Management's Discussion and Analysis

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of the consolidated operations of Tornado Global Hydrovacs Ltd. ("TGHL" or the "Company") and its wholly-owned subsidiaries Tornado Global Hydrovacs (North America) Inc. ("Tornado NA" or the "North American Operation(s)"), Tornado Global Hydrovacs (Shanghai) Ltd. and Tornado Hydrovacs Asia Pacific Holdings Ltd. is supplemental to, and should be read in conjunction with the Company's interim unaudited condensed consolidated financial statements and related notes as at March 31, 2022 and for the three months ended March 31, 2022 and 2021, and the audited consolidated financial statements and notes for the year ended December 31, 2021.

The interim unaudited condensed consolidated financial statements and accompanying notes of TGHL for the three months ended March 31, 2022 have been prepared in conformity with International Financial Reporting Standards ("IFRS"): International Accounting Standard 34.

The interim unaudited condensed consolidated financial statements have been prepared by management and approved by TGHL's Board of Directors. These statements require management to make estimates and assumptions that affect amounts reported and disclosed in such financial statements and related notes. Actual results may differ materially. See "Forward-Looking Information".

All amounts are reported in Canadian dollars unless specifically stated otherwise. Financial information disclosed in this MD&A is presented in thousands (000's) except for percentages and per share data.

This MD&A contains forward-looking information and statements. At the end of this MD&A is an advisory on forward-looking information and statements.

Additional information on TGHL is available in Canada through the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com. and in the United States on www.otcmarkets.com.

Disclosure contained in this document is current to May 23, 2022, unless otherwise stated.

Non-IFRS Financial Measures

In this MD&A, the Company uses three financial management metrics that are not in accordance with IFRS, namely "EBITDAS" (earnings (loss) before interest, tax, depreciation and amortization, non-cash impairment and stock-based compensation), "Gross Profit" (revenue less cost of sales) and "EBIT" (earnings before interest and taxes). Because these terms are not defined by IFRS they cannot be formally presented in the audited consolidated financial statements. EBIT is the result of the Company's EBITDAS less depreciation and amortization expenses, gains and losses on the disposal of assets, non-cash impairment and stock-based compensation. It should be noted that the Company's definition of EBITDAS, Gross Profit and EBIT are not standardized financial measures under IFRS and may differ from those definitions used by other companies.

While not IFRS measures, EBITDAS, Gross Profit and EBIT are used by management, creditors, analysts, investors and other financial stakeholders to assess the Company's performance and management from a financial and operational perspective.

Business Description

TGHL designs, manufactures and sells hydrovac trucks for excavation service providers to the municipal market and the oil and gas industry. It operates through a production facility located in Red Deer, Alberta (the "Red Deer Facility") and a sales office located in Calgary, Alberta. In China, the Company's subsidiaries are principally used to source certain parts for the North American Operations.

TGHL maintains its head office in Calgary, Alberta.

Overview

Q1/2022 Overview and Recent Developments

- The economic environment continued to improve during Q1/2022 resulting in the improvement of several key operating financial metrics compared to the same period in 2021. The Company achieved its highest quarterly sales since Q1/2020 and highest net income since Q3/2019 prior to COVID.

- Revenue of $9,939 increased 24.6% in Q1/2022 compared to $7,978 in Q1/2021 as customer demand continued to recover.

- Gross Profit of $2,344 increased by $120 in Q1/2022 compared to $2,224 in Q1/2021 due to increased revenue and production efficiencies, including labour utilization, at the Company's Red Deer Facility. Gross Profit was also positively impacted by the increased benefits from cost savings on parts sourced from China during the quarter. Gross Profit was negatively impacted by increased material costs in Q1/2022 due to supply chain issues. In Q1/2021, the Company recorded $183 of recoveries from the Canada Emergency Wage Subsidy (the "wage subsidy"). This wage subsidy was terminated in November 2021.

- General and administrative expense of $1,398 increased by $273 in Q1/2022 compared to $1,125 in Q1/2021. The increase was principally due to general increased employee costs in North America incurred to handle present and anticipated growth. In Q1/2021, the Company recorded $127 of recoveries from the wage subsidy program.

