9 CAPITAL CORP.
(A CAPITAL POOL COMPANY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Introduction

The following Management's Discussion & Analysis ("MD&A") of the financial condition and results of the operations of 9 Capital Corp. ("9 Capital" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2019. This MD&A has been prepared in compliance with the requirements of National Instrument 51- 102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of the Company for the years ended December 31, 2019 and 2018, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the year ended December 31, 2019 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at March 27, 2020 unless otherwise indicated.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "Board"), 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 the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Information about the Company and its operations can be obtained from the offices of the Company.

Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, 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", "is expected", "budget", "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. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. 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 statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements

Selected forward-looking statements, assumptions, and risk factors are as follows:

Forward-looking statements	Assumptions	Risk factors
The Company proposes to work towards completing a Qualifying transaction.	The Company expects to identify an asset or business to acquire and close a Qualifying Transaction, on terms favourable to the Company.	The Company's inability to find a target, the inability to satisfy all of the conditions precedent (due diligence, shareholder and regulatory approval, financing) to complete a Qualifying Transaction, resulting in the Company remaining as a public shell.
The Company's ability to meet its working capital needs at the current level for the twelve-month period ending December 31, 2020.	The operating activities of the Company for the twelve-month period ending December 31, 2020, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; regulatory compliance and changes in regulatory compliance and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond 9 Capital's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. 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.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause 9 Capital's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. 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.

Description of Business

9 Capital Corp. ("the Company") was incorporated pursuant to the Business Corporations Act (Ontario) on April 4, 2017. On September 26, 2018, the Company started trading on the TSXV under the symbol "NCPL.P". The Company's registered head office address is The Canadian Venture Building, 82 Richmond St East, Toronto, Ontario, M5C 1P1. The Company intends to carry on business as a "Capital Pool Corporation" ("CPC"), which will focus on the identification and evaluation of potential Qualifying Transactions, as further described below "Qualifying Transaction".

As at December 31, 2019, the Company has no business operations and the Company's principal purpose is the identification, evaluation and acquisition of assets, properties or businesses or participation therein subject, in certain cases, to shareholder approval and acceptance by the Exchange.

Qualifying Transaction

Under Policy 2.4 Capital Pool Companies ("CPC Policy"), the Company must identify and complete a Qualifying Transaction within 24 months from the date the Company's shares are listed for trading on the Exchange. On September 26, 2018, the Company started trading on the TSXV.

The Company intends to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the TSX Venture Exchange ("TSXV" or "Exchange") and in the case of a Non-Arm's Length Qualifying Transaction is also subject to Majority of the Minority Approval in accordance with the CPC Policy. The Company is not specifically considering pursuing a company, asset or business in any specific business or industry sector, or in any particular geographical area, and the Company anticipates reviewing companies, assets and businesses in a broad range of industry sectors and geographical areas.

Until Completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition. Except as described herein, the funds raised pursuant to this Offering and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition.

Although the Company has commenced the process of identifying potential acquisitions with a view to completing the Qualifying Transaction, the Company has not yet entered into an Agreement in Principle.

Operational Highlights

The Company has no revenues, so its ability to ensure continuing operations is dependent on it completing a Qualifying Transaction. At December 31, 2019, the Company had a net working capital of $557,917 (December 31, 2018 –$607,741). The Company had cash of $575,081 (December 31, 2018 - $674,278). Working capital and cash and cash equivalents decreased during the twelve months ended December 31, 2019 due to cash used in operating activities.

The Company has sufficient capital to meet its ongoing operating expenses and continue to meet its obligations on its current projects for the twelve-month period ending December 31, 2020. Management may increase or decrease budgeted expenditures depending on exploration results and ongoing volatility in the economic environment. See "Liquidity and Capital Resources" below.

