KELLY VENTURES LTD.

(the “Company” or “Kelly”)

MANAGEMENT’S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2019

Management’s discussion and analysis (“MD&A”) of the financial condition of the Company should be read in conjunction with the audited financial statements for the year ended December 31, 2019. The information contained within this MD&A is current to April 9, 2020. The financial statements have been prepared in accordance with International Financial Reporting Standards with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

Incorporation and Overall Performance

On November 2, 2016, Kelly was incorporated under the laws of the Province of British Columbia and is classified as a Capital Pool Company (“CPC”) as defined in the TSX Venture Exchange Policy 2.4. On December 21, 2018, the Company completed its initial public offering (“IPO”) of a total of 2,000,000 common shares, at a price of $0.10 per share, for aggregate gross proceeds of $200,000. The TSX Venture Exchange (the “TSX-V”) accepted the Company’s listing application and the Company’s common shares resumed trading on the TSX-V on December 27, 2018 under the trading symbol “KKL.P”.

Chippingham Financial Group (“Chippingham”) acted as lead agent in respect of the IPO. In connection with the IPO, the Company paid cash commissions totalling $20,000 and issued 200,000 non-transferable agent’s options, each such agent’s option entitling the holder to acquire one common share of Kelly at a price of $0.10 per share until December 21, 2020. Pursuant to the TSX-V Capital Pool Company Policy, not more than 50% of the aggregate number of common shares which may be acquired by pursuant to the agent’s option can be sold before the Company completes a qualifying transaction.

Upon completion of the IPO, Kelly has a total of 4,000,000 common shares issued and outstanding (of which 2,000,000 shares are subject to escrow restrictions). Paul Larkin, Jonathan Younie and Erin Walmesley are the directors of the Company.

As a CPC, the principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition of or participation in a business (the “Qualifying Transaction” or “QT”) subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities. Where an acquisition or participation is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. There is no assurance that the Company will complete a Qualifying Transaction within twenty-four months from the date the Company’s shares were listed on the TSX-V, at which time the TSX-V may suspend or de-list the Company’s shares from trading.

The Company’s head office address is Suite 615 – 800 West Pender Street, Vancouver, BC, V6C 2V6. The registered and records office address is Suite 2900 - 595 Burrard Street, Vancouver, BC, V7X 1J5.

Results of Operations

Selected Annual Information

The summary of historical financial information presented below has been derived from the financial statements.

STATEMENT OF OPERATIONS DATA	Year Ended December 31, 2019	Year Ended December 31, 2018	From Incorporation to December 31, 2017
Revenues	$ -	$ -	$ -
Total expenses	$ 30,564	$ 37,449	$ 12,976
Net loss	$ 30,564	$ 37,449	$ 12,976
Basic and diluted loss per share	$ (0.02)	$ (0.02)	$ (0.02)
Weighted average number of shares outstanding	2,000,000	1,539,726	750,000

BALANCE SHEET DATA	December 31, 2019	December 31, 2018	December 31, 2017
Cash	$ 168,543	$ 218,200	$ 89,524
Working capital	$ 168,261	$ 198,825	$ 87,024
Total assets	$ 168,543	$ 218,200	$ 89,524
Equity	$ 168,261	$ 198,825	$ 87,024

Summary of Quarterly Results

The following are the results for the most recent quarters (periods) since the Company was incorporated:

	31-Dec-19	30-Sep-19	30-Jun-19	31-Mar-19	31-Dec-18	30-Sep-18	30-Jun-18	31-Mar-18
Loss & comprehensive loss	$ (3,194)	$ (3,742)	$ (15,953)	$ (7,675)	$ (27,395)	$ (3,018)	$ (5,018)	$ (2,018)
Loss per share	$ -	$ -	$ -	$ -	$ (0.02)	$ -	$ -	$ -

For the Year Ended December 31, 2019

The Company incurred a loss of $30,564 (2018 – $37,449) for the year ended December 31, 2019. Professional fees (audit and legal) decreased to $6,655 (2018 - $25,665). The previous year was higher due to costs related to the IPO. This decrease was offset by an increase in administration fees to $8,505 (2018 - $Nil) and an increase in listing and filing fees to $14,463 (2018 $10,802). Upon completion of the IPO in December 2018, the Company started paying monthly administration fees and transfer agent fees.

For the Three Months Ended December 31, 2019

The Company incurred a loss of $3,194 (2018 – $27,395) for the three months ended December 31, 2019. The decrease was mainly due to a decrease in listing and filing fees to $3,251 (2018 - $10,802) and a decrease in professional fees to $477 (2018 - $15,665. Costs in 2018 were higher due to the IPO. These decreases were offset by an increase in administration to $2,126 (2018 - $Nil).

