

SPECTRE CAPITAL CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED MAY 31, 2022

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SPECTRE CAPITAL CORP.

Management's Discussion and Analysis
For the nine months ended May 31, 2022

The following is a management's discussion and analysis ("MD&A") of Spectre Capital Corp. (the "Company" or "Spectre"), prepared as of July 21, 2022. This MD&A should be read together with the unaudited condensed interim financial statements for the nine months ended May 31, 2022 and the audited financial statements for the year ended August 31, 2021 and related notes, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All financial amounts are stated in Canadian dollars unless otherwise indicated.

Certain information included in this MD&A may constitute forward-looking statements. Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties involved in disputes and litigation, the assumption that the Company will become fully compliant with regulatory filing and continued listing requirements, in addition uncertainty as to timely availability of permits and other government approvals and other risks and uncertainties disclosed in other information released by the Company from time to time and filed with the appropriate regulatory agencies.

It is the Company's policies that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward looking statements contained herein are as of the date of the MD&A and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws. Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and other factors such as those described above and in "Risks and Uncertainties" below. The Company has no policy for updating forward looking information beyond the procedures required under applicable securities laws.

Additional information related to Spectre is available for view on SEDAR at www.sedar.com.

The Company's Business

Altus Acquisition Corp (the "Company") was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the *British Columbia Business Corporations Act* on May 24, 2018 and changed its name to Spectre Capital Corp on October 17, 2018. An initial investment of \$187,500 was made by the officers and directors of the Company.

On August 22, 2019, the Company filed its final prospectus and received final approval on August 26, 2019. Since the Company did not complete its Initial Public Offering ("IPO") in the allotted

SPECTRE CAPITAL CORP.

Management's Discussion and Analysis
For the nine months ended May 31, 2022

time, on February 12, 2020, the Company filed with and was accepted by the TSX Venture Exchange ("TSX-V") an amended and restated final prospectus with the securities.

The Company completed its IPO on February 21, 2020, and is classified as a Capital Pool Company as defined in the TSX-V Policy 2.4. The Company was listed on February 21, 2020 and commenced trading on February 25, 2020 under the trading symbol "SOO.P".

The Company had not commenced commercial operations and had no assets other than a minimum amount of cash. The Company will now commence its search for new business opportunities to complete its qualifying transaction. Any acquisition or investment proposed by the Company will be subject to regulatory approval.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

The Company's business financial condition and results of operations may be further negatively affected by economic and other consequences from Russia's military action against Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts, of the pandemic and the war in the Ukraine, to the business to be limited, the indirect impacts on the economy in general could negatively affect the businesses that the Company may potentially consider to be its qualifying transaction.

On March 3, 2022, the Company announced that it intended to implement (subject to shareholder approval) certain amendments to avail itself of changes arising from the TSX Venture Exchange's updated Policy 2.4 Capital Pool Companies that came into effect on January 1, 2021. Under the new CPC policy, an existing capital pool company (CPC) can implement certain changes with specific disinterested shareholder approval. Such as (i) to remove the consequences of failing to complete a qualifying transaction within 24 months of the date the corporation's common shares became listed on the exchange; and (ii) to enter into a new escrow agreement to supersede and replace the original share escrow agreement entered into by the corporation.

On March 22, 2022, the Company held its special meeting and received shareholders approval.

On March 25, 2022, the Company and Hemptown Organics Corp mutually agreed to terminate the September 8, 2020 LOI. See proposed transaction for details of the transaction.

The Company is in the process of seeking approval from the exchange for the resumption of trading of the company's common shares. In addition, the company is continuing to evaluate and review alternative acquisition opportunities with a view to completing its qualifying transaction.

SELECTED ANNUAL INFORMATION

	<i>Year ended August 31, 2021</i>	<i>Year ended August 31, 2020</i>	<i>Year ended August 31, 2019</i>
<i>Revenue</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
<i>Net Loss</i>	<i>\$83,835</i>	<i>\$123,608</i>	<i>\$64,166</i>
<i>Total Assets</i>	<i>\$276,750</i>	<i>\$351,741</i>	<i>\$141,591</i>
<i>Total Long-term Liabilities</i>	<i>\$-</i>	<i>\$-</i>	<i>\$-</i>
<i>Cash dividends per share</i>	<i>\$-</i>	<i>\$-</i>	<i>\$-</i>

SPECTRE CAPITAL CORP.

