TARGET CAPITAL INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

AMENDED & RESTATED

THIS MANAGEMENT'S DISCUSSION AND ANALYSIS HAS BEEN AMENDED AND RE-ISSUED DUE TO AN ERROR IN THE REPORTING OF A CASH ADVANCE IN THE PREVIOSULY FILED UNAUDITED CONDENSED CONSOLIDATE INTERIM FINANCIAL STATEMENTS FILED ON SEDAR ON MARCH 2, 2020, AS DESCRIBED IN NOTE 5 OF THE AMENDED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS.

April 18, 2022

The following Management's Discussion and Analysis ("**MD&A**") of the financial condition and the results of operations of Target Capital Inc. ("**Target**" or the "**Corporation**") should be read in conjunction with the Corporation's unaudited condensed consolidated interim financial statements and related notes as at and for the three and nine months ended December 30, 2019 and the audited consolidated financial statements and related notes as at and for the year ended March 31, 2019. Those financial statements and comparative information have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and are presented in Canadian dollars unless otherwise noted. The MD&A has been prepared by management and approved by the Corporation's Board of Directors (the "**Board**").

Forward-Looking Statements

Certain statements contained in this MD&A, including the documents incorporated by reference, may contain projections and "forward-looking statements" within the meaning of that phrase under applicable securities legislation. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions may be used to identify forward-looking statements. More particularly, and without limitation, this MD&A contains forward looking statements and information concerning the corporate strategy of Target and the Secured Note (as defined herein), including the terms thereof and the ability of Performance CBD (as defined herein) to repay such indebtedness. In addition, statements relating to Performance CBD's brands, products, business, strategies, expectations, planned operations or future actions, including the performance of Performance CBD's business and operations, the competitive conditions of the industry in which Performance CBD operates and the competitive advantages of Performance CBD and Performance CBD's future product offerings are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions. Those statements reflect our current views with respect to future events or conditions, including prospective results of operations, financial position, predictions of future actions or plans or strategies. Certain material factors and assumptions were applied in drawing our conclusions and making those forward-looking statements. By their nature, those statements reflect management's current views, beliefs and assumptions and are subject to certain risks, uncertainties, known and unknown. These factors include but are not limited to the risks, uncertainties, assumptions and other factors listed under "Risk Factors"; capital market activity; changes in government monetary, fiscal, and economic policies; changes in interest rates, inflation levels and general economic conditions; legislative and regulatory developments; competition; credit ratings; and scarcity of human resources.

Corporation Overview

Target was incorporated on June 8, 1993, under the Business Corporations Act of Alberta, Canada. The Corporation's registered office is located at Suite 4300, 888 – 3rd Street SW, Calgary, Alberta, T2P 5C5.

The Corporation's shares ("**Target Shares**") were listed on the TSX Venture Exchange ("**TSXV**") between December 19, 2008 and April 14, 2021 and the Canadian Securities Exchange between July 8, 2014 and April 15, 2021 under the symbol "**TCI**".

On November 4, 2020, the Alberta Securities Commission issued a cease trade order for failure to file the Corporation's audited consolidated financial statements and MD&A for the financial year ended March 31, 2020 and unaudited condensed consolidated interim financial statements and MD&A for the quarter ended June 30, 2020. The Corporation had not filed consolidated financial statements and MD&A for all periods subsequent to June 30, 2020. In connection with the delay in filing continuous disclosure documents, the listing of the Target Shares was transferred from the TSXV to the NEX board of the TSXV on April 14, 2021 and the Target Shares were delisted from the Canadian Securities Exchange. The trading symbol of the Corporation's has also changed from TCI to TCI.H.

Investment Business

Target's principal activities included the administration of its portfolio of private company investments as well as the continued sourcing and evaluation of strategic alternative investments to enhance shareholder value.

