JAGUAR FINANCIAL CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2021

Management's Discussion and Analysis – Year Ended December 31, 2021

The following Management Discussion and Analysis ("MD&A") of the financial condition and results of operations of the Company are the views of management and should be read in conjunction with the consolidated financial statements and related notes for the years ended December 31, 2021 and 2020, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All figures are expressed in Canadian dollars unless otherwise indicated.

This report is dated as at April 29, 2022, and the Company's additional public filings can be reviewed via the SEDAR website (www.sedar.com).

The Company's Audit Committee and Board of Directors have reviewed and approved the MD&A.

Forward-Looking Statements

This MD&A contains "forward-looking statements" that reflect Jaguar's current expectations and projections about its future results. When used in this MD&A, forward looking statements can be identified by the use of words such as "estimate", "consider", "expect", "anticipate", "objective" and similar expressions or variations of such words. Forward looking statements are, by their very nature, not guarantees of Jaguar's future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause Jaguar's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. No representation or warranty is intended, with respect to anticipated future results, that estimates and projections will be sustained or that any project will otherwise prove to be economic.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties identified elsewhere in this MD&A, actual events may differ materially from current expectations. Jaguar disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by securities law.

Business Focus

Jaguar Financial Corporation ("Jaguar" or the "Company") was a Canadian merchant bank generally investing in companies Jaguar determines to be undervalued, overlooked and underappreciated. The investments made are usually event- driven, for example, where an investment is made in a company that is the subject of a takeover bid or where some other change is initiated by a third party or a shareholder of the subject company. Jaguar's objective is to assist management of the undervalued company to create value that the market is missing.

Jaguar has made friendly supportive investments in companies such as Lakeside Steel Inc., Royal Laser Corp., WGI Heavy Minerals Inc., Thallion Pharmaceuticals Inc., Virtek Vision International Inc. and Century II Holdings Inc. where Jaguar participated in strategic changes that resulted in the creation of shareholder value.

Century II Holdings ("Century") had redundant cash resources of approximately $21 million, was generating substantial cash flow and was undervalued. Jaguar acquired 19.9% of the issued shares of Century. Jaguar arranged a financing commitment of $65 million and made a take-over bid for all of the remaining issued shares of Century. A competing bidder made a bid at a price that was 51% higher than the Jaguar bid price. Jaguar tendered its shares in the competing bid and realized a gain of $10.2 million.

Jaguar had identified HudBay Minerals Inc. ("HudBay") as a cash rich target where its market cap was less than the total cash resources, with no value being ascribed to HudBay's revenue of $1.0 billion and $250,000 million in EBITDA. When HudBay proposed a merger with Lundin Mining Corporation ("Lundin") involving 100% dilution to the HudBay shareholders and without any required approval by the HudBay shareholders, Jaguar acquired 1.0% of the issued shares of HudBay at a market price representing a 38% discount to the cash per share in HudBay. Jaguar appealed a decision of the Toronto Stock Exchange to the Ontario Securities Commission which resulted in the termination of the proposed merger with Lundin. The HudBay shares increased in value to a level that represented 3.2 times its cash resources.

In separate transactions, Jaguar acquired substantial ownership positions in Virtek Vision International Inc. and Kinbauri Gold Corp., two companies that were the subject of take-over bids. Jaguar was successful in improving the ultimate acquisition prices for both companies.

Jaguar acquired 14% of the issued shares of Thallion Pharmaceuticals Inc. (“Thallion”), a biotech company with substantial cash resources. As the largest shareholder, Jaguar negotiated an improvement in the offer made by BELLUS Health Inc. (“BELLUS”) to acquire Thallion. Jaguar entered into a voting support agreement with Thallion to support the improved BELLUS offer and concurrently Vic Alboini (“Alboini”), CEO of Jaguar, was appointed to the BELLUS Board. Jaguar realized a gain on its investment in Thallion.

In 2011 Jaguar acquired shares of BlackBerry Limited (“BlackBerry”) (formerly Research in Motion Limited,) with a view of implementing corporate governance changes at Blackberry. Jaguar called for a replacement of the Co-Chief Executive Officers, a strengthening of the Board of Directors, and the need to carry out a strategic review of merger and acquisition options. While a new CEO was appointed in January 2012, the new CEO was an internal candidate and was not the transformational leader that Blackberry required. Late in the day Blackberry did add new high-quality directors. Also, after a substantial delay Blackberry also engaged financial advisors to carry out a strategic review. This review process was unfortunately carried out when Blackberry was in serious trouble. The delays in implementing management and Board changes and in carrying out a strategic review resulted in a sharply declining share price.