- Notwithstanding the termination of the wage subsidy program since November 2021, EBITDAS of $946 in Q1/2022 decreased only $153 compared to $1,099 in Q1/2021. This decrease was due to the factors discussed above. In Q1/2021, the Company recorded $310 (comprising $183 in cost of sales and $127 in general and administrative expense) of recoveries from the wage subsidy.

- The Company earned net income of $474 in Q1/2022, which represents an increase of $113 compared to net income of $361 in Q1/2021. This was principally due to a gain on disposal of fixed assets of $136.

- The Company's Class "A" Common Shares (the "Common Shares") began trading on the OTCQX® Best Market under the symbol "TGHLF" on May 5, 2022. By trading on the OTCQX®, the Company's Common Shares are available to U.S. investors during U.S. trading hours and quoted in U.S. dollars. Trading on the OTCQX® provides transparent trading for U.S. investors. Trading on OTCQX® will make it easier for U.S. investors to invest in the Company by eliminating the requirement for a Canadian trading account and will also promote greater liquidity for the Company's Common Shares.

Unless otherwise provided herein, the Company's interim financial condition, and associated economic and industry factors, are substantially unchanged from the disclosure provided in the Company's MD&A for the fiscal year end dated December 31, 2021. For a complete discussion on these items, please refer to the Company's MD&A for the fiscal year end dated December 31, 2021 which can be found under the Company's profile at www.sedar.com.

Amounts reported in thousands ($000's CAD) except per share amounts

Selected Financial Information

	Three Months ended March 31	
	2022	**2021**
Revenue	**$ 9,939**	$ 7,978
Cost of sales	**7,595**	5,754
Gross Profit	**2,344**	2,224
Selling and general administrative expenses	**1,398**	1,125
Depreciation of property and equipment	**147**	300
Amortization of intangible assets	**160**	149
Accretion expense	**-**	39
Finance costs	**45**	39
Stock-based compensation	**53**	44
Gain on disposal of fixed assets	**(136)**	-
Income before tax	**677**	528
Income tax expense	**(203)**	(167)
Net income	**$ 474**	$ 361
Comprehensive income	**$ 520**	$ 568
Net income per share - basic and diluted	**$ 0.004**	$ 0.003
Total non-current financial liabilities	**$ 4,760**	$ 888
Total assets	**$ 27,016**	$ 28,479

Amounts reported in thousands ($000's CAD) except per share amounts

Segmented Information

Three Months ended March 31, 2022	**North America**	**Corporate**	**Total**
Revenue	**$ 9,939**	**$ -**	**$ 9,939**
Cost of sales	**7,595**	**-**	**7,595**
Selling and general administrative	**1,181**	**217**	**1,398**
	1,163	**(217)**	**946**
Depreciation and amortization	**111**	**196**	**307**
Loss on disposal of fixed assets	**(136)**	**-**	**(136)**
Income (loss) before other items	**$ 1,188**	**$ (413)**	**$ 775**

Three Months ended March 31, 2021	North America	Corporate	Total
Revenue	$ 7,978	$ -	$ 7,978
Cost of sales	5,754	-	5,754
Selling and general administrative	953	172	1,125
	1,271	(172)	1,099
Depreciation and amortization	259	190	449
Income (loss) before other items	$ 1,012	$ (362)	$ 650

Operating Results

	Three Months ended March 31	
	2022	2021
Revenues	**$ 9,939**	$ 7,978
Gross Profit	**2,344**	2,224
Gross Profit %	**23.6%**	27.9%
EBITDAS	**946**	1,099
EBITDAS %	**9.5%**	13.8%
EBIT	**722**	606
EBIT %	**7.3%**	7.6%
Net income	**$ 474**	$ 361

Readers are cautioned that Gross Profit, EBITDAS and EBIT should not be considered to be more meaningful than Net income determined in accordance with IFRS.

Outlook

In addition to other sections of the MD&A, this section contains forward-looking information and actual outcomes that may differ materially from those expressed or implied therein. For more information, see "Forward- Looking Information" section below.