Starting in 2009, Target began acquiring interests in private companies ("**Investee**" or "**Investees**"). The nature of the Corporation's investments in the Investees enables the debt securities of the Investees to be eligible for registered retirement savings plans, registered education savings plans, registered retirement income funds, locked-in retirement accounts or tax-free savings accounts ("**Deferred Plans**"). The promoters managing these companies use the capital raised at their own discretion, without reliance on management or resources of the Corporation. Target's management and capital are not committed to these Investees.

Target earns annual fees enabling these Investees to raise funds from Deferred Plans. The annual fee is generally the greater of $2,500 or 0.5% of the total capital raised by each Investee from Deferred Plans. These Investees have raised capital from Deferred Plans varying in size up to several million dollars.

While the Corporation holds majority ownership in most of its Investees and can elect the Board of Directors and exert legal control over the Investees, it has entered into agreements with the Investees ("**Investee Agreement**") which impose long-term restrictions on the Corporation's ability to obtain future economic benefits through its shareholding. As such, the Corporation's investments do not meet all the IFRS criteria for consolidation, and the Corporation does not consolidate the Investees for reporting purposes.

Subsequent to the delisting of Target's shares on the TSXV and CSE in April 2021, the Investees have terminated the relationship with the Corporation and Target does not anticipate any revenue to be earned from the Investees subsequent to the delisting of the Target Shares.

Major Events in the Reporting Period

- On March 15, 2019, Jason Kujath resigned as general counsel of the Corporation and William McDonald resigned as an executive vice president of the Corporation.
- On July 26, 2019, William Macdonald resigned as a director of the Corporation.
- On August 1, 2019 Colin Wagner was appointed as the CFO of the Corporation replacing David Cheadle.

- In 2019, the Corporation made a US$0.3 million (CAD$0.4 million) investment in Intev Technologies, LLC ("**Intev**"), a Brooklyn-based hardware technology company focused on designing and manufacturing luxury personal vaporizing devices. The investment was structured as a convertible note maturing on September 9, 2021 and accruing interest at a rate of 7.0% per annum.

Major Events Subsequent to the Reporting Period

- On May 31, 2020, the convertible note in JAEB Designs, Inc. ("**JAEB**"), together with all accrued and unpaid interest was converted into 78,946 common shares of JAEB at $1.33 per share.
- On September 16, 2020 Chad Oakes and Gregory G. Turnbull resigned as directors of the Corporation and Ron Hozjan and Theo Zunich were appointed as directors of the Corporation.
- On October 16, 2020, 2,000,000 stock options were terminated and on November 27, 2020, the remaining 3,500,000 stock options were terminated.
- Between October 29, 2020 and November 27, 2020, the Corporation sold 833,333 shares of YSS Corp. for net proceeds of $0.1 million.
- On April 16, 2021, (i) Shahin Mottahed resigned as President, CEO, and director of the Corporation, (ii) Colin Wagner resigned as CFO of the Corporation, and (iii) Matteo Volpi was deemed to have vacated his position as director of the Corporation.
- On April 16, 2021, (i) Theo Zunich was appointed as Interim President & CEO of the Corporation, (ii) Robert Dion was appointed as contract Interim CFO of the Corporation, and (iii) Nick Kuzyk was appointed as a director of the Corporation.
- As at the date of approving the MD&A, the Corporation has advanced, a net total of $2.3 million to Performance CBD Brands Corp ("**Performance CBD**"), which operates as Champions + Legends Corp. a premium sports supplements brand with 11 unique products that are custom formulated and manufactured using hemp extracted cannabidiol ("**CBD**") as the primary ingredient. At the time of the advances, the CEO and CFO of the Corporation were also the CEO and CFO of Performance CBD, respectively.

  On June 16, 2021 the Corporation entered into a $2.2 million principal value secured note, bearing an interest rate of 8.0% per annum, with Performance CBD ("**Secured Note**"). The Secured Note is repayable on demand at the sole discretion of Target. The Secured Note is also convertible into common shares of Performance CBD at a 10% discount to the issue price of an equity financing into Performance CBD of not less than $2.0 million, subject to the sole discretion of Target.