Trends

The Company plans to continue to search for suitable assets or businesses to acquire or merge with in order to maximize value for shareholders. Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Strong equity markets are favourable conditions for completing a public merger or acquisition transaction. Apart from these and the risk factors noted under the heading “Risk Factors”, management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company’s business, financial condition or results of operations.

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Proposed Transactions

The Company routinely evaluates various business development opportunities which could entail optioning properties, direct acquisitions, trades and/or divestitures.

Contingency on Completing a Qualifying Transaction

There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Company’s shares from trading.

Financial Highlights

Selected Annual Financial Information

	For the Year ended December 31, 2019 $	For the Year ended December 31, 2018 $	For the Period from, April 4, 2017 to December 31, 2017 $
Revenue	Nil	Nil	Nil
Net loss for the period	(49,824)	(150,921)	(2,000)
Basic and diluted loss per share	(0.01)	(0.15)	(0.00)
	As at December 31, 2019 $	**As at December 31, 2018 $**	**As at December 31, 2017 $**
Total Assets	575,831	675,028	Nil

- The net loss for the year ended December 31, 2019, consist primarily of: (i) general and administrative expenses of $28,471; and (ii) professional fees of $21,353.

- The net loss for the year ended December 31, 2018, consist primarily of: (i) share-based payments of $89,600; (ii) general and administrative expenses of $37,716; and (iii) professional fees of $23,605.

- The net loss for the period from Incorporation (April 2, 2017) to December 31, 2017, consist primarily of professional fees for legal expense.

Summary of Quarterly Information

Three Months Ended	Total Revenue $	Profit or (Loss) Total $	Profit or (Loss) Per Share [1] $
December 31, 2019 [2]	Nil	(11,522)	(0.00)
September 30, 2019 [3]	Nil	(10,360)	(0.00)
June 30, 2019 [4]	Nil	(15,538)	(0.00)
March 31, 2019 [5]	Nil	(12,404)	(0.01)
December 31, 2018 [6]	Nil	16,370	0.00
September 30, 2018 [7]	Nil	(100,739)	(0.50)
June 30, 2018 [8]	Nil	(57,774)	(0.00)
March 31, 2018 [9]	Nil	(8,778)	(0.00)

Notes

(1) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

(2) Net loss of $11,522 was for: professional fees of 7,586 which principally related to legal and audit fees; general and administrative expenses of $3,936 related for general working capital purposes.

(3) Net loss of $10,360 was for: professional fees of 6,501 which principally related to audit, tax and legal fees; general and administrative expenses of $3,859 related for general working capital purposes.

(4) Net loss of $15,538 was for: general and administrative expenses of $10,772 related for general working capital purposes; and professional fees of $4,766 which principally related to legal and audit fees.

(5) Net loss of $12,404 was for: general and administrative expenses of $9,904 related for general working capital purposes; and professional fees of $2,500 which principally related to audit fees.

(6) Net gain of $16,370 which principally related to: an increase of legal fees for being capitalized as share-issue cost related to the September 2018 initial public offering.

(7) Net loss of $100,739 was for: share-based payment of $89,600; general and administrative expenses of $36,927 related for general working capital purposes; and professional fees of $25,788 which principally related to legal fees.

(8) Net loss of $57,774 was for: professional fees of $49,104 which principally related to legal and audit fees; and general and administrative expenses of $8,670 related for general working capital purposes.

(9) Net loss of $8,778 was for: general and administrative expenses of $2,147 related for general working capital purposes; and professional fees of $6,631 which principally related to legal and audit fees.

Discussion of Operations

Three Months ended December 31, 2019 compare with Three Months ended December 31, 2018

The Company's net loss totaled $11,522 for the three months ended December 31, 2019, with basic and diluted loss per share of $0.00. This compares with a net profit of $16,370 with basic and diluted profit per share of $0.00 for the three months ended December 31, 2018. The increase of $27,892 in net loss was principally because:

- for the three months ended December 31, 2019, professional fees was $7,586, compare to ($6,342) for the three months ended December 31, 2018. The increase was mainly due to legal cost reallocated to the share issuance cost in completion of the initial public offering in September 2018.

