2 2020 and increase in expenses as discussed below. For the six months ended June 30, 2020 total cash expenses were \$310,251 versus \$266,458 for the six months ended June 30, 2019 an increase of \$43,793. 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 increased by \$25,965 to \$97,495 for Q2 2020 versus \$71,530 for Q2 2019. For the six months ended June 30, 2020 remuneration and benefits was higher by \$18,781 at \$162,386 versus \$143,605 for the six months ended June 30, 2019. Although there was one additional employee hired in the second quarter to assist with the personal protective equipment, the significant increase in the salaries expense is due to the adjustment and reduction in the portion of the monthly salary that the Company are accruing for this expense, as a liability to be paid out in the future
- In Q2 2020 the Company granted 5,820,000 stock options with an exercise price of \$0.125. Therefore in the second quarter \$52,881 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. There was no stock based compensation expense in Q2 2019. Also in Q2 2020 there was a reversal of \$24,365 from share options reserves to deficit for share options that had been exercised and share options that had expired and were cancelled. For the six months ended June 30, 2019 there was a reversal of \$211,505 from share options reserve to deficit for share options that had expired and were cancelled. There were no stock options issued in the first 6 months of fiscal 2019
- Professional and consulting fees were \$50,153 for Q2 2020 versus \$32,005 in Q2 2019 an increase of \$18,148. For the six months ended June 30, 2020 professional and consulting fees was \$87,194 versus \$48,545 for the six months ended June 30, 2019, an increase of \$38,740. The increase in this expense was primarily related to sales and marketing consulting services paid to a director of the Company in Q2 2020. 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, employment law, securities regulatory matters and general commercial matters.
- Rent and utilities expense was \$725 in Q2 2020 versus \$13,583 in 2019. For the six months ended June 30 2020, rent and utilities were \$2,976 versus \$28,254 for the period ended June 30 2019. This presentation of the lease expense 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 13). 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. Amortization of \$23,932 and interest expense of \$2,936 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.

LIQUIDITY

As at June 30, 2020, the Company had net working capital deficit of \$732,494 compared to a net working capital deficit of \$631,779 at December 31, 2019. Our cash position was \$11,719 at the end of Q2 2020 compared to \$9,070 at December 31, 2019.

In Q2 2020 the Company's investment in inventory was \$125,408 with finished goods at \$19,066 and raw materials \$106,342, compared to inventory total of \$128,519 with finished goods of \$15,330 and raw materials of \$113,189 at December 31, 2019. Prepaid and Deposits were \$36,905 as at June 30, 2020 versus \$12,015 in December 31, 2019 and these payments are related to prepayment of overseas parts purchases.

At the time of release of this MD&A management believes the Company is presently in a position that may require additional equity investment over the coming months. While our cash position is somewhat tight we believe we have managed our existing operations with the existing working capital. Any further downturn in sales or, alternatively, pursuit of a more aggressive growth strategy would necessitate further equity investment.

CAPITAL RESOURCES

As at June 30, 2020, the Company's share capital was \$4,355,994 representing 49,593,349 issued and outstanding common shares without par value. In Q2 2020 355,000 shares were purchased through the Company's employees stock option plan at a price of \$0.075 per share. There were no other share transactions in the first six months ended June 30, 2020 and no share transactions in the six months ended June 30, 2019. Reserves, representing the fair value of stock options outstanding and vested and warrants issued, is recorded at \$126,804. Net increase of \$28,516 to the Reserves is the increase by \$52,881 for the recognition of the stock-based compensation for the newly granted share options and the reversal of \$24,365 for the share options exercised and shares cancelled during the first six months of 2020. In Q2 2019 the reversal of \$211,505 from the reserve account to deficit is due to the cancellation of stock options that had expired.

As at June 30, 2020 the Company has 7,785,000 stock options outstanding with a weighted average exercise price of \$0.112 and an average remaining term of 3.973 years. There were no warrants outstanding at June 30, 2020 and June 30, 2019.

The Company has a short term loan of \$90,000, no debt facilities and no off-balance sheet arrangements. The company also has the Canadian Emergency Business Loan of \$40,000, an interest free loan provided by the Federal Government of Canada to Canadian companies to assist them through the Covid-19 pandemic. \$10,000 of the loan is forgiven if repaid by the end of 2022.

OUTSTANDING SHARE INFORMATION

The Company's authorized capital is unlimited common shares without par value. As at August 21, 2020, the following common shares, options and share purchase warrants were outstanding:

As as August 21, 2020	Number of issued and outstanding
Common Shares	49,593,349
Stock Options	7,785,000
Total Shares - Fully diluted	57,378,349

TRANSACTIONS WITH RELATED PARTIES

Included in trade payables at June 30, 2020 are amounts due in the normal course of business to officers and directors that are related parties as follows; total amount due is \$23,962 Eugene Suyu - \$8,962, Bob Longo - \$15,000, (December 31, 2019 - \$18,653; Eugene Suyu - \$2,653 Bob Longo - \$16,000). Balances due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment

Key management personnel compensation

During the six months ended June 30, 2020, the officers of the Company were paid salaries as follows: Eugene Suyu, CEO, \$30,000 (2019 - \$30,000); Justin Sy CFO, \$22,500 (2019 - \$22,500). During the first six months ended June 30, 2020 stock based compensation was paid to Eugene Suyu - \$5,906 and Justin Sy - \$5,225. Stock based compensation is attributable to options held by directors and officers. There were no stock-based compensation paid to directors for the six months ended June 30, 2019.

Officers and directors

The following individuals are the Company's current directors and officers. There were no changes to the Company's board or management in the current year.

- Eugene Suyu -- Chief Executive Officer, President and Director
- Justin Sy – Chief Financial Officer and Director
- Todd Blatt -- Director
- Bob Longo – Director
- Dan Cugnet - Director

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements as at June 30, 2020 and to the date of this MD&A.

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 August 21, 2020

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 plans 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 has launched three generations of products since its inception in May 2012. In Q4 of 2019 the Company launched its latest printer the Ditto Pro R. Additionally, the Company is investing in software

development and the development of online courses and curriculum for the education sector. The ability to manage such product launches in a timely and cost effective manner, and achieve the desired results in terms of market penetration, comprises a substantial risk. In March 2020, the Company re-deployed its in-house 3D printers and began to manufacture face shields, designed in-house, for use by health care workers and other frontline staff during this pandemic. In April 2020 the Company received Health Canada manufacturing facility certificate for the manufacture of Class 1 medical devices.

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 more 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 new equity and, may be viewed as limited. Further the Company has negative operating cash flow and a cash balance of \$11,719, as at June 30, 2020. 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

The Company's business may be impacted by the COVID-19 outbreak, 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 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 in recent weeks. 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 outbreak and its 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.

Corporate Information

<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. 213A 8275 92 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 CFO</i></p> <p>Todd Blatt <i>Director</i></p> <p>Bob Longo <i>Director</i></p> <p>Dan Cugnut <i>Director</i></p>	<p>LISTINGS</p> <p>TSX Venture Exchange: TTD.V OTC Pink: TKSTF FSE: WB6B</p> <p>CAPITALIZATION (as at August 21, 2020)</p> <p>Shares Issued: 49,593,349</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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