  As at the date of approving the MD&A, the Corporation collected, $0.1 million from Performance CBD, as partial repayment of advanced funds. Currently, the outstanding principal of the Secured Note, representative of the net balance of funds advanced to Performance CBD, was $2.2 million.

  The Secured Note is secured through corporate, personal and limited recourse guarantees with Performance CBD, the subsidiaries of Performance CBD, and the CEO and CFO of Performance CBD.

  In conjunction with the Secured Note financing, the Corporation was granted 369,555 Performance CBD common shares and 144,640 Performance CBD performance warrants, representing approximately 25% of the basic and fully diluted shares outstanding of Performance CBD. In addition, the Corporation is party to a shareholder rights agreement with Performance CBD that provides, among other covenants, corporate rights, board nomination rights, veto rights and negative covenants, in favour of the Corporation.

  As at March 31, 2021, the Corporation determined that the $2.3 million in related party advances was credit impaired as Performance CBD required additional financing to proceed with its business plan. The fair value of the related party advances was marked down to $0.1 million, which was the amount collected subsequent to March 31, 2021. There has been no changes in the fair value of the related party advances to Performance CBD as at December 31, 2019.

- In July 2021, the Corporation obtained a $60,000 bank loan with a chartered bank through the Canadian Emergency Business Account funded by the Government of Canada. The loan has no interest or annual fee until December 31, 2022. The balance of the loan as at December 31, 2022 will convert to a 3-year term loan, funded by the Government of Canada with an interest rate of 5% per annum and a maturity date of December 31, 2025. The funds are used for eligible non-deferrable expenses in accordance with the Government of Canada program. Repayment of the balance of the loan on or before December 31, 2022 will result in a loan forgiveness of $20,000. On January 12, 2022, the Government of Canada announced that the repayment deadline for CEBA loans to qualify for partial forgiveness is being extended from December 31, 2022 to December 31, 2023, for all eligible borrowers in good standing.
- The Corporation's 95% owned inactive subsidiary Industrial Avenue Development Corp. was struck from the corporate registry and dissolved on September 2, 2021.
- On July 22, 2021, the Corporation entered into a confidentiality agreement with a private technology company (the "**RTO Counterparty**"). Concurrent to the preparation and audit of Target's financial statements, the Corporation and the RTO Counterparty negotiated and advanced a business combination transaction by way of a reverse takeover ("**RTO Transaction**"). On April 7, 2022, the Corporation and the RTO Counterparty mutually agreed to terminate the RTO Transaction ("**RTO Termination**"). Pursuant to the RTO Termination, the RTO Counterparty agreed to pay the Corporation a reimbursement fee of $0.25 million ("**Reimbursement Fee**"). As at the date of approving this MD&A, the Corporation has received $61,825 as partial payment of the Reimbursement Fee, with the remainder due on or before June 30, 2022.

Financial and Operational Summary

The following tables set forth selected financial information of the Corporation for the three and nine months ended December 31, 2019 and 2018.

Financial position highlights (Amounts in $000s)	**December 31, 2019**	March 31, 2019
Cash	**407**	2,768
Short-term investments	**1,000**	-
Current assets	**2,937**	3,141
Non-current assets	**159**	348
Total assets	**3,096**	3,489
Current liabilities	**89**	115
Equity	**3,007**	3,374
Total liabilities and equity	**3,096**	3,489
Working capital	**2,848**	3,026

Operations highlights (amounts in $000s, except per share amounts)	Three months ended December 31,		Nine months ended December 31,	
	2019	2018	**2019**	2018
Total revenue	**258**	171	**590**	409
Total expenses	**(274)**	(238)	**(872)**	(914)
Other gains (losses)	**(7)**	-	**(7)**	-
Net loss	**(23)**	(67)	**(289)**	(505)
Loss per share	**-**	-	**-**	-

