

ANC CAPITAL VENTURES INC.
(the “Company”)

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED
MARCH 31, 2021

The following Management’s Discussion and Analysis, prepared as of July 29, 2021 should be read together with the financial statements for the year ended March 31, 2021 and the related notes attached thereto. Accordingly, the financial statements and MD&A include the results of operations and cash flows for the year ended March 31, 2021 and the reader must be aware that historical results are not necessarily indicative of the future performance. The reader may also wish to refer to the Company’s audited financial statements and MD&A for the year ended March 31, 2020. All amounts are reported in Canadian dollars. The aforementioned documents can be accessed on the SEDAR website at www.sedar.com.

Unless otherwise stated, financial results are being reported in accordance with International Financial Reporting Standards (“IFRS”).

Management’s Discussion and Analysis contains the term cash flow from operations, which should not be considered an alternative to, or more meaningful than, cash flows from operating activities as determined in accordance with IFRS as an indicator of the Company’s performance. The Company’s determination of cash flow from operations may not be comparable to that reported by other companies. The reconciliation between profit or loss and cash flows from operating activities can be found in the statement of cash flows.

Certain statements contained in this interim management discussion and analysis may contain words such as “could”, “should”, “expect”, “believe”, “will” and similar expressions and statements relating to matters that are not historical facts but are forward-looking statements. Such forward-looking statements are subject to both known and unknown risks and uncertainties which may cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such factors include, among other things, the receipt of required regulatory approvals, the availability of sufficient capital, the estimated cost and availability of funding for the continued exploration and development of the Company’s prospects, political and economic conditions, commodity prices and other factors.

Nature of Business and Continuance of Operations

ANC Capital Ventures Inc. (the “Company”) was incorporated on March 11, 2019 pursuant to the provisions of the *Business Corporations Act* (British Columbia). The Company was formed to complete an Initial Public Offering (“IPO”) and become classified as a Capital Pool Company (“CPC”) as defined by TSX Venture Exchange (“TSXV”) Policy 2.4. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (“QT”). On January 17, 2020, the Company completed its IPO and that its shares were listed for trading on the TSXV. The head office and the registered office of the Company is located at 10th Floor, 595 Howe St., Vancouver, BC, V6C 2T5.

As at March 31, 2021, the Company has no business operations. As a CPC, the Company’s principal business objective will be to identify and evaluate assets, properties or businesses with a view to a potential acquisition or participation by completing a QT subject, in certain cases, to shareholders’ approval and acceptance by the TSXV. There is no assurance that the Company will identify and successfully acquire businesses or assets that will produce a profit. Moreover, if a potential business or asset is identified which warrants acquisition or participation, additional funds may be required to complete the acquisition or participation and the Company may not be able to obtain such financing on terms which are satisfactory to the Company.

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Nature of Business and Continuance of Operations (continued)

Under the policies of the TSXV, the Company must identify and complete a Qualifying Transaction within 24 months from the date the Company's shares are listed for trading on the TSXV. There is no assurance that the Company will be able to complete a QT within this time period, or that it will be able to secure the necessary financing to complete a QT. The TSXV may suspend or de-list the Company's shares from trading should it not meet these requirements.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company has not been significant, but management continues to monitor the situation.

Going Concern

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the year ended March 31, 2021, the Company had no revenues and incurred a net loss of \$72,180. As at March 31, 2021, the Company has no current business and has an accumulated deficit of \$162,719. The Company's continuing operations are dependent upon its ability to complete its IPO and identify, evaluate, and negotiate a QT. If the QT is identified or completed, additional funding may be required and there is no assurance that the Company will be able to obtain such financing, if any, on terms that are acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. These financial statements do not include any adjustments to the recorded assets or liabilities that might be necessary should the Company be unable to continue as a going concern.

Liquidity & Capital Resources

Results of Operations

For the year ended March 31, 2021

The Company incurred a loss of \$72,180 for the year ended March 31, 2021 compared to a loss of \$64,529 for the year ended March 31, 2020. The increase in loss was mainly attributable to increased professional fees.

Off-balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements.

Cash Flows

During the year ended March 31, 2021, the Company used \$31,400 of cash for operating activities compared to \$64,529 during the year March 31, 2020. The decrease in the use of cash for the year ended March 31, 2021 was directly related to the Company's IPO expenses during the year ended March 31, 2020.