Blackberry finally appointed a transformational leader, John Chen, who has turned Blackberry into a software company.

Through May 2016, Jaguar and its joint actors acquired 19% of the shares of Alternative Earth Resources (“AER”). Jaguar was interested in creating value for the shareholders of Alternative Earth. In 2015, Jaguar commenced civil proceedings against AER and its directors. The Supreme Court made various findings in the first petition judgment including that AER's Black Sea transaction was not procedurally and not substantively fair and reasonable. The court decided that AER's directors acted in a manner that was oppressive and unfairly prejudicial to Jaguar. In the second petition judgment the court determined, among other things, that AER acted contrary to the reasonable expectations of its shareholders by failing to abide by court orders in a prompt manner, by failing to disclose documents ordered to be produced forthwith until pursued with multiple demands and by issuing misleading press releases. The court determined that AER acted in a manner that was oppressive to Jaguar and that there was a threat of continued conduct from AER that was unfairly prejudicial to Jaguar. On May 5, 2016, the Company announced that the B.C. Court of Appeal set aside the orders made by the judge in the first and second petitions. On June 7, 2016, Jaguar and AER reached a resolution of all matters in dispute between the parties. Under the arrangement, Jaguar agreed to sell its investment in AER in a private sale, and AER agreed to waive certain costs awards made in favour of AER in connection with civil actions Jaguar conducted against AER, and to pay Jaguar $50,000.

In recent months, the Company has been assessing various opportunities to deploy its capital in one or more businesses to create shareholder value. The Company does not intend to make any further announcements regarding its review until the Board has approved a specific possible transaction or other course of action requiring disclosure. Jaguar may also consider financing alternatives, including a rights offering or private placement.

On June 13, 2018 the Company consolidated its share capital on a 1:10 basis, consolidating its 109,103,830 previously outstanding common shares to 10,910,383 common shares. On February 20, the Company’s listing was transferred to the NEX board of the TSX Venture Exchange and the new trading symbol is JFC.H.

Reverse Takeover Transaction

Proposed Transaction

On November 5, 2021, and amended on January 22, 2022 and March 30, 2022,the Company announced that it had executed a binding letter agreement (the “Letter Agreement”) with Maritime Launch Services Ltd. (“MLS”), which subject to certain conditions and applicable shareholder and regulatory approvals, will result in a reverse takeover of Jaguar by MLS (the “Proposed Transaction” or the “Reverse Takeover”). The resulting issuer from the Proposed Transaction (the “Resulting Issuer”) will carry on the current business of Maritime Launch.

Under the terms of the Letter Agreement, the Proposed Transaction is anticipated to be completed by way of a three-cornered amalgamation under the Companies Act (Nova Scotia), whereby a wholly owned subsidiary of Jaguar will amalgamate with MLS. In connection with the Proposed Transaction, Jaguar will reconstitute its board of directors and senior officers to be comprised of the nominees of MLS (the “Board and Management Rotation”), and will change its name to one determined by MLS in its sole discretion (the “Name Change”) and the Resulting Issuer will conduct its business under the new name.

The Letter Agreement includes a number of conditions, including but not limited to, requisite shareholder approvals including the approval of the shareholders of MLS, the completion of the Name Change and the Board and Management Rotation, approvals of all regulatory bodies having jurisdiction in connection with the Proposed Transaction and other closing conditions customary to transactions of the nature of the Proposed Transaction.

Pursuant to the Letter Agreement, and in connection with the Proposed Transaction:

a) holders of common shares of MLS (“MLS Shares”) will receive 4.5 Jaguar Shares for each MLS Share held (the “Exchange Ratio”); and
b) all outstanding stock options, warrants, broker warrants and convertible debentures of MLS will be exchanged for equivalent securities of Jaguar, with the number of underlying shares being multiplied by the Exchange Ratio, and the exercise price or conversion price, as applicable, being multiplied by the inverse of the Exchange Ratio.

Pursuant to the Letter Agreement on December 30, 2021, MLS issued 5,256,025 subscription receipts (the “Subscription Receipts”) for gross proceeds of $3,942,299. Also pursuant to the Letter Agreement and on January 12, 2022, MLS issued 4,116,665 additional Subscription Receipts for gross proceeds of $3,087,499. In total, the Company issued 9,372,690 Subscription Receipts for aggregate gross proceeds of $7,029,518. The Subscription Receipts converted on a one for one basis into common share of MLS immediately prior to the closing of the Reverse Takeover.