Cash flow highlights (amounts in $000s)	Three months ended December 31,		Nine months ended December 31,	
	2019	2018	**2019**	2018
Cash flow from (used in)				
Operating activities	**(172)**	3	**(339)**	(443)
Financing activities	**-**	-	**-**	697
Investing activities	**(1,626)**	-	**(2,022)**	(436)
Change in cash	**(1,798)**	3	**(2,361)**	(182)
Cash, beginning of period	**2,205**	2,845	**2,768**	3,030
Cash, end of period	**407**	2,848	**407**	2,848

Summary of Results

Due to the nature of Target's business, certain revenues are consistent and earned on a regular basis, while other types of revenue are unpredictable due to timing. As a result, Target's quarterly performance can vary significantly.

For the three and nine months ended December 31, 2019, the Corporation has reported a net loss of $22,755 and $0.3 million respectively as compared to a net loss of $67,524 and $0.5 million in the comparable prior periods. The decrease in net loss in the nine-month period is due primarily to the increase in Investee fees.

Revenue (Private Company Investment Fees)

($000s)	Three months ended December 31,		Nine months ended December 31,	
	2019	2018	**2019**	2018
Private company investment fees	**246**	170	**574**	409

For the three and nine months ended December 31, 2019, the Corporation has reported private company investment fees of $0.2 and $0.6 million respectively as compared to $0.2 and $0.4 million in the comparable prior periods.

Subsequent to the delisting of the Target Shares on the TSXV and CSE in April 2021, the Investees have terminated the relationship with the Corporation and Target does not anticipate any revenue to be earned from the private company investments in future periods.

Interest and Other Income

($000s)	Three months ended December 31, 2019	2018	Nine months ended December 31, 2019	2018
Interest and other income	**12**	-	**16**	-

The interest and other income in the current reporting period is related to short-term guaranteed investment certificates held at a Canadian financial institution bearing an interest rate of 2.0% and a maturity date of September 5, 2020.

General and Administrative ("G&A") Expenses

($000s)	Three months ended December 31, 2019	2018	Nine months ended December 31, 2019	2018
General and administrative	**254**	229	**654**	871

For the three and nine months ended December 31, 2019, G&A costs were $0.3 and $0.7 million respectively as compared to $0.2 and $0.9 million in the comparable prior periods. G&A expenses consist primarily of salaries, professional fees, business development costs, insurance, and general office costs.

Royalties

($000s)	Three months ended December 31, 2019	2018	Nine months ended December 31, 2019	2018
Royalties	**12**	5	**37**	32

Royalties represent commission charges related to the applicable Investee fees.

Bad Debt Expense and Provision (Recovery) of Expected Credit Losses

($000s)	Three months ended December 31, 2019	2018	Nine months ended December 31, 2019	2018
Bad debt expense	**-**	-	**-**	-
Provision (recovery) of expected credit losses	**(103)**	-	**69**	-
	(103)	-	**69**	-

For the three and nine months ended December 31, 2019, the provision for expected credit losses were a $0.1 million recovery and a $0.1 million provision, respectively as compared to $NIL in the comparable prior periods.

Share-based Compensation

($000s)	Three months ended December 31, 2019	2018	Nine months ended December 31, 2019	2018
Share-based compensation	**110**	-	**110**	-

On November 27, 2019, the Corporation issued a total of 5,500,000 stock options with an exercise price of $0.05 to various directors, officers and advisors of the Corporation which were fully vested on the date of issuance. The fair value of the options issued of $0.1 million has been recognized in the current reporting period, and was determined using the Black Scholes option pricing model.

Unrealized Foreign Exchange Loss

($000s)	Three months ended December 31, 2019	2018	Nine months ended December 31, 2019	2018
Unrealized foreign exchange loss	**(7)**	-	**(7)**	-

The unrealized foreign exchange loss relates to the US$ convertible notes receivable and the strengthening of the CAD$ as at December 31, 2019.