- general and administrative expenses for the three months ended December 31, 2019 decreased to $3,936 compared to $10,028 for the three months ended December 31, 2018. The decrease was mainly due to a decrease in public reporting costs.

Year ended December 31, 2019 compare with Year ended December 31, 2018

The Company's net loss totaled $49,824 for the year ended December 31, 2019, with basic and diluted loss per share of $0.01. This compares with a net loss of $150,921 with basic and diluted loss per share of $0.15 for the year ended December 31, 2018. The decrease of $101,097 in net loss was principally because:

- for the year ended December 31, 2019, share-based payments was $nil, compare to $89,600 for the year ended December 31, 2018. The decrease was mainly due the Company issued 1,192,050 stock options to directors and officers of the Company during the year ended December 31, 2018 that vested immediately;

- general and administrative expenses for the year ended December 31, 2019 decreased to $28,471 compared to $37,716 for the year ended December 31, 2018. The decrease was mainly due to a decrease in public reporting and listing costs;

- for the year ended December 31, 2019, professional fees was $21,353, compare to $23,605 for the year ended December 31, 2018. The decrease was mainly due to lower audit fees related to the work for the completion of the initial public offering of September 2018.

Cash Flow

The Company had cash of $575,081 as at December 31, 2019 (December 31, 2018 - $674,278). The decrease in cash from the previous period was primarily due to cash used in operating activities.

Cash used in operating activities was $99,197 for the year ended December 31, 2019. Operating activities were affected by net loss for the period of $49,824, and a change in non-cash working capital balances because of a decrease in accounts payable and accrued liabilities of $49,373. For the year ended December 31, 2018, cash provided by operating activities was $3,216. Operating activities are affected by increases in accounts payable and accrued liabilities to $65,287, offset by an increase in prepaid expenses of $750. The Company also recorded share-based payments of $89,600.

Cash provided by financing activities was $671,062 for the year ended December 31, 2018 which consisted of net proceeds from the initial seed financing of $396,100 and initial public offering of $274,962.

Liquidity and Capital Resources

The Company reported working capital as at December 31, 2019 of $557,917 (December 31, 2018 – $ 607,741) and cash of $575,081 (December 31, 2018 - $674,278).

The Company funds its activities through equity financing, which at this time will be principally used for identifying and completing a Qualifying Transaction.

The cash on hand as at December 31, 2019, and the completion of the proposed offering is expected to be sufficient to meet the Company's liquidity requirements until a Qualifying Transaction is completed; however, upon completion of the Qualifying Transaction additional capital may be necessary.

The Company does not generate revenue from operations. The Company incurred a net loss of $49,824 for the twelve months ended December 31, 2019 and, as of that date the Company's deficit was $202,745. However, the Company believes that its working capital of $557,917 as at December 31, 2019 will provide the Company with sufficient cash resources to meet its obligations for at least twelve months from the end of the reporting period. As the Company has no revenues, its ability to continue as a going concern is dependent on obtaining additional financing and completing a Qualifying Transaction.

Cash Restriction

Pursuant to the policies of the Exchange, the proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of the Qualifying Transaction by the Company as defined under the policies of the Exchange. As of December 31, 2019, the Company has not exceeded this limit.

Related Party Transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Insider shareholdings

During the year ended December 31, 2018, the officers and directors of the Company subscribed to 2,700,000 shares at a $0.05 per common share being 32.9% of the in January to March 2018. No shares were issued or subscribed to by officers and directors of the Company during the year ended December 31, 2019.

As of December 31, 2019, directors and officers of the Corporation, with individual control of less than 10% of the total common shares outstanding, collectively control 2,700,000 common shares of the Corporation or approximately 22.65% of the total common shares outstanding.