Pursuant to the issuance of the Subscription Receipts and immediately prior to the closing of the Reverse Takeover, MLS is obligated to pay $457,905 in cash finders fees and to issue 610,540 finders warrants (the “Finders Warrants”) to certain finders. Each Finders Warrant entitles the holder to purchase one common share of MLS at a price of $0.75.

Immediately prior to the closing of the Reverse Takeover and after the conversion of the Subscription Receipts, as consideration for the acquisition, all of the outstanding shares of MLS were cancelled and replaced by 4.5 common shares of Jaguar. All outstanding stock options, warrants, and Finders Warrants of the Company were also cancelled and replaced pursuant to the Exchange Ratio, subject to certain customary adjustments.

The Reverse Takeover closed April 1, 2022. Jaguar changed its mane to Maritime Launch Services Inc. and 9,000,000 stock options (on a post Reverse Takeover basis) were issued to officers and directors. The Company received approval from the NEO Exchange and commenced trading on the NEO Exchange on April 27, 2022.

Subsequent Events

Subsequent to December 31, 2021 and prior to the closing of the Reverse Takeover, the Company issued 1,946,107 common shares to settle $325,000 in liabilities.

Changes to Board of Directors and Management

On July 7, 2020, the Company announced that Victor Alboini (Chairman and CEO), Doug Harris (Director), and Gerald Sternberg (Director) had each resigned from their specific positions with the Company. The Company appointed Michael Lerner (Director and CEO), Harvey McKenzie (Director) and Neil Novak (Director) to the Board of Directors to fill the vacancies created by the foregoing resignations. In addition, Michael Lerner was appointed as CEO.

On July 13, 2020, Grant Duthie was appointed as Corporate Secretary.

The change in Directors and management was made to allow the Company to pursue other potential opportunities.

The Reverse Takeover closed April 1, 2022. All existing officers and directors of the Company resigned and were replaced by Stephen Matier (Director, President and Chief Executive Officer), Sasha Jacob (Director), François Desjardins (Director), Susan McArthur (Director), Keith Abriel (Chief Financial Officer), and Harvey Doane (Corporate Secretary).

Investments

The Company’s investment portfolio was liquidated during the 2020 year. The investment portfolio as at December 31, 2019 consisted of 1,952,000 shares of Moneta Porcupine Mines Inc. (fair value of $244,000). The Company’s strategy, as discussed above, will remain the same going forward. The current economic and capital market environment, though challenging, provided opportunities for the Company to enhance shareholder value.

Results of operations and selected annual information for the year ended December 31, 2021

Jaguar reported a net loss of $540,849 for the year ended December 31, 2020 compared to a net loss of $243,015 in 2019. As at December 31, 2020, the Company had cash of $50,519 (2019 - $773) and investments of $Nil (2019 - $244,000).

Financial Highlights for the year ended December 31, 2020 with comparables:

Operating Results	**2021**	**2020**	**2019**
(Loss) gain on investments and derivatives, net	$ -	$ 20,492	$ (32,954)
Revenue – fees, dividend and interest	-	-	-
Total revenue (loss)	-	20,492	(32,954)
Net (loss) and comprehensive (loss) for the year	**(204,802)**	**(589,619)**	**(243,015)**
Net (loss) per share – basic and diluted	(0.02)	(0.05)	(0.02)
Weighted average shares outstanding	10,970,383	10,935,698	10,910,383
Cash	$ 98,038	$ 50,519	$ 773
Investments, at fair value	-	-	244,000
Total assets	98,038	50,519	251,687
Total liabilities	398,140	145,819	106,413
Shareholders' equity	$ (300,102)	$ (95,300)	$ 145,274

For the year ended December 31, 2021, the Company generated a net loss of $204,802 ($0.02 per share) compared to a net loss of $589,619 ($0.05 per share) in 2020.

For the year ended December 31, 2020, the Company liquidated its investment portfolio when it sold 1,952,000 shares of Moneta generating proceeds of $264,492 and a gain on disposal of $20,492. The unrealized gain/loss on investments relates to the change in the closing market over cost of the investment portfolio during the period.

