

HAKKEN CAPITAL CORP.
(A Capital Pool Company)
Management's Discussion and Analysis
March 31, 2023

Dated: May 17, 2023

HAKKEN CAPITAL CORP.
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The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of Hakken Capital Corp. (the "Corporation") was prepared by management of the Corporation as of May 17, 2023 and should be read in conjunction with the Corporation's audited financial statements and related notes for the year ended June 30, 2022. The Corporation's financial statements are prepared in accordance with the International Financial Reporting Standards ("IFRS").

The Financial Statements have been prepared by management and have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All amounts are expressed in Canadian dollars unless otherwise stated. Other information contained in this document has also been prepared by management and is consistent with the data contained in the Financial Statements.

The Corporation's certifying officers are responsible for ensuring that the Financial Statements and MD&A do not contain any untrue statement of a 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. The Corporation's certifying officers certify that the Financial Statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the Corporation as the date of and for the periods presented in the interim filings.

The Audit Committee and the Board of Directors provide an oversight role with respect to all public financial disclosures by the Corporation. The Board of Directors approves the Financial Statements and MD&A after the completion of its review and recommendation for approval by the Audit Committee, which meets periodically to review all financial reports, prior to filing.

The Corporation's financial statements, MD&A and all other continuous disclosure documents are filed with Canadian securities regulators and are available for review under the Hakken Capital Corp. profile on SEDAR at www.sedar.com.

Forward-Looking Statements

Certain statements contained in this document constitute "forward-looking statements". All statements other than statements of historical fact contained in this MD&A, including, without limitation, those regarding the Corporation's future financial position and results of operations, strategy, proposed acquisitions, plans, objectives, goals and targets, and any statements preceded by, followed by, or that include the words "believe", "expect", "aim", "intend", "plan", "continue", "will", "may", "would", "anticipate", "estimate", "forecast", "predict", "project", "seek", "should", or similar expressions or the negative thereof, are forward-looking statements. These statements are not historical facts but instead represent only the Corporation's expectations, estimates and projections regarding future events. These

HAKKEN CAPITAL CORP.
Management's Discussion and Analysis
March 31, 2023

statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to risks associated with: limited operating history; no history of earnings or payment of any dividends; unlikely to generate earnings or pay dividends in the immediate or foreseeable future; no current business operations; no current assets other than cash; ability to complete a qualifying transaction; ability to raise additional funds if required; potential dilution of shares as a result of potential qualifying transaction; reliance on management team; conflicts of interest among certain directors and officers of the Corporation; lack of liquidity for shareholders of the Corporation; and market risk. See "Risks and Uncertainties".

Management provides forward-looking statements because it believes they provide useful information to readers when considering their investment objectives and cautions readers that the information may not be appropriate for other purposes. Consequently, all of the forward-looking statements made in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Corporation. These forward-looking statements are made as of the date of this MD&A and the Corporation assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

The forward-looking statements in this MD&A are based on numerous assumptions regarding the Corporation's present and future business strategies and the environment in which the Corporation will operate in the future, including assumptions regarding business and operating strategies.

1. NATURE AND DESCRIPTION OF OPERATIONS

The Corporation was incorporated under the *Business Corporation Act (British Columbia)* on October 11, 2018 and was listed on March 16, 2020 on the TSX Venture Exchange (the "Exchange") pursuant to Policy 2.4 regarding Capital Pool Corporations of the Exchange's corporate finance manual.

The Corporation has no significant assets other than cash and cash equivalents and proposes to identify and evaluate potential acquisitions or businesses, and once identified and evaluated, to negotiate an acquisition or participation subject to receipt and, if required, shareholder approval.

As a Capital Pool Company, the proceeds raised by the Corporation 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 \$3,000 per month be used to cover administrative and general expenditures of the

HAKKEN CAPITAL CORP.
Management's Discussion and Analysis
March 31, 2023

1. NATURE AND DESCRIPTION OF OPERATIONS (continued)

Company. These restrictions apply until the completion of a Qualifying Transaction by the Corporation as defined under the policies of the Exchange.

The Corporation's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in, or an interest in properties, assets or businesses. Such an acquisition will be subject to regulatory approval and, if required, shareholder approval.

The head office of the Corporation is located at 4626 Lockhaven Place, North Vancouver, B.C. V7G 2B8 and the registered office is located at 1055 West Georgia Street, 1500 Royal Centre, P.O. Box 11117, Vancouver, BC, V6E 4N7.

Selected Financial Information

The following selected financial data is derived from the financial statements of the Corporation prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards applicable to the preparation of interim financial statements, including IAS 34 and IFRS 1.

Selected Statement of Financial Position Data

	As at March 31, 2023 \$	As at June 30, 2022 \$
Revenue	14,761	Nil
Net Loss	(60,564)	(45,132)
Net Loss per Share (Basic & Diluted)	(0.01)	(0.00)
Total Assets	1,135,268	1,204,012
Total Long-term Financial Liabilities	Nil	Nil
Cash Dividends declared per share	Nil	Nil

Summary Financial Information

The following table contains a comparison of the results for the last quarter with those reported for the prior number of periods.