Management believes the Company's business will continue to strengthen and expects the Company's production and sales of hydrovac trucks in North America in 2022 to continue to grow and capitalize on the significantly increased production capacity at the Red Deer Facility over the long term for the following reasons:

- The improved economic environment experienced during the second half of 2021 and in Q1/2022 is expected to

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continue in 2022 as customer confidence and spending levels continue to recover.
- Expected increased spending on infrastructure in North America, particularly in the USA as a result of the US Infrastructure Bill passed in late 2021.
- Expanded capacity and manufacturing and production efficiencies from the Red Deer Facility, which is fully operational.
- The Company anticipates adding new and innovative products to its product lines that will support the infrastructure, telecommunications and oil and gas industries.
- The Company’s commitment to continuous improvement of its hydrovac truck design which in the Company’s view will result in compelling advantages over other hydrovac trucks currently offered in the market.
- The Company has secured key manufacturing components, including chassis for customers, into future years through strategic relationships.
- The Company has strengthened its dealer relationships in both Canada and US to meet the expected demand increase.
- Expanded North American coverage for maintenance warranty and repair to better serve customers.
- Increased sales pricing to customers to reflect changes in material costs.

Limiting factors on the Company’s ability to meet increased demand could include the possibility of chassis supply chain interruption due to chip shortages at the chassis manufacturer level and other supply chain issues related to other key components caused by the pandemic including the current COVID lockdowns in China and exacerbated by the Russian invasion of Ukraine. However, management believes that it will be able to manage these supply chain issues as a result of strategic decisions made by the Company.

Revenue

	Three Months ended March 31	
	2022	2021
Hydrovac sales	**$ 8,941**	$ 7,275
Parts and services	**981**	577
Rental	**17**	114
	$ 9,939	$ 7,966

During the three months ended March 31, 2022, revenues were $9,939 compared to $7,966 in the same period of 2021. The increase over the same period in 2021 reflects the current positive market environment.

The table below shows the geographical sales:

	Three Months ended March 31	
	2022	2021
Canada	**$ 5,375**	$ 5,540
United States	**4,564**	2,426
	$ 9,939	$ 7,966

During the three months ended March 31, 2022, sales to the US were $4,564 compared to $2,426 during the same period in

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2021. The increase in US sales was due to increased demand from the Company's strategic partner in US.

Cost of sales

	Three Months ended March 31	
	2022	**2021**
Cost of Sales	**$ 7,595**	$ 5,754

For the three months ended March 31, 2022, cost of sales was $7,595 compared to $5,754 in the same period of 2021. The increase in cost of sales was due to the increase in revenue, offset by the decrease in recovery from the wage subsidy in the amount of $nil (2021 – $183).

Gross Profit

	Three Months ended March 31	
	2022	2021
Gross Profit	**$ 2,344**	$ 2,224

For the three months ended March 31, 2022, Gross Profit was $2,344 compared to $2,224 in the same period of 2021 and the increase was due to increased revenue and production efficiencies, including labour utilization, at the Company's Red Deer Facility. Gross Profit was also positively impacted by the increased benefits from cost savings on parts sourced from China during the period. Gross Profit was negatively impacted by increased material costs in Q1/2022 due to supply chain issues. In Q1/2022, the Company recorded $nil (2021 - $183) of recoveries from the wage subsidy.

Selling, General and Administrative Expenses ("S,G&A")

	Three Months ended March 31	
	2022	2021
Selling and General and Administrative expense	**$ 1,398**	$ 1,125

For the three months ended March 31, 2022, S,G&A expenses were $1,398 (comprising $1,181 in North America and $217 in Corporate) compared to $1,125 (comprising $953 in North America and $172 in Corporate) in the same period of 2021. The overall increase was principally due to increased employee costs in North America to handle present and anticipated growth, offset by the decreased wage subsidy recoveries in the amount of $nil (2021 – $127).