Total expenses were $203,969 in the year ended December 31, 2021, as compared to $623,611 in 2020. The most significant 2021 expense item was professional fees of $88,735 (2020 – $59,712), mostly legal fees related to rehabilitating the listing and pursuing a corporate transaction. The most significant 2020 expense item was a non-cash stock-based compensation charge of $346,045. Management, director and consulting fees decreased to $78,623 (2020 - $173,763). The Company had a change of senior management and the Board of Directors during the 2020 year and paid a severance of $59,305. Office and general expenses totaled $592 (2020 – $34,893). Also included in expenses is $1,070 in transaction costs in 2020, $27,558 in shareholder information and transfer agent fees (2020 – $2,403), $3,000 in travel in 2020, and $9,294 in interest (2020 - $3,265).

Other income of $13,500 in 2020 resulted from legal settlements related to two actions.

On October 8, 2020, an aggregate of 1,010,039 incentive stock options, at a strike price of $0.46 per share and three-year term, to purchase common shares of the Company were granted to the directors and officers of the Company. Options were valued at $346,045 (2019 - $11,573) using the Black-Scholes pricing model.

Summary of Quarterly Results

The following table provides selected unaudited financial information for each of the last eight quarters, presented in Canadian dollars:

Three Months Ended	Cash ($)	Current Liabilities ($)	Net (Loss) ($)	Gain (Loss) Per Share ($)	Weighted Average Shares Outstanding
December 31, 2021	98,038	398,140	(67,935)	(0.01)	10,970,383
September 30, 2021	7,318	239,485	(57,180)	(0.01)	10,970,383
June 30, 2021	21,898	196,305	(52,075)	(0.00)	10,970,383
March 31, 2021	31,646	154,560	(27,614)	(0.00)	10,970,383
December 31, 2020	50,519	145,819	(460,972)	(0.04)	10,970,383
September 30, 2020	47,066	40,581	(83,327)	(0.01)	10,924,009
June 30, 2020	24,341	39,282	64,277	0.01	10,910,383
March 31, 2020	1,760	71,217	(109,597)	(0.01)	10,910,383

(i) Per share amounts have been retroactively restated to account for the share consolidation.

The fluctuation in income and total assets quarter over quarter, throughout the eight quarters, is reflective of investment gains and losses, and the fluctuation in the prices of the securities held by the Company. The December 2020 quarter mostly reflects the expense related to stock options issued in that period.

Results of operations for the three months ended December 31, 2021

	Three months ended December 31	
Operating Results	**2021**	**2020**
Total revenue (loss)	$ -	$ -
Expenses	67,935	474,472
Net and comprehensive (loss) for the period	**(67,935)**	**(460,972)**
Net loss per share – basic and diluted	(0.01)	(0.04)

For the three months ended December 31, 2021, the Company generated a loss of $67,935 compared to a loss of $460,972 for the same period in 2020.

Total expenses were $67,935 in the quarter ended December 31, 2021, as compared to $474,472 in the December 2020 quarter. The $346,045 stock-based compensation expense in the December 2020 quarter created most of the difference. Management, director and consulting fees increased to $12,985 in the Q4 2021 period (Q4 2020 - $113,213) due to termination payments in the 2020 period. Office and general expenses totaled $68 (2020 – $20,773). The Company reported legal and audit fees in the amount of $34,527 (2020 – recovery of $8,824) as a result of corporate transaction activity. Also included in expenses is shareholder information and transfer agent fees of $18,622 (2020 – $Nil).

Other income of $13,500 in 2020 resulted from legal settlements related to two actions.

Share Capital Information

The Company had shares of common stock, warrants and stock options outstanding as at April 29, 2022, December 31, 2021, and December 31, 2020, were as follows:

	April 29, 2022 **	December 31, 2021	December 31, 2020
Common Shares	403,460,592	10,970,383	10,970,383
Stock Options	26.660,039	1,010,039	1,097,039
Warrants	23,649,930	-	-
Fully diluted	506,448,375	11,980,422	12,067,422

** Includes the impact of the closing of the Reverse Takeover (see sections of this MD&A entitled "*Reverse Takeover Transaction*" and "*Subsequent Events*") and the Fully Diluted total includes `the dilutive impact of MLS's convertible debentures.

Dividend

No dividends were declared or paid in the years ended December 31, 2021 and 2020.

Liquidity and Capital Resources

As at December 31, 2021, the Company had cash and investments, at fair value of $Nil (December 31, 2020 - $50,519). The Company had negative working capital of $300,102 as at December 31, 2021 (December 31, 2020 – negative working capital of $95,300).

