Perihelion Capital Ltd.

MANAGEMENT'S DISCUSSION AND ANALYSIS
NINE MONTHS ENDED SEPTEMBER 30, 2022 and 2021

(Presented in Canadian Dollars)

Introduction and Basis of Presentation

This Management's Discussion and Analysis ("MD&A") provides a review of Perihelion Capital Ltd.'s ("PCL" or "the Company") financial performance for the nine-month period ended September 30, 2022. It should be read in conjunction with PCL's financial statements and accompanying notes for the year ended December 31, 2021, which are available on SEDAR at www.sedar.com. The financial information contained in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS"). Information in this MD&A is current as of November 22, 2022.

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. Further information about the Company and its operations is available on SEDAR at **www.sedar.com**.

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 PCL's common shares; or (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 of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

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 state 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.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Business Risk and Uncertainties" section below. 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 PCL'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.

Overview of the Company

The Company is a Capital Pool Company ("CPC"), as defined in TSX Venture Exchange (the "Exchange") Policy 2.4 ("Policy 2.4"). The Company listed its common shares for trading on the Exchange on February 13, 2019, under the symbol "PCL.P".

The principal business of the Company is the identification and evaluation of assets or businesses with a view to completing a qualifying transaction ("Qualifying Transaction") as defined in Policy 2.4.

The Company has not commenced commercial operations and has no assets other than cash and cash held in trust. The Company's continuing operations 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 and other approvals. The consolidated financial statements do not include any adjustments to assets or liabilities should the Company be unable to continue in existence as a going concern.

On April 1, 2020, the Company incorporated a 100% controlled subsidiary, 1203500 BC Ltd, under the Business Corporations Act (British Columbia).

On October 26, 2021, the Company entered into a binding merger agreement with Think Technologies Corp. ("Think") and 1203500 BC Ltd., a wholly owned subsidiary of the Company, in respect of the proposed completion of an arm's length reverse-takeover transaction of Think by the Company, which would have constituted the company's Qualifying Transaction. However, this merger has been terminated on mutual agreement on May 4, 2021.

On May 2, 2022, the Company entered into a non-binding letter of intent dated (the "LOI"), with IV Hydreight Inc. ("Hydreight"), a corporation incorporated under the laws of the State of Nevada, United States, and Victory Square Technologies Inc. ("VST"), the sole shareholder of Hydreight, to acquire the business of Hydreight.

The Company's registered office address is 1800-355 Burrard Street, Vancouver, British Columbia V6C 2G8 and its principal place of business is 2402-1189 Melville Street, Vancouver, British Columbia, V6E 4T8.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus (COVID-19). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in future periods.

Overall Performance

As at September 30, 2022, the Company had $1,892,078 in cash and $5,000 cash held in trust. The Company incurred a net loss of $228,377 during the nine months ended September 30, 2022.

Summary of Quarterly Result

Quarter ended	Sep. 30 2022	Jun. 30 2022	Mar. 31 2022	Dec. 31 2021	Sep. 30 2021	Jun. 30 2021	Mar. 31 2021	Dec. 31 2020
Expense	$ 162,836	$ 33,332	$ 33,192	$ 350,015	$ 59,657	$ 43,872	$ 43,452	$ 61,290
Other items	-	-	(983)	25,000	-	-	-	-
Net loss	(162,836)	(33,332)	(32,209)	(375,015)	(59,657)	(43,872)	(43,452)	(61,290)
Shareholders' equity (deficiency)	$2,091,064	2,253,900	2,351,421	1,352,199	1,727,214	(27,428)	16,263	59,537

Results of Operations

Three-month period ended September 30, 2022 and 2021:

During the three-month period ended September 30, 2022, the Company had a net loss of $162,836 compared to net loss of $59,657 for the period ended September 30, 2021, representing an increase of $103,179.
Major variances are as follows:

- For the three-month period ended September 30, 2022, professional fees were $141,545 compared to $99,446 for the three-month period ended September 30, 2021. The increase in professional fees was mainly due to the increase in legal and accounting fees related to additional services engaged to identify and complete a Qualifying Transaction.

- For the three-month period ended September 30, 2022, transaction costs were $15,027 compared to a cost recovery of $47,305 in the comparative period. The transaction costs of $47,305 in the prior year period were in relation to the Qualifying Transaction with Think reclassed to professional fees due to the termination. The current period transaction costs were fees incurred in relation to the Qualifying Transaction with Hydreight.

Nine-month period ended September 30, 2022 and 2021:

During the nine-month period ended September 30, 2022, the Company had a net loss of $228,377 compared to net loss of $146,981 for the period ended September 30, 2021, representing an increase of $81,396. Major variances are as follows:

- For the nine-month period ended September 30, 2022, professional fees were $188,696 compared to $114,621 for the nine-month period ended September 30, 2021. The increase in professional fees was mainly due to the increase in legal and accounting fees related to additional services engaged to identify and complete a Qualifying Transaction.

- For the nine-month period ended September 30, 2022, transaction costs were $15,027 compared to $Nil for the nine-month period ended September 30, 2021. The transaction costs in the current period were incurred in connection with a Qualifying Transaction with Hydreight.

Liquidity and Capital Resources

At September 30, 2022, the Company had working capital of $2,091,064compared to $1,352,199 at December 31, 2021.