Liquidity and Capital Resources

At December 31, 2019 the Company had cash of $168,543 (December 31, 2018 - $218,200) and a working capital surplus of $168,261 (December 31, 2018 – $198,825).

Cash decreased by $49,657 during the year ended December 31, 2019 (2018 – increase of $128,676) mainly due to the loss for the year of $30,564 (2018 - $37,449) and a decrease in accounts payable of $19,093 (2018 – increase of $16,875). No funds were received from financing activities during the current year. The previous year included $149,250 received upon the completion of the IPO. The Company will require additional capital resources to complete a QT. There is no guarantee that the Company will be able to complete a QT, or to secure additional financings in the future at terms that are acceptable to it (or at all).

Related Party Transactions

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

As at December 31, 2019, $nil was outstanding to/from the Company's directors, officers, and entities related to the Company's directors and officers. Management did not receive any compensation during the year ended December 31, 2019 nor for the year ended December 31, 2018. Administration fees of $8,505 (2018 - $Nil) were charged by an entity controlled by the President of the Company. Professional fees related to the preparation of the Annual General Meeting material of $1,680 (2018 - $Nil) were charged by an entity controlled by a director of the Company.

Off Balance Sheet Arrangements

The Company has not entered into any off balance sheet arrangements, other than previously disclosed, that have, or are reasonably likely to have, an impact on the current or future results of operations or the financial condition of our Company.

Accounting Policies

Please refer to note 2 of the financial statements for details on Significant Accounting Policies. The Company's financial statements include the activity of identifying and evaluating potential qualifying transactions. The Company's continuing operations, as intended, are dependent upon its ability to negotiate and complete a Qualifying Transaction. Management considers the policy dealing with stock based compensation to be of primary importance to the understanding of the Company's financial statements.

Accounting for Stock Options

The Company has adopted an incentive stock option plan (the "Plan"), whereby it can grant options to directors, officers, employees, and consultants of the Company. Upon completion of the IPO, the maximum number of shares that may be reserved for issuance under the Plan will be limited to 10% of the issued common shares of the Company at any time, provided that until completion of the Qualifying Transaction, not more than 400,000 options may be granted in the aggregate. The exercise price of options granted under the Plan shall not be less than the price of the Company's common shares on the day proceeding the day the options are granted, less any discount permitted by the Exchange to a minimum of $0.10 per share.

As of the date of this report, there are no stock options issued or outstanding.

Outstanding Share Data – as April 9, 2020

	Number	Price	Weighted Average Remaining Life in Years
Issued shares	4,000,000		
Agent's warrants	200,000	$0.10	0.70
Fully Diluted	4,200,000		

Upon completion of the IPO, 2,000,000 shares will be held in escrow to be released pro-rata to the shareholders as to 10% upon the issuance of notice of final acceptance of a Qualifying Transaction by the Exchange, with the balance in six equal tranches of 15% every six months thereafter over a period of 36 months.

Additional Disclosure for Venture Issuers without Significant Revenues

Additional information relating to the Company can be found on the SEDAR website at www.sedar.com.

Going Concern of Operations

The Company has prepared its financial statements in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

As of December 31, 2019 and December 31, 2018 the Company has not generated any revenues and has incurred losses of $80,989 (December 31, 2018 - $50,425) since inception. The Company's continued existence and plans for future growth depend on its ability to obtain additional capital. Subsequent to year-end, there was a global outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the regional economies in which the Company operates and could continue to result in negative impacts on the stock market, including trading prices of the Company's shares, and the ability to raise capital and could impact the Company's operations.

The above material uncertainties raise significant doubt about the Company's ability to continue as a going concern. Although the Company's financial statements have been prepared on a going concern basis, the Company's continuing operations are dependent upon its ability to obtain adequate financing through debt or equity issuance.

Approval

The Board of Directors of the Company has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

Forward-Looking Statements

This report contains forward-looking statements, including statements regarding the future success of our business, exploration and development strategies and future opportunities. Forward-looking statements include, but are not limited to, statements concerning estimates of expected capital expenditures, statements relating to expected future production and cash flows, statements relating to the continued advancement of the Company's exploration, and development projects, and other statements which are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should", and similar expressions are forward-looking statements. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Important factors that can cause actual results to differ from these forward-looking statements include the potential that the Company's projects will experience technological and mechanical problems, changes in political conditions, changes in the availability to obtain project financings and other risks. Forward-looking statements are based on the opinions and estimates of management at the date that the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in forward-looking statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking statements.