**RICHCO INVESTORS INC.**
**Form 51-102F1**
**Management's Discussion & Analysis**
**FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

The following management’s discussion and analysis of the financial position and results of operations (the “MD&A”) dated November 26, 2021 has been prepared by management and are based on and derived from the unaudited condensed interim financial statements of Richco Investors Inc. (the "Company") for the period ended September 30, 2021.

This discussion should be read in conjunction with the unaudited condensed interim financial statements for the period ended September 30, 2021.

The unaudited condensed interim financial statements were presented in Canadian dollars, which is both the functional and presentation currency of the Company. Figures referred to in this discussion are in Canadian dollars, unless otherwise stated.

The Company’s principal business is to provide financial, management and other administrative services to early development stage business. The principal objective of the Company is long-term wealth creation through creating or helping businesses to fulfill their potential through strategic planning, capital infusion and corporate restructuring. The Company may invest extensively in emerging growth companies which are in the development stage or in companies which primarily hold investments in such companies. Certain investments are in companies which have not yet established commercial viability for their business activities and have not yet earned significant revenue; therefore, the quoted market values of their shares are not necessarily indicative of the fair value of these investments and the recoverability of invested amounts is dependent upon the eventual commercial success of these entities. The Company is accordingly at risk for any large fluctuation in stock prices and performance of these public companies. The Company keeps close contacts with the management of these companies to assess their performance.

Certain statements in this MD&A, other than statements of historical fact, constitute “forward-looking information” within the meaning of Canadian securities legislation. “Forward-looking information” includes, but is not limited to, statements with respect to acquisition or reverse acquisition of a viable project, as well as the Company's future plans, objectives, business strategy, budgets, projected costs, financial results, and requirements for additional capital. In certain cases, forward-looking information can be identified by the use of words such as “plans”, “expects”, “contemplates”, “budget”, “possible”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “believes”, or variations of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”.

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such risk factors include, among others: adverse economic conditions, political and regulatory concerns and key individual staffing problems amongst others. Other risks and uncertainties are discussed throughout this MD&A and, in particular, in the section below entitled “Risks and Uncertainties”.

In making the statements in this MD&A containing forward-looking information, the Company has applied several material assumptions, including but not limited to, assumptions regarding the ability of the Company to obtain, on reasonable terms, the necessary financing to complete the acquisition or reverse acquisition of a viable project, as well as the future profitable operations of the project.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

**Performance Summary**

As at September 30, 2020, the Company had total assets of $411,538. This amount is comprised of current assets totaling $411,308 and equipment totaling $230. Current assets are comprised of cash of $76,446, GST receivable of $478, loan receivable of $333,134 and prepaid expenses of $1,250. As at September 30, 2021, the Company had current liabilities of $45,310 and long-term liabilities of $239,517. The Company's deficit increased from $9,731,681 as at December 31, 2020 to $9,744,883 at September 30, 2021.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

**New Standards and Interpretations**

(i) New Standards and Interpretations Adopted During the Period

The Company did not adopt any new standards and interpretation during the period ended September 30, 2021.

(ii) New standards and interpretations not yet adopted during the period

*Amendments to IAS 37 - Provisions, Contingent Liabilities, and Contingent Assets*

In May 2020, the IASB issued amendments to clarify the costs that a company should include as the cost of fulfilling a contract when assessment is made as to whether a contract is onerous. The amendment is effective January 1, 2022, with early adoption permitted. The Company does not expect the adoption of the standard to have material impact on the Company's consolidated financial statements.

*Amendments to IAS 16 - Property, Plant and Equipment*

In May 2020, the IASB issued amendments to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendment is effective January 1, 2022, with early adoption permitted. The Company does not expect the adoption of the standard to have material impact on the Company's consolidated financial statements.

Future accounting changes

The Company continuously monitors the potential changes proposed by the International Accounting Standards Board ("IASB") and analyzes the effect that changes in the standards may have on the financial statements when they become effective. There have been no significant changes to future accounting policies that could impact the Company from what was disclosed in the December 31, 2020 annual financial statements.

