# FLYING MONKEY CAPITAL CORP.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

# FOR THE SIX MONTH PERIOD ENDED

# JUNE 30, 2017

## Introduction

The following Management's Discussion and Analysis ("MD&A") is dated August 29, 2017 and should be read in conjunction with the financial statements of Flying Monkey Capital Corp. ("Flying Monkey" or the "Company") for the six month period ended June 30, 2017. Flying Monkey prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Flying Monkey common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from www.sedar.com.

## Cautionary Note Regarding Forward-Looking Information

Certain statements contained in the following MD&A constitute forward-looking statements. Such forward looking statements involve a number of 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 such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

## Description of Business

The Company was incorporated by Certificate of Incorporation issued pursuant to the provisions of the British Columbia Business Corporations Act on December 15, 2014. The Company completed an initial public offering ("IPO") of its common shares on June 12, 2015, and on June 15, 2015 the Company began trading its shares on the TSX Venture Exchange ("Exchange"). The Company is classified as a Capital Pool Company ("CPC") as defined in the Exchange Policy 2.4. The principal business of the Company is the identification and evaluation of assets or a business with a view to completing a Qualifying Transaction subject to receipt of shareholder approval and acceptance by regulatory authorities.

The Company's head office and registered records office address is Suite 2300, 1066 West Hastings Street, Vancouver, British Columbia, Canada.

The Company has not commenced commercial operations and has no assets other than cash and sales tax receivable. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a transaction where the Company acquires significant assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means (a "Qualifying Transaction"). Any proposed Qualifying Transaction must be accepted by the Exchange. See "Proposed Transaction" for details of a proposed Qualifying Transaction.

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval. The financial statements do not include any adjustments to assets or liabilities should the Company be unable to continue in existence.

The financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company, unless otherwise noted.

**OVERALL PERFORMANCE**

**Performance Highlights**

| | Six Months ended June 30, 2017 | Six months ended June 30, 2016 |
|---|---|---|
| Revenue | $ - | $ - |
| Net loss | 15,534 | 22,117 |
| Net loss per share – basic and diluted | 0.01 | 0.01 |
| Cash used in operations | 9,436 | 6,769 |
| Total assets | $ 257,492 | $ 280,761 |

The net loss for the six months ended June 30, 2017, was $15,534 compared to $22,117 for the six months ended June 30, 2016. The losses for the current period are slightly lower due to only initial work having been carried out on the Company's proposed Qualifying Transaction with Fabled Copper and Gold Corp. ("Fabled") as compared with a more sustained level of work being carried out during the period ended June 30, 2016 as progress on the Company's proposed and subsequently cancelled Qualifying Transaction with HUMN Pharmaceuticals Inc. ("HUMN") was at a more advanced stage.

The Company continues to incur monthly rental fees associated with office space and to Computershare who acts as its escrow and transfer agent.

Cash used in operations for the six months ended June 30, 2017, was slightly increased to the corresponding period in 2016 but remains relatively similar and is commensurate with every day running costs of the Company

At June 30, 2017, the Company had total assets of $257,492 compared to $280,761 at June 30, 2016. The decrease is directly attributable to every day operational costs of the Company resulting in lower working capital.

## RESULTS OF OPERATIONS

| | Six Month Period June 30 2017 | Six Month Period June 30 2016 |
|---|---|---|
| Professional fees | $ 9,228 | $ 16,320 |
| Regulatory fees | 5,712 | 5,200 |

Professional fees for the six month period ended June 30, 2017, were $9,228 compared to $16,320 for the six month period ended June 30, 2016. The decrease is mainly due to the lesser expense of legal fees, more of which were incurred in 2016 as the Company carried out more advanced initial work on its cancelled Qualifying Transaction with HUMN compared to the current proposed Qualifying Transaction with Fabled.

Regulatory fees have remained roughly the same in both periods with the listing maintenance fee due to the Exchange due in the first six months of the year.

## LIQUIDITY AND CAPITAL RESOURCES

### Liquidity

The Company utilizes existing cash and the issuance of equity instruments to provide liquidity to the Company. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

As at June 30, 2017, the Company had working capital of $242,903. At this time management believes that this is sufficient to meet anticipated expenses.

### Contractual Obligations

There are no significant contractual obligations other than the proposed transaction noted below.

## PROPOSED TRANSACTIONS

On January 6, 2016, the Company announced that it has entered into an agreement in principle dated December 14, 2015 for the acquisition (the "Proposed Transaction") of HUMN Pharmaceuticals Inc. ("HUMN"), a private company incorporated under the Federal Laws of Canada.