Remuneration

Remuneration of directors and key management personnel of the Company was as follows:

Option-based payments [i]	Year Ended December 31, 2019 $	Year Ended December 31, 2018 $
Ben Cubitt (Officer and Director)	Nil	22,400
Sean Kallir (Director)	Nil	22,400
Dan Sternberg (Director)	Nil	22,400
David O'Onofrio (Director)	Nil	13,440
Vic Hugo (Officer)	Nil	8,960
Total	**Nil**	**89,600**

(i) The dollar values in respect of the options were arrived at using the Black-Scholes valuation model.

New Standards Adopted During the Period

IFRIC 23 – Uncertainty Over Income Tax Treatments ("IFRIC 23")

IFRIC 23 was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. The Company has determined there was no material impact on the unaudited condensed interim financial statements.

Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2020. 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, 2020. The Company has determined there will be no material impact on the financial statements.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

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

Income taxes

In assessing the probability of realizing income tax assets and valuing income tax liabilities, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers relevant tax planning opportunities that are within the Company's control, are feasible and within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. To December 31, 2018, the Company has realized a net loss from operations and does not believe it is probable that future taxable profit will be available against which the Company can utilize the benefits. The Company reassesses unrecognized income tax assets at each reporting period.

Share-based compensation

The Company estimates the value of share-based compensation and warrants granted by using the Black-Scholes valuation method. Several assumptions including expected volatility, risk-free interest rate, and expected option life are significant assumptions used in determining the values of the options and warrants.

Capital Risk Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and financial markets in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, or adjusting spending. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital structure to consist of share capital and deficit, which at December 31, 2019 totaled $557,917 (December 31, 2018 - $607,741). The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. Selected information is provided to the Board of Directors of the Company.

The Company has no external capital requirements imposed other noted under the heading “Cash Restriction” above.

Financial Instruments and Risk Management

Fair Values

At December 31, 2019, the Company's financial instruments consisted of cash and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

The Company is exposed in varying degrees to a number of risks arising from financial instruments. Management’s involvement in the operations allows for the identification of risks and variances from expectations. The Company does not participate in the use of financial instruments to mitigate these risks. The Board approves the risk management processes. The Board’s main objectives for managing risks are to ensure liquidity, the fulfillment of obligations, the continuation of the Company’s search for a Qualifying Transaction, and limited exposure to credit and market risks.

The types of risk exposure and the way in which such exposures are managed are as follows:

Credit Risk

Credit risk is the risk of loss if a third party to a financial instrument fails to meet its commercial obligations. The Company believes its exposure to credit risk is not significant.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. None of the Company’s financial instruments bear interest. Therefore, management believes that the Company is not exposed to any significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim financial statements; and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- 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

- 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 GAAP (IFRS).

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 this certificate. 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 NI 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.

Share Capital

The Company is authorized to issue an unlimited number of common shares without par value. As at the date of this MD&A, there were 11,920,501 common shares issued; 372,050 warrants at an exercise price of $0.10 expiring September 25, 2020; and 1,192,050 stock options outstanding with an exercise price of $0.10 expiring in September 25, 2023.

Risks and Uncertainties

The Company's financial condition, results of operation and business are subject to certain risks, certain of which are described below (and elsewhere in this MD&A):

Stage of Development

The Company was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and shall not generate earnings or pay dividends until at least after Completion of the Qualifying Transaction. Accordingly, investment in the Company is highly speculative given the proposed nature of the Company's business and present stage of development. Until Completion of a Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions.

Uncertainty Regarding Qualifying Transaction

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. Furthermore, even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the 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.

Unless the shareholder has the right to dissent and be paid fair value in accordance with 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. Neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction.

Trading Halts

Upon public announcement of a proposed Qualifying Transaction, trading in the common shares of the Company (if listed on the Exchange) will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. If listed on the Exchange, the common shares of the Company will be reinstated to trading before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Company completing the proposed Qualifying Transaction.