Amounts reported in thousands ($000's CAD) except per share amounts

Depreciation of property and equipment

	Three Months ended March 31	
	2022	2021
Depreciation	**$ 147**	$ 300

During the three months ended March 31, 2022, depreciation of property and equipment was $147 compared to $300 in the same period of 2021, the majority of which related to the North American Operations. The decrease was principally due to disposal of certain rental hydrovac trucks in North America.

Amortization of intangible assets

	Three Months ended March 31	
	2022	2021
Amortization of intangible assets	**$ 160**	$ 149

Amortization of intangible assets was comparable with the same period of 2021.

Stock based compensation

	Three Months ended March 31	
	2022	2021
Stock Based Compensation	**$ 53**	$ 44

During the three months ended March 31, 2022, stock-based compensation expense was $53 as a result of the grant of options in 2021.

Income tax expense (recovery)

	Three Months ended March 31	
	2022	2021
Current income tax expense	**$ 209**	$ 175
Deferred income tax expense	**(6)**	(8)
	$ 203	$ 167

Amounts reported in thousands ($000's CAD) except per share amounts

The Company's tax expense relates to Tornado NA.

During the three months ended March 31, 2022, the Company recorded income tax expense of $203 compared to income tax expense of $167 in the same period of 2021. This increase reflects the Company's increased profitability.

Net income

	Three Months ended March 31	
	2021	2020
Net income	**$ 474**	$ 361

For the three months ended March 31, 2022, net income was $474 compared to net income of $361 in the same period of 2021. This was due to increased Gross Profit in North America and gain on disposal of fixed assets of $136, offset by an increase in income tax expense of $36.

Inventory

	March 31, 2022	December 31, 2021
Work-in-process	**$ 2,538**	$ 2,731
Raw materials	**7,729**	5,576
	$ 10,267	$ 8,307

As at March 31, 2022, inventory increased to $10,267 compared to inventory of $8,307 as at December 31, 2021 due to increased activity.

Quarterly Financial Information

	2022	**2021**	**2021**	**2021**	**2021**	**2020**	**2020**	**2020**
	Q1	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**
	$	$	$	$	$	$	$	$
Revenue	$ 9,939	$ 9,494	$ 8,355	$ 7,071	$ 7,978	$ 5,186	$ 7,404	$ 6,405
EBITDAS	946	(2,438)	601	678	1,099	(588)	800	572
Net income (loss)	474	(2,841)	(651)	(84)	361	(1,035)	349	128
Comprehensive income (loss)	520	(3,113)	(557)	(89)	568	(976)	340	80
Net income (loss) per share - basic and diluted	$ 0.004	$ (0.022)	$ (0.005)	$ (0.001)	$ 0.003	$ (0.008)	$ 0.003	$ 0.001

Notes:

(1) Quarterly information has been prepared in conformity with IFRS.
(2) Due to rounding, year to date numbers may round differently.

Factors That Have Caused Variations over the Quarters

Revenue

In Q1/2022, Q4/2021 and Q3/2021, revenue increased compared to Q2/2021 due to increased demand for hydrovac trucks in North America. In Q2/2021, revenue decreased compared to Q1/2021 due to restricted production capacity caused by supply chain shortages. In Q1/2021, revenue increased compared to Q4/2020 due to increased demand for hydrovac trucks in North America. In Q4/2020, revenue decreased compared to Q3/2020 as a result of reduced hydrovac trucks production and delivery in December 2020. In Q3/2020, revenue increased compared to Q2/2020 as a result of increased demand for hydrovac trucks in North America.

EBITDAS

In Q1/2022, EBITDAS increased compared to Q4/2021 and Q3/2021 due to increased revenue and Gross Profit. In Q4/2021, EBITDAS decreased compared to Q3/2021 due to the wage subsidy repayment provision and year-end inventory adjustments. In Q3/2021, EBITDAS decreased compared to Q2/2021 due to increased general and administrative expense. In Q2/2021, EBITDAS decreased compared to Q1/2021 due to decreased revenue and Gross Profit. In Q1/2021, EBITDAS increased compared to Q4/2020 due to increased revenue and Gross Profit. In Q4/2020, EBITDAS decreased compared to Q3/2020 due to decreased revenue and Gross Profit. In Q3/2020, EBITDAS increased compared to Q2/2020 due to increased revenue.