On January 5, 2017 the Company announced that the agreement in principle with HUMN had expired. The parties had agreed to attempt to extend their agreement pursuant to a private placement being completed; however such financing could not be agreed within a timeframe that met both parties expectations.

On July 6, 2017, the Company announced that it entered into a Letter of Intent dated July 6, 2017, for the acquisition of Fabled (Note 1). Fabled is in the business of acquiring and exploring copper projects in British Columbia.

Prior to the completion of the Transaction, the Company will complete a share consolidation on a 3:1 basis. (See "Share Consolidation" below)

Pursuant to the Letter of Intent all the issued and outstanding Fabled common shares will be exchanged for the Company's common shares following the share consolidation. One post-consolidated common share of the Company will be exchanged for each Fabled share held where the Fabled shareholders have paid more than $0.05 cash for their shares of Fabled and for every 2.783333333333333 shares of Fabled held where the Fabled shareholder has paid less than $0.05 for their shares.

The Company will change its name and will continue operations under the name Fabled Copper Corp.

## SELECTED QUARTERLY FINANCIAL INFORMATION

### Financial Quarter Ended (Unaudited)

| | June 30, 2017 | Mar 31, 2017 | Dec 31, 2016 | Sept 30, 2016 |
|---|---|---|---|---|
| Revenue | $ - | $ - | $ - | $ - |
| Net Profit or (loss) | $ (6,696) | $ (8,838) | $ 11,564 | $ (1,839) |
| Basic and diluted loss per share | $ (0.01) | $ (0.01) | $ 0.01 | $ (0.01) |
| Total assets | $ 257,492 | $ 258,798 | $ 266,220 | $ 270,918 |

| | June 30, 2016 | Mar 31, 2016 | Dec 31, 2015 | Sept 30, 2015 |
|---|---|---|---|---|
| Revenue | $ - | $ - | $ - | $ - |
| Net loss | $ (7,383) | $ (14,734) | $ (23,727) | $ (5,275) |
| Basic and diluted loss per share | $ (0.01) | $ (0.01) | $ (0.01) | $ (0.02) |
| Total assets | $ 280,761 | $ 288,427 | $ 294,874 | $ 304,638 |

For the quarter ended June 30, 2017 the net loss of the Company was mostly due to legal fees incurred in the initial preparation of the proposed Qualifying Transaction with Fabled, whereas for March 31 the net loss was higher mainly due to the Company's annual sustaining fee being due to the TSX Venture Exchange.

In the quarters September 30, and June 30, 2016, the Company incurred day to day costs associated with professional fees (legal, accounting and transfer agent) and rent expenses. The Company realized a net gain of $11,564 in the quarter ended December 31, 2016 due to a forgiveness of accrued professional fees by the Company's legal counsel.

For the quarter ended March 31, 2016, the Company incurred costs associated with professional fees (legal and accounting and transfer agent) and regulatory fees. These included the costs of the year end audited financial statements and the annual fee to the Exchange.

For the quarter ended December 31, 2015, legal fees increased due to the arrangement of the Company's proposed Qualifying Transaction with HUMN which was later terminated.

For the quarter ended September 30, 2015, the Company incurred professional and regulatory fees in line with standard day to day operational costs.

## OFF-BALANCE SHEET ARRANGEMENTS

Disclosure is required of all off-balance sheet arrangements that are reasonably likely to have a current or future effect on the results of operations or financial condition of the Company. Flying Monkey does not have such off-balance sheet arrangements.

### Risk Factors

Investing in the common shares of the Company involves risk. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A before making an investment decision. If any of the following risks actually occurs, the business, financial condition or results of operations of the Company could be harmed. In such an event, the trading price of the common shares could decline and prospective investors may lose part or all of their investment.

#### *No Operating History*

The Company was incorporated on December 15, 2014, has not commenced commercial operations, and has no assets other than cash and sales tax receivable. The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future. Until Completion of the Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions. The Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction. Even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction.

#### *Possible Trading Suspension or Delisting*

The Exchange may suspend from trading or delist the securities of the Company where the Company has failed to complete a Qualifying Transaction within the 24 months of the date of listing (June 15, 2017) or if the Company fails to meet initial listing requirements of the Exchange upon Completion of the Qualifying Transaction. Suspension from trading of the common shares may, and delisting of the common shares will, result in the regulatory securities authorities issuing an interim cease trade order against the Company. In addition, delisting of the common shares will result in the cancellation of all of the currently issued and outstanding common shares of the Company held by Insiders. Trading in the common shares of the Company may be halted at other times for other reasons, including for failure by the Company to submit documents to the Exchange in the time periods required.