Management's Discussion and Analysis
For the nine months ended May 31, 2022

During the year ended August 31, 2019, the Company incurred a loss of \$64,166 as compared to \$3,681 for the previous year. The increase is due to the cost associated with the preparation and filing of the IPO as the Company was in the process of completing an IPO. During the year ended August 31, 2020, the Company completed its IPO on February 21, 2020 and is classified as a Capital Pool Company as defined in the TSX-V 2.4. During the year ended August 31, 2021, the Company entered into an LOI with Hemptown Organics Corp. as its Qualifying Transaction. (See Proposed Transaction)

RESULTS OF OPERATIONS

For the three months ended May 31, 2022:

As at May 31, 2022, the Company had no material operations. The Company incurred a net loss of \$11,613 for the three months ended May 31, 2022 as compared to \$28,200 for the comparable period ended May 31, 2021. All costs were consistent with that of maintaining its reporting issuer status while the Company continues its search for a new business opportunity to complete its qualifying transaction.

For the nine months ended May 31, 2022:

As at May 31, 2022, the Company had no material operations. The Company incurred a net loss of \$33,298 for the nine months ended May 31, 2022 as compared to \$67,693 for the comparable period ended May 31, 2022. All costs were consistent with that of maintaining its reporting issuer status til the Company completes its qualifying transaction.. See proposed transaction section.

FOURTH QUARTER

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FINANCIAL**SUMMARY OF QUARTERLY RESULTS**

The following is a summary of the Company's financial results for the eight most recent quarters:

Quarter Ended	Revenue		Total expenses		Loss for the period	Basic and Diluted Loss per share
May 31, 2022	\$	Nil	\$	11,613	\$ 11,613	\$ (0.00)
February 28, 2022		Nil		12,331	12,331	(0.01)
November 30, 2021		Nil		9,354	9,354	(0.00)
August 31, 2021		Nil		16,142	16,142	(0.00)
May 31, 2021		Nil		28,200	28,200	(0.01)
February 28, 2021		Nil		23,928	23,928	(0.01)
November 30, 2020		Nil		15,565	15,565	(0.00)
August 31, 2020		Nil		19,578	19,578	(0.01)

During the quarter ended August 31, 2020, the Company recorded a net loss of \$19,578 which is comparable to the \$11,734 for the previous quarter except for the year end audit fee accrual. During the quarter ended November 30, 2020, the Company recorded a net loss of \$15,565 which is comparable to the \$19,578 for the previous quarter. During the quarter ended February 28, 2021, the Company recorded a net loss of \$23,928 which is comparable to the net loss of

SPECTRE CAPITAL CORP.

Management's Discussion and Analysis
For the nine months ended May 31, 2022

\$15,565 for the previous quarter. During the quarter ended May 31, 2021, the Company recorded a net loss of \$28,200 which is comparable to the net loss of \$23,928 for the previous quarter. During the quarter ended August 31, 2021, the Company recorded a net loss of \$16,142 as compared to the net loss of \$28,200. The prior quarter included a payment to the TSX for the qualifying transaction. During the quarter ended November 30, 2021, the Company recorded a net loss of \$9,354 as compared to the net loss of \$16,142 from the previous quarter. The prior quarter included year end audit fee accrual. During the quarter ended February 28, 2022, the Company recorded a net loss of \$12,331 as compared to the net loss of \$9,354 from the previous quarter. The may increase is in professional fees as the underestimated the year end audit fee accrual. During the quarter ended May 31, 2022, the Company recorded a net loss of \$11,613 which is consistent with the net loss from the previous quarter.

CHANGE IN FINANCIAL CONDITION

Between May 24, 2018 and May 31, 2022, the Company's principal changes in financial condition were the result of incurring expenses associated with the preparation and filing of the Company's prospectus which was completed in February 2020. On September 8, 2020, the Company entered into a letter of intent ("LOI") with Hemptown Organics Corp. pursuant to which the Company will acquire all of the issued and outstanding shares of Hemptown Organics Corp. Once completed, this acquisition would constitute its Qualifying Transaction. As at the date of the MD&A, the Company and Hemptown mutually terminated the LOI.

LIQUIDITY AND CAPITAL RESOURCES

The Company's current activities have been funded to date through the issuance of common shares.