**Selected Annual Information**

The selected annual information can be summarized as follows:

| | 2020<br>($) | 2019<br>($) | 2018<br>($) |
|---|---|---|---|
| Total revenue | - | - | - |
| Net loss | (30,521) | (27,884) | (25,858) |
| Loss per share, basic and diluted | (0.00) | (0.00) | (0.00) |
| Total assets | 424,422 | 291,674 | 8,708 |
| Total long-term financial liabilities | 239,517 | 240,229 | 227,972 |
| Cash dividend | - | - | - |

Fluctuation analysis

The increase in net loss for 2020 as compared with 2019 was mainly due to the increase of $6,139 in finance costs, including interest expense, bank charge and foreign exchange loss.

The increase in net loss for 2019 as compared with 2018 was mainly due to the increase of $2,233 in finance costs, including interest expense, bank charge and foreign exchange loss.

**Results of Operations**

**Three months ended September 30, 2021**

During the three months ended September 30, 2021 and 2020, revenue was $nil and $nil with operating expenses of $5,813 and $6,764, respectively. The net income for the quarter ended September 30, 2021 was $5,989 as compared to the net loss of $10,458 for the same period in 2020. The increase in net income was the result of the stronger foreign exchange conversion from US dollars for the captioned period.

**Nine months ended September 30, 2021**

During the nine months ended September 30, 2021 and 2020, revenue was $nil and $nil with operating expenses of $22,495 and $24,275, respectively. The net loss for the nine months ended September 30, 2021 was $13,202 as compared to $10,580 for the same period in 2020.

| | For the Quarters Ended | | | |
|---|---|---|---|---|
| | September 30, 2021 | June 30, 2021 | March 31, 2021 | December 31, 2020 |
| Total assets | $ 411,538 | $ 400,634 | $ 422,436 | $ 424,422 |
| Revenue | - | - | - | - |
| Net income (loss) | 5,989 | (10,528) | (8,663) | (19,942) |
| Earnings (loss) per share | (0.00) | (0.00) | (0.00) | (0.00) |

| | For the Quarters Ended | | | |
|---|---|---|---|---|
| | September 30, 2020 | June 30, 2020 | March 31, 2020 | December 31, 2019 |
| Total assets | $ 437,866 | $ 447,827 | $ 465,511 | $ 291,674 |
| Revenue | - | - | - | - |
| Net loss | (10,458) | (19,633) | 19,512 | (8,937) |
| Loss per share | (0.00) | (0.00) | 0.00 | (0.00) |

**Summary of Quarterly Results**

For the quarter ended September 30, 2021, total assets increased slightly. The Company has recorded a net income of $5,989 for the current quarter. It was mainly due to the stronger foreign exchange conversion from US dollars as compared to the previous periods.

For the quarter ended June 30, 2021, total assets decreased was mainly due to the decrease in cash after offsetting an increase in GST receivable. The decrease in cash was mainly due to making payments required to maintain the listing status of the Company. The net loss of $10,528 was mainly comprised of legal and accounting fees of $3,801, and the transfer agent and filing fees of $4,959.

For the quarter ended March 31, 2021, total assets decreased was mainly due to the decrease in cash after offsetting an increase in GST receivable. The decrease in cash was mainly due to making payments required to maintain the listing status of the Company. The net loss of $8,663 was mainly comprised of legal and accounting fees of $5,397, and the transfer agent and filing fees of $1,984.

For the quarter ended December 31, 2020, total assets decreased due to the decrease in cash. The decrease in cash was mainly due to making payments required to maintain the listing status of the Company. The net loss of $19,942 was mainly comprised of legal and accounting fees of $4,704, and the transfer agent and filing fees of $2,031.

For the quarter ended September 30, 2020, total assets decreased due to the decrease in cash. The decrease in cash was mainly due to making payments required to maintain the listing status of the Company. The net loss of $10,458 was mainly comprised of legal and accounting fees of $3,778, and the transfer agent and filing fees of $2,090.

For the quarter ended June 30, 2020, total assets decreased due to the decrease in cash. The decrease in cash was mainly due to making payments required to maintain the listing status of the Company. The net loss of $19,633 was mainly comprised of finance costs of $9,937, legal and accounting fees of $4,290 and transfer agent and filing fees of $4,970.