Other Comprehensive Income (Loss)

($000s)	Three months ended December 31, 2019	2018	Nine months ended December 31, 2019	2018
Unrealized (loss) gain on other investments	**(96)**	75	**(188)**	75

The unrealized (loss) gain on other investments relates to the mark-to-market valuation of its equity investment in Nova Cannabis Inc. (formerly named YSS Corp.) which is a publicly listed entity.

Liquidity and Financial Resources

The Corporation had working capital of $2.8 million as at December 31, 2019 as compared to $3.0 million as at March 31, 2019.

Subsequent to the period end, the Investees have terminated all relationships with the Corporation and Target does not anticipate any revenue to be earned from the Investees subsequent to the delisting of the Target Shares. As such, the continued operation of the Corporation is dependent on its ability to obtain additional financing and there is no assurance that the Corporation will be successful in obtaining such funding from its ongoing business activities.

Management is currently exploring various options that, if successful, will enable the Corporation to have access to sufficient funds to commence commercial operations, generate operating cash flows and be able to settle liabilities as and when they fall due. These include but are not limited to the success of raising funds, the completion of a material transaction, the monetization of investments, the repayment of outstanding loan amounts, or an alternative transaction that improves the cash and working capital position of the Corporation. There is no assurance that the Corporation will be successful in sufficiently financing the Corporation's ongoing business activities.

Outstanding Share Data

As of the date of this MD&A, the Corporation has 106,715,629 Target Shares outstanding, 53,950,020 warrants outstanding with an exercise price of $0.10 and an expiry date of December 15, 2022 and 5,209,484 warrants outstanding with an exercise price of $0.10 and an expiry date of June 26, 2023. As at December 31, 2019 there were 5,500,000 stock options outstanding and as at the date of this report there are no stock options outstanding.

Quarterly Results

The following table sets out the quarterly financial information for each of the last eight quarters:

Three Months Ended	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18	Mar-18
Financial Highlights ($000s)								
Cash & short-term investments	1,407	2,205	2,753	2,768	2,849	2,846	2,533	2,196
Working capital	2,848	2,760	3,006	3,026	3,223	3,288	2,774	3,456
Shareholders' equity	3,007	3,016	3,294	3,374	3,724	3,792	3,283	3,532
Revenue	258	157	175	185	170	127	112	238
Net loss	(23)	(245)	(21)	(319)	(67)	(188)	(250)	(2,743)

Fluctuations in the revenues are subject to the timing and placement of funds by its Investees, beyond the control of the Corporation and while net losses have varied primarily as a result of changes in G&A expenditures and share-based compensation.

Commitments

The Corporation has no lease agreements or commitments as at December 31, 2019.

Related Party transactions

During the nine months ended December 31, 2019, the Corporation advanced $0.6 million to Performance CBD. As at December 31, 2019, the CEO and CFO of the Corporation were also the CEO and CFO of Performance CBD, respectively.

As at the date of approving the MD&A, the Corporation has advanced, a net total of $2.3 million to Performance CBD and has received, $0.1 million from Performance CBD, as partial repayment of advanced funds. The advances to Performance CBD have been structured into a secured loan agreement with Performance CBD. As at the date of approving this MD&A, the net balance of funds advanced to Performance CBD is $2.2 million. Please see above section “Major Events Subsequent to the Reporting Period” for more details.

As at March 31, 2021, the Corporation determined that the $2.3 million in related party advances was credit impaired as Performance CBD required additional financing to proceed with its business plan. The fair value of the related party advances was marked down to $0.1 million, which was the amount collected subsequent to March 31, 2021. There has been no changes in the fair value of the related party advances to Performance CBD as at December 31, 2019.

Key management personnel are the individuals responsible for planning, directing, and controlling the activities of the Corporation and includes both executive and non-executive directors. For the nine months ended December 31, 2019, salaries and share-based compensation of $0.3 million (December 31, 2018 - $0.3 million) were paid to the previous executive team and are included in the key management compensation.

