Management’s Discussion and Analysis of Financial Condition and Results of Operations of

KURE TECHNOLOGIES, INC.

Years ended August 31, 2019 and 2018

January 3, 2020

1. INTRODUCTION

This management's discussion and analysis ("MD&A") of financial condition and result of operations of Kure Technologies, Inc. ("Kure" or "the Company") is supplementary to, and should be read in conjunction with, the Company's consolidated financial statements for the fiscal years ended August 31, 2019 and 2018.

The Company's consolidated financial statements and the notes thereto have been prepared on the basis of accounting principles applicable to a going concern. This assumes that the Company will operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities, other than in the normal course of business and at amounts different from those in the financial statements.

Unless specifically stated, the references to "Kure" or "the Company" include the legal entity Kure Technologies, Inc. and its wholly-owned subsidiary, UBS Wireless Services Inc. ("UBS Wireless").

2. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective under International Financial Reporting Standards ("IFRS"), and determined that the following may have an impact on the Company:

IFRS 9 "Financial Instruments"

This new standard is a partial replacement of International Accounting Standard ("IAS") 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The effective date of IFRS 9 is annual periods beginning on or after January 1, 2018.

3. CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This MD&A includes forward-looking statements and information concerning expected future events, the future performance of the Company, its operations, and its financial performance and condition. These forward-looking statements and information include, among others, statements with respect to the Company's objectives and strategies to achieve those objectives, as well as statements with respect to its beliefs, plans, expectations, anticipations, estimates, and intentions. When used in this MD&A, the words "believe", "anticipate", "may", "should", "intend", "estimate", "expect", "project", and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such words.

These forward-looking statements and information are based on current expectations. The Company cautions that all forward-looking statements and information are inherently uncertain and actual future results, conditions, actions or events may differ materially from the targets, assumptions, estimates, or expectations reflected or contained in the forward-looking statements and information, and that actual future results, conditions, actions, events, or performance will be affected by a number of factors including economic conditions and competitive factors, many of which are beyond the Company's control.

New risks and uncertainties arise from time to time, and it is impossible for the Company to predict these events or the effect that they may have on the Company. Certain statements in this MD&A, other than statements of historical fact, may include forward-looking information that involves various risks and uncertainties. This may include, without limitation, statements based on current expectations involving a number of risks and uncertainties. These risks and uncertainties include, but are not restricted to: (i) tax-related matters, (ii) financial risk related to short-term investments (including credit risks and reductions in interest rates), (iii) human resources developments, (iv) business integrations and internal reorganizations, (v) process risks, (vi) health and safety, (vii) the outcome of litigation and legal matters, (viii) any prospective acquisitions or divestitures, (ix) other risk factors related to the Company's historic business, and (x) risk factors related to the Company's future operations.

More specifically, Kure faces risks and uncertainties in connection with the outcome of litigation described under the section entitled "Overview – Significant current events – Jolian Parties update". In particular, there can be no assurance that Kure will be able to recover any of the amounts awarded it in the litigation.

For a more detailed discussion of factors that may affect actual results or cause actual results to differ materially from any conclusion, forecast or projection in these forward-looking statements and information, see the section entitled "Overview – Significant current events" below.

Therefore, future events and results may vary significantly from what the Company currently foresees. Readers are cautioned that the forward-looking statements and information made by the Company in this MD&A are stated as of the date of this MD&A, are subject to change after that date, are provided for the purposes of this MD&A and may not be appropriate for other purposes. We are under no obligation to update or alter the forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by National Instrument 51-102, and we expressly disclaim any other such obligation.

4. OVERVIEW

Significant current events

Short-term loans

The loans totalling $70 from a director, $50 of which matured on June 3, 2019 remains unpaid by the Company and will continue to accrue interest at the rate of 12% per annum. The remaining $20 has a maturity date of September 27, 2019 at an interest rate of 12% per annum. Interest owing on both loans as at August 31, 2019 totalled $6. Subsequent to year ended August 31, 2019, the Company renewed the above loans to a maturity date of May 15, 2020.

On December 18, 2019, a director extended additional interim unsecured funding to the Company totalling $26 at an annual interest rate of 12% and a maturity date of May 15, 2020.