For the quarter ended March 31, 2020, the increase in total assets was mainly due to the increase in cash and loan receivable. The increase in cash was due to the subscription received from the Private Placement. The increase in loan receivable was mainly due to the Company lent another US$84,979 on February 21, 2020 to a private company for its start-up of operations. The net income of $19,512 was mainly comprised of finance income of $27,877, and the legal and accounting fees of $5,012.

For the quarter ended December 31, 2019, the increase in total assets was mainly due to the increase in cash and loan receivable. The increase in cash was due to the subscription received from the Private Placement. The increase in loan receivable was mainly due to the Company lent US$120,000 and US$38,529 on November 6, 2019 and December 23, 2019, respectively, to a private company for its start-up of operations. The net loss of $8,937 was mainly comprised of legal and accounting fees of $3,722, and the transfer agent and filing fees of $1,957.

**Liquidity**

As at September 30, 2021, the Company had a working capital of $365,998 made up of current assets of $411,308 minus current liabilities of $45,310 as compared with the working capital of $379,158 at December 31, 2020. The decrease in working capital was mainly due to the decrease in cash. The book value of the Company's assets is $411,538 against total liabilities of $284,827. The Company registered a net loss of $0.00 per share for the period ended September 30, 2021 as compared to a net loss of $0.00 per share for the comparable period of previous year.

| | September 30, 2021 | December 31, 2020 |
|---|---|---|
| Working capital | $ 365,998 | $ 379,158 |

Net cash used in operating activities for the period ended September 30, 2021 was $11,199 as compared to $61,893 for the same period of last year. The change was mainly due to the decrease in trade and other payable in the current period.

Net cash used in financing activities for the period ended September 30, 2021 was $9,631 as compared to net cash provided by financing activities of $78,755 for the same period of last year. The change was mainly due to the issuance of share capital under the Private Placement occurred during the same period of last year.

Working capital decreased to $365,998 at September 30, 2021 as compared to working capital of $379,158 at the end of December 31, 2020, primarily as a result of the decrease in cash during the current period.

**Capital Resources**

In January and October 2020, the Company completed a non-brokered private placement of 9,146,990 units of the Company at a price of $0.05 per unit. Each unit consists of one subordinate voting ("SV") share of the Company and one SV share warrant (a 'Warrant'). Each Warrant is exercisable into one SV share at an exercise price of $0.15 for a period of one year from the date such warrant is issued. The expiry date shall be accelerated to the close of business on the 30th day after the day on which the closing price of the Company's shares exceeds $0.20 for a period of 20 consecutive trading days. In connection to the private placement, the Company issued 496,090 units as finder's fees. Under the residual value method, the fair value of the SV share was determined to be $0.01 per share; and the fair value of the warrant was determined to be $0.04 per warrant. All the warrants were subsequently expired and unexercised.

The Company does not have any commitments for capital expenditure.

**Related Parties**

All related party transactions were recorded at the exchange amounts as agreed upon by the related parties.

**Key management personnel and director transactions**

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities.

The outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

During the year ended December 31, 2020, Chris Tsakok, CEO of the Company, lent $601 to the Company, unsecured, non-interest bearing, repayable on March 31, 2025.

| | | **September 30, 2021** | | **December 31, 2020** |
|---|---|---|---|---|
| Due to CEO of the Company, non-interest bearing, unsecured, repayable on March 31, 2025 | $ | 191,487 | $ | 191,487 |
| Due to a director of the Company, non-interest bearing, unsecured, repayable on March 31, 2025 | | 48,030 | | 48,030 |
| Due to related parties - long-term portion | $ | 239,517 | $ | 239,517 |

**Other Related Party Transactions**

At September 30, 2021, the Company has made and received advances from several companies in which it has an ownership interest or directors in common, the balances and terms were:

| | | **September 30, 2021** | | **December 31, 2020** |
|---|---|---|---|---|
| Due to a company with common director and officer, repayable on demand, non-interest bearning, unsecured. | $ | 3,823 | $ | 3,823 |
| Unsecured loan from Drucker, Inc. US$11,458 including accrued interest due on 30 days formal notice, interest payable at US prime + 1%. Interest accrued for the period ended September 30, 2021 was US$357. Current account with Drucker, Inc. was $23,336, which is non-interest bearing and payable on demand. | | | | |
| Less: loan to Drucker, Inc. $11,500, including accrued interest, payable on demand, interest payable at CIBC prime on date of loan, April 15, 2009, at 2% over prime rate. Interest accrued for the period ended September 30, 2021 was $387. Accounts receivable from Drucker, Inc. was $8,154, which is non-interest bearing and due on demand. | | 11,663 | | 11,586 |
| Due to related parties - current portion grouped under trade and other payable | $ | 15,486 | $ | 15,409 |