The Company was unable to complete a Qualifying Transaction within the 24 month period required by the Exchange Policy 2.4. As a result the Company was put on a notice to delist by the Exchange on June 15, 2017 whereby the Company must close a Qualifying Transaction by September 15, 2017, or obtain shareholder approval for a move to the NEX Board of the Exchange and a cancellation of 50% of the Company's seed shares to avoid delisting from the Exchange. The Company has applied for an extension from the Exchange to its delist date until October 2, 2017 when the Company will hold an Annual General and Special meeting where it intends to seek approval from its shareholders for a move to the NEX Board of the Exchange and a cancellation of 50% of its seed shares.

***Halt of Trading***

Upon public announcement of a potential Qualifying Transaction, trading in the common shares of the Company will be halted and will remain halted until Completion of the Qualifying Transaction, or sooner pursuant to Policy 2.4. Neither the Exchange nor any securities regulatory authority passes upon the merits of the potential Qualifying Transaction.

***Exchange May Not Approve a Qualifying Transaction***

Completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval as such terms are defined in Policy 2.4.

Notwithstanding that a transaction may meet the definition of a Qualifying Transaction; the Exchange may not approve a Qualifying Transaction:

(a) if the Company fails to meet the initial listing requirements prescribed by Policy 2.1 – Initial Listing Requirements of the Exchange upon Completion of the Qualifying Transaction;

(b) if, following Completion of the Qualifying Transaction, the Company will be a finance company or a mutual fund as defined under applicable securities laws;

(c) the consideration proposed to be paid by the Company in connection with the Qualifying Transaction is not acceptable to the Exchange; or

(d) for any other reason at the sole discretion of the Exchange.

***Approval by the Majority of the Minority***

Where Majority of the Minority Approval is required, unless the shareholder has the right to dissent and be paid fair value in accordance with the applicable corporate or other law, a shareholder who votes against a proposed Non-Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Company of fair value for the common shares.

***Dilution***

If the Company issues treasury shares to finance acquisition or participation opportunities, control of the Company may change and subscribers may suffer dilution of their investment.

***Directors and Officers***

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company but will be devoting such time as required to effectively manage the Company. Some of the directors and officers of the Company are engaged and will continue to be engaged in the search for assets or businesses on their own behalf or on behalf of others such that conflicts may arise from time to time. As a consequence of such conflicts, the Company may be exposed to liability and its ability to achieve its business objectives may be impaired.

***Reliance on Management***

The Company is relying solely on the past business success of its directors and officers to identify a Qualifying Transaction of merit. The success of the Company is dependent upon the efforts and abilities of its directors and officers. The loss of any of its directors or officers could have a material adverse effect upon the business and prospects of the Company.

***Foreign Acquisition***

In the event the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.

**Critical Accounting Estimates**

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

## FUTURE ACCOUNTING PRONOUNCEMENTS

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018.
- IFRS 16, Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

## CONTROLS AND PROCEDURES

Disclosure controls and procedures ('DC&P') are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ('ICFR') are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

TSX Venture listed companies are not required to provide representations in filings relating to the establishment and maintenance of DC&P and ICFR, as defined in Multinational Instrument MI- 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's financial reporting framework. The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding absence of misrepresentations and fair disclosures of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in MI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

## RELATED PARTY TRANSACTIONS

During the six months ended March 31, 2017, the Company incurred $4,190 in unbilled fees to a law firm controlled by the former director and officer of the Company, David Smalley Law Corp ("DSLC"). The Company now owes a total of $8,289 in unbilled fees to DSLC.

## OUTSTANDING SHARE DATA

### Common shares

The following table sets forth the Company's outstanding share data:

| | |
|---|---|
| Total common shares March 31, 2017 | 5,612,001 |
| Total outstanding stock options | 561,200 |
| Total diluted common shares at March 31, 2017 | 6,173,201 |

## PROPOSED SHARE CONSOLIDATION

On March 15, 2016 the shareholders approved by special resolution that the authorized share structure of the Company be altered by consolidating all of the issued and outstanding common shares of the Company on the basis of three existing common shares for one new common share, or such lower ratio as the Board of Directors may determine. The directors intend to complete the consolidation on a three to one basis prior to the closing of the proposed Qualifying Transaction with Fabled.