APHELION CAPITAL CORP.

MANAGEMENT’S DISCUSSION AND ANALYSIS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020
AND FOR THE PERIOD FROM JANUARY 10, 2019 (INCORPORATION) TO MARCH 31, 2019

(Expressed in Canadian Dollars)

Introduction and Basis of Presentation

This Management's Discussion and Analysis ("MD&A") provides a review of Aphelion Capital Corp.'s ("Aphelion" or "the Company") financial performance for the three-month period ended March 31, 2020 and for the period from January 10, 2019 (incorporation) to March 31, 2019. It should be read in conjunction with Aphelion's unaudited condensed interim financial statements and accompanying notes for the three-month period ended March 31, 2020 and audited financial statements for the period ended December 31, 2019 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 May 13, 2020.

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 Aphelion'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 Risks 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 Aphelion'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

Aphelion Capital Corp. (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on January 10, 2019 and is a capital pool company ("CPC"), as defined in TSX Venture Exchange ("TSX-V") Policy 2.4 ("Policy 2.4"). The Company listed its common shares for trading on TSX-V on February 26, 2020 under the symbol "APHE.P".

The Company's principal business activity is the identification and evaluation of assets, or businesses with the objective of completing a qualifying transaction (a "Qualifying Transaction") as defined by the CPC Policy.

On February 26, 2020, the Company successfully completed its initial public offering (the "Offering") of 2,000,000 common shares at a price of $0.10 per share for total proceeds of $200,000. Pursuant to an agency agreement between the Company and Canaccord Genuity Corp. (the "Agent"), the Agent received a cash commission equal to 10% of the gross proceeds and an administration fee. In addition, the Company granted the Agent an option to purchase up to 200,000 common shares at a price of $0.10 per common share, exercisable for a period of 24 months. The Agent also received a corporate finance fee of $15,000 plus taxes and was reimbursed for certain Agent's expenses, including legal fees, incurred pursuant to the Offering.

The proceeds raised from the issuance of share capital and from the Offering may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to the lesser of $210,000 or 30% of the gross proceeds may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until the completion of a Qualifying Transaction by the Company as defined under Policy 2.4.

The Company's registered office address is 2600-1055 West Hastings Street, Vancouver, BC V6E 3X1 and its principal place of business is located at 5479 Blueberry Lane, North Vancouver, British Columbia, V7R 4N5.

Overall Performance

As at March 31, 2020, the Company had $135,568 in cash and cash in trust. The Company incurred a net loss of $40,055 during the three-month period ended March 31, 2020.

Summary of Quarterly Results

Quarter ended	March 31, 2020 (Q1)	December 31, 2019 (Q4)	September 30, 2019 (Q3)	June 30, 2019 (Q2)	January 10, 2019 (incorporation) to March 31, 2019 (Q1)
	$	$	$	$	$
Net loss	(40,055)	(25,040)	(12,030)	(5,558)	(6,386)
Basic and diluted loss per share	(0.2)	-		-	-
Assets	135,568	79,154	118,757	100,286	102,923
Working Capital	126,479	57,372	82,412	94,442	100,000

Results of Operations

Three-month period ended March 31, 2020

During the three-month period ended March 31, 2020, the Company had a net loss of $40,055 compared to $6,386 for the period ended March 31, 2019, representing an increase in loss of $33,669. Major variances are as follows:

- Professional fees for the three months ended March 31, 2020 were $27,754 compared to $Nil for the three months ended March 31, 2019. The increase was mostly due to legal fees paid with respect to the completion of the Company's initial public offering;
- General and administrative fees for the three months ended March 31, 2020 were $12,301 compared to $Nil for the three months ended March 31, 2019. The increase was due to the filing fees paid with respect to the completion of the Company's initial public offering; and
- Share-based payments for the three months ended March 31, 2020 was $Nil compared to $6,386 for the three months ended March 31, 2019. The share-based payments were related to stock options granted during the prior year period. No stock options were granted during the current period ending March 31, 2020.

Liquidity and Capital Resources

At March 31, 2020, the Company had working capital of $126,479 compared to $57,372 at December 31, 2019.

On February 26, 2020, the Company completed its initial public offering, issued 2,000,000 common shares for $0.10 per share for total proceeds of $200,000.

Management believes that there is sufficient working capital to meet anticipated expenses for the next twelve months.

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, officers, close family members and enterprises which are controlled by these individuals.

During the three-month ended March 31, 2020, share-based payments of $Nil (March 31, 2019 - $6,386) were incurred for officers and directors of the Company. There was no other remuneration paid to related parties during the period.

Proposed Transactions

The Company's current objective is to identify and evaluate assets or a business to acquire which will serve as its Qualifying Transaction subject to shareholder and regulatory approval.

No transaction has been completed as of May 13, 2020.

Share Capital

At March 31, 2020 and the date of this report, the Company had 4,000,000 common shares issued and outstanding.

At March 31, 2020 and as at the date of this report, the Company had 200,000 stock options and 200,000 agent's warrants outstanding.

Financial Instruments

Fair value

The Company's financial instruments consist of cash, 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.

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used 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; and
Level 3 - Inputs for assets or liabilities 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

The Company is not exposed to credit risk. The Company's cash is held in large Canadian financial institutions. The Company has not experienced nor is exposed to any significant credit losses.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company is not exposed to significant liquidity risk. Accounts payable at March 31, 2020 are due within 3 months of that date.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is not exposed to significant market risk.

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 endeavours 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.

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 cash held in trust. 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; and
- 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 2020.