On May 3, 2022, the Company advanced a loan of $25,000 to Hydreight in connection with the Company’s Proposed Transaction. On September 2022, the Company advanced an additional loan of $200,000 to Hydreight.

On April 7, 2022, The Company closed a non-brokered private placement of 15,455,526 common shares for gross proceed of $1,081,887. The Company paid cash finders’ fee of $108,178 to several agents and incurred $6,467 in share issuance costs in connection with the private placement.

While management believes that there is sufficient working capital to meet anticipated expenses for the next twelve months it will be necessary to raise additional financing to meet the requirements of the Qualifying Transaction with Hydreight.

Off-Balance Sheet Arrangements

The Company does not have any material off-balance sheet arrangements.

Related Party Transactions

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

During the nine-months ended September 30, 2022, there were no related party transactions.

Qualifying Transaction with IV Hydreight Inc.

Pursuant to the LOI with Hydreight, the Company has entered into a binding merger agreement effective on July 12, 2022, with Hydreight, VST, 1203500 B.C. Ltd., and 1362795 B.C. Ltd. ("AssetCo"), a wholly-owned subsidiary of VST in respect of an arm's length reverse-takeover transaction of Hydreight by the Company, which will constitute the Qualifying Transaction (as such term is defined in Policy 2.4 of the Exchange) of the Company (the "Proposed Transaction").

The existing shareholders of AssetCo are expected to own a majority of the outstanding PCL common shares after completion of the Proposed Transaction (the "Resulting Issuer Shares").

Immediately prior to the completion of the Proposed Transaction, it is anticipated that PCL will consolidate its issued and outstanding PCL common shares on the basis of approximately 6.46805 pre-consolidation PCL common shares for each one post-consolidation PCL common share.

In connection with the Proposed Transaction, the Company advanced a total amount of $225,000 to Hydreight for working capital purposes. The amount advanced were refundable, secured, and shall be due on the earlier of: (i) seven days following demand for repayment by the Company; and (ii) December 31, 2023.

Upon closing of the Proposed Transaction, the Company will pay a finder's fee in the amount of $878,750 to Hike Capital Inc. ("Hike"), an arm's length party to the Company, VST and Hydreight, through the issuance of approximately 1,394,841 Resulting Issuer Shares at a deemed issuance price of $0.63. Hike currently holds 3,114,286 common shares of the Company and anticipates holding 481,487 post-Consolidation common shares.

On November 10, 2022, the Exchange has conditionally approved the Company's reverse-takeover transaction (the "Transaction") pursuant to a merger agreement dated effective July 12, 2022. In connection with the Transaction, AssetCo has completed the Concurrent Financing of 614,654 common shares for aggregate gross proceeds of $387,232.02 at a price of $0.63 per share. Cash fees of approximately $26,716.34 were paid to certain finders and advisors in connection with the Concurrent Financing.

In connection with the Transaction, the Company will, among other things, change its name to "Hydreight Technologies Inc.".

Share Capital

At September 30, 2022, and the date of this report, the Company had 51,333,727 common shares and 100,000 stock options issued and outstanding.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Going concern

The assessment of whether the concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Impairment of assets

The impairment assessment of a financial asset requires judgment. Management evaluates the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow. When the fair value declines, management makes a judgement if the decline in value is other than temporary impairment to be recognized in the consolidated statement of loss and comprehensive loss.

Financial Risk and Capital Management

The Company's financial instruments consist of cash, cash held in trust, short-term loan and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these investments. All financial instruments are classified as Level 1.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is summarized as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts and cash held in trust and loan advanced. The majority of cash is deposited in bank accounts at a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Cash held in trust is held with a reputable law firm. The Company's short-term loan receivable is subject to expected credit loss model. The carrying amount of the short-term loan represents the maximum credit exposure.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. The Company's liabilities as at September 30, 2022 are due within 90 days.

Historically, the Company's principal source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to necessary levels of equity funding.

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. The Company is not exposed to significant interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency.

The Company's reporting currency is the Canadian dollars and as such is exposed to foreign currency fluctuations on its US dollar denominated financial instruments. A significant change in the currency exchange rate between the Canadian dollar relative to the US dollar, could have an effect on the Company's results of operations, financial position or cash flows. The Company has not entered into foreign currency contracts to hedge its risk against foreign currency fluctuations.

Capital management

The Company is actively looking to acquire an interest in a business or assets, and this involves a high degree of risk. The Company has not determined whether it will be successful in its endeavors and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of common shares. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements. There were no changes in the Company's approach to capital management during the nine-month ended September 30, 2022.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

Business Risks and Uncertainties

The following are risk factors associated with the Company:

- The Company was only recently incorporated, has not commenced commercial operations and has no assets other than cash and receivables. It has no history of earnings, and shall not generate earnings or pay dividends until at least after completion of a Qualifying Transaction;
- Investment in the common shares of the Company is highly speculative given the proposed nature of the Company's business and its present stage of development;
- 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;
- 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;
- 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;

- There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Company may seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests;

- Since December 31, 2020, 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 physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. 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. This may have a negative impact on the Company’s ability to obtain financing and complete a Qualifying Transaction in a timely manner.

Corporate Information

Directors and officers
Alexandros Tzilios - CEO, President and Director
Darius Eghdami - CFO, Corporate Secretary and Director
Duncan McIntyre - Director
Shafin Tejani – Director
Amitay Weis - Director

Auditor
Smythe LLP
Legal Counsel
MLT Aikins LLP