Net Income (loss)

In Q1/2022, net income (loss) increased compared to Q4/2021 due to increased revenue and Gross Profit. In Q4/2021, net income (loss) decreased compared to Q3/2021 due to the wage subsidy repayment provision and year-end inventory adjustments. In Q3/2021, net income (loss) decreased compared to Q2/2021 principally due to an impairment write-down of $764. In Q2/2021, net income (loss) decreased compared to Q1/2021 principally due to decreased revenue and Gross Profit. In Q1/2021, net income (loss) increased compared to Q4/2020 due to increased revenue and Gross Profit. In Q4/2020, net income (loss) decreased compared to Q3/2020 principally due to decreased revenue and Gross Profit. In Q3/2020, net income increased compared to Q2/2020 principally due to increased revenue and Gross Profit and an impairment reversal.

Liquidity and Capital Resources

Liquidity

The Company had working capital of $6,779 as at March 31, 2022 compared to working capital of $5,286 as at December 31, 2021.

On July 14, 2021 the Company entered into a Credit Facility, which consists of a $4,875 term loan ("Term Loan") and an up to $3,000 revolving operating line of credit ("Operating Line") and a with a Canadian Schedule I chartered bank (the "Lender"). The Credit Facility is secured by a first-ranking security interest in all of the present and future undertakings, property and assets of the Company and its subsidiary, Tornado NA, and a first-ranking mortgage charge on the Red Deer Facility. The Term Loan bears interest at a fixed rate of 2.83%, with advances repayable, together with interest, on a monthly basis until maturity in July 2026.

Pursuant to the terms of the Operating Line, the Lender will advance up to $3,000 based on the total of: (i) 90% of insured accounts receivable excluding statutory claims, customer deposits, accounts receivable aged greater than 90 days, and accounts receivable due from related parties, plus (ii)(A) 75% of other North American accounts receivable excluding statutory claims, customer deposits, accounts receivable aged greater than 90 days, and accounts receivable due from related parties; and (B) 50% of Canadian inventory excluding lienable supplier payables, priority claims, and work in process, up to maximum of $1,500. The Operating Line bears interest at a floating rate equal to the prime rate per annum established by the Lender, currently at 2.45%, plus 0.75%. The Operating Line is uncommitted, made available at the Lender's discretion, and is not automatically available upon satisfaction of the terms and conditions, conditions precedent, or financial tests set out in the Credit Facility. Repayments under the Operating Line will be made on demand. As of the date of this MD&A, $2,422 of the Operating Line was used and the Company is in compliance with the sole financial covenant ratio contained in the Credit Facility.

Amounts reported in thousands ($000's CAD) except per share amounts

Please refer to Note 12 of the March 31, 2022 the interim condensed consolidated financial statements for additional information.

Apart from the sole financial covenant ratio and other standard positive, negative and reporting covenants associated with the Credit Facility, the Company does not have any externally imposed restrictions on its capital. TGHL manages its capital based on the projected needs of its individual geographic locations, being China and North America. TGHL monitors these amounts to ensure there is adequate cash to support these geographic locations.

Should the Company require additional external financing, TGHL expects to raise additional cash through either the issuance of additional equity, acquisition of additional debt, or a combination thereof. As at March 31, 2022 TGHL had $790 cash which together with the available line of credit and operating cash flow is expected to meet the budgeted requirements for the next 12 months. In addition, assuming all stock options and common share warrants expiring in 2022 are exercised, the Company will receive proceeds of up to $1,155.

Capital Expenditures

During the three months ended March 31, 2022, the Company incurred capital expenditures of $262 (comprising machinery and equipment - $28, computer software - $4 and hydrovac development - $230) compared to $10 (comprising in machinery and equipment - $10, computer software - $nil and hydrovac development - $nil) in the same period of 2021.

Contractual Obligations and Commitments

Lease Obligations

The Company's lease liabilities consist of lease obligations relating to hydrovac trucks and equipment, facilities and office equipment.