Off-Balance Sheet Arrangements

The Corporation does not have any off-balance sheet arrangements.

Critical Accounting Estimates

In preparing these unaudited condensed interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Corporation's accounting policies and the key sources of estimation uncertainty were the same as those described in the annual audited consolidated financial statements as of March 31, 2019.

Risk Factors

Leadership

Target is dependent on members of its senior management and operational staff. A loss of one or more of these individuals could adversely affect the Corporation's business.

Regulation

The Corporation is subject to various laws and regulations and any changes to these statutes, or court decisions, regarding their application could negatively impact the Corporation. Specifically, Target's investments in private companies are reliant on regulations under the *Income Tax Act (Canada)*, and there can be no assurance that the Government will not adopt laws or regulatory requirements that could adversely affect the business.

Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its contractual obligations and arises principally from the Corporation's accounts receivable from the Investees, related party advances and convertible notes receivable. The carrying amount of accounts receivable, advances to related parties and convertible notes receivable represents the maximum credit exposure.

The credit risk is influenced mainly by the individual credit characteristics of each investment. Geographically, there is a concentration of risk in both the Province of Alberta and in the United States.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation has in place a planning and forecasting process which helps determine the funds required to ensure the Corporation has the appropriate liquidity to meet its operational requirements. The accounts payable and accrued liabilities are due within a year.

As at December 31, 2019, the Corporation had working capital of $2.8 million (March 31, 2019 – $3.0 million).

Foreign currency risk

Foreign currency risk is the risk that future cash flows will fluctuate as a result of changes in foreign currency exchange rates. The exchange rate effect cannot be quantified, but in general an increase in the value of the Canadian dollar as compared to the US dollar will reduce any amounts received by the Corporation for the US$ convertible notes receivable.

Holders of Target Shares are at risk for a substantial loss of capital

The investments made or to be made by the Corporation are speculative in nature and holders of Target Shares could experience a loss of all or substantially all of their investment in the Corporation. There can be no assurance that the Corporation will be able to make and realize investments or generate positive returns. There can also be no assurance that the returns generated, if any, will be commensurate with the risks of investing in the types of investments contemplated by the

Corporation's investment objectives. Therefore, an investment in the Corporation should only be considered by persons who can afford a loss of their entire investment.

The realization of returns from the Corporation's investment activities is a long-term proposition

Most investments to be made by the Corporation are not expected to generate current income. Therefore, the return of capital to the Corporation and the realization of gains, if any, from the Corporation's investments will generally occur only upon the partial or complete realization or disposition of the investment. While an investment of the Corporation may be realized or disposed of at any time, it is generally expected that the ultimate realization or disposition of most of the Corporation's investments will not occur for one to three years and possibly longer after an investment is made.

The Corporation's investments may be illiquid and difficult to value, and the Corporation may not be able to exit the investment on its intended timetable

The Corporation is focused on investing in primarily privately held companies and early stage publicly traded companies, which may be illiquid and difficult to value. Accordingly, there can be no assurance that the Corporation will be able to realize on its investments in a timely manner or at all. If the Corporation is required to liquidate all or a portion of its portfolio investments quickly, it may realize significantly less than its invested capital. While privately held companies may seek to list their securities on a stock exchange as a means of creating liquidity for investors, there can be no assurance that a stock exchange listing will provide a viable exit mechanism, if trading volumes and stock prices are low at the time of intended disposition.

Conflicts of interest may arise between the Corporation and its directors and management

The directors and officers of the Corporation will not be devoting all of their time to the affairs of the Corporation. Some of the directors and officers of the Corporation are directors and officers of other companies, some of which are in a similar business as the Corporation. The directors and officers of the Corporation are required by law to act in the best interests of the Corporation. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Corporation may result in a breach of their obligations to the other companies, and in certain circumstances, this could expose the Corporation to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligations to act in the best interests of the Corporation. Such conflicting legal obligations may expose the Corporation to liability to others and impair its ability to achieve its business objectives.