Jolian Parties update

The Company is continuing its efforts to recover cost and disgorgement orders and post-judgment interest from former Chief Executive Officer ("CEO") Gerald McGoey and Jolian Investments Ltd., together referred to as the "Jolian Parties". During fiscal 2017, the Jolian Parties were each deemed to have made an assignment in bankruptcy and the Company has maintained its collection efforts through the bankruptcy process.

On November 5, 2018, a motion was heard in the Ontario Superior Court of Justice seeking a declaration that Mr. McGoey's interest in two properties held in joint tenancy with his wife are assets of the estate subject to realization for the benefit of creditors and not held in trust for their children.

In September 2019, the court approved a settlement agreement, whereby the Company would receive $144 as follows:

i. 25% of $500 on the closing date ($125 is currently held in the bankruptcy trustee's trust account); and
ii. 25% of $75 by way of 24 consecutive monthly payments of $3.

As a result, the fair value of the received was $144, with the remaining balance impaired.

In addition, the Company recorded a reversal of an accrual on cost recoveries (Note 6) to the impairment, resulting in a net impairment charge of $281.

The Company

Kure Technologies, Inc. is a publicly listed Canadian company, trading on the NEX, which is a separate board of the TSX Venture Exchange, under the symbol KUR.H. Kure's head office is located in Toronto, Ontario.

Going concern

The going concern basis of presentation assumes that Kure will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. There is some doubt about Kure's use of the going concern assumption as a result of the Jolian Parties bankruptcy proposal and the Company's current investment in ONEnergy Inc. ("ONEnergy").

Notwithstanding the above, the Company's consolidated financial statements for the years ended August 31, 2019 and 2018 have been prepared on a going concern basis and do not include any adjustments to the carrying values and classification of assets and liabilities and reported revenue and expenses that would be necessary if the going concern basis was not appropriate. Such adjustments could be material.

Strategy

The Company's operating strategy is to preserve its cash, monitor its investment in ONEnergy, and explore opportunities to maximize shareholder value.

The Company is reviewing a variety of business plans and, while subject to change, is currently focusing its strategic efforts in the connected intelligent device sector which it believes has the most attractive opportunities.

Investment in ONEnergy

As at August 31, 2017 the Company held 2,428,500 common shares in ONEnergy (TSXV:OEG), and the economic and voting interest of ONEnergy was 10.1%.

During fiscal 2018, the Company sold a total of 1,353,000 shares for gross proceeds of $233 resulting in a loss of $273 and the Company ceased to be classified as an insider.

As at August 31, 2019 and 2018, the Company held 1,075,500 shares in ONEnergy Inc. ("ONEnergy").

Trading of the common shares of ONEnergy was halted from April 26, 2018 until February 11, 2019 while ONEnergy considered a proposed reorganization and a subsequent business combination which were both eventually abandoned. Trading of ONEnergy common shares was again halted on May 7, 2019 as a result of a cease trade order due to non-compliance with the Ontario Securities Commission ("OSC").

The common shares of ONEnergy are expected to remain halted pending provision of additional information relating to the proposed transaction and until ONEnergy complies with OSC filing regulations. Given the significant uncertainty and the fact that ONEnergy's liabilities exceeded the book value of its assets management has determined that the fair value of this investment is nominal and reduced the carrying value to $nil.

As at August 31, 2018, the Company had determined the decline in the value of the common shares of ONEnergy to be significant and not temporary and, accordingly, recorded an impairment of $189 for the year ended August 31, 2018.

5. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The consolidated financial statements for the years ended August 31, 2019 and 2018 include the accounts of Kure's wholly owned subsidiary, UBS Wireless. All significant intercompany balances and transactions have been eliminated upon consolidation.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management's discussion and analysis of operating results and financial condition are made with reference to the Company's consolidated financial statements and notes thereto for the years ended August 31, 2019 and 2018, which have been prepared in accordance with IFRS. The Company's significant accounting policies are summarized in detail in note 2 of the Company's consolidated annual financial statements for the year ended August 31, 2019, and include:

(a) Income taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income (loss) or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute deferred tax assets and liabilities are measured at future anticipated tax rates which have been enacted or substantively enacted at the reporting date. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

With certain exceptions, deferred tax assets and liabilities are provided on all qualifying temporary differences at the end of the reporting period between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are only recognized to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future and future taxable profit will be available against which the temporary difference can be utilized.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

(b) Provisions and contingencies

Provisions are recognized when a legal or constructive obligation exists, as a result of past events, and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Where the effect is material, the provision is discounted using an appropriate current market-based pre-tax discount rate. The increase in the provision due to passage of time is recognized as interest expense.