Some amounts due to and from related parties do not bear interest, are unsecured, and have no fixed payment term; accordingly, the fair value cannot be readily determined. In regards to Drucker Inc., any loans made by one party to the other can be offset against loans made by the other party on a reciprocal basis.

**Financial Instruments**

The Board of Directors has overall responsibility for the establishment and oversight of the Company’s risk management framework. The Company’s financial instruments consist of cash, trade and other payables and due to related parties.

Cash, trade and other payables and due to related parties are measured at amortized cost.

At September 30, 2021, the carrying and fair value amounts of the Company’s financial instruments related to cash and trade and other payable are the same due to their short terms to maturity.

The Company's risk management activities include the preservation of its capital by minimizing risk related to its cash. The Company does not have a risk management committee or written risk management policies. The Company’s financial instruments are exposed to the risks described below:

(a) Credit risk

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and loan receivable. Management believes that the maximum credit exposure at September 30, 2021 is cash in the bank of $76,446 (December 31, 2020: $97,276) and loan receivable of $333,134 (December 31, 2020: $323,102).

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company has in place a planning and budgeting process to help determine the funds required to support the Company’s normal operating requirements on an ongoing basis. The Company tries to ensure that there is sufficient working capital to fund its ongoing operating expenditures. At September 30, 2021, the Company had a working capital of $365,998 (December 31, 2020: $379,158). The Company will require having equity or debt financing to meet its financial obligations.

(c) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, equity prices, and exposure of long-term investments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to short term interest rates through the interest earned on cash balances. The Company has cash balances which is non- interest bearing. The Company's current policy is to invest excess cash in short-term deposits with its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

The Company has the following interest bearing instruments.

| | | September 30, 2021 | | December 31, 2020 |
|---|---|---|---|---|
| **Variable rate instruments** | | | | |
| Loan to Drucker Inc. | $ | 11,500 | $ | 11,500 |
| Loan from Drucker Inc. | | (14,599) | | (14,135) |
| Loan receivable | | 333,134 | | 323,102 |
| | $ | 330,035 | $ | 320,467 |

A change of 1% in interest rates at the reporting date would have immaterial impact on the Company's financial statements. The Company is not subject to significant interest rate risk.

(ii) Foreign currency exchange rate risk

Foreign currency exchange rate risk is the risk that the fair value of financial instruments or future cash flows will fluctuate as a result of changes in foreign exchange rates.

The Company's functional currency is the Canadian dollar and major transactions are transacted in Canadian dollars. The Company's loan receivable is in US dollars. Management believes the foreign exchange risk derived from currency conversions is minimal and therefore does not hedge its foreign exchange risk.

(iii) Price risk

The Company is exposed to risk of changing equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company keeps close contact with the management of these companies to assess their performance and also monitors the movements of their stock prices to determine the appropriate course of action to be taken by the Company.

(d) Fair Value Hierarchy

The table below analyzes financial instruments carried at fair value, by valuation method.

The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

**Outstanding Shares Data**

Capitalization as of November 26, 2021:

*Authorized*

a) An unlimited number of shares of a class designated as multiple voting shares.
b) An unlimited number of shares of a class designated as subordinate voting shares.
c) An unlimited number of shares of a class designated as preference shares in one or more series.

*Issued and outstanding*

| | Number of shares | | Amount |
|---|---|---|---|
| a) Multiple voting shares | | | |
| November 26, 2021 | 5,310,191 | $ | 4,187,122 |
| b) Subordinate voting shares | | | |
| November 26, 2021 | 18,553,272 | | 5,298,749 |
| | 23,863,463 | $ | 9,485,871 |

The Company has no stock option or warrant outstanding as of November 26, 2021.