HAKKEN CAPITAL CORP.
Management's Discussion and Analysis
March 31, 2023

1. NATURE AND DESCRIPTION OF OPERATIONS (continued)

Periods Ended	Revenue \$	Net Gain (Loss) \$	Basic and Diluted Net Loss Per Share \$
March 31, 2023	10,595	2,372	(0.00)
December 31, 2022	4,166	(37,907)	(0.00)
September 30, 2022	Nil	(25,030)	(0.00)
June 30, 2022	Nil	(15,199)	(0.00)
March 31, 2022	Nil	(17,046)	(0.00)
December 31, 2021	Nil	(1,052)	(0.00)
September 30, 2021	Nil	(11,835)	(0.00)

Discussion of Operations

The Corporation does not have any operations and will not conduct any business other than the identification and evaluation of business and assets for potential acquisition.

During the nine months ended March 31, 2023, the Corporation recorded a net loss of \$60,564 with the majority of these expenses related to Legal, accounting and filing fees.

Additional Disclosure for Venture Corporations without Significant Revenue

The following table sets forth a breakdown of material components of the general and administrative costs of the Corporation for the nine months ended March 31, 2023, and the financial year ended June 30, 2022.

	Nine Months Ended March 31, 2023 \$	Year Ended June 30, 2022 \$
Accounting and audit fees	12,000	8,000
Legal fees	41,738	22,081
Due Diligence Expenses	6,958	-
Filing fees	11,175	14,829

Liquidity, Capital Resources and Outlook

As at March 31, 2023, the Corporation had working capital of \$1,139,395. This amount of \$1,139,395 is made up of cash, term deposits, and accounts receivables.

HAKKEN CAPITAL CORP.
Management's Discussion and Analysis
March 31, 2023

1. NATURE AND DESCRIPTION OF OPERATIONS (continued)

Management believes that it has sufficient cash and cash equivalents to meet its ongoing obligations and its objective of identifying and evaluating potential acquisitions or businesses, and once identified and evaluated, to negotiate an acquisition or participation. Except as described in the Corporation's final CPC prospectus (second amendment) dated December 16, 2019, the funds raised pursuant to the Corporation's Initial Public Offering ("IPO") and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions. There can be no assurance that the Corporation will be able to obtain adequate financing to complete a Qualifying Transaction.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies used in the preparation of these financial statements.

a) Statement of compliance

These 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 IFRS Interpretations Committee ("IFRIC"). The financial statements were authorized for issuance by the board of directors of the Company on May 17, 2023.

b) Basis of presentation

These financial statements of the Company have been prepared on an accrual basis and are based on historical cost, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

c) Significant estimates and judgments

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. These financial statements do not include any accounts that require significant estimates as the basis for determining the stated amounts.

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include:

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Significant estimates and judgments (continued)

- i. The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.
- ii. The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

d) Cash and cash equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

e) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Cash is measured at FVTPL.

Impairment

An 'expected credit loss' impairment model applies, which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Financial instruments (continued)

at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are classified and subsequently measured at amortized cost or at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Trade payables are classified at amortized cost.

As at March 31, 2023, the Company does not have any derivative financial liabilities.

The following table shows the classification under IFRS 9:

Financial assets/liabilities	IFRS Classification
Cash	FVTPL
Trade payables	Amortized cost

f) Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the country where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Income taxes (continued)

Deferred income tax:

Deferred income tax is based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

g) Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Basic and diluted loss per share excludes all of the Company's common shares from the weighted average shares calculation that are contingently returnable.

h) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

i) Share-based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee. The fair value of stock options is measured on the date of grant, using the Black-Scholes

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Share-based payments (continued)

option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital. When vested options are forfeited or are not exercised at the expiry date, the amount previously recognized is transferred to deficit.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

j) Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise, they are expensed as incurred. Share issuance costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged as expenses. Warrants that are part of units are assigned value based on the residual value method and included in the share warrant reserve. Warrants that are issued as payment for an agency fee or other transactions costs are accounted for as share-based payments.

When warrants are cancelled or are not exercised at the expiry date, the amount previously recognized is transferred to deficit.

k) Accounting pronouncements not yet adopted

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. The Company did not identify any standards that may have any impact on the Company's financial statements during the year.

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

3. SHARE CAPITAL

Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

As at March 31, 2023, there were 11,985,695 (2021 – 11,600,000) common shares issued and outstanding.

HAKKEN CAPITAL CORP.
Management's Discussion and Analysis
March 31, 2023

3. SHARE CAPITAL (continued)

Escrow shares

In connection with the Company's Initial Public Offering ("IPO") completed during the year ended June 30, 2020, the Company entered into an Escrow Agreement whereby 2,676,000 common shares were held in escrow and are scheduled for release in accordance with the terms of the Escrow Agreement. As at March 31 2023, there were 2,676,000 (2021- 2,676,000) shares held in escrow.

Share issuance

During the year ended June 30, 2022:

- 385,695 warrants were exercised at \$0.10 per share for gross proceeds of \$38,570.