When a contingency substantiated by confirming events can be reliably measured and is likely to result in an economic outflow, a liability is recognized as the best estimate required to settle the obligation. A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events, or where the amount of a present obligation cannot be measured reliably or will likely not result in an economic outflow. Contingent assets are only disclosed when the inflow of economic benefits is probable. When the economic benefit becomes virtually certain, the asset is no longer contingent and is recognized in the consolidated financial statements.

(c) Significant accounting judgments and estimates

The preparation of the Company's consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The Company's consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences.

Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant management estimation is required in determining accrued liabilities and accrued restructuring liabilities due to related parties.

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable income together with future tax planning strategies. Factors considered in the assessment of the likelihood and value of the realizable deferred tax assets include the Company's forecast of the amount and timing of future net income before taxes, available tax planning strategies that could be implemented to realize the deferred tax assets and the remaining period of loss carry-forwards.

Significant judgment and estimates are also required in assessing the carrying value of accounts receivable and other receivables. Factors considered in assessment of carrying value included the ability of the counterparty to pay and the actions available to the Company to enforce collection. Estimation uncertainty relating to the receivable from the Jolian Parties is disclosed in the section entitled "Results of operations – General and administrative expense – Impairment of receivable from Jolian Parties".

7. SELECTED ANNUAL INFORMATION

	Fiscal 2019	**Fiscal 2018**	**Fiscal 2017**
Service and sales revenue	**$ -**	**$ -**	$ -
Operating expense	**210**	**251**	294
Interest income	**42**[(1)]	**23**[(1)]	44[(1)]
Loss on sale of ONEnergy shares	**-**	**(273)**	(12)
Impairment of receivable from Jolian Parties	**(281)**	**(168)**	(384)
Unrealized loss of investment in ONEnergy recognized in net loss	**-**	**(189)**	(667)
Fair value adjustment in ONEnergy	**(215)**	**-**	**-**
Income (loss) before comprehensive income (loss)	**(664)**	**(858)**	(1,313)
Fair value adjustment in ONEnergy[(2)]	**-**	**(189)**	(667)
Unrealized loss recognized in net loss	**-**	**189**	667
Income (loss) and comprehensive income (loss) for the year	**$ (664)**	**$ (858)**	$ (1,313)
Income (loss) per share			
Basic and diluted	**$ (0.04)**	**$ (0.06)**	$ (0.09)
Total assets	**163**	**758**	1,618
Total liabilities	**637**	**568**	570

(1) Includes accrued post-judgment interest on the cost and disgorgement orders owed to Kure by the Jolian Parties.
(2) Effective February 20, 2013, the Company accounts for its investment in ONEnergy using the fair value method. Refer also to the section entitled "Investment in ONEnergy – Carrying value of ONEnergy".

8. RESULTS OF OPERATIONS

Highlights of the results for the year ended August 31, 2019 include the following:

- Kure recorded a loss from operations of $664, compared to $858 for the year ended August 31, 2018.
- As at August 31, 2019, Kure held cash of $2, compared to $15 as at August 31, 2018.

Operating expense

	Year ended August 31,	
	2019	**2018**
Compensation	**$ 75**	$ 116
General and administrative	**135**	135
Total operating expense	**$ 210**	$ 251

Compensation

Compensation expense includes mainly wages, salaries and benefits.

During the year ended August 31, 2019, the Company expensed $75 in compensation (2018 - $116) (refer to the section "Related party transactions – Compensation of key management personnel").

General and administrative expense

General and administrative expense includes professional fees, board of director fees, general occupancy, and other administrative overheads for the Company. A summary of the general and administrative key components is set out below:

	Year ended August 31,	
	2019	**2018**
Professional expenses	**$ 115**	$ 125
Office and general	**20**	10
Total general and administrative expenses	**$ 135**	$ 135

<u>Professional fees</u>

Professional fees include mainly corporate legal, audit, accounting, filing fees, general shareholder meeting costs and insurance.