The fair value of the Company's investment portfolio was $Nil as at December 31, 2021 and 2020.

The Company had loans outstanding of $229,305 at December 31, 2020 (December 31, 2020 - $104,305). The loans comprise one group of $59,305, bearing interest of 10% annually, one group of $45,000 with annual interest of 8% and one group of $125,000 bearing 8% annual interest. These loans included $9,294 of interest in 2021 (2020 - $3,265).

The Company maintains a margin account with its broker that carries an interest rate that varies between 3% and 5.25% depending on the outstanding balance. Security on the loan is provided by a charge on all of the Company's investments.

Presently, the Company has sufficient funds on hand to fund its working capital requirements for the foreseeable future. Changes in equity prices will affect the value of the Company's financial instruments. However, management knows of no other expected fluctuations in its liquidity.

Related party information

The Company had related party transactions with directors and officers of the Company, or companies with which they were associated, which were in the normal course of operations and were measured at the exchange amounts as follows in the table below for the years ended December 31, 2021 and 2020. Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

	As at	
	December 31, 2021	December 31, 2020
Accounts payable and accrued liabilities[1]	59,300	-

1. Accrued management and director fees.

Compensation to key management personnel

Compensation for the years ended December 31, 2021 and 2020 due to persons and corporations in charge of the planning, direction and control of the Company, including executive and non-executive directors, is as follows:

	2021	**2020**
Salaries, fees and benefits	$ 75,428	$ 134,465
Share-based compensation	-	346,045
Total	$ 75,428	$ 480,510

During the year ended December 31, 2021, a company owned by the incoming CEO charged management fees of $66,105 and director fees of $8,758, while directors charged $565.

During the year ended December 31, 2020, a company owned by the incoming CEO received management fees of $50,000. The outgoing CEO received a payment of $59,305 (2019 - $Nil). Directors received fees of $22,160. A relative of the previous CEO received a payment of $3,000 for consulting work in 2020.

Future changes in accounting policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2021. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IAS 1 – Presentation of Financial Statements (“IAS 1”) and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”) were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2021. Earlier adoption is permitted.

Off Balance Sheet Arrangements and Proposed Transactions

The Company has not entered into any off-balance sheet arrangements. The Company has disclosed a proposed transaction as at December 31, 2021 in he subsequent events section of this MDA.

Management of Capital

The Company's capital structure includes the following:

	December 31, 2021	December 31, 2020
Shareholders' equity comprised of:		
Capital stock	$ 4,875,340	$ 4,875,340
Contributed surplus	6,203,642	6,203,642
Deficit	(11,379,084)	(11,174,282)
Total shareholders' equity	(300,102)	(95,300)
Total capital employed	**$ (300,102)**	**$ (95,300)**

The Company's objectives when managing capital are to (i) provide financial capacity and flexibility in order to preserve its ability to meet its strategic objectives and financial obligations and continue as a going concern; (ii) maintain a capital structure which allows the Company to respond to changes in economic and/or marketplace conditions and affords the Company the ability to participate in new investments; (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders equal with the level of risk; and (iv) maintain a flexible capital structure which optimizes the cost of capital at acceptable levels of risk.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. The Company maintains or adjusts its capital level to enable it to meet its objectives by: (i) realizing proceeds from the disposition of its investments; (ii) utilizing leverage in the form of margin loans on its investments; and (iii) raising capital through loans from third party investors/lenders who seek to participate in investment opportunities.

The Company's share capital is not subject to external restrictions or requirements imposed by a regulator. The Company's management is responsible for the management of capital and monitors the Company's use of various forms of leverage on a daily basis. The Company expects that its current capital resources will be sufficient to discharge its liabilities as at December 31, 2021. The most significant change of the objectives, policies, processes and contents of capital management during the year ended December 31, 2020 was a change in management and the new group is reviewing all business processes. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body. As of December 31, 2021, the Company believes it has sufficient capital to maintain operations beyond the next 6 months.

Financial instruments

The Company's business primarily involves the purchase and sale of securities and, accordingly, the majority of its assets are currently comprised of financial instruments. The use of financial instruments can expose the Company to several risks, including price, liquidity and interest rate risks. A discussion of the Company's use of financial instruments and their associated risks is provided below:

Price risk:

Price risk is the risk that the fair value of, or future cash flows from the Company's financial instruments will significantly fluctuate because of changes in prices. The value of the financial instruments can be affected by changes in equity prices.