As at March 31, 2022, the Company had 1 hydrovac truck lease (December 31, 2021 – 6), 1 equipment lease (December 31, 2021 – 1) and 5 computer equipment leases (December 31, 2021 - 5), repayable in monthly installments totaling of $18 (December 31, 2021 - $58) with final installments totaling $18 (December 31, 2021 - $134), bearing interest at rates between 2% and 7%.

As at March 31, 2022, the Company had $62 lease liabilities relating to premises in Calgary with no additional end of lease liabilities.

	March 31, 2022	December 31, 2021
Leases obligation	**$ 327**	$ 1,177
Less: current portion of leases obligation	**(130)**	(573)
	$ 197	$ 604

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Amounts due on leases in the next five years are as follows:

2022	$	159
2023		111
2024		66
2025		14
2026		-
Total minimum lease payments		350
Amount representing interest		(23)
		327
Less current portion of leases		(130)
	$	197

Off Balance Sheet Arrangements

As at March 31, 2022 and the date of this MD&A, the Company had no off balance sheet arrangements.

Shareholders' Equity

Share Capital

The Company is authorized to issue an unlimited number of Common Shares.

As of December 31, 2021, March 31, 2022 and the date of this MD&A, there were 126,796,119 Common Shares outstanding.

No dividends were declared during the Q1/2022.

Common Share Purchase Warrants

As of December 31, 2021, March 31, 2022 and the date of this MD&A, there were 3,075,000 warrants outstanding, which are exercisable into 3,075,000 Common Shares at an exercise price of $0.12 per warrant and expire on September 15, 2022. No warrants were exercised during Q1/2022.

Stock Options

As at March 31, 2022 and the date of this MD&A, there were 10,795,400 stock options outstanding with a weighted average exercise price of $0.14 and weighted average remaining contractual life of 1.4 years. 9,412,067 options were exercisable at a weighted average exercise price of $0.17. 7,145,400 options, exercisable at $0.11, expire on November 21, 2022. No options were granted or exercised during Q1/2022.

Related Party Transactions

During the three months ended March 31, 2022, $19 (2021 - $nil) of legal fees were incurred and paid to Dentons Canada LLP. Mr. George Tai, a director of the Company, is a Partner of Dentons Canada LLP.

This transaction was in the normal course of operations and was measured at the amount of consideration agreed to by the parties.

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Reconciliation of income before taxes to EBITDAS

Reconciliation of income before taxes to EBITDAS is a non-IFRS financial measure. EBITDAS is calculated by subtracting interest, tax, depreciation and amortization, non-cash impairment, gain/loss on disposal of fixed assets and stock-based compensation from earnings (loss). Readers are cautioned that Reconciliation of income before taxes to EBITDAS should not be considered to be more meaningful than income before taxes determined in accordance with IFRS.

Reconciliation of income to EBITDAS

	Three Months ended March 31	
	2022	2021
Income before taxes	**$ 677**	$ 528
Add: Depreciation and amortization	**307**	449
Add: Accretion expense	**-**	39
Add: Finance costs	**45**	39
Deduct: Gain on disposal of fixed assets	**(136)**	-
Add: Stock based compensation	**53**	44
EBITDAS	**$ 946**	$ 1,099
% of revenue	**9.5%**	13.8%

Calculation of EBIT

	Three Months ended March 31	
	2022	2021
EBITDAS	**$ 946**	$ 1,099
Less: Depreciation and amortization	**(307)**	(449)
Less: Stock based compensation	**(53)**	(44)
Add: Gain on disposal of fixed assets	**136**	-
EBIT	**$ 722**	$ 606

Calculation of Gross Profit

	Three Months ended March 31	
	2022	2021
Revenues	**$ 9,939**	$ 7,978
Cost of sales	**7,595**	5,754
Gross Profit	**$ 2,344**	$ 2,224
% of revenue	**23.6%**	27.9%

Financial Instruments and Risk Management

The Company's financial instruments recognized in the consolidated balance sheet consist of cash and cash equivalents, accounts receivable, operating line, accounts payable, accrued liabilities, facility term loan. The carrying value of these balance sheet items approximates their fair market value due to their short-term nature.