During the year ended August 31, 2019, the Company recorded $115 (2018 - $125). The decrease in fees during fiscal 2019 resulted from lower legal costs.

Interest and financing charges

Interest income for the year ended August 31, 2019 totalling $48 (2018 - $30) was earned mainly on the Jolian Parties receivable (refer to the section entitled "Overview – Significant current events – Jolian Parties update").

Interest expense for the year ended August 31, 2019, totalling $6 (2018 - $7) arose from unsecured short-term loans outstanding, as discussed in the section entitled "Related party transactions – Short-term loans payable".

Income taxes

As at August 31, 2019, the Company had $21,168 in non-capital income tax losses with expiry dates between 2027 and 2039, SRED pool carryforwards of $11,545, capital loss carryforwards of $25,530, share issuance costs of $11 and non-tax deductible reserves of $65.

Loss and comprehensive loss

For the year ended August 31, 2019, the loss before comprehensive loss amounted to $664 or a weighted average loss per share of $0.04 basic and diluted (2018 - $858 or $0.06), and the loss and comprehensive loss for the year ended August 31, 2019 totalled $664 or a weighted average loss per share of $0.04 basic and diluted (2018 - $858 or $0.06).

9. QUARTERLY FINANCIAL RESULTS

The table below sets out financial information for the past eight quarters:

	Fiscal 2019				Fiscal 2018			
	Aug 31	**May 31**	**Feb 28**	**Nov 30**	**Aug 31**	**May 31**	**Feb 28**	**Nov 30**
Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Operating expense before interest	75	37	52	46	63	52	79	57
Interest expense (income), net	(15)	(7)	(11)	(9)	(30)	1	3	3
Loss (Income) on sale of ONEnergy shares	-	-	-	-	(1)	61	213	-
Impairment of accounts receivable	281	-	-	-	168	-	-	-
Impairment of investment in ONEnergy	-	-	-	-	189	-	-	-
Fair value adjustment in ONEnergy(1)	215	-	-	-	-	-	-	-
Loss before comprehensive loss	(556)	(30)	(41)	(37)	(389)	(114)	(295)	(60)
Fair value adjustment in ONEnergy(1)	-	-	-	-	-	42	(231)	-
Unrealized loss recognized in net loss	-	-	-	-	189	-	-	-
Loss and comprehensive loss for the period	$ (556)	$ (36)	$ (186)	$ (37)	$ (189)	$ (72)	$ (526)	$ (60)
Loss per share from operations – basic and diluted	$(0.04)	$(0.002)	$(0.003)	$(0.002)	$(0.025)	$(0.007)	$(0.020)	$(0.004)
Comprehensive income (loss) per share – basic and diluted	$(0.04)	$(0.000)	$(0.009)	$ 0.000	$ 0.013	$ 0.002	$(0.015)	$(0.000)
Income (loss) per share Basic and diluted	$(0.04)	$(0.002)	$(0.012)	$ (0.002)	$ (0.012)	$(0.005)	$(0.035)	$(0.004)

(1) The Company accounts for its investment in ONEnergy using the fair value method.

10. LIQUIDITY AND CAPITAL RESOURCES

Kure held cash of $2 as at August 31, 2019 (2018 - $15).

Cash used in operating activities for the year ended August 31, 2019 was $83, compared to $188 for the year ended August 31, 2018.

Cash provided by financing activities totalling $70 for the year ended August 31, 2019 resulted from receipt of unsecured loans from a related party to the Company (refer to the section entitled "Related party transactions – Short-term loan payable"). For the comparative year ended August 31, 2018, cash used in financing activities totalled $107 for the repayment of short-term loans of $100 plus $7 in interest.

There were no investing activities during the year ended August 31, 2019. During the year ended August 31, 2018, cash totalling $233 was received from the sale of ONEnergy shares.

Kure has incurred operating losses and negative cash flows from operations in recent years. Kure will need to raise cash and/or reduce its outstanding commitments in order to meet the needs of its existing operations and commitments, giving rise to doubt about Kure's use of the going concern.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its current liabilities when due.

11. SHARE CAPITAL

As at August 31, 2019 and January 3, 2020, approximately 15,097,800 common shares in Kure were issued and outstanding.

12. STOCK BASED COMPENSATION

As at August 31, 2019 and 2018, no stock options were issued or outstanding, and no stock options were granted or expired.