With respect to long positions, rising equity prices may increase the price of an investment while declining equity prices may have the opposite effect. The Company's short selling activities are also affected by equity prices. There is no assurance that securities will decrease in price during the period of a short sale enough to make a profit for the Company, and securities sold short may instead increase in price.

The Company invests in publicly traded securities. These investments are subject to market risk such that the fair value of these items may change as a result of factors specific to a particular investment or as a result of factors affecting all instruments traded in the market.

As at December 31, 2021, the Company held no investments.

Liquidity risk:

Liquidity risk is the risk that results from the Company's potential inability to meet its financial obligations as they come due. The Company has previously generated cash flow primarily from its investment activity and proceeds from the liquidation of its investments, in addition to interest income earned on its investments. The Company believes it can access sufficient resources, through its shareholder base, to fund its obligations as they become due under normal operating conditions. The Company manages liquidity risk by reviewing the amount of cash available, on a daily basis, to ensure that it can meet its current obligations.

Interest rate risk:

Interest rate risk is the risk of loss due to the volatility of interest rates and the impact that changes in interest rates could have on the Company's earnings and liabilities. Liabilities can be repaid by the Company at any time, without notice or penalty, which provides the Company with some ability to manage and mitigate its interest rate risk. The Company does not hedge against any interest rate risks. The Company may be exposed to interest rate risk from borrowings that are interest bearing. As at December 31, 2021, based on a 1% change in interest rates, the estimated sensitivity of the Company's net income was $Nil (December 31, 2020 – $Nil), based on an increase and $Nil (December 31, 2020 - $Nil) based on a decrease.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses and other income during the period.

The areas which require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

Fair value of investments and derivatives

Investments and derivatives are valued using the closing market prices on the reporting date. The value eventually obtained when the investment is liquidated is subject to such things as movement of the stock market and the future performance of the investee. As these are based on future events, the eventual value obtained from the Company's investments is subject to uncertainty.

Fair value of stock-based compensation

Stock based compensation is valued using the Black-Scholes option pricing model, which requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different than those of traded options and because changes in the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

The areas which require management to make significant judgments include:

Future benefits of unutilized tax losses and temporary differences

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. 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 income before taxes, and the remaining period of loss carry-forwards.

Derivatives

Investments in options and warrants that are not traded on a recognized securities exchange do not have a readily available market value. When there are sufficient and reliable observable market inputs, a valuation technique is used; if no such market inputs are available, the warrants and options are valued at intrinsic value.

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Forward-Looking Statements

This MD&A contains certain "forward-looking information" as defined in applicable securities laws (collectively referred to herein as "**forward-looking statements**"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "budgeted", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statements.

Forward-looking statements in this MD&A include, but are not limited to, statements with respect to: the Company's ability to access sufficient funds to meet its obligations and short-term working capital requirements; the Company's ability to accomplish its strategic plans and complete a successful corporate transaction; and the mitigation of liquidity risk through obtaining additional financing on favourable terms or at all.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Forward-looking statements are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements. The risks and other factors include, but are not limited to: the need for additional financing; reliance on key personnel; the potential for conflicts of interest among certain officers, directors or promoters with certain other projects; the effects of the global COVID-19 pandemic on the Company; the Company's dependence on debt and equity financing; the absence of dividends; competition; dilution; the volatility of the Company's common share price and volume; and the additional risks identified in the "Risk Factors" section of this MD&A or other reports and filings with applicable Canadian securities regulations.

Forward-looking statements are based upon certain assumptions and other important factors which could prove to be significantly incorrect. The Company has made assumptions regarding, among other things: present and future business strategies; conditions in general economic and financial markets; the environment in which the Company will operate in the future; cash flow; timing and amount of capital expenditures; future operating costs; and the Company's ability to obtain financing on acceptable terms.

The Company is pursuing a course of action to pursue a corporate transaction. This course of action may require additional capital. There is no guarantee that the Company will be successful in finding a corporate transaction, or if such transaction is found, that the transaction can be successfully completed. There is no guarantee that, should additional funds be required, such funds would be available to the Company on terms acceptable to the Company.

The above summary of risks and assumptions related to forward-looking statements is included in this MD&A in order to provide readers with a more complete perspective on the future operations of the Company. Readers are cautioned that this information may not be appropriate for other purposes.

All forward-looking statements herein are expressly qualified by this cautionary note. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.