The risks associated with these financial instruments, including foreign currency risk, credit risk, interest rate risk, liquidity risk and commodity price risk, are discussed under "Risks and Uncertainties" in the Company's annual MD&A for the year ended December 31, 2021.

The Company may use foreign exchange contracts to hedge its US dollar ("USD") revenues. As at March 31, 2022, the Company had no USD forward contracts.

Significant Judgements and Estimates

The preparation of the Company's financial statements requires management to adopt accounting policies that involve the use of significant estimates and assumptions. These estimates and assumptions are developed based on the best available information and are believed by management to be reasonable under the existing circumstances. New events or additional information may result in the revision of these estimates over time. A summary of the critical estimates and judgements used by the Company can be found in Note 3 to the December 31, 2021 consolidated audited annual financial statements. There have been no changes to the Company's significant accounting estimates and judgments as of March 31, 2022.

Internal Controls and Procedures

There have been no significant changes in TGHL's internal controls over financial reporting during the three months ended March 31, 2022 that have materially affected, or are reasonability likely to materially affect TGHL's internal controls over financial reporting.

Forward Looking Information

This MD&A contains certain "forward-looking statements." All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding financial and business prospects and financial outlook) are forward looking statements. Such forward-looking statements may be identified by words such as "anticipate", "will", "intend", "could", "should", "may", "expect", "forecast", "plan", "potential", "project", "estimate", "assume", "believe", "shall", "target", "forward looking to", and similar terms or the negatives thereof or other comparable terminology. Forward-looking statements include those with respect to:

- the expectation that the Company's production and sales of hydrovac trucks in North America in 2022 will continue to grow;
- the expectation that the Company will be able to capitalize on the significantly increased capacity of the Red Deer Facility over the long term;
- the expectation that the US Infrastructure Bill will lead to an increase in infrastructure spending;
- the Company's outlook for the 2022 fiscal year generally;
- the expectation that the improving economic environment is expected to continue through the remainder of 2022;
- the anticipated manufacturing and production efficiencies from the Red Deer Facility;
- the expectation of adding new and innovative products to its product lines that will support the infrastructure, telecommunications and oil and gas industries;
- management's belief that the Company's commitment to continuous improvement of its hydrovac truck design will continue to provide compelling advantages over other hydrovac trucks currently offered in the market;
- management's belief in the positive impact of securing key manufacturing components, including chassis, for customers into future years through strategic relationships;
- management's belief in the positive impact of strengthened dealer relationships in both Canada and US;
- management's belief in the positive impact of expanded North American coverage for maintenance warranty and repair;
- management's belief in the positive impact of increased sales pricing to customers to reflect changes in material costs.
- the Company's ability to meet increased demand may be limited by factors including chassis supply chain interruption due to chip shortages at the chassis manufacturer level and other supply chain issues related to other key components;

- the assumption that all stock options and common share warrants expiring in 2022 are exercised; and
- management's belief that trading on OTCQX® will make it easier for US investors to invest in the Company and will promote greater liquidity for the Company's Shares;

These forward-looking statements reflect the current expectations or beliefs of the Company, based on information currently available to the Company. Forward-looking statements are subject to a number of risks, uncertainties and assumptions that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements and, even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things, changes in general economic and market conditions, changes to regulations affecting the Company's activities, and uncertainties relating to the availability and costs of financing needed in the future. Any forward-looking statement speaks only as at the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward looking statements are not guarantees of future performance and, accordingly, undue reliance should not be put on such forward-looking statements due to the inherent uncertainty therein.

Business Risks and Uncertainties

Please refer to the Company's annual MD&A and audited consolidated financial statements for the year ended December 31, 2021, available on SEDAR at www.sedar.com and on the Company's web site at www.tornadotrucks.com for a discussion of the other risks and uncertainties associated with the Company's activities. There have been no significant changes in these risks and uncertainties during the three months ended March 31, 2022.