If listed on the Exchange, (i) 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; and (ii) the Exchange will generally suspend trading in the Company's common shares or delist the Company in the event that the Exchange has not issued a Final Exchange Bulletin within 24 months from the date of listing.

Financing of Qualifying Transactions

The Qualifying Transaction may be financed in whole or in part by the issuance of additional securities by the Company and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Company. Subject to prior acceptance by the Exchange, the Company may be permitted to loan or advance up to an aggregate of $250,000 of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Company will be able to recover that loan. In the event that such funds are advanced and/or additional securities issued, and the associated Qualifying Transaction is not completed, these matters could have a material adverse effect upon the Company.

Enforcement of Judgements

In the event that management of the Company resides outside of Canada or 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.

Market Price of Common Shares

There can be no assurance that an active market for the common shares will develop after the Offering. Securities of small- and mid-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the common shares is also likely to be significantly affected by short-term changes in the Company's financial condition or results of operations as reflected in its financial statements. Other factors unrelated to the performance of the Company that may have an effect on the price of the common shares include the following: the extent of analytical coverage available to investors concerning the business of the Company may be limited if investment banks with research capabilities do not follow the Company's securities; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of common shares; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the common shares that persists for a significant period of time could cause the Company's securities, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. If an active market for the common shares does not develop, the liquidity of an investor's investment may be limited and the price of the common shares may decline below the price at which the shares are issued. If such a market does not develop, investors may lose their entire investment.

As a result of any of these factors, the market price of the common shares at any given point in time may not accurately reflect the long-term value of the Company. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Dilution to Common Shares

The issue of common shares of the Company upon the exercise of the options will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional option and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

Global Financial Conditions

Global financial conditions have been subject to increased volatility and numerous financial institutions have recently either gone into bankruptcy or have had to be rescued by governmental authorities. Such events may impact the ability of the Company to obtain equity or debt financing in the future or on terms favourable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the value and the price of the common shares and other securities could also be adversely affected.

Requirement for Additional Financing

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 and complete a suitable Qualifying Transaction. Further, even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to complete the transaction. The Qualifying Transaction may be financed in whole, or in part, by the issuance of additional securities by the Company and this may result in further dilution to investors, which dilution may be significant and which may also result in a change of control of the Company. Subject to prior Exchange approval, the Company may be permitted to loan or advance up to an aggregate of $250,000 of its proceeds as a refundable deposit to a target business under certain conditions noted in the CPC Policy and there can be no assurance that the Company will be able to recover that loan.

Dividend Policy

No dividends on the common shares have been paid by the Company to date. Payment of any future dividends, if any, will be at the discretion of the Company's board of directors after taking into account many factors, including the Company's operating results, financial condition, and current and anticipated cash needs.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of common shares in the public markets, or the potential for such sales, could decrease the trading price of the common shares and could impair the Company's ability to raise capital through future sales of common shares. The Company has previously completed private placements at prices per share which are from time to time lower than the market price of the common shares. Accordingly, a significant number of shareholders of the Company have an investment profit in the common shares that they may seek to liquidate.

Key Executives

The Company is dependent on the services of key executives, including the President and Chief Executive Officer of the Company, and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Company, the loss of these persons or the Company's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations.

Conflicts of Interest

The directors and officers of the Company will only devote a portion of their time to the business and affairs of the Company and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time. Any decision made by any of such directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in applicable corporate law.

COVID-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Outlook

For the immediate future, the Company intends to identify and evaluate potential Qualifying Transactions. The Company continues to monitor its spending and will amend its plans based on business opportunities that may arise in the future.

Additional Information

Additional information relating to the Company is available on the SEDAR website www.sedar.com.

Additional Disclosure for Issuers without Significant Revenue

Operating expenses	For the Year Ended December 31, 2019 $	For the Year Ended December 31, 2018 $
General and administrative	28,471	37,716
Professional fees	21,353	23,605
Share-based payments	Nil	89,600
Total	**49,824**	**150,921**