13. RELATED PARTY TRANSACTIONS

a) Compensation of key management personnel

The Company's key management personnel include members of the executive team and the board of directors of the Company and its wholly owned subsidiaries.

Key management compensation for the year ended August 31, 2019 totalled $39, which included $28 for director fees and $11, net of applicable taxes, to the former CEO of the Company (2018 - $70, $20 and $50 respectively). The balance of compensation owing to key management personnel, excluding applicable taxes, totalled:

	August 31, 2019	**August 31, 2018**
CEO compensation (net of applicable taxes)[1]	**$ 111**	$ 100
Board fees	**63**	35
Total	**$ 174**	$ 135

[1] Includes consulting fees accrued for services rendered by the former CEO who resigned on November 21, 2018.

There are no ongoing contractual or other commitments arising from these transactions with related parties.

(b) Short-term loans payable

On November 30, 2018, a director extended interim unsecured funding to the Company totalling $50 at an annual interest rate of 12% and a maturity date of June 3, 2019, and an additional $20 on March 29, 2019, at an annual interest rate of 12% and a maturity date of September 27, 2019. The initial $50 loan which matured on June 3, 2019 remains unpaid by the Company and will continue to accrue interest at the rate of 12% per annum.

On December 18, 2019, a director extended additional interim unsecured funding to the Company totalling $26 at an annual interest rate of 12% and a maturity date of May 15, 2020

14. CONTINGENCIES

In the normal course of its operations, the Company may be subject to other litigation and claims.

The Company indemnifies its directors, officers, consultants, and employees against claims and costs reasonably incurred and resulting from the performance of their services to the Company, and maintains liability insurance for its directors and officers.

15. OPERATING RISKS AND UNCERTAINTIES

Management of capital

The Company's overall strategy with respect to management of capital is to provide the financial capacity and flexibility in order to preserve its ability to meet its strategic objectives and financial obligations and continue as a going concern. This is effected by offsetting less liquid strategic investment holdings with low-risk highly-liquid cash accounts and, from time to time, short-term deposits.

As at August 31, 2019, the Company is not subject to any externally imposed capital requirements. The Company defines its capital as shareholders' equity plus short term loans.

The Company invests its liquid capital in short-term investments to obtain adequate cash returns. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity, and returns on unused capital and allowing flexibility in holding longer term strategic investments. There were no changes to the Company's strategy management of capital during the nine months ended August 31, 2019.

Financial instruments and risk management

The Company's activities may expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee, under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company's exposure to credit risk relates mainly to the amount owing to the Company by the Jolian Parties (refer to the section entitled "Overview – Significant current events – Jolian Parties update").

Interest rate risk

The Company had no significant exposure to interest rate risk through its financial instruments as at August 31, 2019 and 2018.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operation requirements. The Company coordinates this planning and budgeting process with its financing activities through the capital management process described in the section entitled "Operating risks and uncertainties – Management of capital", in normal circumstances.

The Company's financial liabilities are comprised of its accounts payable and accrued liabilities.

Other price risk

The Company is exposed to other price risk on its investment in equities quoted in an active market since changes in market prices could result in changes in the fair value of the investment.

16. PROPOSED TRANSACTIONS & OFF BALANCE SHEET ARRANGEMENTS

There are no proposed transactions or off balance sheet arrangements.

17. ADDITIONAL INFORMATION

Additional information regarding the Company's financial statements and corporate documents is available on SEDAR at www.sedar.com.

KURE TECHNOLOGIES, INC.

Shareholder Information

Board of Directors and Officers

Henry J. Kloepper (Chairman of the Board and Interim Chief Financial Officer)

Alex Dolgonos (Interim Chief Executive Officer)

Nicholas T. Macos

Auditors

Dale Matheson Carr-Hilton Labonte LLP
Vancouver, British Columbia

Shareholder inquiries

Kure Investor Relations
PO Box 223, Station Main
Keswick, Ontario
L4P 3E1
email: irinfo@kuretechnologies.com

Transfer agent

TSX Trust Company
200 University Avenue, Suite 300
Toronto, Ontario
M5H 4H1
Tel: (416) 361-0930
Fax: (416) 361-0470
email: TMXEInvestorservices@tmx.com

Common shares

The common shares of the Company are listed on the NEX under the symbol KUR.H.