As at May 31, 2022 the Company had cash of \$675, GST receivable of \$10,958 and an investment in shares of Hemptown of \$241,935 less payables of \$38,136 with a net working capital deficit of \$26,503. The Company will have no revenue and significant expenses are expected in the identification and acquisition of a qualifying asset. In addition, as a result of the Company's activities, unanticipated problems or expenses could result and require additional capital requirements, subject to TSX Venture Exchange policies and approvals.

Management is closely evaluating the impact of COVID-19 on the Company's business. At this time, management does not see a material impact to its business, however, the situation is evolving and could become material if the pandemic worsens.

This Company is only suitable to investors who are willing to rely solely on management of the Company and who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest in the common shares.

The Company has cash and has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants. Management believes that the completed IPO will not be sufficient working capital to meet its current financial obligations.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Related party transactions are comprised of services rendered by directors and/or officers of the Company or by a company with a director in common. Related party transactions are in the ordinary course of business and are measured at the exchange amount.

SPECTRE CAPITAL CORP.

Management's Discussion and Analysis
For the nine months ended May 31, 2022

Key management personnel compensation

The Company considers its President, Chief Executive Officer, Chief Financial Officer, and the directors of the Company to be key management. During the nine months ended May 31, 2022 there were no compensations paid.

PROPOSED TRANSACTIONS

On September 8, 2020, the Company entered into a letter of intent ("LOI") with Hemptown Organics Corp. ("Hemptown") pursuant to which the Company will acquire all of the issued and outstanding shares of Hemptown (the "Transaction") which is intended to constitute the Company's qualifying transaction. Upon execution of this LOI, the Company and Hemptown will enter into a Definitive Agreement which will supersede this LOI.

In accordance with the terms of the LOI, it is anticipated that each common share of Hemptown outstanding at the time of the completion of the Transaction be exchanged for one (the "common share exchange ratio") fully paid and non-assessable common share of the Company and that each Class A share of Hemptown outstanding at the time of the completion of the Transaction, be exchanged for one (the "Class A share exchange ratio") full paid and non-assessable class A share of the Company and each stock option or warrants of Hemptown for common share and Class A outstanding will thereafter be exercisable into securities of the Company, as adjusted for the Common share exchange ratio and Class A share exchange ratio respectively.

The Company provided a bridge loan of \$225,000 to Hemptown, which is non-interest bearing and is secured by a general security agreement on the assets of Hemptown and a promissory note. The loan will be forgiven upon closing of the Transaction or otherwise be repayable on demand. The Company also advanced \$35,500 to creditors on behalf of Hemptown. These amounts are included in loan receivable as at November 30, 2021.

Immediately prior to the completion of the transaction, the Company will undertake a consolidation on the basis of 2.5 old common shares for every 1 new common share.

The completion of the Transaction is subject to the satisfaction of various conditions as are standard for a transaction of this nature, including but not limited to (i) the completion of a financing into the Company or Hemptown; (ii) court approval of the Arrangement, (iii) the approval by the board of directors of the Company to complete the Transaction, (iv) the completion of the share consolidation and creation of new Class A shares; (v) the absence of any material adverse change, material litigation, claims, investigations or other matters, including any subsidiaries or related companies of Hemptown; and (vi) receipt of all requisite regulatory, stock exchange, court or governmental authorizations and consents, including the Exchange. There can be no assurance that the Transaction will be completed on the terms proposed above or at all.

On March 25, 2022, the Company and Hemptown entered into a termination agreement whereby Hemptown has agreed to issue 2,000,000 Hemptown common shares to the Company as a break fee and the Company and Hemptown have released each other from all matters relating to the transaction and the termination, including the repayment of the \$225,000 loaned and \$16,935 in expenses paid by the Company. The fair of the shares of Hemptown of \$241,935 is currently reflected as the current fair market value of its common shares as at May 31, 2022.

RISKS AND UNCERTAINTIES

The Company is a CPC under the policies of the Exchange. Investment in the common shares of the Company must be regarded as highly speculative due to the proposed nature of the

SPECTRE CAPITAL CORP.

Management's Discussion and Analysis
For the nine months ended May 31, 2022

Company's business and its present stage of development. The following are risk factors associated with the Company:

(a) The Company was only recently incorporated, has not commenced commercial operations and has no assets other than cash, prepaid expenses, loan receivable and refundable tax credits. It has no history of earnings, and shall not generate earnings or pay dividends until at least after completion of the Qualifying Transaction;

(b) The Board of 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;

(c) There can be no assurance that an active and liquid market for the Company's common shares will develop and an investor may find it difficult to resell their common shares;

(d) Until completion of an IPO, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;

(e) 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;

(f) Even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the Qualifying Transaction;

(g) Completion of the 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 (within the meaning of Exchange Policies), majority of the minority approval;

(h) 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;

(i) Upon public announcement of a proposed Qualifying Transaction, trading in the common shares of the Company 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. 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;

(j) 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;

(k) Neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction;

(l) If 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 of 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;

SPECTRE CAPITAL CORP.