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SHARE CAPITAL

Authorized: unlimited common shares without par value

unlimited preferred shares without par value

On January 17, 2020, the Company issued 3,500,000 common shares through its IPO at \$0.10 per share for proceeds of \$350,000. As part of the IPO, the Company incurred share issuance fees of \$74,424 and issued 350,000 broker options, exercisable at \$0.10 per share for a period of two years from the date of issuance, with a fair value of \$26,609.

In accordance with TSX-V Policy 2.4 for Capital Pool Companies, the Company is limited to the lesser of 30% of gross proceeds raised from the sale of securities or \$210,000 for expenditures that are not related to valuations or appraisals, business plans, feasibility studies and technical assessments, sponsorship reports, geological reports, financial statements, fees for legal and accounting services, and agents fees, costs, and commissions.

Stock Options

The Company has established a stock option plan (the “Plan”) for its directors, executive officers, employees and consultants under which the Company may grant up to 560,000 stock options until the completion of the qualifying transaction which increases to 10% of the total issued and outstanding common shares of the Company after the completion of the qualifying transaction.

During the year ended March 31, 2020, the Company granted 350,000 stock options with a fair value of \$26,609 to a broker as part of the Company’s IPO which was recorded as share-based payment reserve on the statement of financial position. The weighted average fair value of stock options on the date of grant was \$0.05.

	Number of options	Weighted average exercise price \$
Outstanding, March 31, 2019	555,000	0.10
Granted	350,000	0.10
Outstanding, March 31, 2020 and 2021	905,000	0.10

Additional information regarding stock options outstanding as at March 31, 2021, is as follows:

Range of exercise prices \$	Stock options outstanding	Weighted average remaining contracted life (years)
0.10	905,000	7.20

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Performance Summary

Selected Annual Information

The following table provides a brief summary of the Company's financial operations for the three most recently completed financial years ended March 31:

	2021	2020	2019
Total revenue	-	-	-
Net loss and comprehensive loss	(72,180)	(64,529)	(26,010)
Basic and diluted loss per share	(0.01)	(0.02)	(0.03)
Total assets	295,147	316,047	105,000
Total long-term liabilities	-	-	-

This information has been prepared in accordance with IFRS and is presented in Canadian dollars, which is the functional currency of the Company. For more detailed information please refer to the Company's financial statements.

Summary of Quarterly Results

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

	March 31, 2021 \$	December 31, 2020 \$	September 30, 2020 \$	June 30, 2020 \$
Net gain (loss) for the period	(59,222)	(1,320)	(2,415)	(9,223)
Basic and diluted loss per share	(0.01)	(0.00)	(0.00)	(0.00)
	March 31, 2020 \$	December 31, 2019 \$	September 30, 2019 \$	June 30, 2019 \$
Net gain (loss) for the period	(31,419)	(1,025)	(17,395)	(14,690)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.03)

Financial Instruments and Risk Management

The Company is exposed in varying degrees to a variety of financial instruments and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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Financial Instruments and Risk Management (continued)

(a) Fair Values (continued)

The fair value of financial instruments, which includes cash and cash equivalents and accounts payable and accrued liabilities, approximates its fair value due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consists of cash and cash equivalents. The Company limits its exposure to credit loss by placing its cash and cash equivalents with a high credit quality financial institution or within a legal trust. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

(d) 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 plans on settling its financial obligations out of cash and relies on the Company raising debt or equity financing in a timely manner to maintain cash in excess of anticipated needs. There is no assurance that financing will be available or, if available, that financing will be on terms acceptable to the Company.

Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and cash equivalents and shareholders' equity.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is subject to externally imposed capital requirements under Policy 2.4 of the TSX-V for Capital Pool Companies and the Company's overall strategy with respect to capital risk management remains unchanged from the period ended March 31, 2020.

Qualifying Transaction

On March 5, 2021, as amended on June 7, 2021 and July 14, 2021, the Company announced that it had entered into a non-binding term sheet (the "Term Sheet") with VIP Entertainment Group Inc. ("VIP Entertainment") dated February 16, 2021. Pursuant to the Term Sheet, the Company and VIP Entertainment intend to complete a business combination intended to constitute the Company's QT (the "Proposed Transaction"). The Proposed Transaction will result in the Company acquiring all of the issued and outstanding equity shares of VIP Entertainment at a ratio of 1.16739 (the "Exchange Ratio") common shares of the Company for each common share of VIP Entertainment. Outstanding convertible securities of VIP Entertainment will be exchanged into common shares of the Company using the Exchange Ratio. The Company is required to have a minimum of \$180,000 of working capital as at the closing date of the agreement, which is to be no later than October 1, 2021.