During the year ended June 30, 2021:

- Closed a non-brokered private placement by issuing 5,000,000 common shares of the Company at \$0.20 per share. Gross proceeds from the private placement of \$1,000,000 were allocated to share capital. The Company paid \$70,000 in finder's fees and \$12,749 in legal fees related to the private placement.

Options

The Company's current stock option plan (the "New Stock Option Plan") was last approved by the shareholders on March 13, 2020. Pursuant to the Existing Plan the maximum number of Plan Shares that may be reserved for issuance will be the IPO Maximum Shares. IPO Maximum Shares are 10% of the Common Shares outstanding as at the closing of the Company's IPO and for as long as the Company is classified as a Capital Pool Company. After the Company is listed as a Tier 1 or Tier 2 issuer on the TSX Venture, the maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan at any point in time is 10% of the Outstanding Shares at the time Plan Shares are reserved for issuance as a result of the grant of an Option, less any Common Shares reserved for issuance under share options granted under Share Compensation Arrangements other than this Plan, unless this Plan is amended pursuant to the requirements of the TSX Venture Policies.

Information regarding the Company's outstanding options as at March 31, 2023 is summarized below:

HAKKEN CAPITAL CORP.
Management's Discussion and Analysis
March 31, 2023

3. SHARE CAPITAL (continued)
Options (continued)

	Number of options outstanding	Number of options exercisable	Exercise price
Expiry date			
March 13, 2030	660,000	660,000	0.10
	660,000	660,000	0.10

As at March 31, 2023, the weighted average life remaining for these options was 7.0 years and weighted average exercise price was \$0.10 per option. There were no stock options granted, exercised, cancelled or forfeited during the years ended March 31, 2023 and 2022.

Warrants

Activity regarding the Company's outstanding warrants is summarized below:

	Number of warrants outstanding	Number of warrants exercisable	Exercise price
Balance, October 11, 2018 and June 30, 2019	-	-	-
Issued	400,000	400,000	0.10
Balance, June 30, 2020, and 2021	400,000		
Exercised	(385,695)	(385,695)	0.10
Expired	(14,305)	(14,305)	0.10
Balance June 30, 2022	-	-	-

During the 2022 financial year, \$27,500 was adjusted from reserves to common shares upon the exercise of warrants on March 11, 2022 and \$1,020 was adjusted from reserve to deficit upon the expiration of warrants on March 13, 2022.

HAKKEN CAPITAL CORP.
Management's Discussion and Analysis
March 31, 2023

4. RELATED PARTY TRANSACTIONS AND BALANCES

Key management includes personnel having the authority and responsibility for planning, directing and controlling the Company and includes the directors and current executive officers. There was no remuneration paid to key management personnel during the year ended March 31, 2023.

During the year ended June 30, 2021 a family member of the CEO employed by a brokerage acted as a finder in arranging a private placement of shares for which the family member of the CEO was paid a finders' fee of \$42,000 by the brokerage. During this same period, a family member of the CFO purchased 235,000 common shares for gross proceeds of \$47,000.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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 fair value of the Company's trade payables approximates carrying value due to its short-term nature. The Company's other financial instrument, being cash, is measured at fair value on a recurring basis using Level 1 inputs.

Information regarding the Company's financial assets and liabilities as at June 30, 2022 and 2021 is summarized as follows:

	2022	2021
FVTPL (i)	1,191,166	1,196,168
Amortized cost (ii)	4,053	368

(i) Cash

(ii) Trade payables

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 provided as follows:

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

a) 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 account. Cash is held with a major bank in Canada and management believes the risk of credit loss is low.

b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. Trade payables are due within 30 days from March 31, 2023. The Company has sufficient cash to settle current liabilities.

c) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is not exposed to market risk from foreign exchange rates and equity prices.

d) 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 exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions and management actively negotiates favorable market related interest rates.

6. CAPITAL DISCLOSURE AND MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain flexible capital structure which will allow it to pursue the completion of a Qualifying Transaction as defined in TSX-V Policy 2.4. Therefore, the Company monitors the level of risk incurred in its expenditures relative to its capital structure.

The Company considers its capital structure to include all components of shareholders' equity. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the potential underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favorable terms and approved by the TSX-V.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements.

HAKKEN CAPITAL CORP.
Management's Discussion and Analysis
March 31, 2023

6. CAPITAL DISCLOSURE AND MANAGEMENT (continued)

There were no changes in the Company's approach to capital management during the year ended March 31, 2023.

7. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	2022	2021
	\$	\$
Statutory income tax rate	27%	27%
Expected income tax recovery at statutory rate	(11,910)	(16,995)
Share issuance cost	-	(22,343)
Change in unrecognized tax assets	11,910	39,338
Income tax recovery	-	-

The significant components of deferred income tax assets and liabilities are as follows:

	June 30, 2022	June 30, 2021
	\$	\$
Non-capital losses	75,656	55,611
Share issuance cost	20,188	28,048
Net deferred income tax asset	-	-

As of June 30, 2022, the Company has estimated non-capital tax losses of approximately \$280,207 (2021 - \$205,965) that may be offset against future taxable income. These losses expire between 2039 and 2042.

8. OTHER INFORMATION

Additional information about the Corporation is available at SEDAR at www.sedar.com