Management's Discussion and Analysis
For the nine months ended May 31, 2022

(m) 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;

(n) 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 management team. The loss of any member of the management team could have a material adverse effect upon the business and prospects of the Company. In such event, the Company will seek satisfactory replacements but there can be no guarantee that appropriate personnel may be found.

As a result of these factors, this Company is only suitable to investors who are willing to rely solely on management of the Company and who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest in the common shares.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. The Directors monitor future cash requirements to assess the Company's ability to meet these future funding requirements.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements as at August 31, 2021.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash, loan receivable, accounts payable and accrued liabilities.

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and loan receivable. The Company limits its exposure to credit loss by placing its cash with major financial institutions. The Company is exposed to credit risk with respect to the loan receivable, and the maximum exposure is its carrying amount on the statements of financial position.

SPECTRE CAPITAL CORP.

Management's Discussion and Analysis
For the nine months ended May 31, 2022

Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to floating rate of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

Liquidity risk

All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. At present, the Company's operations do not generate cash flow. The Company's primary source of funding has been the issuance of equity securities. Despite previous success in acquiring financing, there is no guarantee of obtaining future financings.

Determination of Fair Value:

The fair value of the Company's investments are determined as follows:

Listed securities

The fair value of securities traded on active markets are based on quoted market prices at the close of trading on the reporting date. The Company uses the last traded market price where the last trade price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The fair value of securities that are subject to trading restrictions are recorded at a value that takes into account the length and nature of the restrictions.

Unlisted securities

For investments that are not publicly traded, subsequent to initial recognition, the fair value of these investments is determined by the Company using the most appropriate valuation methodology in light of the nature, facts and circumstances of the investment and its materiality in the context of the total investment portfolio.

For unlisted equity instruments:

- Investments are valued at cost for a limited period after the date of acquisition, if the purchase price remains representative of the fair value at the reporting date; otherwise, investments are valued using one of the other methodologies detailed below.
- Investments in which there has been recent or in-progress funding round involving significant financing from external investors are valued at the price of the recent funding, whereby the various shareholder categories rights are taken into account in the valuation. The price is adjusted, where appropriate, if an external investor is motivated by strategic considerations.
- Investments in which there has been a recent financing round involving only existing investor participating proportionally to their existing investment are examined as to whether specific conditions exist that could reduce the reliability of this financing round as an indication of real value. An internal financing with investors at a lower price than the valuation at the previous reporting date may indicated a decrease in value and is taken into consideration.
- Investments that have achieved an exit after the valuation date but before finalization of the financial statements are valued based on the exit valuation, if the exit valuation was reasonably evident at the measurement date.

SPECTRE CAPITAL CORP.

Management's Discussion and Analysis
For the nine months ended May 31, 2022

- Investment in which there has been a recent private secondary market trade of meaningful volume and the transaction is undertaken by sophisticated, arm's length investor are valued at the price of the recent trade and are adjusted, as appropriated, if the purchaser is motivated by strategic considerations.
- Investments in early-stage companies not generating sustainable revenue or earnings and for which there has not been any recent independent funding are valued using alternative methodologies. The Company considers investee company performance relative to plan, going concern risk, continued funding availability, comparable peer group valuations, exit market conditions and general sector conditions and calibrates its valuation of each investment as appropriate.

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3 – Inputs for the asset or liability that are not based on observable market data.

Investments in public companies are classified as fair value through profit or loss and measured at fair value using level 1 and investments in private companies are measured at fair value using level 3 inputs. The fair values of other financial instruments, which include cash, loan receivable, accounts payable and accrued liabilities approximate their carrying values due to the relatively short-term nature of these instruments.

As at May 31, 2022, the Company's investment of \$241,935 is fair valued using level 3 inputs.

OUTSTANDING SHARE DATA

As of the date of the MD&A, the Company had 7,160,001 issued and outstanding common shares.

As at the date of the MD&A there are 716,000 stock options outstanding to acquire up to 716,000 common shares at \$0.10 per share exercisable until February 20, 2025.

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.